

**INNOVA**  
WEALTH  
WEALTH MANAGEMENT AND INVESTMENT ADVISORS

## Portfolio Strategies

Our investment strategies are built specifically to match your financial plan. Starting with your goals, cash flow needs and time-horizon, we create a customized portfolio that seeks to provide pension-like predictable cash flows and growth that will supplement your income in later years.



### Defined Income Portfolio

The Defined Income Portfolio takes lessons from the pension world to engineer an income matching portfolio that generates predictable cash flows to meet future spending needs.



Matched to Cash Flow Needs



Protects Principal



Reduces Drawdown Risk



### Time Targeted Growth Portfolios

Over and over again, the market has showed us that the longer you stayed invested in equities, the better chance you have of seeing higher returns. However, most investors cannot afford to leave their equity investments in the market forever. Given these realities, we built growth portfolios that use game theory algorithms that seek to improve your probability of reaching a time-based goal.



Seeks to Lessen the Impact of Bad Markets



Downside Stress Tests Global Asset Classes



Statistically Clusters Time Targets



Implements at a Low Cost



### Critical Path® System

The Critical Path® is a decision-making framework and reporting system that intuitively reflects the progress your Defined Income Portfolio and Time Targeted Growth Portfolio are making towards the goals laid out in your financial plan.



Client Specific Benchmarking



Goals-based Reporting



Intuitive Decision Making

## Defined Income Portfolios

At some point, we will all have to replace the income from our jobs. We take lessons from the pension world to engineer income matching portfolios that seek to deliver a predictable set of cash flows to meet your future spending needs.



### Matches Cash Flow Needs

We don't fit you into a few generic model portfolios. Instead, we analyze your financial plan and construct a customized portfolio that is directly linked to your future cash flow needs.

#### Key Benefits:

- Links directly to the financial plan
- Establishes a deferred income strategy
- Creates a "retirement paycheck"



### Protects Principal

Since bonds funds can lose principal when interest rates rise, we utilize individual bonds and income producing ETFs that mature like bonds. Doing so, we can better protect the principal that you may rely on for your cash flow needs.

#### Key Benefits:

- Manages interest rate risk
- Less susceptible to market pressures
- Keeps you in control of your assets



### Reduces Drawdown Risk

When markets are experiencing negative returns, and you have to sell your equities at depressed prices, you may never fully recover. Knowing this, we design your income portfolio to reduce your probability of drawing down your growth portfolio in poor markets.

#### Key Benefits:

- Provides confidence in poor markets
- Reduces sequence risk
- Focuses on long-term goals

## Time Targeted Growth Portfolios

Over and over again, the market has showed us that the longer you stayed invested in equities, the better chance you have of seeing higher returns. However, most investors cannot afford to leave their equity investments in the market forever. Given these realities, we built growth portfolios that use game theory algorithms that seek to improve a client's probability of reaching a time-based goal.



### Drawdown Risk Management

Since selling equities in a down market may reduce your probability of reaching your goals, we seek to maximize your minimum returns during the time horizon when you may sell equities.



### Goal Alignment

We built our growth portfolios around specific time horizons (1-3 years, 4-6 years, 7-15 years, and 15+ years) so that we can align your time-based goals with a portfolio that seeks to improve your probability of reaching that goal.



### Downside Predictability

We determined the portfolio mix for each of our time-targeted portfolios by seeking to optimize the historical minimum returns over each time-aligned rolling period going back to 1927.



### Tax and Expense Minimization

We seek to improve your chances of reaching your goals by utilizing low-cost portfolios<sup>1</sup> and tax minimization strategies such as asset location, tax-efficient fund usage, capital gains sensitivity, and tax loss harvesting.

<sup>1</sup>We classify low-cost portfolios as portfolios with a weighted expense ratio that is no more than .55%. According to the Investment Company Institute's® 2014 Investment Company Fact Book, the industry simple-average equity fund expense ratio is 1.37%.

## Critical Path® System

The Critical Path® is all about you. Your financial goals, your time horizons, your portfolio. The decision-making framework and reporting system is specific to your unique situation and is flexible enough to reflect all the changes along the way.



### Client Specific Benchmarking

Using the goals laid out in your financial plan and their corresponding investments, we create your Critical Path® that uniquely benchmarks your success in relation to your long-term financial goals.

#### Key Benefits:

- Links your investments to your goals
- Tracks progress in relation to your plan
- Creates a benchmark for a lifetime



### Goals-based Reporting

The Critical Path's® goals-based reports keep you focused on your progress towards your long-term goals. Instead of reporting your portfolio's performance relative to benchmarks like the S&P 500 that have nothing to do with the specific goals in your financial plan, the Critical Path® reports how you are doing relative to your plan.

#### Key Benefits:

- Keeps the focus on long-term goals
- Provides powerful historical context



### Intuitive Decision Making

The Critical Path® isn't just about reporting where you are relative to your goals. Its main purpose is to help you make decisions about where you are going and what you need to do in order to improve your chances of reaching your goals. It is an ongoing process to help steer you out of trouble and get them most you can out of retirement.

#### Key Benefits:

- Brings clarity to decision making
- Aligns your investments with your goals
- Shows the impact of financial choices

## Disclosures

Innova Wealth, LLC has partnered with Asset Dedication, LLC, a portfolio engineering firm, to design dedicated investment strategies customized to the individual needs of each person. Customization is the cornerstone of our approach, creating investment strategies unique to each person and each situation. Portfolios are built to client specifications to accurately determine how much of a portfolio should be dedicated to supplying cash for the short run, providing income for the intermediate term, and generating growth for the long term. The portfolio is then monitored using the Critical Path® system to make sure it stays on target.

Innova Wealth, LLC is a State of Texas registered investment adviser located in Houston, TX. Innova Wealth and its representatives are in compliance with the current filing requirements imposed upon registered investment advisers by those states in which Innova Wealth maintains clients. Innova Wealth may only transact business in those states in which it is registered, or qualifies for an exemption or exclusion from registration requirements. For information pertaining to the registration status of Innova Wealth, please contact the United States Securities and Exchange Commission on their website at <http://www.adviserinfo.sec.gov/>. A copy of Innova Wealth's current Form ADV Part II is available upon request.

Past performance may not be indicative of future results. Therefore, no current or prospective client should assume that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Innova Wealth) made reference to directly or indirectly by Innova Wealth in its literature or other-wise will be profitable or equal the corresponding indicated performance level(s). Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will either be suitable or profitable for a client or prospective client's investment portfolio. Historical performance results for investment indices and/or categories generally do not reflect the deduction of transaction and/or custodial charges, nor the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results.