

AdvisorIntelligence Active Model Portfolio Analytics

as of June 30, 2019

Metric	Trailing Standard Deviation		Sharpe Ratio		Rolling Five Years*				Rolling 10 Years*				Since 1991*				
	Five Years	Since Jan-1991*	Five Years	Since Jan-1991*	Avg. Return (Annualized)	Best Return (Annualized)	Worst Return (Annualized)	% of Periods Beating Benchmark	Avg. Return (Annualized)	Best Return (Annualized)	Worst Return (Annualized)	% of Periods Beating Benchmark	Upside Capture	Downside Capture	Worst Draw-down	Worst 12-Month Return	% of 12-Month Periods Below Downside Risk Threshold**
CONSERVATIVE BALANCED																	
Active	4.62%	6.74%	0.49	0.75	7.39%	15.12%	0.20%	58.30%	7.03%	11.85%	3.93%	79.82%	99.42%	88.87%	-24.70%	-22.89%	3.63%
Strategic Benchmark	5.11%	6.46%	0.74	0.69	6.86%	13.64%	0.07%	-	6.37%	10.71%	2.53%	-	-	-	-21.86%	-19.09%	3.63%
BALANCED																	
Active	7.05%	8.94%	0.43	0.60	7.60%	16.02%	-2.18%	57.60%	7.05%	12.33%	2.47%	73.09%	100.52%	94.67%	-36.59%	-31.84%	3.02%
Strategic Benchmark	7.29%	8.54%	0.65	0.56	7.01%	14.68%	-1.73%	-	6.32%	10.76%	1.18%	-	-	-	-33.76%	-28.71%	4.53%
EQUITY-TILTED BALANCED																	
Active	8.95%	11.26%	0.39	0.56	8.12%	19.49%	-4.03%	45.58%	7.29%	14.62%	1.49%	70.40%	94.18%	87.60%	-43.84%	-37.79%	3.02%
Strategic Benchmark	9.07%	11.63%	0.60	0.51	7.99%	19.32%	-3.24%	-	6.88%	13.30%	0.00%	-	-	-	-41.44%	-35.11%	3.63%
EQUITY																	
Active	12.34%	14.65%	0.40	0.49	8.46%	21.13%	-7.69%	43.46%	7.27%	16.15%	0.03%	56.95%	97.57%	91.89%	-55.18%	-47.75%	-
Strategic Benchmark	12.01%	14.39%	0.55	0.45	8.01%	20.88%	-5.81%	-	6.58%	13.95%	-1.98%	-	-	-	-52.56%	-44.76%	-

Model portfolio returns reflect only theoretical returns and may differ significantly from results achieved for actual managed accounts. For example, model portfolio results may not reflect the impact that material economic and market factors might have had on AdvisorIntelligence decision-making if the AdvisorIntelligence research team were actually managing clients' funds. The model portfolio results portrayed reflect the reinvestment of distributions and the cost of fund expenses, but not the deduction of costs, including management fees, that would have been payable by the model portfolio if it were an actual account managed by AdvisorIntelligence.

* Since 1991. We did not report monthly returns during the first year of our models. Excluding 1990 does not materially change the long-term risk and return characteristics of our portfolios.

** Percentage of 12-month periods in which the model portfolio's return violated the stated target risk thresholds as follows: Conservative Balanced (a 5% decline), Balanced (a 10% decline), and Equity-Tilted Balanced (a 15% decline). This metric is not relevant to the Equity model because, as a rule, it is a fully invested, global stock portfolio; we expect risk similar to the broader equity market. While our objective is not to exceed our risk threshold targets in the vast majority of environments, there is no guarantee that we will do so, and each investor should carefully consider their portfolio strategy in light of their risk tolerance and the possibility that losses could exceed our target levels.

Worst Drawdown: Worst peak to trough decline using monthly returns.

Upside Capture shows whether the model has gained more or less on average than its strategic benchmark in months when the benchmark gained.

Downside Capture shows whether the model has lost more or less on average than its strategic benchmark in months when the benchmark declined.

Note: Prior to 1999, the Conservative Balanced and Balanced portfolios were benchmarked to our Global Balanced benchmark. The Conservative Balanced portfolio was managed similarly to the Balanced portfolio during this time, but with a greater focus on income. The Equity-Tilted Balanced and Equity portfolios were both benchmarked to our Global Equity benchmark prior to 1999. We have backfilled the monthly returns of the Conservative Balanced and Equity-Tilted Balanced Strategic Benchmarks prior to 1999 with the returns of the Balanced Strategic Benchmark and Equity Strategic Benchmark, respectively, to make risk analysis possible across all four original model portfolios.

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as of June 30, 2019

Metric	Trailing Standard Deviation		Sharpe Ratio		Rolling Five Years*				Rolling 10 Years*				Upside Capture	Downside Capture	Worst Draw-down	Worst 12-Month Return	% of 12-Month Periods Below Downside Risk Threshold**
	Five Years	Since Inception*	Five Years	Since Inception*	Avg. Return (Annualized)	Best Return (Annualized)	Worst Return (Annualized)	% of Periods Beating Benchmark	Avg. Return (Annualized)	Best Return (Annualized)	Worst Return (Annualized)	% of Periods Beating Benchmark					
DEFENSIVE BALANCED																	
Active	2.73%	3.22%	0.75	1.26	3.77%	5.80%	2.55%	14.55%	-	-	-	-	93.49%	91.51%	-3.61%	-2.92%	0.97%
Strategic Benchmark	3.39%	3.27%	0.83	1.33	4.10%	6.11%	2.83%	-	-	-	-	-	-	-	-3.18%	-1.84%	0.00%

Model portfolio returns reflect only theoretical returns and may differ significantly from results achieved for actual managed accounts. For example, model portfolio results may not reflect the impact that material economic and market factors might have had on AdvisorIntelligence decision-making if the AdvisorIntelligence research team were actually managing clients' funds. The model portfolio results portrayed reflect the reinvestment of distributions and the cost of fund expenses, but not the deduction of costs, including management fees, that would have been payable by the model portfolio if it were an actual account managed by AdvisorIntelligence.

* Since inception Jan-2010.

** Percentage of 12-month periods in which the model portfolio's return violated the stated target risk thresholds as follows: Defensive Balanced (a 2.5% decline).

Worst Drawdown: Worst peak to trough decline using monthly returns.

Upside Capture shows whether the model has gained more or less on average than its strategic benchmark in months when the benchmark gained.

Downside Capture shows whether the model has lost more or less on average than its strategic benchmark in months when the benchmark declined.

Beginning in 2012, our model benchmarks were changed to reflect the following strategic allocations:

Defensive Balanced—consists of an 80% weighting to the Vanguard Total Bond Market Index, 10% weighting in the Vanguard 500 Index, 2% weighting in the iShares Russell 2000 ETF, 4% weighting in the Vanguard FTSE Developed Markets ETF, and 4% weighting in the Vanguard FTSE Emerging Markets ETF.

Conservative Balanced—consists of a 60% weighting in the Vanguard Total Bond Market Index, 20% weighting in the Vanguard 500 Index, 4% weighting in the iShares Russell 2000 ETF, 8% weighting in the Vanguard FTSE Developed Markets ETF, and 8% in the Vanguard FTSE Emerging Markets ETF.

Balanced—consists of a 40% weighting in the Vanguard Total Bond Market Index, 30% weighting in the Vanguard 500 Index, 6% weighting in the iShares Russell 2000 ETF, 12% weighting in the Vanguard FTSE Developed Markets ETF, and 12% in the Vanguard FTSE Emerging Markets ETF.

Equity-Tilted Balanced—consists of a 25% weighting in the Vanguard Total Bond Market Index, 37% weighting in the Vanguard 500 Index, 8% weighting in the iShares Russell 2000 ETF, 15% weighting in the Vanguard FTSE Developed Markets ETF, and 15% in the Vanguard FTSE Emerging Markets ETF.

Equity—consists of a 50% weighting in the Vanguard 500 Index, 10% weighting in the iShares Russell 2000 ETF, 20% weighting in the Vanguard FTSE Developed Markets ETF, and 20% in the Vanguard FTSE Emerging Markets ETF.

From June 30, 2003 – December 31, 2011, our strategic allocations were as follows:

Defensive Balanced—consisted of an 80% weighting in the Vanguard Total Bond Market Index, 14% weighting in the Vanguard 500 Index, 3% weighting in the iShares Russell 2000 ETF, and 3% weighting in the Vanguard Total Int'l Stock Index.

Conservative Balanced—consisted of a 60% weighting in the Vanguard Total Bond Market Index, 30% weighting in the Vanguard 500 Index, 5% weighting in the iShares Russell 2000 ETF, and 5% weighting in the Vanguard Total Int'l Stock Index.

Balanced—consisted of a 40% weighting in the Vanguard Total Bond Market Index, 40% weighting in the Vanguard 500 Index, 8% weighting in the iShares Russell 2000 ETF, and 12% weighting in the Vanguard Total Int'l Stock Index.

Equity-Tilted Balanced—consisted of a 25% weighting in the Vanguard Total Bond Market Index, 50% weighting in the Vanguard 500 Index, 10% weighting in the iShares Russell 2000 ETF, and 15% weighting in the Vanguard Total Int'l Stock Index.

Equity—consisted of 65% weighting in the Vanguard 500 Index, 15% weighting in the iShares Russell 2000 ETF, and 20% weighting in the Vanguard Total Int'l

From January 1999 – June 30, 2003, our strategic allocations were as follows:

Defensive Balanced—consisted of an 80% weighting in the Vanguard Total Bond Market Index, 14% weighting in the Vanguard 500 Index, 3% weighting in the Vanguard Small Cap Index, and 3% weighting in the Vanguard Total Int'l Stock Index.

Conservative Balanced—consisted of a 60% weighting in the Vanguard Total Bond Market Index, 30% weighting in the Vanguard 500 Index, 5% weighting in the Vanguard Small Cap Index, and 5% weighting in the Vanguard Total Int'l Stock Index.

Balanced—consisted of a 40% weighting in the Vanguard Total Bond Market Index, 40% weighting in the Vanguard 500 Index, 8% weighting in the Vanguard Small Cap Index, and 12% weighting in the Vanguard Total Int'l Stock Index.

Equity-Tilted Balanced—consisted of a 25% weighting in the Vanguard Total Bond Market Index, 50% weighting in the Vanguard 500 Index, 10% weighting in the Vanguard Small Cap Index, and 15% weighting in the Vanguard Total Int'l Stock Index.

Equity—consisted of 65% weighting in the Vanguard 500 Index, 15% weighting in the Vanguard Small Cap Index, and 20% weighting in the Vanguard Total Int'l

Prior to 1999, the Balanced portfolio was benchmarked to our Global Balanced benchmark, which consists of a 25% weighting in the Vanguard 500 Index Fund, a 25% weighting in the MSCI EAFE, and a 50% weighting in the Vanguard Total Bond Market Index Fund. The Equity Portfolio was benchmarked to our Global Equity benchmark prior to 1999, which is equally split between the MSCI EAFE and the Vanguard 500 Index Fund.