



KEB Asset Management LLC
A Registered Investment Advisor

Our Investment Process

A critical component to your client experience with our firm is the formation of a robust investment plan to guide you and us as we build and maintain your portfolio for you. In this supporting white paper, we discuss in greater depth our methodologies for helping you pursue your goals. Our broad processes consist of five steps:

Step One: Assessing your goals and circumstances. The investment planning process begins during the Discovery Meeting with a discussion of your financial values and goals, as well as your key relationships, existing assets, other professional advisors, preferred process and important interests. It continues ongoing as we build a relationship with you.

Step Two: Setting your long-term investment objectives. Considering the long-term nature of successful investing, we identify objectives for your portfolio that are appropriate for your willingness, ability and need to take risk and the investment horizon(s) you identify.

Step Three: Planning your asset allocation. Because it is so important, asset allocation is the first investment decision. During this process, we determine how much of your portfolio to invest among available asset classes. To address tax efficiency, we also provide guidance on asset location: which investment vehicles should be located in which of your various accounts, based on their tax status. Finally, we add periodic rebalancing to restore your original allocations when market activity causes them to move out of balance.

Step Four: Understanding the investment strategy. With asset allocation and location in place, we want you to understand the investment strategy that will be used for your portfolio, and we want to have thoroughly addressed all of your questions. Three key investment principles we stress are the efficiency of capital markets according to the tenets of Modern Portfolio Theory, the importance of diversification and the discipline of remaining invested.

Step Five: Building your portfolio. Building on the first four steps, we construct a diversified portfolio suited to your risk profile and specific investment objectives. We typically use high-quality, short- to intermediate-term fixed income securities or funds, along with mutual funds engineered to capture returns from the market dimensions that are appropriate for you. We also adopt a “passive” rather than an “active” investment approach. We take this approach with the goal of building a portfolio that can be purposefully and cost-effectively managed according to your investment policy. Before we proceed, we submit a diagnostic report of your current situation, with our recommendations for repositioning your portfolio to maximize your probability for success. In addition, we consider portfolio costs as well as the potential tax impact of the restructuring.