

SUNRISE ADVISORS' **DISCIPLINED AND REPEATABLE** APPROACH TO ACTIVE ASSET MANAGEMENT

CORE:

Cash

Bonds

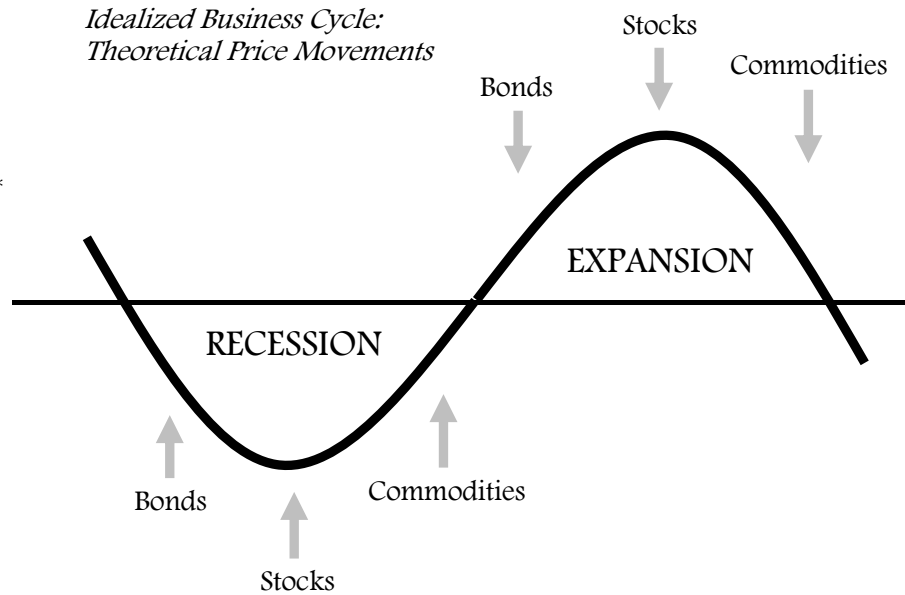
Foundation Investments*

Stocks

SATELLITE:

Reduce Risk

Add Value



CORE AND SATELLITE

Today most investment managers invest by allocating assets to a CORE portfolio consisting of:

- Cash – Money market funds, T-Bills, CD's, Bonds maturing in less than one year
- Bonds – Short-term, Intermediate-term and Long-term / Domestic and Foreign
- Stocks – Large, Medium, Small-Cap / Domestic and Foreign.

Sunrise Advisors allocates investments in these CORE asset classes to be in sync with the business cycle ("Strategic Allocation"). In addition, we utilize our **SATELLITE** investments ("Tactical Allocation") with the express purposes of:

- 1) **Reducing risk** by avoiding overvalued sectors while using Modern Portfolio theory, behavioral economics, hedge-fund techniques and negatively-correlated asset classes AND
- 2) **Adding value** by investing in specific sectors that are attractively priced in the current economic environment.

* **FOUNDATION INVESTMENTS** (Part of the CORE portfolio)

The 'Foundation' of your investments is the currency in which your underlying assets are held and will most likely be spent. The US Dollar, the most widely-held reserve currency, is fiat currency. The purchasing power of any fiat currency can vary widely and rapidly. The value and stability of the US Dollar will, in large part, determine your future buying power and your investment success. The 'Foundation' portion of the portfolio is used to effectively **manage your assets to maintain buying power** and to allocate assets **to add value in periods of inflation and/or deflation**.