DARNALL SIKES
WEALTH PARTNERS

YOUR PROSPERITY. OUR PRIORITY.

Our Beliefs About Investing

The Darnall Sikes Wealth Partners and Avantax Wealth Management Philosophy for Disciplined, Long-term Investors

Long-term investing is a journey filled with perpetual hurdles, cognitive mistakes, nuances, hard analysis and constant change. It's both a science and an art, with a rich history of brilliant ideas that have shaped the past and will influence the future. When it comes to investing, knowing what you believe helps to illuminate the path before you more clearly and supports the essential conviction that guides your ability to meet long-term investment goals. Before beginning any journey; before committing any of your money, wealth or time; before taking action that will change your life, know what you believe. A solid foundation will help you possess the clarity you need to persevere in your journey, your investment plan and your promises.

At Avantax, our Investment Management Solutions (IMS) platform and investment programs are shaped by 11 well-defined beliefs that guide our process, determine our actions, influence our investment management decisions and serve as the truths and principles behind our investing philosophy.

Avantax is committed to this philosophy as a journey of discovery and intelligence. It supports our purpose to help the clients of ourpartner wealth management firms honor the important promises they make and enable intentional living.

---

1 Intellectual rigor, discipline, patience and faith in the future matter.

Being thorough in understanding the truth behind your actions, staying the course when your emotions are trying to overcome your logical thoughts and reasoning abilities, focusing on your long-term promises and not letting fear overshadow your vision of your future are all essential in helping you make wise investment decisions.

2 Diversification, asset allocation and efficiency are separate and distinct concepts.

Though diversification, asset allocation and efficiency can be considered a single, comprehensive concept, it's important to understand the possible distinctions between the three. Diversification allows investors to reduce usiness-specific risk by abiding by the "don't put all of your eggs in one basket" adage. Asset allocation builds on the notion of diversification by looking at security or investment risks in the context of a broad portfolio rather than in isolation. Efficiency helps to produce the best possible asset allocation, given an investor's unique risk tolerance.

3 Asset allocation matters more than product selection.

Taken together with the market, asset allocation decisions can account for the most significant amount or percentage of variation in return. Thus, an investor should leverage a dedicated financial advisor to help design and select proper asset allocation prior to considering active portfolio management.

4 Disciplined and automated rebalancing improves results.

Rebalancing strategies are designed to realign a portfolio back to its initially established asset allocation model or the "target" weightings of individual investments within a portfolio. Such periodic and automated rebalancing is a recognized way to help control the emotional tendencies of investors to buy high and sell low.

5 Minimizing losses improves the compounding power of wealth.

The principle of compounding returns is one of the most powerful yet least-appreciated forces in investing. For asset allocation to achieve successful investment results over any meaningful period, an investor must have some sense of long-term perspective and purpose in order to maximize the "force multiplier" effects of compounding.

6 Investing in stocks has rewarded investors over the long term.

Ownership of stocks is important for the growth of capital for investors. Though past performance makes no guarantee of the results we will see in the future, U.S. stocks have historically rebounded after periods of negative performance.

7 Emotions influence investor behavior.

Emotions often guide our actions, and this includes the choices individuals make when it comes to their investments. Various cycles in the market cause fears or hopes for people, impacting the buying and selling of equity funds.

8 Market timing does not work over the long term.

Forecasting systematic risk factors is extremely difficult, and successfully timing the market is not probable, consistent over long-periods or proven through research. Unknown probabilities and magnitudes of various market risk scenarios added to regime changes can make even the most appealing market timing strategies quickly proven wrong.

9 Predicting the future is fraught with great uncertainty.

Human beings have not yet mastered the ability to predict the future accurately, but that does not always stop investors from mistakenly believing they know more than others about what's to come. However, the events that will impact the future are not known, so there is still the ever-present lack of certainty about the future ahead of us.

10 Skillful managers can be identified.

With a disciplined process, it's possible to find those investment managers who have the greatest chances of helping clients honor their promises. There are both quantitative and qualitative considerations in this process that will ultimately help to determine which individuals are best suited to serve as portfolio managers for clients.

11 Listening and advice are the most critical factors when guiding investors.

The most effective wealth management professionals know that they must listen carefully to their clients in order to fully understand their promises they want to keep for their loved ones and to provide comprehensive and competent plans for action.

Ask your financial advisor how to get started with your personalized investment program.

Neither asset allocation nor diversification assures a profit or protects against a loss in declining markets.

DARNALL SIKES WEALTH PARTNERS LLC
Lafayette | New Iberia | Morgan City | Eunice
darnallsikeswealth.com

Avantax Wealth Management℠ is the holding company for the group of companies providing financial services under the Avantax name. Securities offered through Avantax Investment Services℠, Member FINRA, SIPC. Investment advisory services offered through Avantax Advisory Services℠.

Avantax
Wealth Management℠