



Portfolio Analysis (Sample Portfolio vs Benchmark)

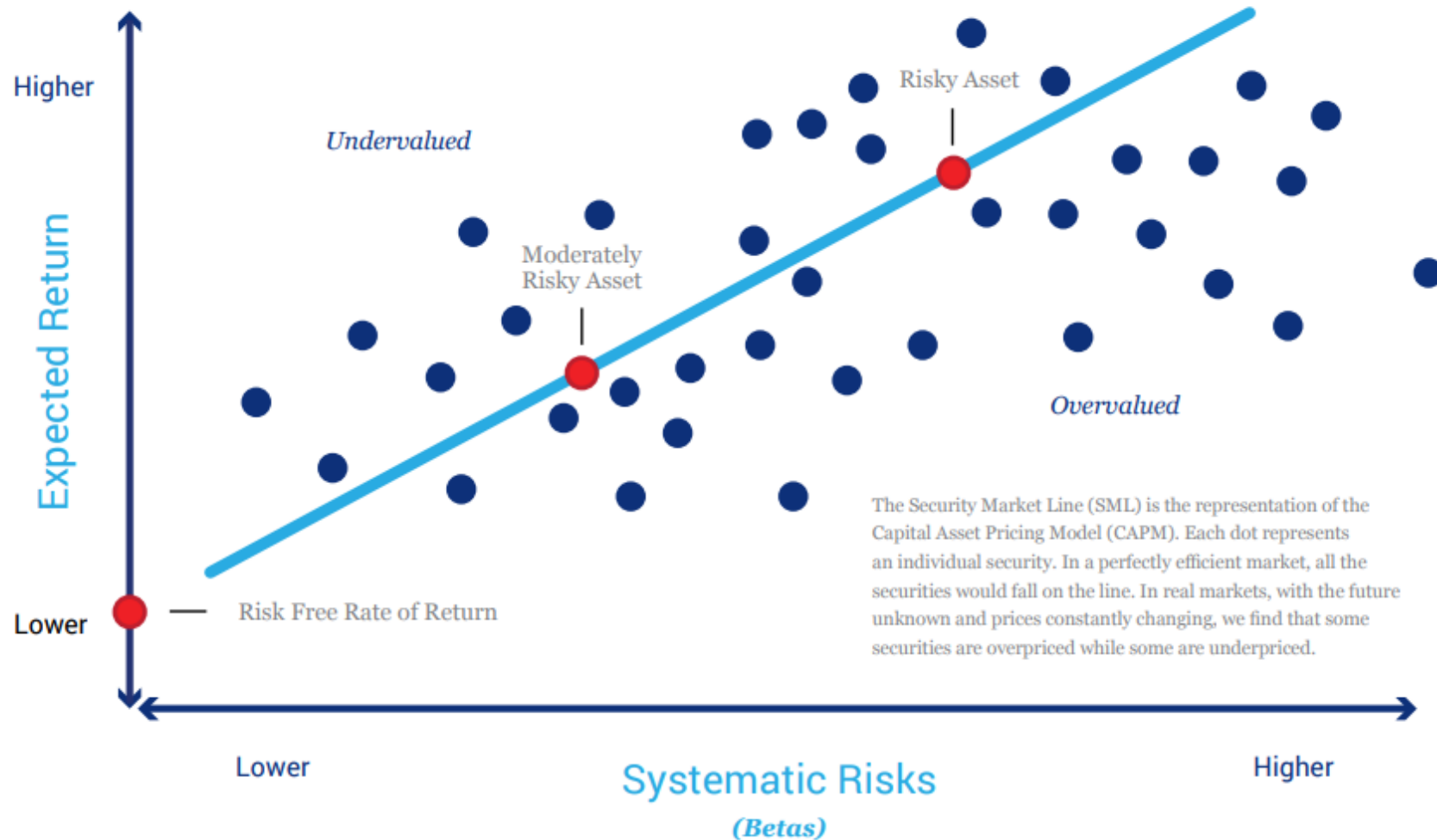
Benchmark: Recommended Benchmark
- Aggressive

Client Name: Sample Portfolio

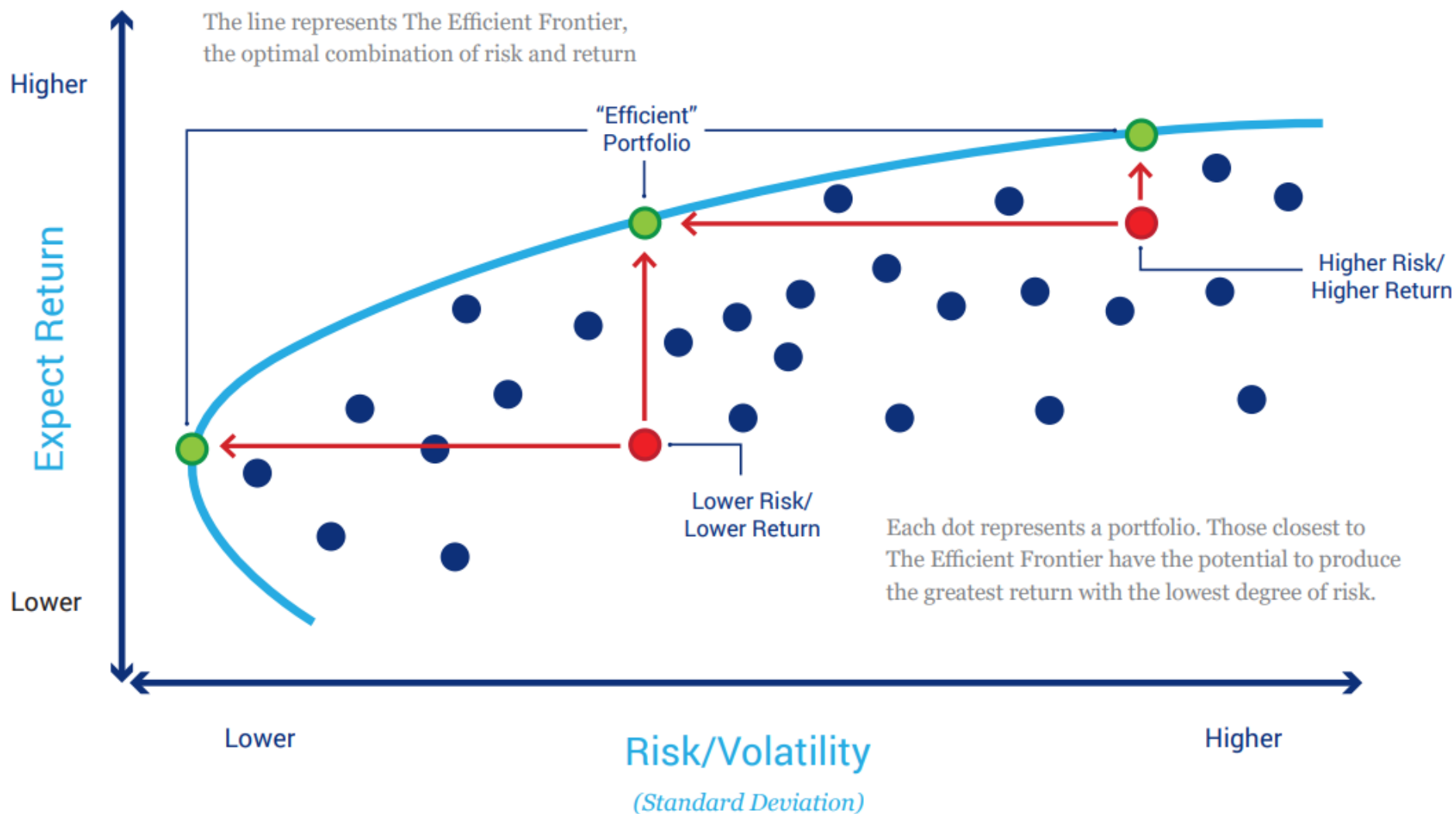
Prepared By: Private Client Group

Systematic Risk:

This risk is inherent to the entire market. It is **difficult to eliminate**. However, it is **measurable and is highly correlated with returns**. Investors whose portfolios have more systematic risk are generally afforded an opportunity to earn higher returns over time.

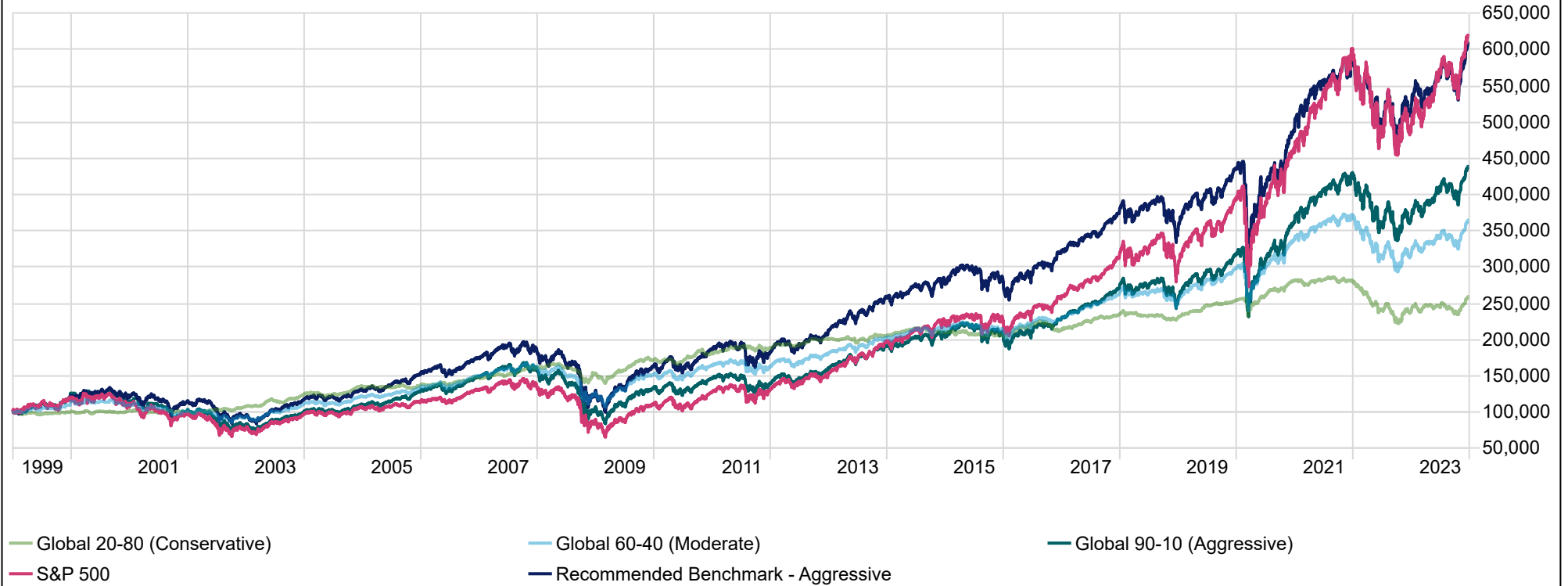


Factor risk exposures include equity risk premium, credit, duration, size, valuation, momentum, and quality.



Investment Growth

Time Period: 1/1/1999 to 12/31/2023



Risk and Return

Time Period: 1/1/1999 to 12/31/2023

	Return	Standard Deviation
Global 20-80 (Conservative)	3.88	6.10
Global 40-60 (Conservative Plus)	4.65	7.38
Global 60-40 (Moderate)	5.31	9.39
Global 75-25 (Moderate Plus)	5.73	11.14
Global 90-10 (Aggressive)	6.09	13.01
S&P 500	7.56	15.38
Recommended Benchmark - Aggressive	7.48	13.33

Dot-Com Bubble: Peak to Trough

Time Period: 3/10/2000 to 10/9/2002

	Return
Global 20-80 (Conservative)	2.03
Global 40-60 (Conservative Plus)	-11.92
Global 60-40 (Moderate)	-24.26
Global 75-25 (Moderate Plus)	-32.53
Global 90-10 (Aggressive)	-40.04
S&P 500	-42.64
Recommended Benchmark - Aggressive	-32.81

Dot-Com Bubble: "The Lost Decade"

Time Period: 1/1/2000 to 1/1/2010

	Return
Global 20-80 (Conservative)	68.94
Global 40-60 (Conservative Plus)	50.00
Global 60-40 (Moderate)	31.32
Global 75-25 (Moderate Plus)	17.75
Global 90-10 (Aggressive)	4.74
S&P 500	-9.10
Recommended Benchmark - Aggressive	32.06

Financial Crisis: Lehman Bankruptcy

Time Period: 9/15/2008 to 3/9/2009

	Return
Global 20-80 (Conservative)	-10.91
Global 40-60 (Conservative Plus)	-19.20
Global 60-40 (Moderate)	-26.99
Global 75-25 (Moderate Plus)	-32.49
Global 90-10 (Aggressive)	-37.72
S&P 500	-45.15
Recommended Benchmark - Aggressive	-39.16

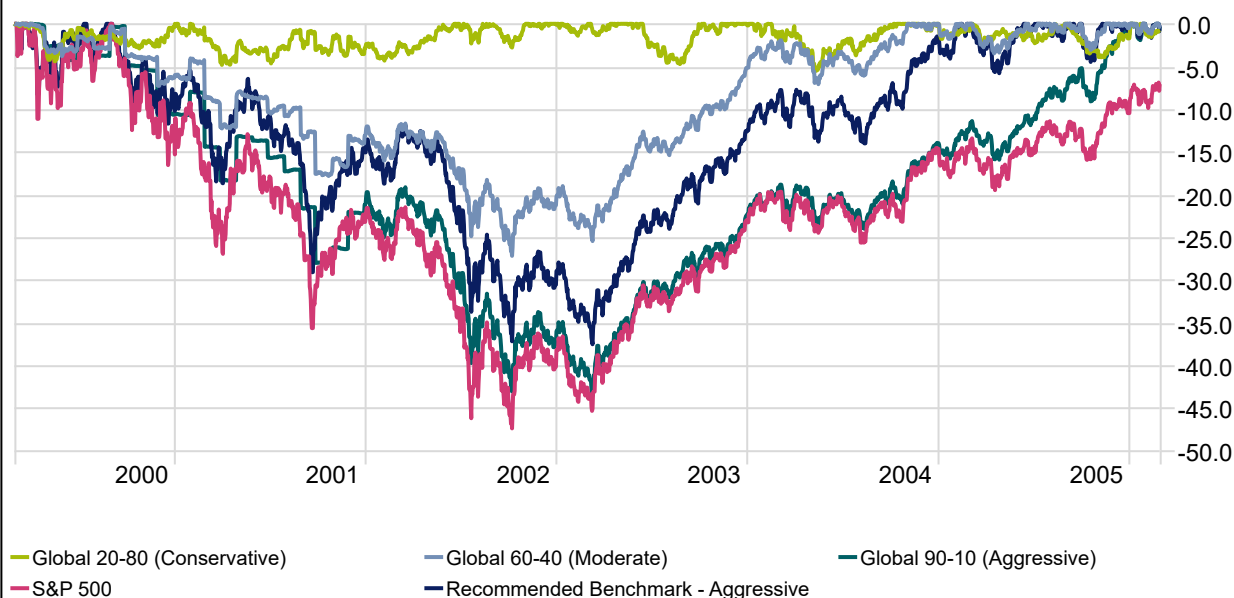
18 Months After Lehman Failure

Time Period: 9/15/2008 to 3/15/2010

	Return
Global 20-80 (Conservative)	9.75
Global 40-60 (Conservative Plus)	7.49
Global 60-40 (Moderate)	4.75
Global 75-25 (Moderate Plus)	2.40
Global 90-10 (Aggressive)	-0.19
S&P 500	-4.61
Recommended Benchmark - Aggressive	2.29

Dot-Com Bubble: Drawdown and Recovery

Time Period: 3/1/2000 to 3/1/2006

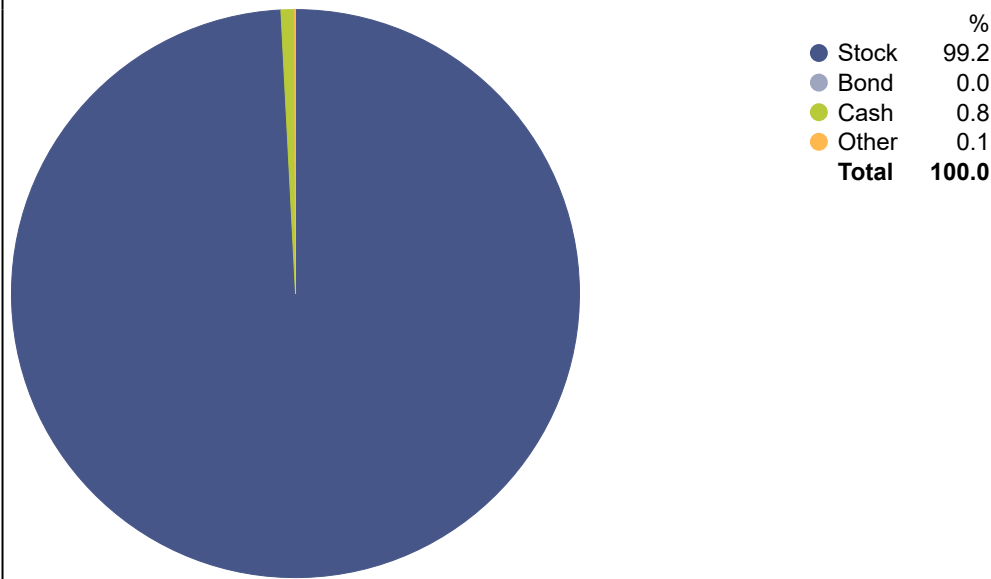


Great Recession: Drawdown and Recovery

Time Period: 10/9/2007 to 12/31/2010

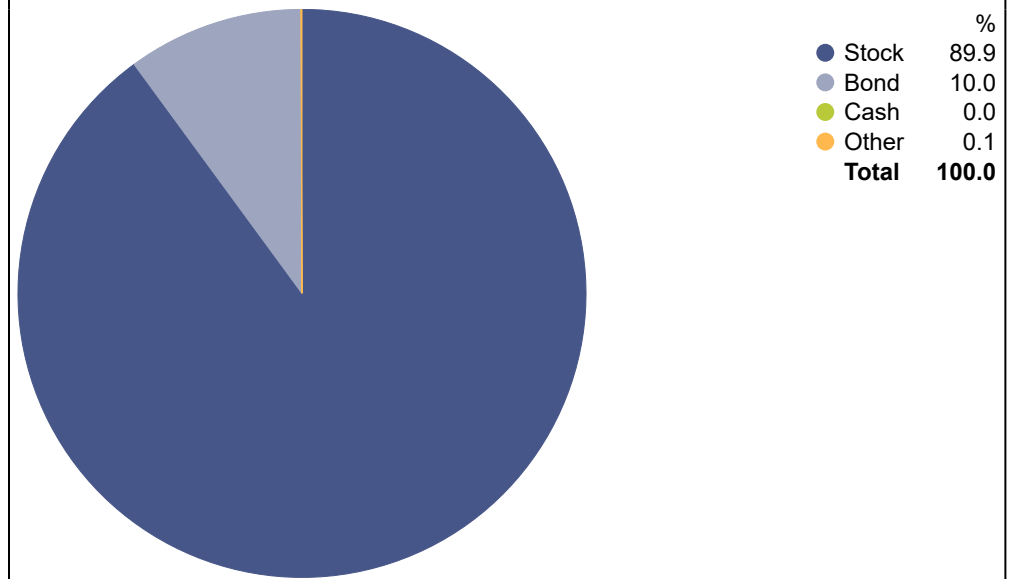


Sample Portfolio



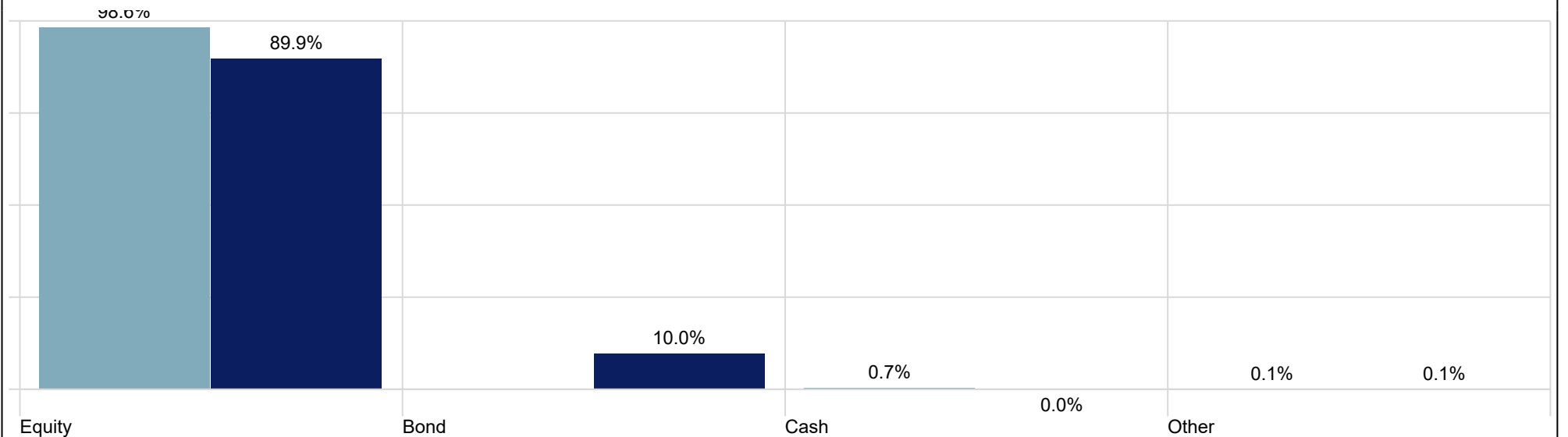
Standard Deviation 3 Yr **19.85**

Recommended Benchmark - Aggressive



Standard Deviation 3 Yr **14.04**

Asset Allocation

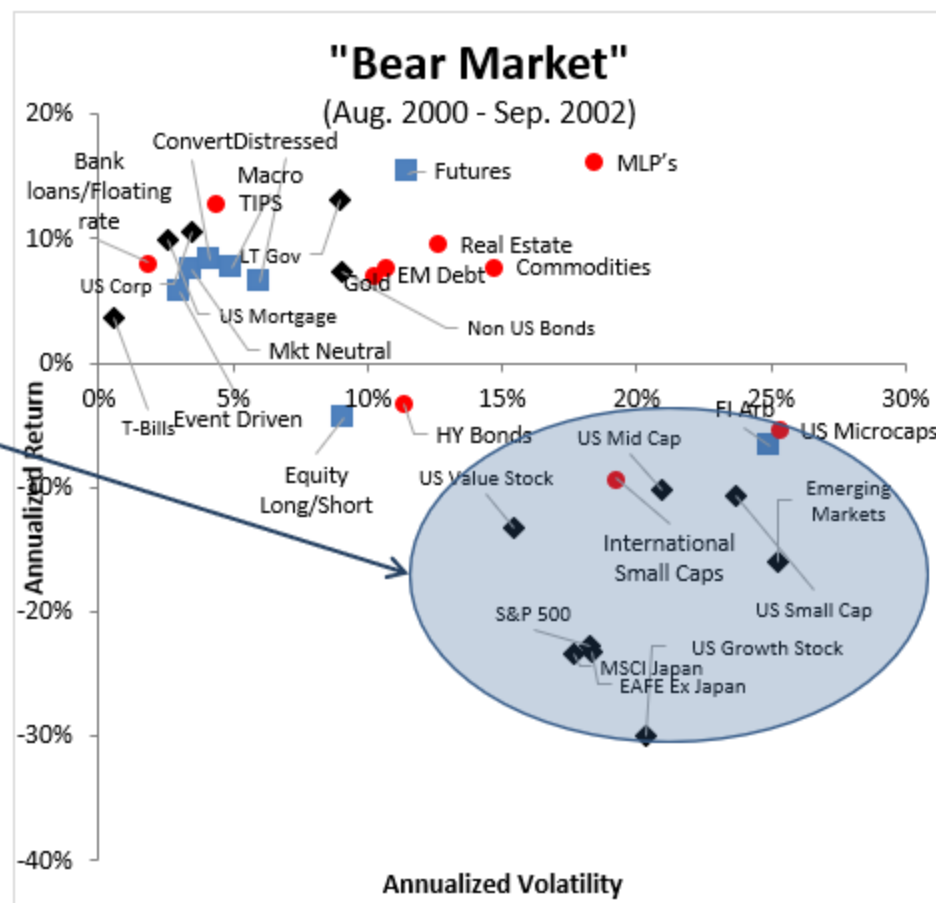
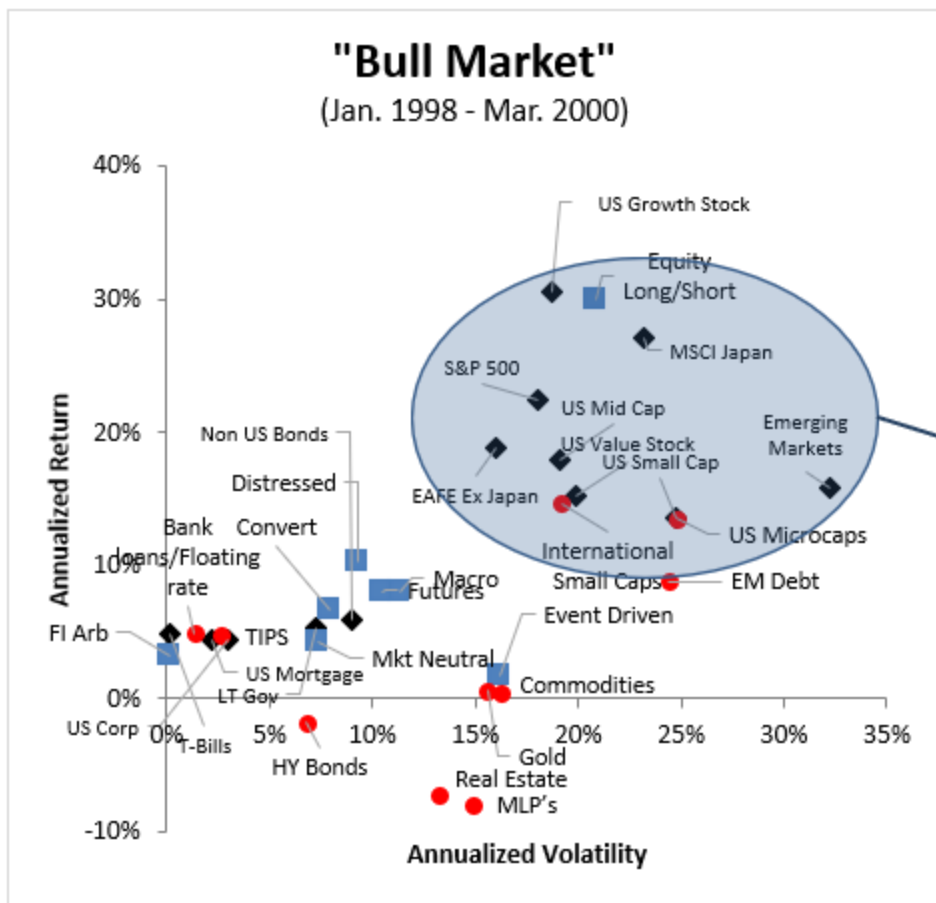


Sample Portfolio (Aggressive)

Recommended Benchmark - Aggressive

Diversification (Seeking the Efficient Frontier):

We can seek to make portfolios more "**efficient**" by combining dissimilar assets in an attempt to: (1) maximize the expected return at any level of expected risk (volatility), or (2) to minimize the expected risk (volatility) needed to achieve a targeted rate of expected return.



Classical Asset Classes



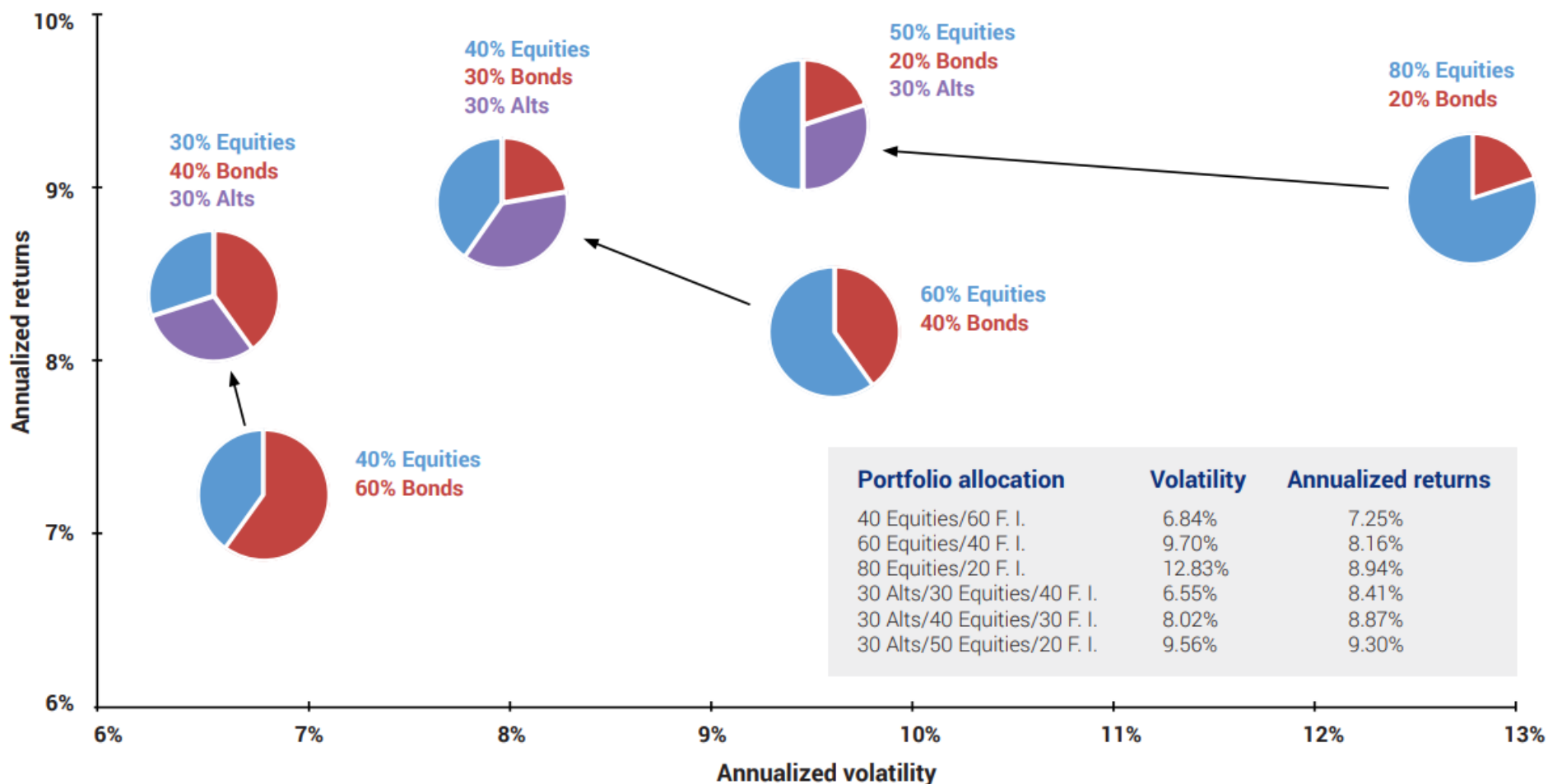
"Satellite" Assets



Hedge Funds

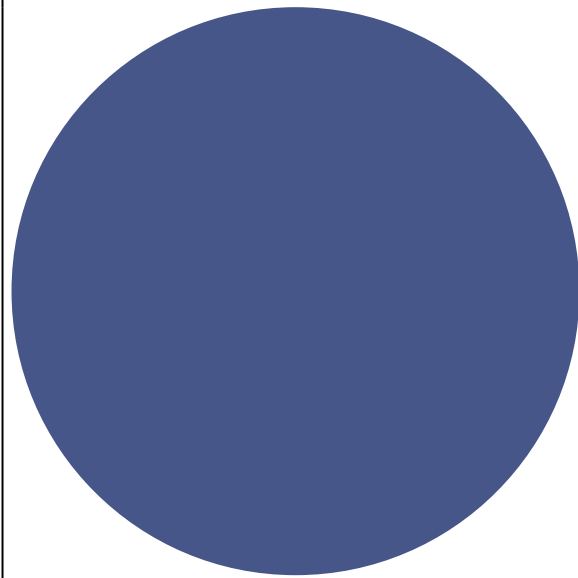
Alternatives and portfolio risk/return

Annualized volatility and returns, 1989 - 3Q22



Source: Bloomberg, Burgiss, FactSet, HRFI, NCREIF, Standard & Poor's, J.P. Morgan Asset Management. Alts include hedge funds, real state and private equity, with each receiving an equal weight. Portfolios are rebalanced at the start of the year. This slide comes from our [Guide to Alternatives](#). *Guide to the Markets - U.S.* Data are as of June 30, 2023.

Sample Portfolio

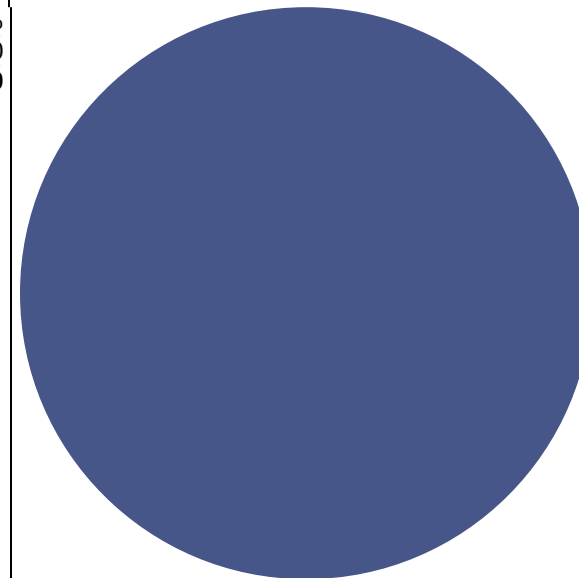


● Core	100.0	%
Total	100.0	

Annual Net Expense Ratio

0.79

Recommended Benchmark - Aggressive

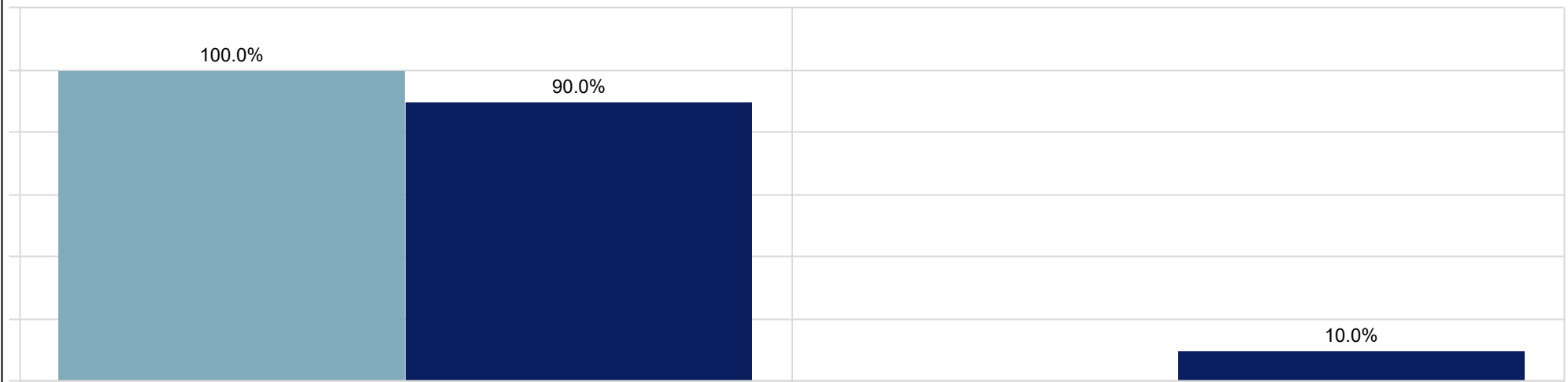


● Core	100.0	%
Total	100.0	

Annual Net Expense Ratio (Attainable)

0.04

Asset Class Exposure



Core Equity

Core Fixed Income

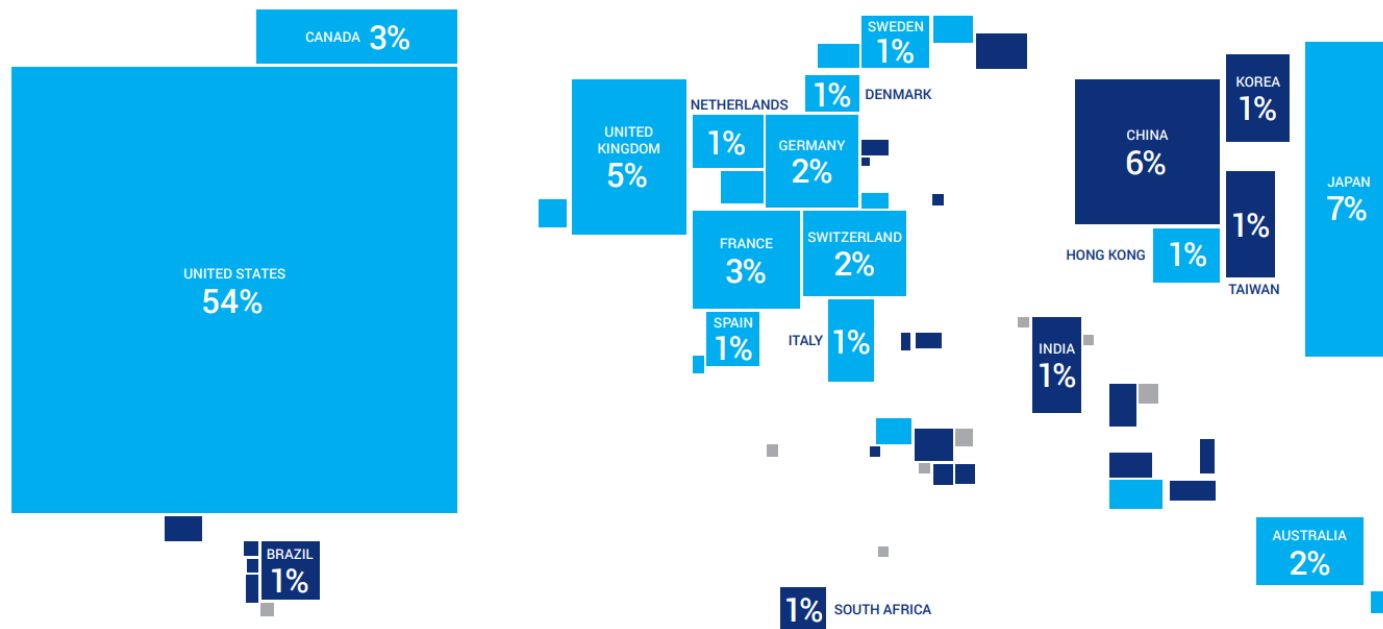
■ Sample Portfolio (Aggressive)

■ Recommended Benchmark - Aggressive

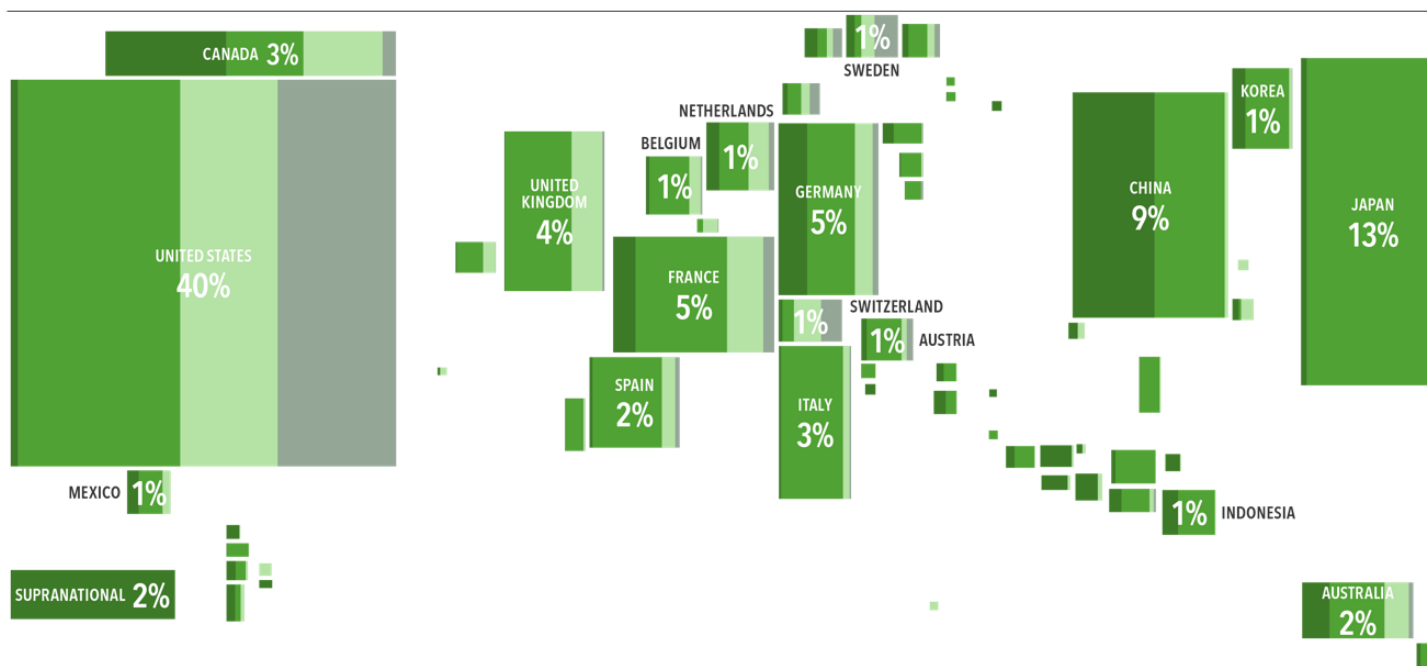
How Has The World Diversified its Capital Globally?

U.S. FOCUSED OR GLOBAL

- Developed Markets
- Emerging Markets
- Other

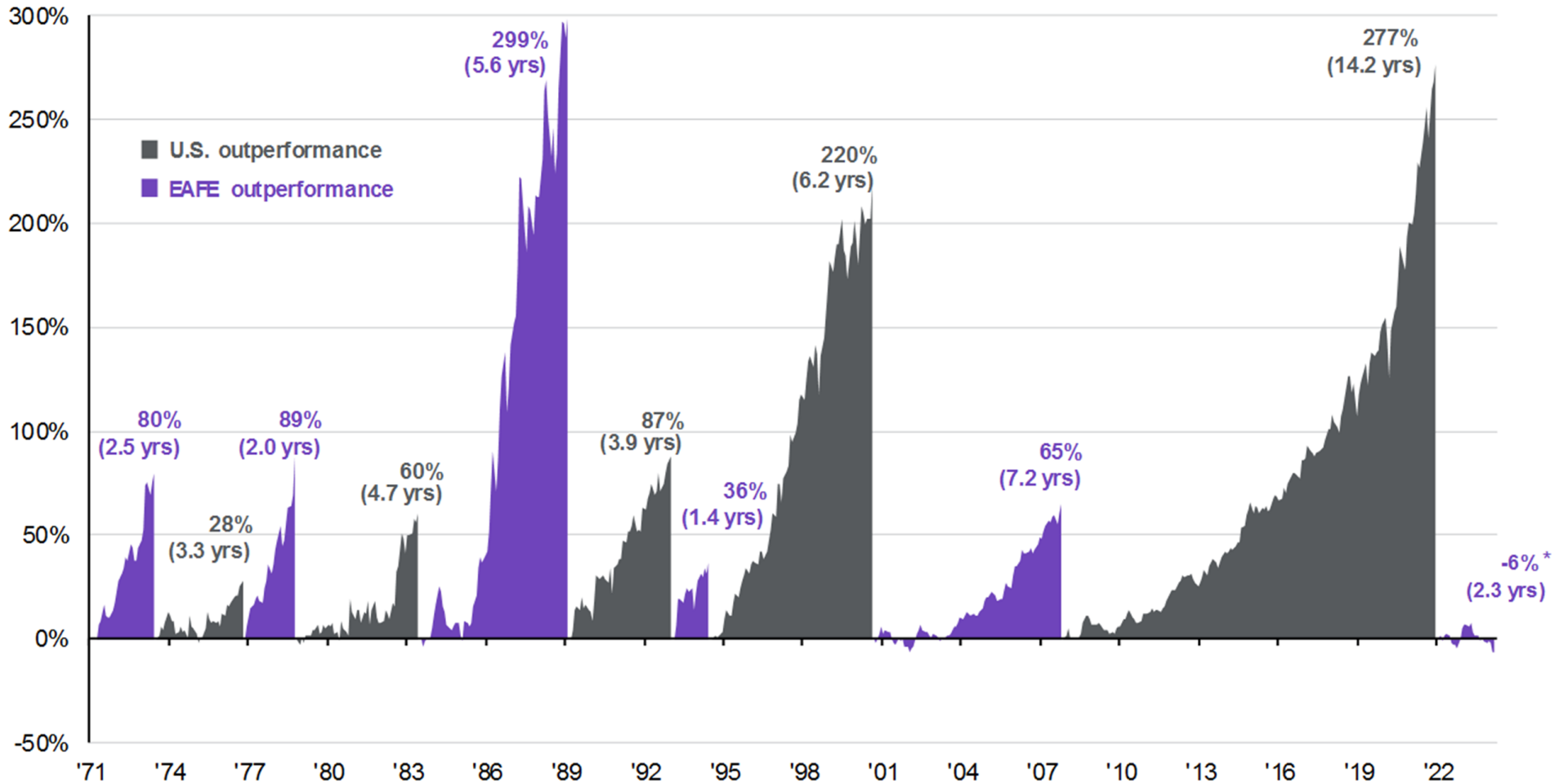


■ GOVERNMENT RELATED ■ TREASURY ■ CORPORATE ■ SECURITIZED

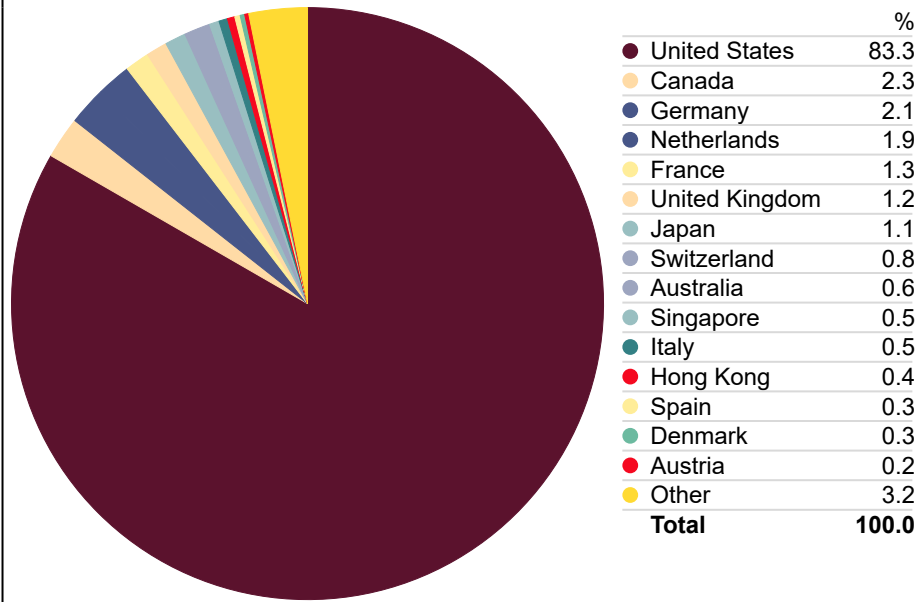


MSCI EAFE and MSCI USA relative performance

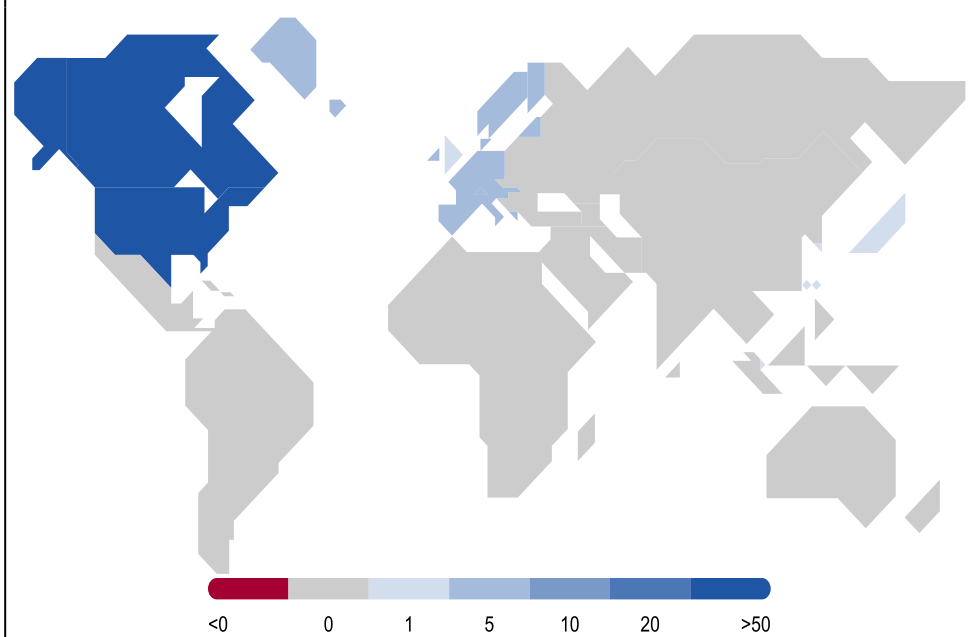
U.S. dollar, total return, cumulative outperformance



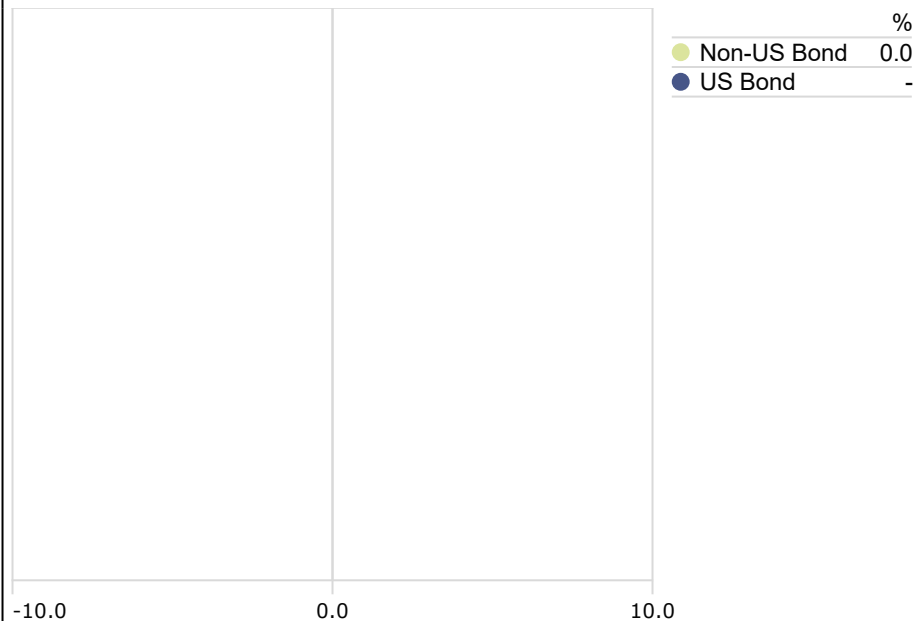
Equity Distribution by Country (Sample Portfolio)



Equity Distribution by Region (Sample Portfolio vs Benchmark)



Fixed Income Distribution by Region (Sample Portfolio)



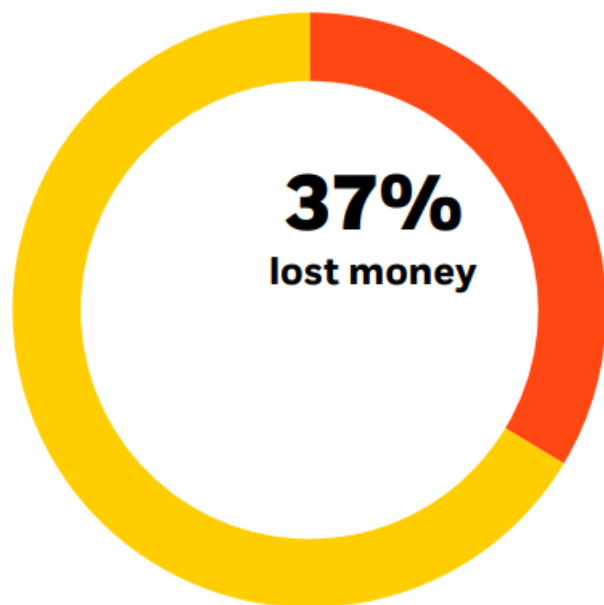
	Sample Portfolio	Recommended Benchmark - Aggressive
Americas	84.77	64.94
North America	84.23	64.04
Latin America	0.54	0.90
Greater Europe	11.48	18.08
United Kingdom	1.24	3.73
Europe Developed	9.49	12.79
Europe Emerging	0.36	0.24
Africa/Middle East	0.40	1.32
Greater Asia	3.75	16.98
Japan	1.18	5.36
Australasia	0.68	1.72
Asia Developed	0.97	4.10
Asia Emerging	0.92	5.80

Unsystematic Risk (Asset Specific Risk):

Risk that **can be diversified** and is **not strongly correlated with future returns**. Generally, this is the risk inherent to any individual stock or industry. Bankruptcy risk is an example.

Diversify your way to a better portfolio

Individual U.S. stocks
(last 5 years)



Diversified Investments
(last 5 years)



Source: Morningstar as of 12/31/23. **Diversified investments** are represented by the Morningstar U.S. Equity Category, oldest share class only. **Individual U.S. stocks** are represented by the Morningstar U.S. Stock Universe, all securities on the NYSE and NASDAQ. Analysis does not include obsolete mutual funds, ETFs or stocks as defined by Morningstar. **Past performance does not guarantee or indicate future results.**

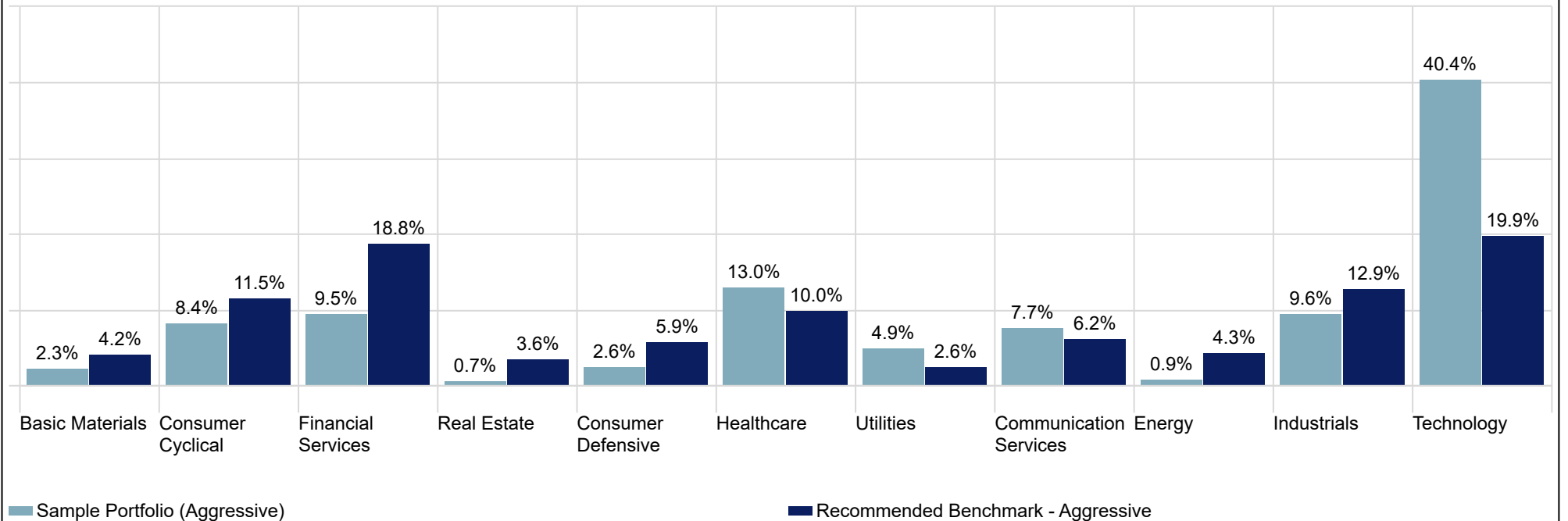
Sample Portfolio

Top 10 Underlying Equity Holdings

	Ticker	Portfolio Weighting %
Amazon.com Inc	AMZN	5.63
NVIDIA Corp	NVDA	4.09
Oracle Corp	ORCL	3.89
Microsoft Corp	MSFT	3.44
Meta Platforms Inc Class A	META	3.20
Eli Lilly and Co	LLY	2.38
Alphabet Inc Class C	GOOG	2.12
Constellation Energy Corp	CEG	2.03
ServiceNow Inc	NOW	1.91
Broadcom Inc	AVGO	1.84

30.52

Sector Exposure



Risk Factors (Smart Betas):

Fundamentals like **valuation**, **size**, **profitability**, **credit**, and **interest rate risk** have historically been sources of excess return. Academics believe these are forms of risk which have risk premiums associated with them. They can be measured and estimated with statistical regressions. They are often used to estimate and improve expected returns. They can also be used to create enhanced indices.

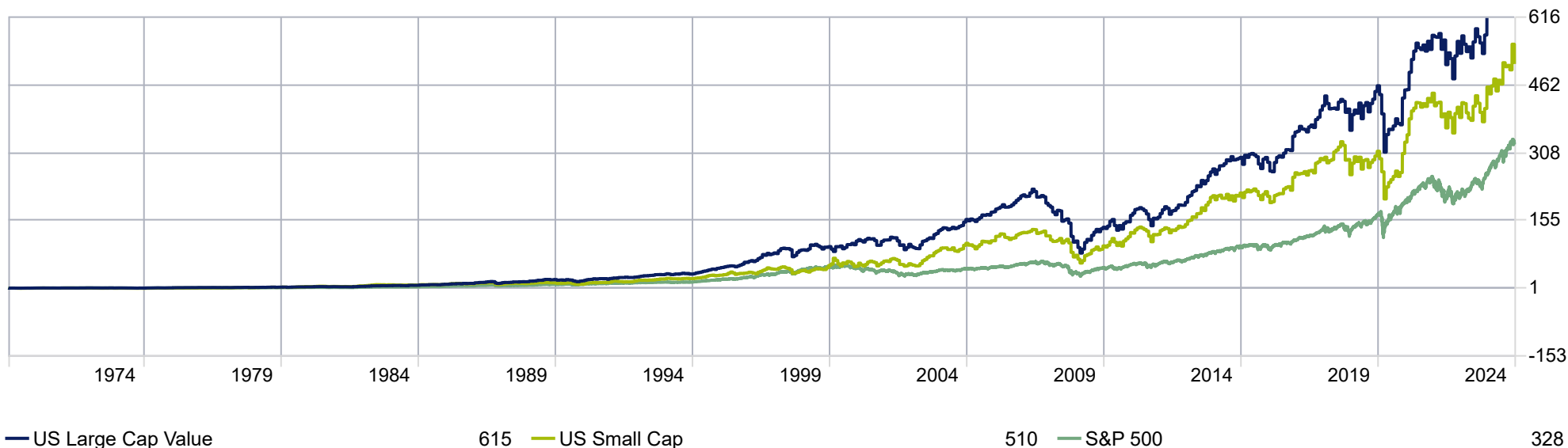
Dimensions of Expected Returns

Illustrative index performance: annualized compound returns (%) in US dollars



Past performance is no guarantee of future results. Actual returns may be lower. Indices are not available for direct investment; therefore, their performance does not reflect the expenses associated with the management of an actual portfolio. In USD. Bars are represented by the following indices, in order: Dimensional US Small Cap Index, S&P 500 Index, Dimensional International Small Cap Index, MSCI World ex USA Index (gross div.), Dimensional Emerging Markets Small Index, MSCI Emerging Markets Index (gross div.), Fama/French US Value Research Index, Fama/French US Growth Research Index, Fama/French International Value Index, Fama/French International Growth Index, Fama/French Emerging Markets Value Index, Fama/French Emerging Markets Growth Index, Fama/French US High Profitability Index, Fama/French US Low Profitability Index, Fama/French International High Profitability Index, Fama/French International Low Profitability Index, Fama/French Emerging Markets High Profitability Index, Fama/French Emerging Markets Low Profitability Index. S&P data © 2024 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. MSCI data © MSCI 2023, all rights reserved. The Dimensional and Fama/French Indices represent academic concepts that may be used in portfolio construction and are not available for direct investment or for use as a benchmark. See "Index Descriptions" in the appendix for descriptions of Dimensional and Fama/French index data.

Growth of \$1: Equities (1970-2023)



Equity Style Box: Sample Portfolio

	Value	Blend	Growth
Large	11.5	34.3	24.6
Mid	3.4	6.5	9.0
Small	2.2	1.6	7.0

Market Cap	%
Market Cap Giant %	35.8
Market Cap Large %	34.1
Market Cap Mid %	19.3
Market Cap Small %	7.3
Market Cap Micro %	3.6

Value Factor

	Sample Portfolio	Recommended Benchmark - Aggressive
Price/Earnings	26.99	19.38
Price/Book	4.56	2.47
Price/Sales	3.29	1.78
Price/Free Cash Flow	40.05	27.67

Size Factor

	Sample Portfolio	Recommended Benchmark - Aggressive
Avg Market Cap (M)	109,898.87	58,618.02

Equity Style Box: Recommended Benchmark - Aggressive

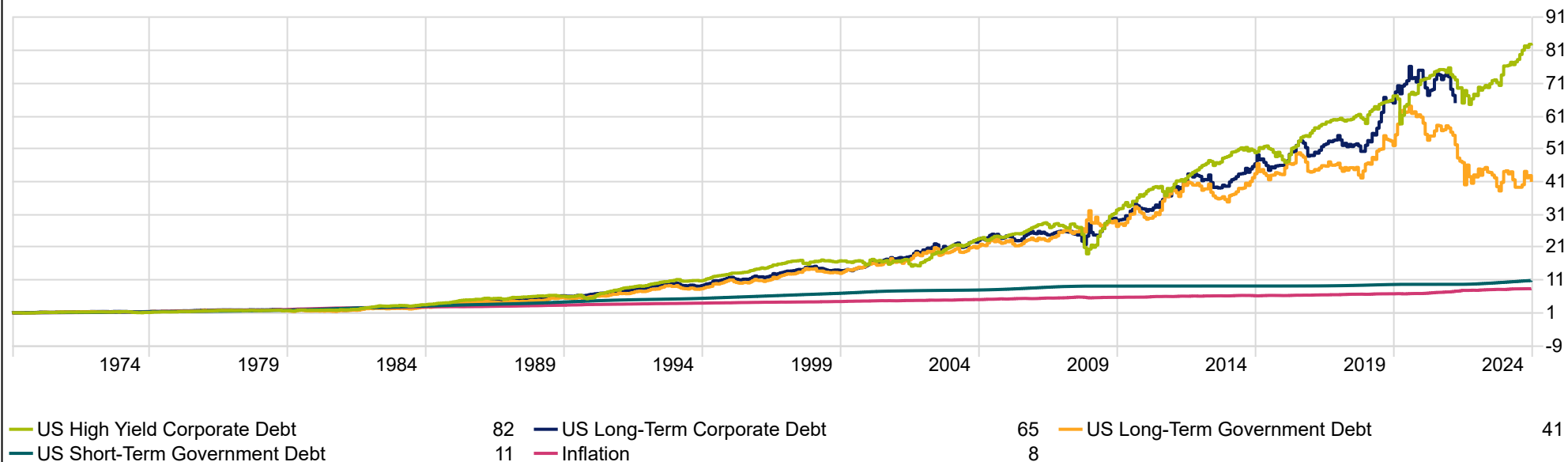
	Value	Blend	Growth
Large	18.6	27.8	17.4
Mid	4.6	6.6	4.0
Small	7.5	8.1	5.4

Market Cap	%
Market Cap Giant %	37.2
Market Cap Large %	26.6
Market Cap Mid %	15.2
Market Cap Small %	16.7
Market Cap Micro %	4.4

Quality Factor

	Sample Portfolio	Recommended Benchmark - Aggressive
Return on Investment %	15.22	16.38
Return on Equity %	24.72	22.31

Growth of \$1: Bonds, Treasury Bills and Inflation (1970-2023)



Fixed Income Style Box: Sample Portfolio

Morningstar Fixed Income Style Box™

Fixed-Income Stats

Average Eff Duration Survey	-
Average Eff Maturity Survey	-
Average Coupon	-
Average Price	-

Not Available

Credit Risk

	Sample Portfolio	Recommended Benchmark - Aggressive
Credit Quality AAA %		2.67
Credit Quality AA %		73.03
Credit Quality A %		11.78
Credit Quality BBB %		12.52
Credit Quality BB %		0.01
Credit Quality B %		—
Credit Quality Below B %		—
Credit Quality Not Rated %		—
Average Credit Quality		A

Interest Rate Sensitivity

	Sample Portfolio	Recommended Benchmark - Aggressive
Average Eff Duration		5.91
Average Mod Duration		5.98
Average Coupon		3.63









Implementation:

Holdings Analysis

Sample Portfolio

	Annual Report Net Expense Ratio	Morningstar Medalist Rating	# of Holdings	Turnover Ratio %	Potential Capital Gains Exposure	Portfolio Weighting %
Core Equity						100.00
First Trust Innovation Leaders ETF	0.75	Negative	70	43.00	14.61	64.00
Kovitz Core Equity ETF	0.99	Neutral	38	25.00	23.52	22.00
Inspire International ETF	0.66	Neutral	219	34.00	2.45	10.00
First Trust Active Factor Small Cap ETF	0.75	Neutral	331	79.00	5.95	2.00
Invesco Zacks Mid-Cap ETF	0.69	Neutral	102	118.00	-67.97	2.00
						100.00

Recommended Benchmark - Aggressive

	Annual Report Net Expense Ratio	Morningstar Medalist Rating	# of Holdings	Turnover Ratio %	Portfolio Weighting %
Core Equity					90.00
iShares Core MSCI Intl Dev Mkts ETF	0.04	 Bronze	2,272	3.00	35.00
SPDR® Portfolio S&P 500 Value ETF	0.04	 Silver	399	33.00	17.00
iShares Core S&P Mid-Cap ETF	0.05	 Silver	405	19.00	15.00
SPDR® Portfolio S&P 500 Growth ETF	0.04	 Silver	212	32.00	15.00
iShares Core S&P Small-Cap ETF	0.06	 Silver	610	25.00	8.00
Core Fixed Income					10.00
iShares Core US Aggregate Bond ETF	0.03	 Gold	12,458	89.00	10.00
iShares Core International Aggt Bd ETF	0.07	 Bronze	5,964	19.00	—
iShares® 0-3 Month Treasury Bond ETF	0.06	Neutral	21	584.00	—
Satellite					—
SPDR® Portfolio High Yield Bond ETF	0.05	 Bronze	1,953	32.00	—
					100.00

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Indices, such as the S&P 500, are unmanaged portfolios of specified securities. Individuals cannot invest directly in an index.

Investments in bonds are subject to interest rate risk and can lose principal value when interest rates rise.

Investments in large-capitalization companies may involve the risk that larger more established companies may be unable to respond quickly to new competitive challenges.

Investments in mid-capitalization companies are generally less established and their stocks may be more volatile and less liquid than the securities of larger companies.

Investments in small-capitalization companies may be more vulnerable to adverse business or market developments than larger capitalization companies.

Investments in real estate involve risks such as refinancing, economic impacts, property value changes, operating expenses, and management skill dependency.

Investments in foreign securities may be subject to greater risks than U.S. investments, including currency fluctuations, less liquid trading markets, greater price volatility, political and economic instability, less publicly available information, and changes in tax or currency laws or monetary policy.

Investments in emerging markets are generally riskier than those that invest in developed countries.

Investments in sector specific stocks entails certain risks, including changes in: the economy, supply and demand, laws, and the possibility that the stocks of many of the companies in one sector will fall in price at the same time due to an event that affects the entire industry.

Investing in commodities, entails significant risks. The commodities markets may fluctuate widely based on a variety of factors including changes in supply and demand relationships; governmental programs and policies; national and international political and economic events; war and terrorist events; changes in interest and exchange rates; trading activities in commodities and related contracts; pestilence; weather; technological change; and the price volatility of a commodity. In addition, the commodities markets are subject to temporary distortions or other disruptions due to various factors, including lack of liquidity, participation of speculators and government intervention.

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