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Love Colorado? This Denver wealth management firm has a portfolio for you

On Aug. 1, the Colorado portfolio – dubbed Expedition – opens to investors in honor of Colorado Day.



Craig Johlfs, president of Johlfs Financial Group, and Rich Romlin, the firm's director of investment and portfolio research, were the architects of a new Colorado-only investment portfolio.

JOHLFS FINANCIAL GROUP



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A Greenwood Village-based financial management firm is hoping a new "Colorado-only" offering will draw investors who love the state and build on more niche investment preferences emerging nationwide.

The offering is a Colorado investment portfolio, which pairs 35 Colorado-based publicly traded companies on large exchanges such as NYSE or Nasdaq with Colorado bond funds. The bond funds can be tailored to match individual investors' risk tolerance, said Craig Johlfs, president of Johlfs Financial Group.

Johlfs said that to his knowledge, no other investment firm has launched such a niche portfolio that builds on local pride.

He and Rich Romlin, the firm's director of investment and portfolio research, said they began working off of an idea for the portfolio about one year ago.

On Aug. 1, the Colorado portfolio – dubbed Expedition – opens to investors in honor of Colorado Day. The minimum investment is \$1,000.



Craig Johlfs, president of Johlfs Financial Group in Greenwood Village.

JOHLFS FINANCIAL GROUP

"A lot of clients are really excited about having this," Johlfs said. "They want to support the community, and they also have mentioned that it's a lot more personal to them as opposed to a fund with no connection to them, their neighbors or the state."

At a minimum, he said clients will likely know the names of the Colorado companies in the fund. More likely, some employees of those companies are their neighbors or friends.

Among some of the companies mentioned by Johlfs were Newmont Corp. (NYSE: NEM), Ball Corp. (NYSE: BALL), and Crocs Inc. (Nasdaq: CROX).

Johlfs said dozens of the firm's clients are poised to invest in the portfolio, estimating that between \$8 million and \$10 million will flow in from the start.

As a whole, Johlfs Financial Group has about \$420 million in assets under management. The firm's advisors are focused on retail and high net-worth clients with a company mantra of facilitating financial freedom, Johlfs said.

To make the portfolio a reality, he and Romlin first researched all of the publicly traded companies in Colorado, and then slowly filtered them from their list based on criteria such as share price (nothing below \$3 per share), trading volume, market share and weekly trading liquidity.

A decent variance in industries across Colorado made for a well-diversified portfolio, the pair said. The equities fall in the small and mid-cap spectrum.

Those are paired with either a Colorado municipal bond or bond fund, which allows some flexibility in ramping up or removing risk, Johlfs said. The whole thing is wrapped up in a unit investment trust, which is similar to mutual funds.

In early testing models, Johlfs said the portfolio was about 10% riskier than the S&P 500, but outperformed it by about 5%.

"I think it really tied together a lot of things" for investors, he said in a promotional video for the portfolio. "An investment that they were confident with, investment in their local community, and then really just a connection to the environment and the place in which they live."

T H E L I S T

2023 Colorado-Based Investment Managers

Total assets managed