

**The Complete Guide
to Portfolio Shield™**



PORTFOLIO SHIELD

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Thank you for expressing interest in Portfolio Shield™, a formula-based investment strategy invented and managed by Steven Van Metre, CFP®.

This is the complete guide to the most common questions asked about Portfolio Shield™, including how to start investing with Portfolio Shield™.

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Types of Accounts

Portfolio Shield™ can be managed in many different types of Qualified and Non-Qualified accounts except for 529 College Savings Plans, 403(b)s, and most employer-sponsored plans.

Qualified: Traditional Contributory IRAs, Rollover IRAs, and Roth IRAs.

Non-Qualified: Individual, Joint, Trust, and Corporate accounts.

Small Business Plans: Individual 401(k)s, SEP IRAs, SIMPLE IRAs.

Employer-Sponsored Plans: Portfolio Shield™ can be an option in small-to-mid-size employer-sponsored 401(k) and Profit-Sharing Plans provided the plan is held at Charles Schwab & Co., Inc. (Schwab), and Atlas Financial Advisors, Inc. is the advisor on the plan.

Fees

The advisory fee to manage Portfolio Shield™ is 1% per year on household accounts under \$2 million, and 0.5% per year over \$2 million.

The advisory fee is billed quarterly in advance. For example, on household accounts under \$2 million, the advisory fee is 0.25% per quarter and on household accounts over \$2 million, the advisory fee is 0.125% per quarter.

The advisory fee is withdrawn from the account each quarter. Advisory fees are not taxed or assessed with an early withdrawal penalty.

The expense ratio for each Exchange-Traded Fund (ETF) used by Portfolio Shield™ is stated in the prospectus of each ETF. The returns of each ETF are net of their expense ratio.

Other than the advisory fee, which is billed quarterly in advance, there are no other fees.

Minimum Investment

The minimum investment for Portfolio Shield™ is \$150,000 per household. Multiple accounts may be opened or transferred to meet the minimum investment requirements.

Liquidity

Portfolio Shield™ has full daily liquidity.

Custodian

All accounts are held at Schwab.

Account Access

Clients have full, unrestricted online access to their accounts at Schwab. There they can see the total dollar amount invested, each position in the portfolio and its current weighting, and a complete history of all trades and fees assessed to their account.

Statements

Schwab issues monthly statements that are available online and, if desired, by mail. Even though all transactions are included in the monthly statements, separate transaction statements are also available.

Atlas Financial Advisors, Inc. does not issue statements on client accounts.

Registered Investment Advisory Firm

Atlas Financial Advisors, Inc. is registered with the State of California to provide investment and other advice on a fee-only basis. RIAs act in a fiduciary capacity, putting their client's interests ahead of their own in all circumstances. As a registered firm, it is the role of Atlas Financial Advisors to provide regulatory and compliance oversight of its advisors, handle customer complaints, assess a client's suitability and risk tolerance, disclose risks and potential conflicts of interest, maintain client records, and maintain full documentation on all investment strategies offered.

Advisor and Manager

Steven Van Metre, CFP® is an Investment Advisory Representative (IAR) and the investment manager and inventor of Portfolio Shield™. Steven handles the ongoing management of Portfolio Shield™ including rebalancing all five model strategies according to each model's formula on the first trading day of each month.

Authority

Atlas Financial Advisors, Inc. is granted the authority to place trades on a client's account based on the agreed-upon strategy; disperse funds to a client's address of record or bank account on file with the client's verbal or written authorization, and withdraw its advisory fee every quarter. These authorities are granted to Atlas Financial Advisors, Inc. by the account application and the Investment Advisory Agreement.

Model Allocations

The equity allocation of each model consists of the SPDR® S&P 500 ETF (SPY) and Invesco QQQ Trust ETF (QQQ). The equity allocation may add iShares 20+ Treasury Bond Bond ETF (TLT) to the strategy for any month TLT is outperforming either SPY or QQQ over the lookback period.

The weighting of equity allocation is determined by a formula that weights each position based on its individual volatility, with a bias towards the least volatile funds over the lookback period.

Portfolio Shield™ Growth, Balanced, Income, and Conservative models add a bond layer that can rotate between iShares iBoxx \$ High Yield Corporate Bond ETF (HYG), iShares 7-10 Year Treasury Bond ETF (IEF), and iShares 1-3 Year Treasury Bond ETF (SHY).

The equity and bond percentages for each model are:

Portfolio Shield™ = 100% equities

Portfolio Shield™ Growth = 80% equities and 20% bonds

Portfolio Shield™ Balanced = 60% equities and 40% bonds

Portfolio Shield™ Income = 40% equities and 60% bonds

Portfolio Shield™ Conservative = 20% equities and 80% bonds

The equity allocation can be reduced on a month-to-month basis should the formulas decide the equity allocation needs to be reduced or hedged. When the equity allocation is hedged, iShares 20+ Treasury Bond Bond ETF (TLT) is added to the equity allocation for the month and follows the same weighting formula that weights each position based on its individual volatility, with a bias towards the least volatile funds over the lookback period.

Monthly Rebalance

On the first trading day of each month, two formulas are run, and all models are rebalanced simultaneously. On a month-to-month basis, Portfolio Shield™ can add, increase, decrease, or remove its long-term bond hedge as dictated by the formulas.

Selecting a Model

There are five Portfolio Shield™ models from which to choose: Portfolio Shield™, Portfolio Shield™ Growth, Portfolio Shield™ Balanced, Portfolio Shield™ Income, and Portfolio Shield™ Conservative. A client can choose one strategy per account.

A risk tolerance questionnaire must be on file with a minimum score to confirm a client can accept the level of risk for the model they have chosen.

Opening an Account

Accounts can be opened by paper or DocuSign. Included in each application kit is an account application, Move Money form, Electronic Delivery form, Diminished Capacity form, and Investment Advisory Agreement.

The Move Money form authorizes Atlas Financial Advisors, Inc. to disperse funds to a client's address of record, or bank account on file, with the client's verbal or written authorization.

The Investment Advisory Agreement states the services offered by Atlas Financial Advisors, Inc., and discloses the fee schedule and authorized parties. It also authorizes the ability to place trades on a client's account and for Atlas Financial Advisors, Inc. to withdraw its fees every quarter.

Other forms may be included in the application kit on an as-needed basis.

Contributions

Contributions can be made by mail or by ACH, provided banking instructions are on file on a one-time or recurring basis.

To contribute by mail, all checks need to be made payable as follows:

Charles Schwab & Co., Inc. FBO: <name on account>

The account number should be included in the memo field, along with the tax year for contributions to a qualified account.

To contribute by ACH, verbal authorization is required.

Recurring contributions can be canceled with a verbal authorization.

Due to the potential for changes in the allocation from its monthly rebalancing, dollar-cost averaging may not offer the same benefits for Portfolio Shield™ as it may with other strategies.

Contributions can be self-initiated through a client's Schwab portal, provided Deposits and Transfers have been enabled.

Transfers

Existing accounts can be transferred to Schwab by Automated Customer Account Transfer Service (ACAT), Non-ACAT, or by a qualified plan rollover. Atlas Financial Advisors, Inc. will assist with providing the paperwork to transfer an existing account during or after the account opening process.

For ACAT-eligible custodians, stocks, bonds, cash, mutual funds, options, and other securities can be transferred directly between custodians.

For Non-ACAT-eligible custodians, all existing securities will need to be liquidated before or during the transfer request.

To roll over a qualified plan, a distribution event must have been reached. Your existing plan provider will be able to roll over your account with telephone authorization or by signature.

If a signature is required, please request the distribution forms from your qualified plan provider. Atlas Financial Advisors, Inc. will assist with completing the forms.

If telephone authorization is allowed, make the check payable to Charles Schwab & Co., Inc. FBO: <name on account> and provide your Schwab account number for reference.

Most checks are mailed to the plan participant, but some qualified plan providers can mail checks directly to the new custodian.

Distributions

Distributions can be taken at any time and can be set up as a recurring distribution. Common recurring distributions include monthly withdrawals and Required Minimum Distributions. Verbal authorization is required to establish and change all distributions.

Distributions can be self-initiated through a client's Schwab portal provided Deposits and Transfers have been enabled.

Taxes can be withheld from all distributions by providing the percentage of federal and state taxes, if applicable, to withhold. Atlas Financial Advisors, Inc. cannot provide tax advice when determining the proper percentage to withhold.

Switching Models

You may switch between Portfolio Shield™ models at the monthly rebalance. Portfolio Shield™ is a long-term managed strategy and is not designed for frequent trading.

Switching between Portfolio Shield™ models requires verbal authorization and a risk score confirming your level of risk. The risk tolerance questionnaire can be retaken at any time should your existing risk score not match your desired level of risk.

Account Management

Contact information can be updated through a client's Schwab online portal or by calling Schwab directly. Atlas Financial Advisors, Inc. cannot change your account information on your behalf without your signature. Atlas Financial Advisors, Inc. will provide any forms needed to update your contact information.

Cash Minimums

Portfolio Shield™ allocates 0.3% of the account to cash. The cash percentage can be higher on a per-account basis due to individual client needs, such as cash needs for regular distributions.

Communication

A few days after the monthly rebalance, all clients receive an e-mail updating them on the changes to the allocation for the month and a copy of the five factsheets for the month.

Additional questions should be directed to Steven Van Metre, CFP®, by e-mail or by phone.

Inception Date

Portfolio Shield™ went live with client money in July 2015.

Introductory Meeting

To schedule an introductory meeting to go over Portfolio Shield™ and answer any questions you might have, please send an e-mail to steve@atlasfa.com or call his office at (661) 398-9900.

Getting Started

To get started, send an e-mail to steve@atlasfa.com with your name as you want it on your account, the account type, and the e-mail address you want to be tied to the account. For joint or multiple-owner accounts, please provide the names and separate e-mail addresses for each person.

If you are transferring an existing account, please provide the most recent monthly or quarterly statement with your e-mail.

Once your request is received, you will be copied on an e-mail to Steve's assistant who will send you a DocuSign application kit by e-mail. If preferred, the account application paperwork can be mailed.

Revoking Authority

You may terminate your advisory agreement and relationship with Atlas Financial Advisors, Inc. at any time. Quarterly fees are prorated, and any unused fees will be refunded at the next billing cycle.

Existing positions can be sold upon termination or remain in your account. Upon revoking authority, your account, unless transferred to another custodian, will be moved over to Schwab Retail where you will be assigned a new account number.

An account closure fee may apply if transferring your account to a new custodian.

Disclosures

The content of this report is provided as educational information only and is not intended to provide investment or other advice. This material is not to be construed as a recommendation or solicitation to buy or sell any security, financial product, instrument, or to participate in any particular trading strategy.

This report was prepared by Steven Van Metre, CFP® in my own personal capacity. The opinions expressed in this report are my own and do not reflect the view of Atlas Financial Advisors, Inc. or Steven Van Metre Financial.

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