

# ACTIVE RETURN OPPORTUNITIES

## A NEW DIRECTION IN UNIFIED MANAGED ACCOUNTS

Active Return Opportunities (ARO) offers our most opportunistic management, allowing us to “go anywhere, do anything” to meet your investment and risk objectives.

After you work with your Financial Advisor to understand your goals, risk tolerance and equity investment preferences, we select from over four dozen asset classes and manage them within a single Unified Managed Account.

ARO brings you the most forward-looking thinking of our global network of Investment Management Firms. And it offers an account structure flexible enough to let us execute our highest conviction ideas without compromise.

### ARO AT A GLANCE

- Fully discretionary investment management with the flexibility to pursue opportunities
- Clearly stated risk targets to help you explicitly understand your exposure
- Fully discretionary risk management so that we can respond to existing and emerging risk appropriately
- Automatic loss harvesting
- Four investment levels with initial investments as low as \$50,000
- Mandates tailored from over four dozen asset classes

### Investment Levels

*ARO offers four investment levels with increasing reliance on individual securities.*

	ARO 50	ARO 100	ARO 250	ARO 500
<i>Minimum Investment</i>	\$50,000	\$100,000	\$250,000	\$500,000

### Three Mandate Preferences

*You and your Financial Advisor will choose one of the following for your mandate preferences. (See the Disclosure Brochure for full details.)*

<i>Domestic</i>	Focuses your equity allocations on U.S. stocks.
<i>Global</i>	May invest in companies located anywhere throughout the world, including the United States.
<i>High Current Income</i>	Seeks a high total return with a focus on high current income.

## ACTIVE RETURN OPPORTUNITIES: A CLOSER LOOK

### Tactical Asset Allocation

Asset allocation is one of the major determinates of investment returns. The challenge is keeping your allocation in alignment with the ever-shifting market.

ARO gives us the flexibility to respond with strategic and tactical shifts to keep you on target. We work to understand the deep, decades-long economic trends that move the global economy. We balance this long-term understanding with a grasp of the events, opportunities and challenges that can dominate short and intermediate term returns.

With fully discretionary asset allocation and over four dozen available asset classes, ARO gives us the tools to respond. Depending on your equity preference and Risk/Return Profile, we can shift allocations from traditional vehicles like large-cap U.S. stocks to specialized exposures in an attempt to keep you aligned with today's economy – and tomorrow's.

### Risk Management: Targeted Loss Avoidance

Sources of risk change over time. ARO's fully discretionary risk management gives us the ability to respond to changing risk sources with the appropriate tools, without constraints.

But we go further in defining risk. By saying we manage your strategy "aggressively" or "conservatively" it may not be clear to you in real world terms what your risk exposure is. That's why we have created explicit calendar year risk objectives (as well as return objectives) for each Risk/Return Profile.

### Absolute Risk/Return Profiles

PROFILE	RISK MANAGEMENT OBJECTIVE*	ABSOLUTE RETURN OBJECTIVE
Risk/Return Profile #6	Targeted 20% maximum loss	Maximum Return
Risk/Return Profile #5	Targeted 16 % maximum loss	90% of Profile 6
Risk/Return Profile #4	Targeted 12 % maximum loss	80% of Profile 6
Risk/Return Profile #3	Targeted 8 % maximum loss	70% of Profile 6
Risk/Return Profile #2	Targeted 4 % maximum loss	60% of Profile 6
Risk/Return Profile #1	Targeted 0 % maximum loss	50% of Profile 6

\*These are calendar year objectives. There are no guarantees that these objectives will be met.

Of course our goal is to make money for you. But risk is real and these explicit targets will help you and your Financial Advisor determine which profile is right for you. The table below shows the annual loss and return objectives.

### "Highest Conviction" Stock Selection

GFAM has created a global network of institutions who have done the research to uncover clearly defined opportunities within their specialties. Once we identify their strengths, we go a step further and ask them to drill down into their most passionately held stock ideas.

When we buy individual stocks for your ARO UMA, we will focus on these "highest conviction" stocks to bring the leading edge of investment ideas into your portfolio.

### Active Loss Harvesting

ARO actively seeks to close positions to realize losses that may offset gains in taxable accounts. Strategies are regularly examined for securities that have reached loss thresholds.

### Program Level Benefits

Among the advantages of an ARO Unified Managed Account is the ability to hold a variety of different investments within a single account. Some asset classes can be invested more efficiently through commingled vehicles like mutual funds or ETFs regardless of the account level. But generally speaking, the higher account levels, with their higher minimum investment, increase our flexibility in delivering more focused, highest conviction stock selections.

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