

MONTECITO EDGE

Investment Strategy for Strong Growth

Benefits

- **Lower Taxes** - The S&P 500 investment is generally held for the long-term which typically results in a lower capital gains tax.
- **Dollar-Cost Averaging** - Montecito Edge capitalizes on market fluctuations, using profits from its actively managed hedge to buy S&P 500 ETF shares during dips, potentially lowering your cost basis over time.
- **Separately Managed Account** - Client assets are held in separately managed accounts at Charles Schwab. Providing ownership, control, and transparency.



Introduction

The Montecito Edge strategy is designed to achieve long-term capital appreciation while also aiming to manage risk during periods of market volatility. This is accomplished by combining the

historical growth prospects of the S&P 500 index with a dynamic risk management strategy that seeks to reduce losses during market downturns.

S&P 500 Allocation

The core of your managed assets are invested in a low-cost Exchange Traded Fund (ETF) that tracks the S&P 500 Index. This investment offers strong growth potential and is generally held for the long term and rarely traded.

Actively Managed Hedge

To hedge against volatility, a portion of your assets (up to 20%) are strategically invested in **inverse** S&P 500 ETFs. These products are designed to benefit from market downturns, potentially offsetting losses in your core holding. Profits from this actively managed hedge are used to buy more S&P 500 ETF shares, which may lower your cost basis over time.

Proprietary Software

Our proprietary software actively analyzes market signals to identify possible entry and exit points for the hedge. This tool informs the portfolio manager's decisions, who ultimately has the final say on when to implement the hedge.

Let's Talk!

The Montecito Edge strategy prioritizes strong growth while aiming to manage risk during periods of market volatility.

Contact us today to discuss how we can help you invest with confidence.

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Assets are held at Charles Schwab where Montecito Investment Strategies is an Independent Advisor.

Dave Strandberg, Managing Director

Mr. Strandberg is the Managing Director of Montecito Investment Strategies and the creator of the **Montecito Edge Strategy**.

He is a Registered Investment Advisor (a fiduciary) and holds a B.S. degree in Computer Science from UCSB.

Before starting Montecito Investment Strategies, Mr. Strandberg was the founder of several small software companies in the areas of finance, technical analysis of the stock market and education.

