Taking Control of Your Investments: A Primer for U.S. Investors Who Do Not Want to Finance the Digital Control Grid

"We are what we repeatedly do. Excellence, then, is not an act, but a habit."
~ Aristotle

By Tim Caban

Introduction: Defining the Problem

On August 7, 2025, President Trump signed Executive Order 14330: "Democratizing Access to Alternative Assets for 401(k) Investors."[1] This executive order lays the regulatory framework to allow private equity investments to become part of retirement portfolios across the country for 401(k) investors and their equivalents. This is the regulatory realization of Catherine's concern that private equity will be able to "dip its straw into your 401(k)."[2]

This article is meant to provide Solari subscribers with a nuts-and-bolts guide to inform you on what you are able to do about this and how you can go about removing stocks that build the control grid from your personal portfolio, including your 401(k) or equivalent plan at work.

What to Do

As Catherine says, don't finance your enemy.[3] What does this mean in practice? If you hold a portfolio of individual stocks, it can be fairly easy to see stocks like Pfizer or Palantir or KKR. However, many people in today's world invest money in stocks and bonds through vehicles like mutual funds or exchange-traded funds (ETFs). These are vehicles that combine the money of multiple investors and then buy a pool of stocks made up of some stocks that fund the control grid as well as others that don't.

To take action to stop funding your enemy and the control grid, you need to take responsibility for your investment decisions and look at the details yourself. This is totally doable and does not require the opinion of a "financial professional" to accomplish. If you have no familiarity with this topic, allocating two hours per week is a proven way to develop competence and the knowledge base needed for you to evaluate these risks on your own. Once you build the skills, you will be able to use them going forward to your benefit and the benefit of those you love.

How to Do It

Let's take a look at the vocabulary and rules associated with different investment vehicles.

Traditional IRAs

Traditional IRAs (individual retirement accounts) are *tax-deferred*, which means you get a deduction when you contribute money, and the money grows tax-free along the way. Tax is paid at such time as you withdraw the money.

Roth IRAs

Roth IRAs are *tax-free*, which means that you contribute with money that has already been taxed. Once contributed, the money will grow into the future without being taxed again, including when you take it out later.

SIMPLE IRAs

SIMPLE (Savings Incentive Match Plan for Employees) IRAs are plans used by small employers that may have a handful of employees or even more than that. Within this type of plan, there can be both a Traditional IRA and Roth IRA as described above. These just describe the tax rules of each plan. You need to look at the investments within the plan to see if they are investing in the control grid.

401(k)

A 401(k) can have both a Traditional and Roth version within it that describes the tax rules. This type of plan is offered by for-profit companies that you might work at. You have to look within the investments inside of these accounts to see if they are investing in the control grid.

403(b)

A 403(b) can have both a Traditional and Roth version within it that describes the tax rules. Nonprofit entities like schools, hospitals, and churches—among other 501(c)(3) entities—offer this type of plan for their employees. You have to look within the investments inside of these accounts to see if they are investing in the control grid.

Self-Directed IRAs

This is a specific term that describes an IRA arrangement that can hold nontraditional assets like physical precious metals and privately held commercial or rental real estate. Self-directed IRAs exist to make sure that all of the IRA rules are followed while holding these types of assets. You should educate yourself on the pros and cons of the rules that need to be followed, as well as the pros and cons of holding the underlying investments (such as precious metals or real estate) before employing these types of accounts.

Mutual Funds

A mutual fund is an investment vehicle that holds a pool of stocks. When you buy a share of a mutual fund, you own a portion of all the underlying investments. A common example is a mutual fund that tracks the S&P 500 Index. When you buy and sell this fund, you get the price at the close of the market at the end of the day. This price is called the Net Asset Value (NAV). You can designate a specific dollar amount to invest, and you will get a fractional share amount to match that dollar amount. For example, $10,000 using a price (NAV) of 23.37 would equal 421.94 shares (10,000/23.7 = 421.94).

Exchange-Traded Funds (ETFs)

An ETF uses the same underlying investment pool as a mutual fund. Many companies may now have ETF and mutual fund versions of the exact same investment pool, which might, for example, track the S&P 500 Index. The difference with an ETF is that it trades throughout the day, and you have to buy it in share amounts as opposed to dollars. Using the same example as above, if you want to invest $10,000 in an ETF, you have to approximate the shares it would take using a price of 23.7.

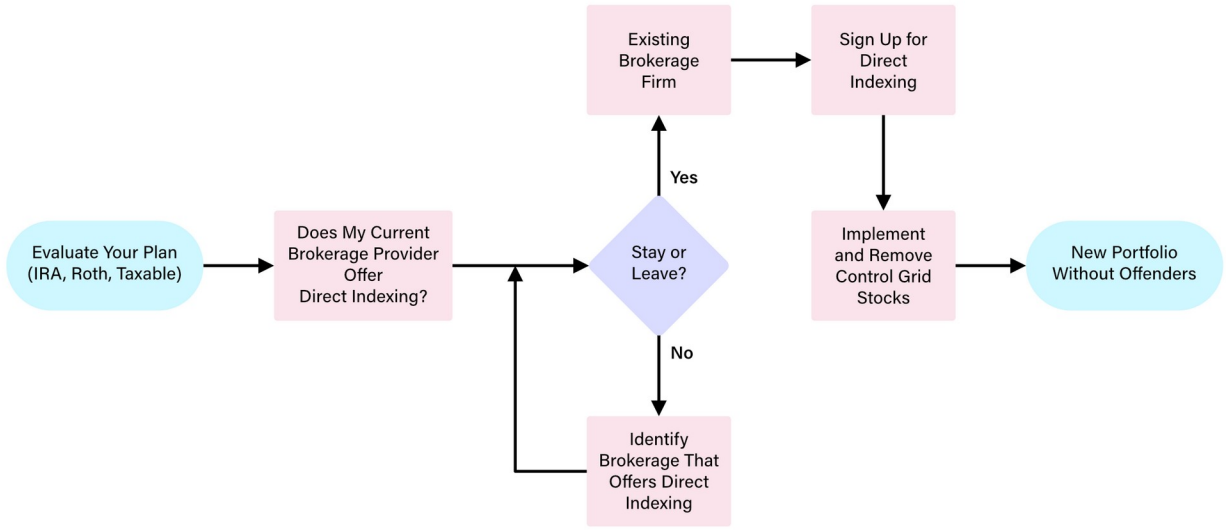
You can only buy round share amounts so you would be able to buy 421 shares (421 x 23.7 = 9,977.70). If you bought 422 shares, you would need to spend $10,001.40 (422 x 23.7).

Tactics for Action

Top Down – Within Your Control

This is a tactic for investment dollars that are typically within your individual control as opposed to having the investment choices presented by the 401(k) of your employer. This involves taking an already existing pool of stocks in an index or mutual fund and then removing the worst offenders. In today's world, this can be done via technology now available under the term "direct indexing." Schwab[4] and Fidelity[5] are two large providers that offer this approach. (There may be other firms that offer direct indexing that are equally as good. It is up to you to choose.) You will then be able to remove companies like Pfizer (PFE) or Palantir (PLTR), for example, or any other stock that you identify that you want to remove (see Figure 1).

Figure 1. Assets in Your Control – Not in an Employer Plan



It is also important to understand that some money managers, typically for higher-net-worth clients, offer software for clients to screen by issues they want to avoid. However, the screens are typically grouped by larger categories, such as religious preference or environmental issues, and can be broadly categorized as Environmental, Social, and Governance (ESG) screens. These types of filters do not reflect the nature of the control grid or real corruption issues and are too broad to achieve a targeted focus.[6] Both the tools offered to higher-net-worth advisors and the ESG filters offered to investors more broadly have been referred to by Catherine as "ESG virtue-washing, which helps the control grid stocks."

The way to avoid this is to use tools that allow you to pick individual stocks within a broader portfolio rather than accept a predetermined screen that does not fit your personal preferences. It is

your money, and you should expect individual tools to allow you to implement your preferences. Examples of technology that supports this goal can be found at major brokerage firms.[4,5]

Bottom Up – Within Your Control

This is an approach where you start with zero stocks and then identify only the ones that you decide are "innocent" in terms of not contributing to the control grid or to practices that you don't agree with. This is a harder approach, as you have to decide on an investment strategy and come up with a way to screen stocks. It is possible to do, but you need to invest your own time and do your own research to decide what works for you and is compatible with the money you are willing to spend and the time you are willing to allocate.

Solari Investment Screens (SIS) (an affiliate of Solari, Inc.) provides equity screens to registered investment advisers, including to Parvin Fund Management and Parvin Asset Management. The Parvin Hedged Equity Solari World Fund ("Parvin Fund") (ticker: PHSWX), for which Parvin Fund Management, an SEC-registered investment adviser, serves as the Fund's adviser, is offered to the U.S. public through Mutual Shareholder Services. A description of the Parvin Fund, together with a video discussion between Catherine and Steve Smith (the portfolio manager for the Parvin Fund) can be found at the Parvin website,[7] along with the Fund's price and performance history, including the prospectus. Parvin Asset Management offers the Solari screens on an individualized basis to investors with separate accounts of at least $1MM. SIS receives a fee for providing its screens.

It may be helpful to look at the overview[8] that describes how SIS engages in a bottom-up selection process to identify control grid risks while choosing to include in the screen stocks of companies that SIS believes are likely to generate a positive "Total Economic Return" to both shareholders and society at large and, among other things, are characterized by good governance. The Solari screen is designed to address investor concerns about the source of corporate income by considering from whom and from what investors profit.

401(k) and 403(b) Plans: Addressing Limits on Investment Choices

Traditionally, most 401(k) and 403(b) plans offer a limited menu of very broad investment vehicles that are made available to employees of companies through mutual fund holdings. Company employees are then eligible to contribute their own money to these plans on a pre- or post-tax basis and may be eligible to earn a company match on their contributions, depending on the terms of the plan as set up by the employer.

A traditional plan may offer a series of target date funds that allow the employee to choose an approximate date when they plan to retire and invest their money into that fund. That type of fund will get more conservative by reducing stocks and increasing bonds over time as the target date approaches. This type of fund will hold a large number of stocks that may include the same companies that you would be able to eliminate in the top-down approach when you control your own account (for example, an individual brokerage account or individual IRA or Roth account). This presents the challenge that you aren't able to remove stocks from the target date fund. You either take it or leave it as it exists.

In many employer retirement plans, there are also typically a few investment choices that may look as follows from a general perspective:

- Large Company Stock Fund
- International Stock Fund
- Core Bond Fund (Intermediate Term)
- Stable Value/Cash Fund

Sometimes, you may have additional funds that are similar to the two examples below:

- Small/Mid Company Fund
- Emerging Markets Fund

For each of the funds in the 401(k) or 403(b), you should be able to get the actual holdings from the plan website. There will be a report for each fund and then there may be a link to the report with the itemized holdings of every stock and bond. (If you are unable to find this list, you may have to ask your employer or your employer's Human Resources department.) As an employee, you are entitled to see what the fund holds specifically. Then you can look at the actual stocks in each fund (and, for that matter, look at the bonds) and decide whether you are willing to live with the holdings.

Optimizing Investment Choices

One simple strategy may be to avoid the Large Company Stock Fund, which likely includes all the well-known offenders.

Instead, for your stock investment portion, choose the Small or Mid-Sized Company Fund. Look at the holdings there, and you will have a much harder time finding problematic stocks. An additional benefit of this strategy is that it can introduce you to stocks you've never heard of. You can then do a search on the companies and find out what they do. Your investment knowledge will grow as a result.

An added bonus is that over long periods of time, small stocks can do very well from an investment perspective. They can be more volatile, for sure, but you can be rewarded if you hold them and invest in them over long periods of time, just as you will from any other stock investment. Figure 2 shows the S&P 500 Index in blue and the US Small Cap 2000 Index in green. The green line offers enough investment returns to reach your goals if you invest prudently over time.

Figure 2. Return on Investment over Time: S&P 500 Index and US Small Cap 2000 Index



Choosing the Brokerage Option

Among the increasing number of options for 401(k) or 403(b) participants is the ability to choose a brokerage option that allows you to gain the freedom of unlimited choices for investment within your existing 401(k) or 403(b) (also referred to as your employer-sponsored retirement plan). This is broadly referred to as a self-directed brokerage account (SDBA)[9] and specifically means a brokerage option within a 401(k) or 403(b). With that said, your employer *must agree to include this in your 401(k) or 403(b) before it can become available to you as an option*. You cannot sign up for this on your own without your employer's participation.

Schwab calls its SDBA offering a Personal Choice Retirement Account (PCRA).[10] Fidelity doesn't appear to have a dedicated website to explain this option, but it does post the form that a participant would use to sign up.[11] There are also comparable options at other major providers, including Empower, Vanguard, and even the Thrift Savings Plan (TSP) mutual fund window for federal employees.

If you do not have this option, given the significant prevalence of these options across multiple providers, this is an easy thing to ask your employer to include in your 401(k) plan. You will likely be more successful if you gather a group of people to ask, as opposed to advocating on your own.

In-Service Withdrawal

If you can't adjust your portfolio by simply picking a Small Company Fund for stocks, or by advocating for a SDBA to be added to the plan, there is another option. However, this option is more restricted in terms of who can use it. This is called an "in-service withdrawal,"[12] which means that you take money out of the plan by rolling it into your own IRA, while you are still working for the company. The rollover would be what is called a "trustee-to-trustee transfer," which means there will not be any taxable event when you do the rollover.

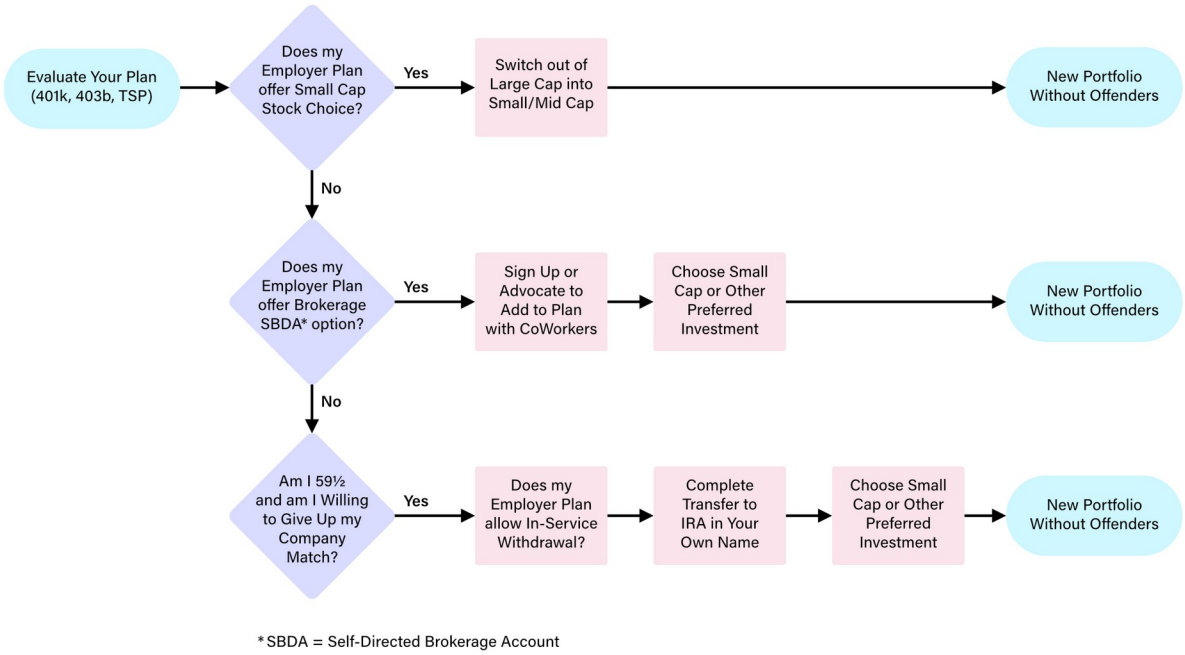
To take advantage of this, you have to be at least 59 ½ years old. Second, your employer has to offer this as an option within the plan provisions that they include when they set up the plan. If these two conditions are available, the in-service withdrawal should be an option for you as the employee. The goal of this type of withdrawal (rollover) is to get the money into your own IRA so that you then have individual control over the investments. One negative to this is that you will likely forgo any employer match that you are earning from that point forward.

Conclusion

Overall, there are multiple tools available to you as an individual to take control of your own money and how it is invested, even when it is in an employer plan such as a 401(k) or 403(b) (see Figure 3).

The primary ingredient needed is for you to take responsibility for your own destiny. Then, take progressive steps over time until you build the knowledge and a series of actions to succeed!

Figure 3. Assets Not in Your Control – In an Employer Plan



Endnotes

1. Democratizing Access to Alternative Assets for 401(k) Investors. The White House, Executive Order 14330, Aug. 7, 2025. https://www.whitehouse.gov/presidential-actions/2025/08/democratizing-access-to-alternative-assets-for-401k-investors/
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