
H&A Investment Strategies: Cash Alternatives Strategy

The H&A Cash Alternatives Strategy seeks to maximize current income while reducing the risk of rising interest rates via duration control within a diversified portfolio of fixed income securities with an average credit quality of investment grade.

Strategy Characteristics:

- **High quality.** To help reduce the risk that an issuer will be unable to make required interest payments, we seek investments that maintain an average credit quality of “A” or better.
- **Lower Duration.** The strategy duration is kept short, with the goal of lessening the risk of negative price movements due to rising interest rates.
- **Economic Sector Sensitivity.** The strategy will allocate to those bond market sectors most likely to benefit from the current economic recovery and expansion.
- **Strategic Component.** For enhanced diversification, the strategy uses an absolute return component that invests without benchmark constraints across the global fixed income markets. This allows for effective positioning during varying rate environments.

Strategy Targeted Statistics:

- Total return of 3%+ annualized
- Effective duration between 2 and 2.5 years
- Maturity of 4.5 to 5.5 years
- Average coupon of 4.5 to 5%
- 70-80% “A” or better credit quality

Securities offered through LPL Financial, Member FINRA/SIPC. Investment Advice offered through Hapanowicz & Associates Financial Services, Inc., a registered investment advisor and separate entity from LPL Financial. No strategy assures success or guarantees against loss. Diversification does not eliminate the risk of market loss. Investing involves risks, including loss of principal and fluctuating value. Stock investing involves a high degree of risk. Stock prices may fluctuate and investors may lose money. The payment of dividends is not guaranteed. Companies may reduce or eliminate the payment of dividends at any given time. Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price. The prices of small and mid-cap stocks are generally more volatile than large cap stocks. International and emerging market investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors.