



# TRADITIONAL CFD4

Managed Portfolios Designed for Low Minimums & Greater Appreciation

BROKERAGE INVESTMENT MANAGEMENT SERVICES



# CREATIVE FINANCIAL DESIGNS, INC.

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## Our History

Founded in 1982, Creative Financial Designs, Inc. (Creative) is a Registered Investment Adviser (RIA) with the Securities and Exchange Commission. Headquartered in Kokomo, Indiana, Creative was established with a clear mission: to assist financial advisers in providing client-focused, values-based financial guidance. The firm supports a wide network of advisers across the country, all committed to delivering exceptional service and results, abiding by their fiduciary responsibility.

Creative offers a comprehensive range of products, including investment management and financial planning services that can be tailored to meet the unique financial circumstances of individual clients. By combining industry expertise with a personalized approach, Creative helps individuals, families, and businesses build, manage, and preserve wealth.

With a strong emphasis on integrity, innovation, and customized solutions, Creative continues to uphold its founding vision—to ensure that every household has access to trustworthy financial advice that promotes long-term success, regardless of one's starting point or financial history.

# *Your* *FINANCIAL &* *INVESTMENT* *SUCCESS*

**O**ur firm understands our fiduciary requirements to help *you* meet *your* investment goals. With *your* trusted & valued financial adviser, *your* investment management team is here to provide the services for *you* to be successful. This is about *you* and we will never lose that aspect.

Shouldn't *you* use a firm that cares about *your* financial goals?



# DISCIPLINED INVESTING

Human emotions have the ability to affect clients' investing. It is common for investor's confidence to grow as your investments grow. Conversely, as markets lose value, confidence decreases. Clients tend to go to the sidelines at the wrong time.

Disciplined investing does not adhere to the emotions of investing such as greed, fear, or chasing returns. Along with keeping your account diversified, using a disciplined long-term investment approach is key to obtaining consistent and sound results, though no strategy guarantees profits or prevents losses.

## DO NOT LET YOUR EMOTIONS AFFECT YOUR INVESTMENT SUCCESS

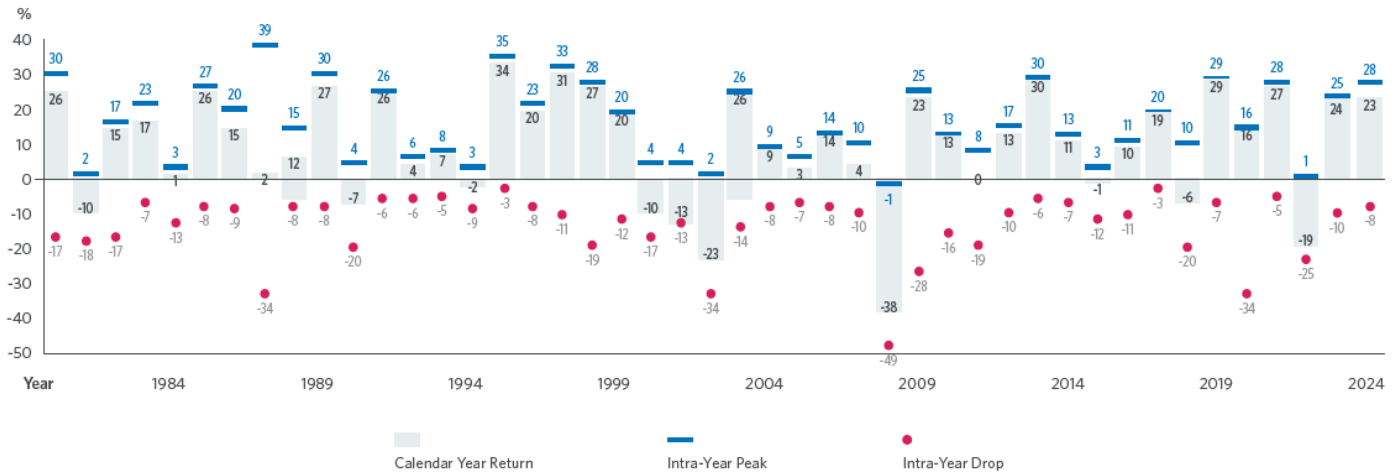


Wall Street Journal, "Control Yourself" June 8, 2009  
RBC Correspondence Services, "The Cycle of Market Emotions" June, 2009

*It is Time in the Market, Not Market Timing*

# THINK BEYOND DAILY ACTIVITY

A look back at the S&P 500's historical performance reveals the index endures drastic intra-year swings each year, but U.S. stocks have posted positive annual returns in 34 of 45 years.



Source: Morningstar, Bloomberg, Transamerica Asset Management, Inc.

<sup>1</sup>The return for 2011 was negative.

S&P 500® Index is an unmanaged index of 500 common stocks primarily traded on the New York Stock Exchange, weighted by market capitalization. It is not possible to invest directly into an index.

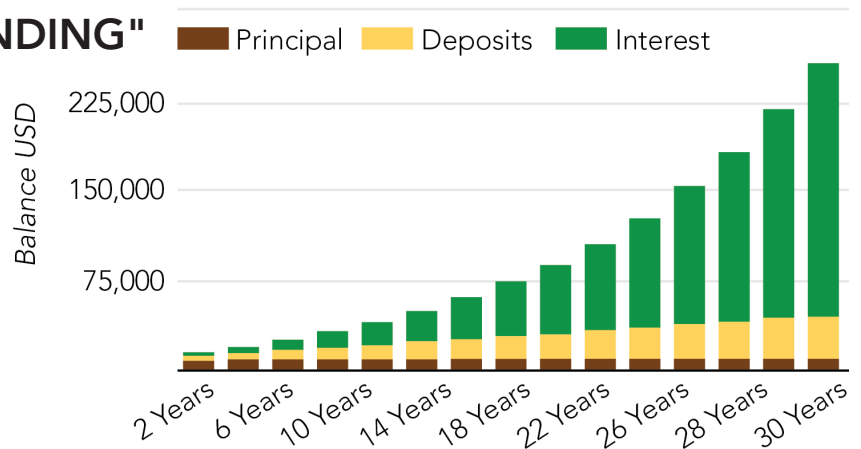
Investments are subject to market risk, including the loss of principal. Past performance does not guarantee future results.

## LESSONS OF INVESTING ESPECIALLY DURING VOLATILITY

- Turn off the noise - Watch and read less from places that get paid for "clicks" and "viewers"
- Expect the unexpected - markets can change suddenly, especially when everyone expects them not to
- Continue investing through all market conditions, especially when markets go down and become "on sale"
- Remember investing for your financial goals is for the long-term
- Before making any rash decisions, consult your trusted financial adviser
- Lean on your trusted financial adviser for direction especially during times of volatility and concern

## THE "POWER OF COMPOUNDING"

The power of compounding is the process of generating earnings on both your original investments and the accumulated interest or returns from previous periods. Often called a "snowball effect," it allows money to grow exponentially over time, turning small, consistent investments into significant sums because your earnings begin to earn their own returns.



Source: [financial-yogi.com/the-awesome-power-of-compound-interest/](https://financial-yogi.com/the-awesome-power-of-compound-interest/)

Illustration is for general purposes only and attempts to illustrate the basics of the power of compounding. No returns are assumed for management of accounts.

# INVESTMENT MANAGEMENT SERVICES FOR YOU

Creative Financial Designs, Inc. provides investment management services designed to support a broad range of client financial objectives. Recognizing that each client's situation is unique, our investment management team offers a range of strategies and portfolio objectives designed to support personalized, goal-focused investment planning. Your adviser begins by conducting a thorough review of your personal circumstances, financial needs, and long-term goals to determine whether investment management is appropriate for you.

As a Registered Investment Adviser, we are held to a fiduciary standard, which requires that we place your best interests first at all times. This obligation guides every recommendation and investment decision made on your behalf. If investment management services are determined to be suitable, your adviser will work with you to identify the investment strategy or strategies that best align with your specific objectives. In some cases, multiple strategies may be used to address different goals or asset types. Your adviser will also help establish an appropriate portfolio objective and risk tolerance to ensure your investment approach is consistent with your ability and willingness to accept risk.

## HOW IT WORKS



Your adviser helps you and other clients that are concerned about their investments open a brokerage account.

Your account will be managed by our investment team, which evaluates market and economic conditions when making investment decisions intended to support your long-term objectives. As with all investing, results cannot be guaranteed.



Our investment management team will build and manage your account with our diligently screened mutual funds, ETFs, and/or equities, depending on your strategy choice.



As a client, you select your portfolio objective and investment strategy for your managed brokerage account.



# ABOUT

## CFD4

The CFD4 Investment Strategy is designed to provide a focused investment portfolio that seeks long-term growth and capital appreciation. The strategy primarily invests in mutual funds and exchange-traded funds (ETFs) and generally utilizes a smaller number of asset classes and investments than in the firms' more broadly diversified portfolios. This structure creates a simplified portfolio that may appeal to investors seeking a more concentrated investment approach.

### OVERALL STRATEGY OBJECTIVES

- To provide a simplified portfolio structure using a limited number of mutual funds and/or ETFs
- To pursue long-term growth and capital appreciation based on the client's selected portfolio objective
- To maintain exposure to major asset classes while utilizing a more concentrated investment approach
- To emphasize investments demonstrating strong performance and diversification characteristics
- To utilize professionally managed mutual funds and ETFs selected through a disciplined research process
- To monitor portfolios and adjust allocations as market conditions and investment opportunities evolve

### SCREENING PROCESS FOCUS

The CFD4 strategy focuses on constructing a streamlined portfolio built around a limited number of investments and asset classes. This approach allows the investment team to emphasize funds that demonstrate strong potential through the firm's research and analytical process. Because the portfolio uses fewer holdings than more diversified strategies, it may experience greater volatility and risk over time.

### FOCUS OF RESEARCH SCREENING

Managing an overall portfolio and strategy is different than just picking investments. It is important to understand how investments work together in varying market environments. Our firm spends significant time evaluating each investment and how it may impact the overall portfolio. Some of the more specific items we evaluate within this strategy include:

- Universe of mutual funds and ETFs across multiple asset classes
- Evaluation of internal working, diversification, historical performance, risk characteristics
- Diversification benefits within the portfolio
- Investment manager experience and philosophy
- Portfolio overlap analysis
- Long-term performance consistency
- Review of expense ratios and internal fund costs
- Ongoing portfolio monitoring and allocation review

# CFD4 MANAGEMENT



## Strategy Objective

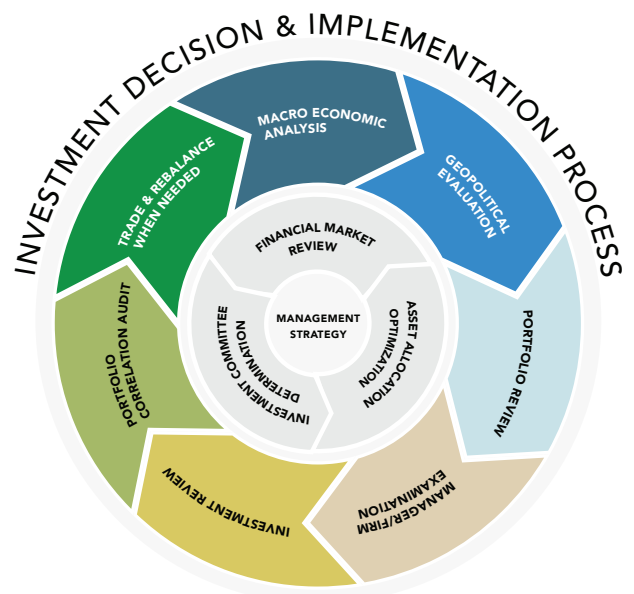
The CFD4 Brokerage Strategy (the “Strategy”) seeks to create a focused investment portfolio designed to pursue long-term growth and capital appreciation. The Strategy primarily invests in mutual funds and exchange-traded funds (ETFs) and typically concentrates on a smaller number of asset classes compared to more broadly diversified portfolios. The portfolio is generally constructed using as few as four investments and may utilize a limited number of asset classes, depending on the client’s selected portfolio objective. Because the strategy uses fewer holdings, it may provide a more concentrated approach to investing. Clients may choose from five portfolio objectives based on their risk tolerance: Conservative, Moderately Conservative, Moderate, Moderately Aggressive, and Aggressive.

## Strategy Process

The investment selection process begins with an in-depth evaluation of potential mutual funds and ETFs. The firm analyzes each investment’s risk characteristics, historical performance, diversification benefits, and management quality. This analysis is conducted using industry-standard research and portfolio analysis tools, as well as communication with fund managers when appropriate. Investments that demonstrate strong performance within their category and meet the firm’s analytical criteria are considered for inclusion in the portfolio. A typical portfolio may include approximately 4 to 10 mutual funds and ETFs, depending on the client’s selected portfolio objective and overall investment strategy. The firm continues to monitor investments and may adjust holdings or asset allocations as needed.

## Strategy Focus

The primary focus of the CFD4 Brokerage Strategy is to provide a streamlined portfolio built around a limited number of investments and asset classes. This more concentrated approach may allow the portfolio to emphasize funds that the investment team believes have strong potential based on the firm’s analytical process. Because the strategy uses fewer investments and asset classes than more diversified portfolios, it may experience greater volatility and risk. Investors should consider this potentially higher level of risk when selecting this strategy. The portfolio’s composition and asset allocation may evolve over time as market conditions change or as the investment team identifies new opportunities that align with the strategy’s objectives.



## *Why invest in* CFD4 Strategy?

The CFD4 investment strategy is designed to help investors access professional portfolio management from the start. Many new investors begin managing investments on their own without guidance. Our firm believes investors should have access to professional oversight as they build their portfolios. This strategy may also appeal to investors who prefer a more concentrated portfolio and understand that reduced diversification may result in greater volatility and a wider range of potential long-term outcomes.

### **Why CFD4 Investment Strategy May be Beneficial to Your Portfolio**

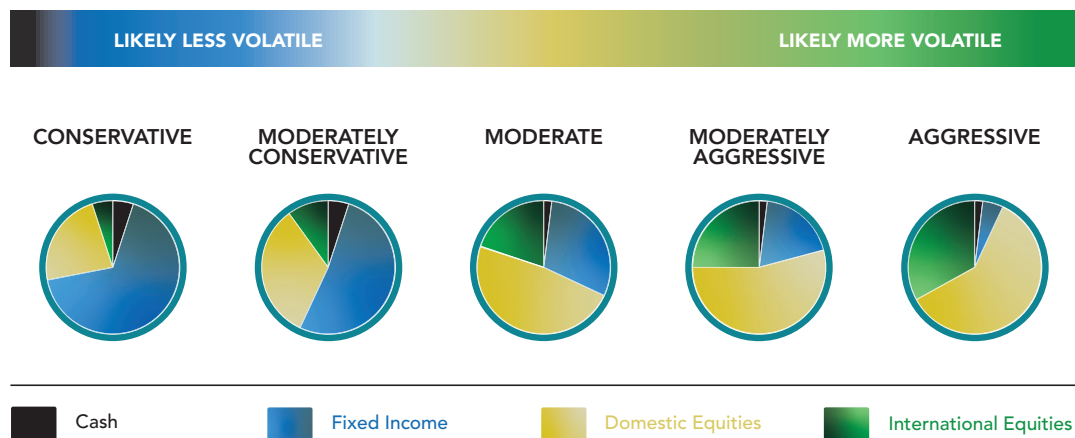
- Low Investment Minimums
- Emphasis on investment vehicles that may offer lower internal expenses than many actively managed mutual funds
- Flexibility to invest using mutual funds, ETFs, or a combination of both
- Utilization of carefully selected mutual funds and ETFs
- A more concentrated portfolio structure that may lead to a wider range of return outcomes
- Potentially higher portfolio risk compared to more broadly diversified investment strategies

Risk is inherent in all investments. Even diversified portfolios may experience losses, particularly over shorter time periods. To help investors pursue their long-term financial objectives, we emphasize disciplined portfolio management and long-term investment strategies. Investors should continue working closely with their financial advisor to monitor their financial progress and adjust as needed. Changes in life circumstances can impact financial goals, so it is important to keep your advisor informed as those changes occur.

## CFD4 OVERVIEW

Within our CFD4 Investments Strategy, the firm offers this investment service with a very low minimum of \$10,000. This strategy offers five portfolio objectives with less diversification than other strategies using mutual funds and ETF's due to the low minimums. Less diversification can lead to greater return variances and greater portfolio volatility.

### PORTFOLIO OBJECTIVE OPTIONS



The above depicts a generalization of each portfolio. Your account will be invested differently and changes can and will occur any time without notice.

### Additional Add-on Services Include:

- Allocate Portfolio Over Time
  - Available for accounts over \$50,000
- Optional Cash Allocation (OCA)
  - \$10,000 minimum OCA requirement

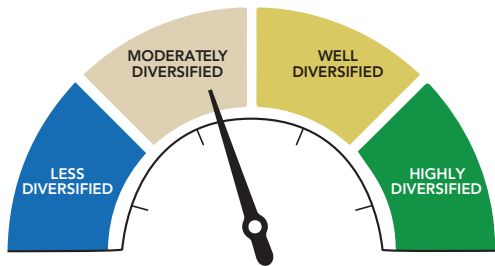
# SUMMARY

## STRATEGY MANAGEMENT: SPECIALIZED

This specialized investment strategy approach uses a limited number of investments and asset-classes to build each portfolio objective. This is a limited diversified investment approach with a very low minimum.

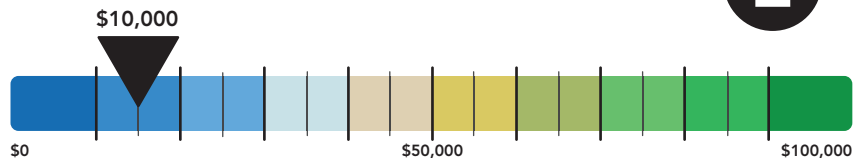
### STRATEGY DIVERSIFICATION TARGET

1



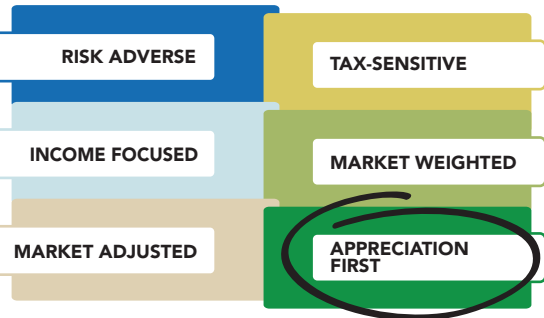
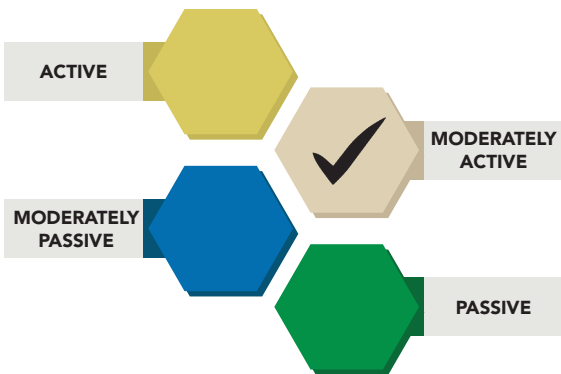
### MINIMUM

2



### MANAGEMENT TARGET STYLE

4



3

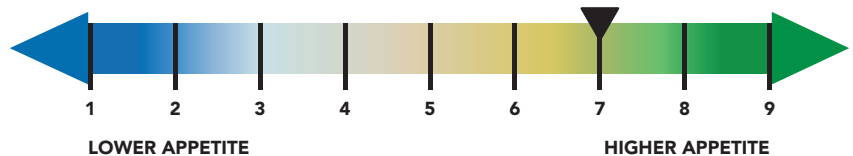
### RETURN GOAL

Higher returns goals with likely higher overall volatility.

### STRATEGY RISK INTENTION

5

This strategy risk line assessment is for comparison to the firm's other available strategies. It is not meant to be a risk comparison to the market or any index.



This page serves as a reference for the target categories outlined above. Please note that no guarantees are made regarding the achievement of these targets or the performance of this or any other strategies managed by the firm. Investment holdings are subject to change without notice, and this report is updated on an annual basis. As a result, the data presented may not always reflect the most current information, and various factors—including management decisions, economic conditions, and other variables—may impact these targets. For the latest updates and additional information, please consult your financial adviser.

# OUR MISSION

Our Mission is to provide unique and valuable investment services to all clients while honoring our Kingdom Values in guiding our work and lives.

## Disclosures for Creative Financial Designs, Inc.

**Investment Risk:** All investments entail risk, and these risks could result in the loss of some or all of your investment. There is no guarantee of returns. Past performance is not an indication of future results.

**Model Portfolios:** Portfolios are allocated pursuant to models determined by Creative Financial Designs, Inc., (Creative) which is solely responsible for the content of each model, and the selection of specific investments. Creative has discretion to change the models at any time, and might make changes to the models for any reason, including current or anticipated market conditions. Any references to percentages of assets in a model portfolio are subject to the discretion of the management team, and are subject to change at any time, without notice.

**Variations Among Accounts:** Each investment model is merely a guideline, and there may be variance between investment holdings, and therefore returns, in any particular account versus the model allocation. In some instances, these differences may be material. Additionally, there may be some differing holdings among customers investing in the same investment model portfolio. Some of these differing holdings are the result of limited investment options, such as would be the case in self-directed retirement accounts, and/or managed variable annuity accounts. Additional variations could arise due to such things as, without limitation:

- programmed reallocations by an issuer, pursuant to particular product terms and conditions
- special reallocation requests by the client
- timing issues, e.g. investors purchase a fund that subsequently is no longer available for new purchasers, so later investors invest in a comparable (though not identical) investment
- size of an investment account
- additional strategic options selected by a client, e.g. a client uses the invest over time option or the optional cash allocation
- additional contributions to an account, or withdrawals from an account
- additional charges or restrictions that may make a reallocation disadvantageous to a particular client
- tax implications applicable to an individual investment or account
- opening of new investments
- minimum investment amounts applicable to investments
- management fee and other fees charged to the client
- choice of product, custodian, platform, broker/dealer, or other third-party service providers, etc.

**Client Choices Influencing Returns in the Account:** Please note that your choices as a client may influence the returns in your account, and may not mirror returns of holdings of other investors in the same model portfolio. Some of your choices that may affect the account include:

- Making additional contributions to your account
- Making distributions from your account
- Putting special restrictions on your account, either to hold a particular security, to avoid a particular security, to hold additional cash, etc.
- management fee and other fees charged to the client
- choice of product, custodian, platform, broker/dealer, or other third-party service providers, etc.

**Investment Options Subject to Portfolio Selection Criteria:** Selection criteria of individual investments is subject to the limitations set forth in the particular strategy objectives. The firm attempts to diversify investment portfolios subject to the selection criteria for the particular strategy. Descriptions of investment strategies are set forth in the firm's ADV and other applicable disclosures.

**The CFD 4 Strategy:** The CFD4 strategy will typically be limited to 4 investment categories, with limited investment selections, which may change from time to time. This limitation does reduce potential diversification, which increases risk in the account.

**The S&P 500 Index :** The S&P 500 Index is an unmanaged market-value-weighted index of 500 stocks that measures the performance of large-capitalization US stocks. The S&P 500 Index is not available for direct investment and as shown does not include any expenses or fees that would be associated in investing in a like portfolio. The S&P 500 Index does not take into account any fees or expenses that may apply to comparable investments.

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