

**Y F I** **Youngblood Financial, Inc.**  
INSTITUTIONAL SERVICES



**Serving Foundations, Endowments and  
Other Institutions**

**OUR FIRM** provides money management services to Foundations, Endowments and other Institutional Investors. We take an interactive and rigorous approach to analyzing the Institution's cash flow and distribution needs in order to design an appropriate investment policy and portfolio.

Recommendations are based solely on your Institution's needs, circumstances, and goals. The firm is a Registered Investment Advisor in compliance with the rules of the State of Illinois Securities Department. The founder earned an MBA in Finance from The Wharton School, University of Pennsylvania and also holds a CFP®, Certified Financial Planner credential.

**OUR MISSION** is to partner with clients to achieve specific financial goals by providing the highest level of service and technical expertise in money management. Our purpose is to help preserve and build institutional wealth by delivering highly competent advisory services in harmony with the institution's values and cash flow needs. We put our client's interest first, act with integrity and honesty, and strive for excellence in every facet of our practice. Our success is not measured merely by performance statistics but rather by our clients' success in achieving their goals.



**OUR CLIENTS** share in the realization that by coordinating and managing today's financial decisions they can achieve the institution's goals for tomorrow. They are Foundations, Endowments and other Institutions that expect excellence and have made a firm commitment to achieving it for themselves, their beneficiaries, and their stakeholders. Our clients want an expert reviewing and managing their endowments and institutional assets on a daily basis, want clear accountability, and are willing to enter into a long-term relationship that is mutually beneficial.

**OUR CORE VALUE-ADD** is providing our clients with the highest level of service and technical expertise in the management and preservation of institutional wealth. This is the defining quality that sets us apart from the competition.

## OUR PHILOSOPHY

**YOUNGBLOOD FINANCIAL, INC.** seeks to preserve and build institutional wealth. Our services are designed to secure the institution's financial foundation for the long-term through client-specific financial analysis and disciplined investment research. As your investment manager, we are dedicated to delivering advice in a manner that is highly professional and consistent with the needs of your board and stakeholders.

### A SERVICE ORIENTATION

Service and personal attention are the hallmark of Youngblood Financial, Inc. The relationship that we develop with each client organization starts with an initial meeting that identifies your needs, objectives, and risk tolerance. Thereafter, we develop an investment policy that illustrates our portfolio design and investment philosophy. Once we have agreed upon an appropriate investment policy, we implement our portfolio recommendations.

Every month we post a portfolio summary report with rate-of-return information on our secured web-site for your board's review and download. This gives you a timely picture of your investment portfolio's status and performance. In addition we provide a time-weighted rate-of-return analysis against selected benchmarks semi-annually so that you can assess your risk-adjusted returns. We like to meet client representatives at least semi-annually to review performance, discuss account rebalancing and market trends.

In short, Youngblood Financial, Inc. is *service oriented*. Our ongoing attention to the composition and performance of your portfolio, and our frequent communication with each of our clients, distinguishes Youngblood Financial, Inc. as a truly client focused firm.

## OBJECTIVES

There is no one particular investment policy and portfolio that is appropriate for every Institutional investor. The optimal portfolio will depend on the amount and timing of cash flow needs and market conditions. Therefore, investment decisions must be based on the Institution's needs and objectives. Through an objectives-driven process, crucial factors such as appropriate levels of risk and return are derived and optimized to achieve the goals and objectives specified by your board or steering committee.

### INVESTMENT PHILOSOPHY

Core Beliefs	Implications
<b>Asset allocation</b> is the primary driver of returns.	We implement through a mix of actively managed funds and ETFs.
<b>Diversification</b> improves returns over the full cycle of good and bad markets.	We maintain allocation to areas that "cost" ST performance so that they "add" LT performance as market leadership rotates.
<b>Lower volatility</b> leads to more predictable returns.	We perform intensive research into volatility and correlation to tune-in lower volatility
<b>Efficient market hypothesis</b> is sometimes <i>wrong</i> .	We use a core and satellite approach to address opportunities. We may under/overweight or hedge sectors and classes.
<b>Rebalancing</b> reduces risk and improves returns.	We rebalance semi-annually or as macro-events make prudent.

## APPROACH

### INVESTMENT POLICY

We believe in developing client-specific investment policy statement that emphasize diversified asset allocation. Each Institution has a Investment Policy Statement, which outlines the strategy just right for that Institution. Our in-depth research and use of low-correlation assets helps us deliver market returns at below market risk over the full-cycle of market ups and downs. We build upon our proprietary “Full Cycle” risk-managed model portfolios (“Low-risk” to “Aggressive”) in designing a portfolio suited to your needs.

When implementing an Investment Policy we allocate assets among the major asset classes: stocks, bonds, real estate, and cash. Stocks are divided between domestic and foreign; and across large, mid, and small capitalization. We primarily use mutual funds and ETFs for these allocations. Bonds allocations are divided into short, intermediate and long-term duration and most often represented via bond mutual funds for broad diversification. For any real estate allocation we use diversified real estate investment trusts (i.e., REIT mutual funds).

### INVESTMENT PROCESS

Our investment process has five major step linked in a continuous feedback loop. The major steps are: (1) Strategic Allocation which reviews macro-economic and capital market forecasts and identifies strategic allocations for growth and income. (2) Fundamental Analysis reviews fundamentals of markets, sectors and industries and identifies opportunities / catalysts for change. (3) Fund/ETF Research which screens risk-adjusted returns and confirms fund management continuity and ETF liquidity. (4) Portfolio Construction maps investment policy into specific funds and ETFs. Finally step (5) Monitor & Rebalance, which monitors performance and closes the feedback loop to Step-1.

### OUR INVESTMENT PROCESS



## PRINCIPAL

### ROY D. YOUNGBLOOD, MBA, CFP®,

Roy is Principal and Founder of the firm and Chief Investment Officer. He founded Youngblood Financial in 2002 to provide Institutional and Wealth Management services. He is also a Registered Investment Advisor Affiliate of the firm. He holds a Masters in Business Administration in Finance from The Wharton School, University of Pennsylvania, and a Bachelors Degree from the University of Nebraska. He is also a Certified Financial Planner – CFP®.

Prior to founding this firm Roy was a management consultant for fourteen years focusing on the financial services industry. During his tenure at A.T. Kearney and Accenture he advised some of the largest brokers and banks in the country on strategic, financial and operational issues.

## CONTACT INFO

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