



# TRADITIONAL **COMBINATION**

Managed Portfolios Focused on Diversification Utilizing Mutual Funds,  
ETFs, & Individual Stocks

**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*

Our 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

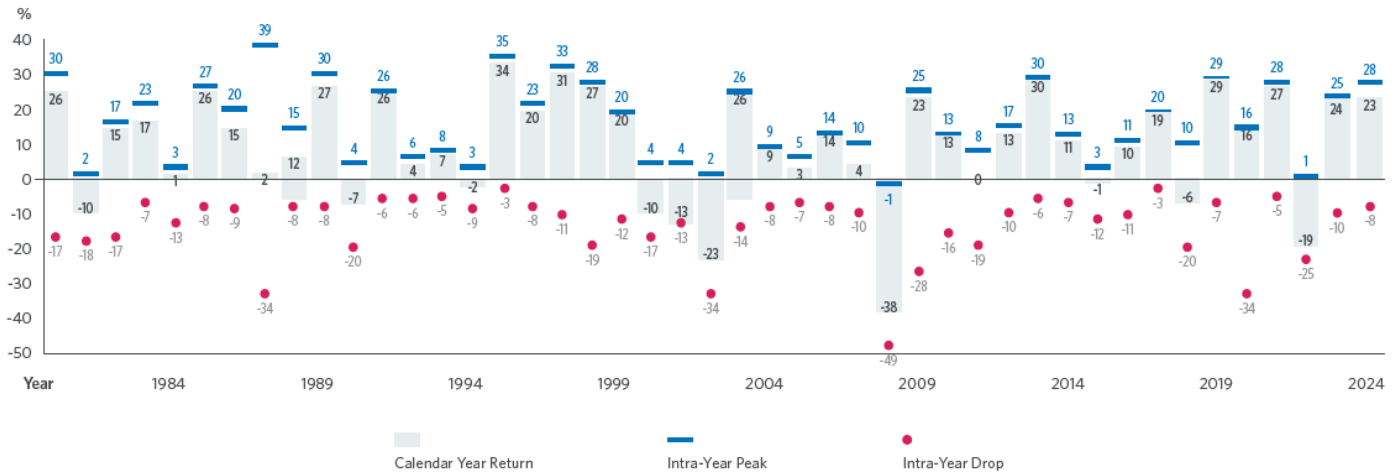


Wall Street Journal, "Control Yourself" June 8, 2009  
RBC Correspondence Services, "The Cycle of Market Emotions" June, 2009

*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.

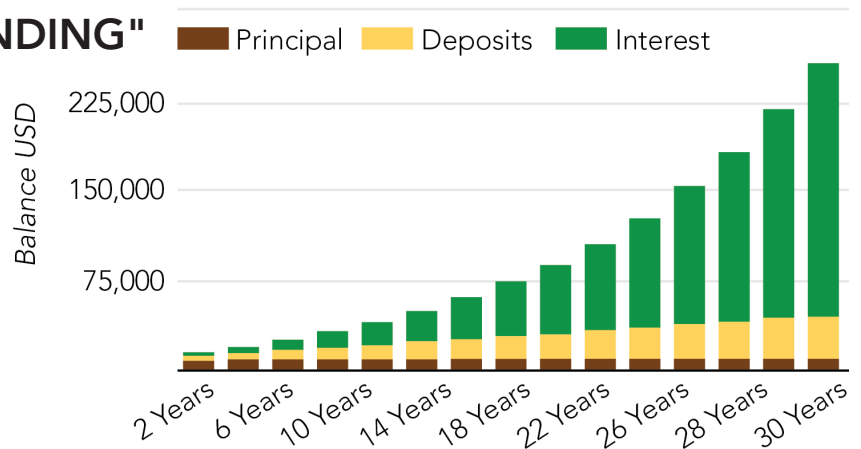
Investments are subject to market risk, including the loss of principal. Past performance does not guarantee future results.

## 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

## COMBINATION

The Combination Investment Strategy is designed to create a diversified portfolio that seeks long-term growth and capital appreciation. The strategy primarily invests in a blend of mutual funds, exchange-traded funds (ETFs), and a limited number of individual stocks to provide exposure across a broad range of asset classes. This structure seeks to combine the diversification benefits of funds with the opportunity to include carefully selected individual equities.

### OVERALL STRATEGY OBJECTIVES

- To provide a diversified portfolio utilizing mutual funds, ETFs, and select individual stocks
- To pursue long-term growth and capital appreciation based on the client's selected portfolio objective
- To maintain exposure across major asset classes through a structured portfolio allocation
- To incorporate carefully selected individual equities when appropriate within the portfolio
- To utilize professionally managed funds and disciplined equity selection research
- To monitor portfolios and adjust allocations as market conditions and opportunities evolve

### SCREENING PROCESS FOCUS

The Combination strategy focuses on blending multiple investment types to create a diversified and balanced portfolio. The investment team evaluates mutual funds, ETFs, and individual stocks based on performance, diversification benefits, and overall portfolio impact. By combining these investment types, the strategy seeks to balance broad market exposure with opportunities identified through individual equity research.

### FOCUS OF RESEARCH SCREENING

Managing an overall portfolio and strategy is different than just selecting individual investments. It is important to understand how each holding contributes to the overall portfolio across varying market environments. Our firm spends considerable time evaluating investments and how they interact within the broader strategy. Some of the more specific items we review within this strategy include:

- Highly rated ETFs, mutual funds, and individual stocks
- Highly ranked investments within their comparative asset class
- Lower internal investment expenses
- Various risk measurements
- Manager strategy and philosophy
- Limited portfolio overlap
- Long-term track record
- Manager ownership
- Ratio comparisons
- Diversification benefits within the overall portfolio

# COMBINATION MANAGEMENT



## Strategy Objective

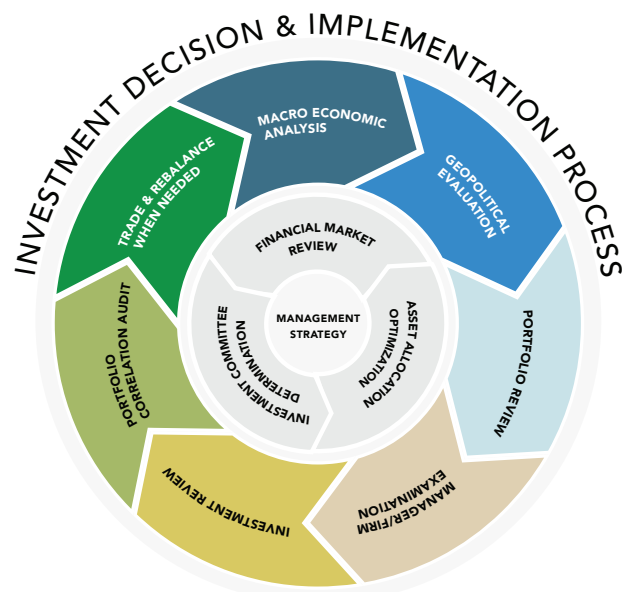
The Combination Investment Strategy (the “Strategy”) seeks to create a diversified investment portfolio designed to pursue long-term growth and capital appreciation. The Strategy primarily invests in a combination of mutual funds, exchange-traded funds (ETFs), and a limited number of individual stocks to provide exposure across a broad range of asset classes and investment opportunities. The portfolio is generally constructed using approximately 10 to 15 mutual funds and ETFs and 10 to 20 individual stocks, though the number can vary depending on the client’s selected portfolio objective and asset class exposure. Because of the Strategy’s structure, it seeks to provide diversification while also allowing the investment team to incorporate carefully selected individual equities. 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 investments. The firm analyzes each investment’s risk characteristics, historical performance, diversification benefits, and management quality when reviewing mutual funds and ETFs. For individual stocks, the firm evaluates fundamental attributes such as company financial strength, growth potential, and overall business quality. This analysis is conducted using industry-standard research and portfolio analysis tools, as well as communication with fund managers and company management teams when appropriate. Investments that demonstrate strong performance within their category and meet the firm’s analytical criteria are considered for inclusion in the portfolio. The firm’s management team reserves the right to increase or decrease the use of these investment types and continues to monitor the portfolio, adjusting holdings or allocations as market conditions change.

## Strategy Focus

The primary focus of the Combination Investment Strategy is to provide diversification by blending mutual funds, ETFs, and individual stocks within a single portfolio. By combining these investment types, the strategy seeks to optimize the portfolio’s risk and return profile while benefiting from the diversification provided by funds and the potential opportunities available through carefully selected individual equities. Because the Strategy can include a limited number of individual stocks, it can experience different risk characteristics compared to portfolios composed solely of funds. Investors should consider these potential risks when selecting the Strategy. The portfolio’s composition and asset allocation can 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* Combination Strategy?

The Combination investment strategy is designed to provide broad flexibility when constructing client portfolios. The strategy allows the investment management team to utilize a variety of investment vehicles, including mutual funds, exchange-traded funds (ETFs), and a limited number of individual stocks when appropriate. This approach allows portfolios to incorporate a wide range of investment opportunities while maintaining diversification across asset classes. By utilizing multiple types of investments, the strategy seeks to create diversified portfolios designed to pursue long-term growth and capital appreciation while adapting to changing market conditions.

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

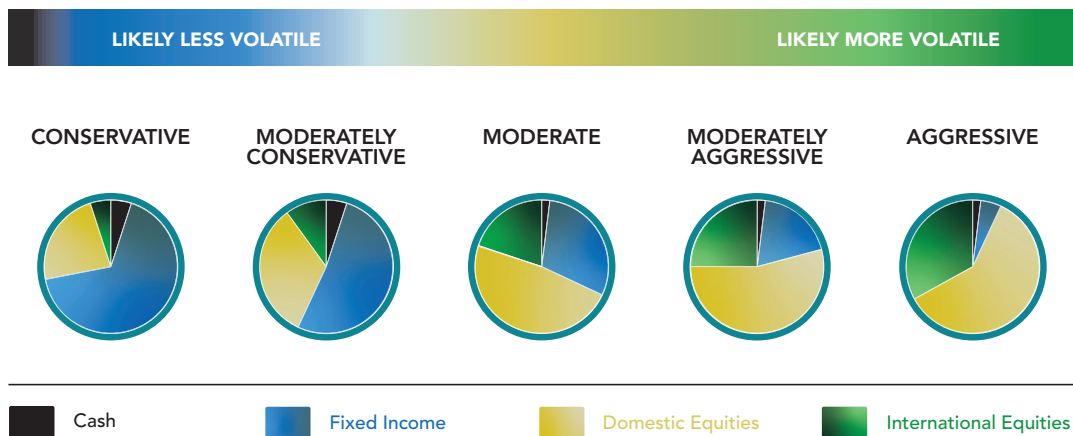
- Designed for investors seeking a diversified core investment strategy
- Flexibility to incorporate mutual funds, ETFs, and a limited number of individual stocks within portfolios
- Emphasis on diversification across multiple asset classes
- Focus on investment selection from a broad range of available investment options
- Investment selection considers internal expenses as part of the portfolio construction process
- Portfolios are structured to support multiple risk tolerance objectives
- Ongoing portfolio oversight by a professional investment management team
- Diversification across investments may help manage overall portfolio risk
- Designed to adapt to changing market conditions and evolving investment opportunities
- Managed by a firm operating under fiduciary standards when providing investment advice

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.

## COMBINATION OVERVIEW

Within our Combination Investments Strategy, the firm offers this investment management service with a low minimum investment of \$50,000. The strategy provides five portfolio objectives and emphasizes high diversification through a strategic investment approach across mutual funds, ETFs, and individual stocks. By utilizing multiple investment vehicles, the strategy seeks to create highly diversified portfolios designed to align with each client's investment objective.

### 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

# COMBINATION

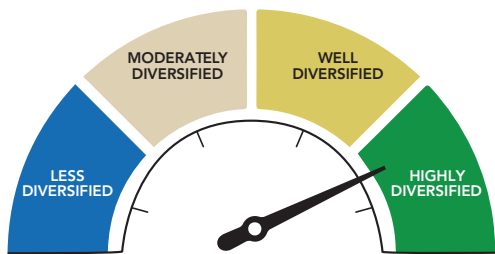
# SUMMARY

## STRATEGY MANAGEMENT: STRATEGIC DIVERSIFICATION

Under the firm's traditional investment approach, this strategy looks to maximize portfolio diversification across mutual funds, ETFs, and selected stocks.

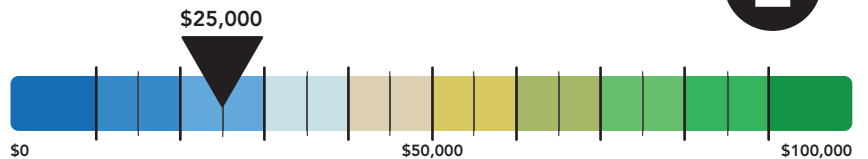
### STRATEGY DIVERSIFICATION TARGET

1



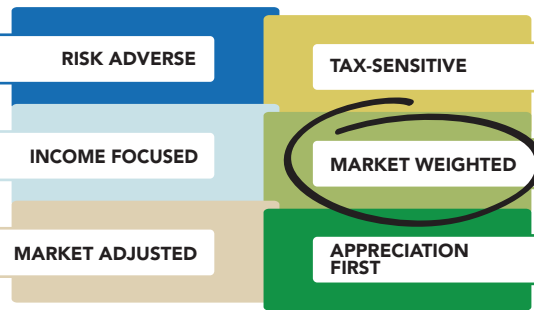
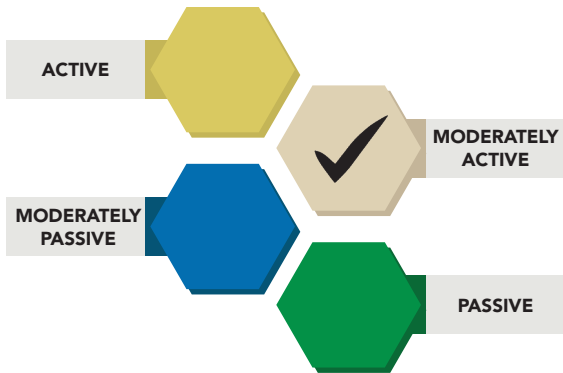
### MINIMUM

2



### MANAGEMENT TARGET STYLE

4



3

### RETURN GOAL

Strategy focuses on diversification over returns to reduce likelihood of high portfolio volatility.

### STRATEGY RISK INTENTION

5

The risk assessment for this strategy is intended for comparison with other strategies available within the firm. It is not designed to be a risk comparison to the overall market or any specific 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 variances 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 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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