



**HOWARD**  
Capital Management



## **Freedom of Choice... A Better Way.**

Gain access to more investment options, active management and asset protection for your retirement account.

# THE SELF-DIRECTED BROKERAGE ACCOUNT (SDBA)

## What is a self directed brokerage account?

Having the freedom of choice and flexibility in retirement investing is becoming increasingly more popular in many company-sponsored retirement plans today.

A SDBA, or Self-Directed Brokerage Account, is a window inside a company-sponsored retirement plan (401(k), 403(b), 457, etc.) which offers plan participants the option to invest in more than the limited pre-selected company choices.

Access to professional money management, and additional investment options like stocks, bonds, mutual funds, ETFs, etc., allows investors to seek growth through guidance. By investing in additional options outside of the core choices, investors can strive to maximize returns through investments better suited to their goals and risk preference.

## How does it work for participants?

Company plans that offer a SDBA allow any plan participant the ability to move their assets, tax- and penalty-free, into a brokerage account and choose

from a larger selection of investment choices. Assets remain in the retirement plan; they are not rolled over and there is no taxable event.

## What can active management do for a SDBA participant?

Through tactical, active management, an investor can relax knowing their investments are being carefully managed by the financial professional of their choice. With the twists and turns of the market, emotions can get in the way, deterring the investor from making rational decisions with their investments, and reaching their investment goals.

## How can asset protection prevent large loss during a market downturn?

Missing the worst days of the market could save you much more than you think; it could save you years of catching up. With fiduciary investment advice and **stoploss** asset protection, HCM will manage your assets in your account (based upon your risk-tolerance) and will make adjustments to your portfolio on an as-needed basis. This removes emotion from the investing process.

LIMITED

**BASIC  
ACCOUNT**

### LIMITED CHOICES

employer chosen core investment options and/or target date funds.

LIMITLESS

**BROKERAGE  
ACCOUNT**

### WIDER RANGE OF CHOICES

mutual funds, stocks bonds, ETFs, access to money management.



# THE FREEDOM TO GO BEYOND THE BASICS



In a 2014 Financial Engines/AON Hewitt study, the annual median performance gap return between participants that had help and participants that did not have help was 3.32%, net of fees over the period 2006–2012. This difference can have a meaningful impact on wealth accumulation over time. For a 45-year old participant that seeks the help of a financial professional it could translate to **79%** more wealth at age 65.3.”

– FINANCIAL ENGINES & AON HEWITT



## CHECK WITH YOUR PLAN-SPONSOR to Determine if You are Eligible to Open a Self-Directed Brokerage Account.

You can do this by calling your Human Resources or benefits department, or by calling your financial advisor.



## OPEN YOUR BROKERAGE ACCOUNT ONLINE with the help of your financial advisor and Begin Personalizing Your Plan!

Once you open your account, you can move assets from your current investments into the brokerage account.

### BASIC COMPANY PLAN

- Access to pre-selected investment options chosen by the company
- Limited or no access to personalized advice
- Limited or no access to third party active management
- No **stoploss** protection

### BASIC SDBA

- Access to greater investment options, diversification and control over your retirement plan
- Access to personalized advice
- Access to third party active management
- Potential to sidestep bear markets through additional management strategies

### HCM SDBA

- Proactive asset management
- **Stoploss** protection with the HCM-BuyLine®, a mathematical, non-emotional indicator which signals when to enter and exit the market
- Selection of proprietary mutual funds designed for all investment strategies
- Portfolio re-balancing
- Weekly market updates

## LIVE THE RETIREMENT YOU DESIRE. GET STARTED TODAY!

Contact your financial advisor or human resources department today to discuss your retirement plan options. All plans are different. It's important to note that though you will receive added benefits with this option, additional management fees may apply.

## IMPORTANT DISCLOSURE INFORMATION

Past performance may not be indicative of future results. Different types of investments involve varying degrees of risk. Therefore, it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended and/or undertaken by Howard Capital Management, Inc. ("HCM"), or any non-investment related services, will be profitable, equal any historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. HCM is neither a law firm nor accounting firm, and no portion of its services should be construed as legal or accounting advice. Moreover, you should not assume that any discussion or information contained in this document serves as the receipt of, or as a substitute for, personalized investment advice from HCM. Please remember that it remains your responsibility to advise HCM, in writing, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services, or if you would like to impose, add, or to modify any reasonable restrictions to our investment advisory services. A copy of our current written disclosure Brochure discussing our advisory services and fees is available upon request. The scope of the services to be provided depends upon the needs of the client and the terms of the engagement.

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Our proprietary indicator, the HCM-BuyLine®, identified changes in the market trend. Buys and sells may or may not have occurred on the exact dates shown. These dates do not necessarily reflect transactions applied to every individual account. Also, certain products, custodians and portfolios may have a delay in execution. When the HCM-BuyLine® indicates a bull market, HCM then identifies the particular mutual funds, ETFs or individual stocks that we believe have the best return potentials in the current market from the universe of assets available in each given program and invests in them. When the HCM-BuyLine® indicates a bear market, HCM moves clients' investments to less risky alternatives.

Not every HCM-BuyLine® buy and sell will result in a profitable trade. There will be times when following the indicator results in a loss. However, there have been situations in the past in which HCM reduced clients' exposure to equities during market downturns by following an HCM-BuyLine® signal, thereby preserving capital. An important goal of the HCM-BuyLine® is to outperform the market on a long-term basis. The reason is the mathematics of gains and losses. A portfolio which suffers a 30% loss takes a 43% gain to return to the previous portfolio value.

The HCM-BuyLine® is a reactive indicator, not a proactive one. It will not catch the first 5–10% of a bull or bear market. Ideally, it will avoid most of the downtrends and catch the vast bulk of the uptrends. There may be times when the use of the indicator will result in a loss when we re-enter the market. Other times there may be a modest positive impact. When severe downtrends occur, however, such as in 2000-2002 and 2007-2008, it has the potential to make a significant difference in portfolio performance.

Naturally, there can be no guarantee that the HCM-BuyLine® indicator will perform as anticipated. Stoploss protection will not necessarily limit your losses to the desired amounts due to the limitations of the HCM-BuyLine®, market conditions, and delays in executing orders. It is not an actual stoploss order that automatically sells securities in the portfolio at a certain price.

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