The WealthPlan LLC
FOUR SEASONS OF FINANCIAL PLANNING

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The WealthPlan LLC



DIVERSIFY

Liquid Hedge

How Liquid Hedge fits into a diversified portfolio

Why Liquid Hedge Matters

Most portfolios run on two engines: stocks and bonds. In a normal year, when one slows down, the other tends to pick up the slack. But once in a while, like 2022, both stall at the same time. That is the exact problem the Liquid Hedge strategy is built to help with.

Liquid Hedge adds a **third engine** to the mix. It uses hedge-fund-style strategies, packaged inside everyday, fully liquid funds. The goal is simple: own something that tends to behave *differently* from your stocks and bonds, so the whole portfolio rides smoother.

What This Strategy Includes

Here are the main approaches, in plain terms, often blended together in one fund for an all-weather mix:

✓ Long / Short Equity

Buys stocks expected to do well and bets against those expected to lag.

✓ Market Neutral

Balances bets so it isn't riding on the market going up or down.

✓ Managed Futures / Trend

Follows price trends and can profit whether they point up or down.

✓ Global Macro

Takes positions across countries and markets based on big-picture economic trends.

✓ Arbitrage

Captures small, defined price gaps, such as between companies in a planned merger.

✓ Style Premia

Tilts toward time-tested traits like value and momentum, both long and short.

And unlike locked-up alternatives, this strategy invests in everyday, publicly traded markets such as:

- **Stocks & ETFs**
- **Index futures**
- **Treasury & credit**
- **Currencies**
- **Commodity futures**

Benefits & Tradeoffs

For decades, these hedge-fund strategies were reserved for big institutions, behind high minimums and multi-year lock-ups. Liquid Hedge brings those same approaches into regulated, daily-liquid funds, so you get the strategy without giving up access to your money.

Benefits	Tradeoffs
✓ Tends to zig when stocks and bonds zag, which can steady the whole portfolio.	✗ Carries higher fund expenses than plain index funds, which we weigh when sizing the allocation.
✓ Held up in 2022 when both stocks and bonds fell together, trend-following especially.	✗ Can lag during a strong, steady bull market for stocks. The job is resilience, not chasing the highest possible return.
✓ Buy or sell any business day, with transparent public-market holdings and no multi-year lock-up.	✗ Best as a smaller, supporting piece, not a core holding. It is built for a portfolio that is already well diversified.

Strategy Specifics

Fund Type
Mutual Funds

Expense Ratio
2.94% · 294 bps
Reflects active, hedge-style management.

Holdings
2

Liquidity
Daily

How Major Asset Classes Performed by Decade

Hedge strategies behave differently than stocks and bonds, which is the role they play in a diversified plan.

These are broad market index returns, shown to illustrate how a cash-plus hurdle and the broad hedge fund peer group behave over time. They are not the performance of this strategy or of any client account.

Decade	ICE BofA 3-Mo. U.S. T-Bill + 400 bps (Hurdle)	HFRI Fund Weighted Composite Index (Broad Peer)
1990s	+8.9%	+18.3%
2000s	+6.8%	+4.0%
2010s	+4.6%	+3.4%
2020s*	+6.6%	+7.8%

Highlight marks each decade's stronger performer. Annualized returns by decade. *2020s partial (through year-end 2025). See full disclosure below.

How This Fits Your Plan

I typically recommend up to 20% based on your risk tolerance. It works best as a smaller, supporting piece for a portfolio that is already well diversified, not a core holding. It is held through everyday, fully liquid funds in your existing accounts, so there is nothing extra to manage or store, and I can adjust the size as your plan evolves.

I'm glad to walk through the numbers with you. Curious whether Liquid Hedge belongs in your portfolio? Let's talk!

Book Time With David

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Time periods are 1990s (1/1/1990–12/31/1999), 2000s (1/1/2000–12/31/2009), 2010s (1/1/2010–12/31/2019), and 2020s (1/1/2020–12/31/2025, partial). Figures are approximate annualized returns by calendar decade, rounded.

The hurdle is the ICE BofA U.S. 3-Month Treasury Bill Index plus 400 basis points, shown as a cash-plus reference rate, not an investable index. The broad hedge fund peer group is represented by the HFRI Fund Weighted Composite Index. The HFRI index begins in 1990, so no figures are shown for earlier decades. Returns are illustrative only and represent unmanaged benchmark and peer-group performance, which does not reflect advisory fees, transaction costs, or taxes and cannot be invested in directly. The strategy is not the hurdle or the HFRI index and will perform differently; hedge fund strategies involve substantial risks, including the use of leverage, derivatives, and short selling. Diversification does not ensure a profit or protect against loss. Actual client results will differ. All strategy data is as of June 2026 and is subject to change.

Statistics and fund data are drawn from publicly available third-party industry sources, including data accessed via Koyfin, and are believed to be reliable but not guaranteed. Any allocation guidance shown is general and is not a recommendation for any individual investor. Artificial intelligence tools assisted with research, compilation, and presentation of certain data; AI-generated information may contain errors and was reviewed against third-party sources, which remain the original source of any data shown.

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