



# OPTIMUS

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CAPITAL ADVISORS

PURSUING A BETTER INVESTMENT EXPERIENCE



# WHO WE ARE

We help our clients make smart financial and investment decisions and gain confidence in having a secure financial future.

## Welcome to Optimus Capital Advisors

Optimus Capital Advisors is an independent financial advisor, financial planner, and investment advisor located in the Dallas – Fort Worth area working with individuals, families and non-profits throughout the United States.

*We work hard to help simplify our clients' financial lives, optimize their investments and organize their personal financial planning.*

We work closely with our clients using a consultative process to help them grow and protect their wealth and achieve their most important financial goals with cost-efficiency and reliability.

Our mission is to be the trusted advisor for all aspects of our clients' financial lives. To do this, we take the time to develop a detailed understanding of each client's individual circumstances, goals and objectives.

As a fully independent financial advisor, we are not restricted to any investment product or service and work exclusively for the benefit of our clients. In fact, as a registered investment advisor, we have a legal fiduciary obligation to act in each client's best interests. We care deeply about helping our investors achieve their goals and objectives and endeavor to provide them with the highest quality service and guidance.



*We look forward to discussing with you how we can become your family's trusted financial advocate. We think you will appreciate the trust and confidence that comes from working with a leading independent wealth management firm.*

John Gesek  
Principal, Financial Advisor



 YOUR TRUSTED  
ADVISOR

We believe in a comprehensive approach to building and preserving wealth.

While some advisors focus only on investments, we take a broader perspective. Building on our core asset class investing philosophy, we help clients combine a prudent investment strategy with a well coordinated, overall financial and wealth management plan.

This is the difference between being investment-focused and client-focused.

In our view, successfully navigating today's complexities requires an advisor with a broader set of skills and knowledge.

You need an advisor who can not only allocate your assets effectively and manage your portfolio, but also help you manage your liabilities, plan for the distribution of your estate, minimize your taxes, and plan for your retirement.

*In short, you need a trusted confidant who can help you make smart, overall financial decisions and who has the experience and knowledge to guide you through the often complex and confusing areas of personal finance.*

INVESTMENT  
PLANNING

Research  
Asset Allocation  
Portfolio Reporting  
Cash Flow Analysis

Optimize risk-adjusted returns

FINANCIAL  
PLANNING

Retirement Planning  
Estate Planning  
Financial Analysis  
Research  
Asset Allocation  
Portfolio Reporting  
Cash Flow Analysis

Designed to help client's meet their financial objectives

WEALTH  
MANAGEMENT

Executive Compensation  
Charitable Giving  
Tax Planning  
Retirement Planning  
Estate Planning  
Financial Analysis  
Research  
Asset Allocation  
Portfolio Reporting  
Cash Flow Analysis

Integrated comprehensive financial solutions



# A DISCIPLINED APPROACH

We think you will appreciate having an experienced and trusted advisor you can count on to help you make smart financial decisions.

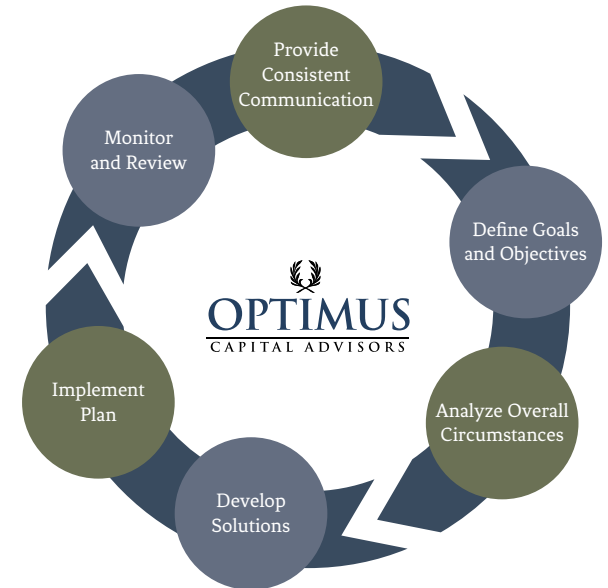


## Understanding Your Needs, Goals and Circumstances

As your family's primary trusted advisor, we will help you understand and evaluate the many important financial decisions that affect you and your family. We will help you define your financial goals and provide you with input and analysis regarding your overall asset allocation, debt structure, retirement savings, and other areas of your personal financial situation.

We will also interact with your other advisors—such as your attorney, accountant, trust officer, and insurance agent—to make sure that proper planning is done and effective implementation takes place.

We take pride in responding quickly to client issues as they arise and proactively planning before changes occur.



*We will develop a plan to help you reach your goals and adapt your plan as your circumstances change over time and as new challenges and opportunities emerge.*



# INVESTMENT MANAGEMENT

For many individuals, managing an investment portfolio has become too complex and difficult.

## Simplifying the Process

The number of financial products available to individual investors has exploded in recent years. In addition, investors are continually bombarded with contradictory banter from the financial media, and new financial scandals appear with discouraging regularity.

It's not surprising that some investors are confused and don't trust the financial system.

*Where do you turn when you simply want to ensure decent returns with acceptable risk and prudent diversification?*

In search of guidance, you might receive biased or contradictory opinions from financial salespeople, the media, or even friends and relatives, which might get you sidetracked, confused or worse.

## Our Solution

We recognize that wealthy individuals today have increased expectations for prudent risk management and sophisticated asset allocation.

*Our disciplined, unemotional, and highly diversified investment approach that offers objective advice and solutions to problems, rather than financial products to buy.*

Our investment approach is called evidence based investing. It is an approach based on the science of investing that cuts through the noise and confusion by focusing on what really drives investment return, helps to reduce volatility and simplifies the investment process. The core concepts of equilibrium investing are not new. They are time-tested and supported by decades of empirical academic research.

Let's take a more in-depth look ...



# INVESTMENT MANAGEMENT

## EVIDENCE BASED INVESTING: MARKETS WORK

A cornerstone concept of modern economics is that a free and competitive market system is the most efficient way to allocate resources. Securities markets throughout the world have a history of rewarding investors for the capital they supply. Companies compete for investment capital, and millions of investors compete with each other to find the most attractive returns. This competition quickly drives prices to fair value, ensuring that no investor can expect greater returns without taking greater risks.

We have reached the following conclusions with respect to the public capital markets:

- Current market prices incorporate all available information and expectations about the future, and are the best approximation of intrinsic value.
- Price changes are generally due to unforeseen events and cannot be predicted consistently.
- Pricing errors occur in unpredictable patterns and is difficult to recognize in real time.

Financial market movements may not always appear rational and prices may not always be “correct,” but market forces are so competitive that we believe it has yet to be demonstrated that any investor, or group of investors, can consistently profit at the expense of others, or outperform the market as a whole. The idea that markets work is widely acknowledged by financial professionals and academic researchers alike. The implications of market efficiency are profound and affect a wide variety of financial and investment decisions.

We use institutional mutual funds and exchange traded funds (ETF's) that incorporate the following concepts in our equilibrium investing approach:

### Capture Market Rates of Return

- Attempt to capture market rates of return by investing in large numbers of securities in selected asset classes, resulting in portfolios that offer exposure to thousands of securities.

### Exclude Certain Securities

- Exclude initial public offerings, financially distressed and bankrupt companies and illiquid securities.

### Minimize Trading Costs

- Own a broad representation of securities in asset classes and hold onto them, rather than frequently buying and selling unnecessarily.
- Do not attempt to track indexes as this can result in significant trading costs.
- Allow portfolio managers flexibility on when to add or remove individual securities from asset classes to account for momentum effects, trading costs, etc.





# INVESTMENT MANAGEMENT

EVIDENCE BASED INVESTING: ASSET ALLOCATION



# INVESTMENT MANAGEMENT

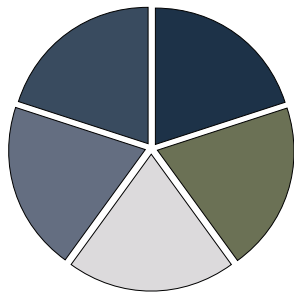
ALTERNATIVE INVESTMENTS

We believe that investment returns are determined principally by risk, and that a diversified portfolio's expected return is a result of its exposure to certain risk market-based factors.

Since a portfolio's asset allocation determines its risk factor exposure, how to allocate one's assets is one of the most important decisions an investor can make.

*We spend significant time with our clients helping them analyze and create appropriate asset allocation policies.*

Our research has identified five risk factors that we believe determine the expected rates of return of a diversified portfolio:



- Market Risk\*** Stocks have higher expected returns than fixed income securities.
- Size Risk\*** Small company stocks have higher expected returns than large company stocks.
- Valuation Risk\*** Lower-priced "value" stocks have higher expected returns than higher-priced "growth" stocks.
- Maturity Risk\*\*** Longer-term instruments are riskier than shorter-term instruments.
- Default Risk\*\*** Instruments of lower credit quality are riskier than instruments of higher credit quality.

*Academic studies show that the degree to which a portfolio is exposed to these five risk factors determines nearly all of its risk and expected return.*

\*Stock market risk factors \*\*Fixed income risk factors

An advantage of asset class investing is the ease of managing risk by investing in precise asset classes. The extent to which you "tilt" your portfolio toward small and value stocks increases your risk and expected return.

Alternative Investments are curated to provide our clients with opportunities outside the traditional stock and bond markets. These investments allow for the direct investment into asset classes that provide additional diversification, are non-correlated to the equity or fixed income markets and may provide opportunity for increased income and growth.

When investing in hard assets or illiquid investments, we feel it is imperative to know the sponsor, understand the investment and be able to accept the conditions and time frame for investment. We work with only institutional sponsors when investing in non-traded investments, and they must be able to prove a history of executing their strategy, exhibit a repeatable process and value shareholder transparency and communication.



Some areas of investment offered by Optimus Capital Advisors



No one likes to pay taxes, especially on investment portfolios aimed for long-term growth. It obviously follows that to the extent tax liability is reduced, after-tax returns are increased. Tax management does not imply avoiding tax completely but seeks to maximize after-tax returns while maintaining a client’s desired asset class exposure.

We use a comprehensive tax management approach in managing portfolios to help minimize tax exposure for our investors.

*We are committed to our objective of bringing tax benefits to our clients with minimal or no reduction in pre-tax portfolio returns.*

Tax managed investments	Tax free municipal bonds
Qualified accounts	Non-qualified tax deferred accounts

## Tax Management Strategy

The tax status of accounts is considered when choosing where to hold securities. A higher proportion of income-generating securities can be held in tax-deferred accounts (such as IRAs or pension accounts), while a greater percentage of asset classes that generate larger capital gains may be located in taxable accounts.

### Tax-Efficient Rebalancing

Combining accounts of differing tax status in one portfolio can result in more tax-efficient rebalancing than if the accounts are managed as stand-alone portfolios. For example, if an IRA account and revocable living trust account are aggregated together in one portfolio, we could buy and sell securities inside the IRA to rebalance the portfolio, resulting in no capital gain recognition for the investor.

### Cost Basis Evaluation and Reporting

We track the cost basis of managed assets in taxable accounts and consider capital gains implications when trading and managing taxable portfolios.

We provide clients with a year-end tax report showing the cost basis of securities sold during the year. We use the “highest cost” method of determining cost to help defer capital gains to future years.

### Tax-Managed Investments

In certain asset classes, we can use tax-managed mutual funds to help reduce dividend and capital gain distributions that are paid to fund shareholders through the mutual funds. These funds use tax-management strategies performed by the fund manager. Dimensional Fund Advisors, for example, uses proprietary strategies designed by their team of academic researchers to try and minimize or eliminate short-term gains, harvest capital losses when possible and minimize dividend yield when appropriate.

### Tax-Loss Harvesting

We seek opportunities to generate tax losses for clients who would benefit from them. One way to add value to a portfolio in a market decline is to harvest losses while maintaining the portfolio’s proper asset class exposure. This requires careful trading and planning to assure that tax rules are followed correctly.







INTELLIGENT INVESTING  
STARTS BY FOCUSING ON  
WHAT WE CAN CONTROL

## LOOKING FOR HELP WITH...

Creating an investment plan to fit your needs and risk tolerance?

Structuring a portfolio along dimensions of expected returns?

Diversifying broadly?

Reducing expenses and turnover?

Minimizing taxes?

Contact Optimus Capital Advisors, your trusted financial advisors.

972-745-7704 | [www.optimusca.com](http://www.optimusca.com)