

# GENWORTH MULTIPLE STRATEGIES

## BRIDGING THE GAP BETWEEN MUTUAL FUNDS AND SEPARATE ACCOUNTS

Genworth Multiple Strategies Portfolios (GMS) combine the advantages of mutual funds and separate account investments into a single private account.

You'll get the benefits of institutional investment management, diversification and individual security ownership through the use of mutual funds and the stock selections of multiple third-party Investment Management Firms.

With an initial investment of only \$50,000 and a choice of equity preferences and risk profiles, GMS brings an advanced level of portfolio management within reach.

### GMS AT A GLANCE

- \$50,000 minimum investment
- Allocation to 5 to 10 asset classes per mandate
- Access to stock selections of more than 9 Investment Management Firms
- Highly tax-sensitive management

### Three Mandate Preferences

*You and your Financial Advisor can define your strategy's equity focus by choosing one of the following mandate preferences. (See the Disclosure Brochure for full details.)*

<i>High Dividend</i>	Primarily large-cap US stocks with significant allocations to real estate and high-dividend paying stocks.
<i>Global</i>	Relatively equal access to international and U.S. large and small cap stocks.
<i>Opportunistic</i>	Primarily large, mid and small cap U.S. and international stocks. May opportunistically invest in one or more specialized asset classes.

### Risk/Return Profiles

*In addition to your equity preference, GFAM will manage each mandate according to your risk/return profile, attempting to control downside risk where possible. There is no guarantee that GFAM will be successful in its efforts to mitigate risks of investing in the stock market.*

<i>Maximum Growth</i>	Most aggressive management, targeting a 98% stock allocation.
<i>Growth</i>	Focuses largely on stocks, with a minor capital preservation focus.
<i>Moderate Growth</i>	Largely focused on stocks with secondary emphasis on capital preservation.
<i>Moderate</i>	Relatively equal focus on controlling downside risk and achieving moderate long term growth.

### **Tactical Asset Allocation**

An investment time horizon of twenty or thirty years may seem like a long time, but market cycles may indeed last for decades. A passive asset allocation based on long-term market averages may not succeed over the timeframe available to you. That's why it's critically important to align your allocation with the forces shaping today's market.

Rather than trying to time the market, our goal is to make meaningful – rather than radical – adjustments to the asset mix to maintain a consistent risk and return exposure over time.

Typically, we will monitor your asset allocations continually and make adjustments annually, seeking to hold most positions for at least a year and a day for greater tax efficiency.

Depending on the strategy selected by you and your Financial Advisor, however, we may make additional opportunistic allocation shifts or introduce new asset classes to capture returns or limit risk.

### **Multiple Investment Management Firms**

One of the most powerful features of the GMS solution is our ability to hire Investment Management Firms from an expanded universe – including many previously outside the reach of retail investors.

These Investment Management Firms are specialists in particular asset classes and provide GFAM with security selection recommendations, which we execute on your behalf. And to ensure the maximum benefit of their expertise, our contracts with them mandate that they provide us with only their "highest conviction" stock selections.

The result is a broadly diversified strategy comprised of the highly focused, concentrated picks of a number of specialized Investment Management Firms. It's an approach that we believe brings the benefits of diversification and concentration to your GMS strategy.

### **Risk Management: Fixed-income or Actively Managed Protection**

Since bonds tend to behave independently of the stock market, they can often be used to smooth out the volatility of the stock market over time. We use a multi-bond approach that may include government, municipal and corporate instruments to provide protection.

But fixed-income protection is not right for every market. That's why we offer you and your Financial Advisor a second solution, our innovative Actively Managed Protection service. This pioneering approach to risk management is designed to respond in reverse proportion to broad market moves, potentially providing protection in response to market shocks or sharp downturns.

### **Potential For Tax Efficiency**

GFAM manages the GMS programs using a buy-and-hold strategy in which securities are usually held for at least a year and a day. This makes these strategies very attractive to investors who are sensitive to capital gains and taxes, because most gains are likely to be taxed at the lower, long-term capital gains rate.

An additional advantage of the GMS structure is that, in certain asset classes, you own the individual securities in your strategy. This means that your cost basis starts on the day those securities are purchased.

For those individual securities held in your account, you and your Financial Advisor may choose to selectively direct the realization of gains or losses depending on your personal needs. (The potential benefits of loss harvesting depend on your individual financial situation. We recommend you consult a tax professional before harvesting losses.)

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