

The appropriate asset allocation for your risk tolerance should be more important than short-term market performance. In order to participate in bull market gains, you must also endure the corrections. Active managed funds typically outperform in flat and bear markets and index funds outperform in bull markets.

Market Summary

S&P 500 Market Cap Weight (SPY) -1.0%, S&P 500 Equal Weight (RSP) -1.1% (Year-to-date total return)
 Vanguard Total World Stock Index ETF (VT) -0.5% (Year-to-date total return)
 Technology 4.0%, Small Growth 2.1%, Consumer Discretionary 1.9%, Mid Cap Growth 1.7%, Large Growth 1.1%, Asia 0.2%,
 Healthcare -0.2%, International -0.4%, Financial -0.5%.
 Mid Cap Value -1.5%, Industrials -2.0%, Small Value -2.1%, Large Value -2.4%.
 Utilities -3.4%, Materials -5.5%, Energy -6.1%, Consumer Staples -6.4%, Telco -7.4%, Real Estate -8.2%.
 Bonds: Merger 2.5%, Bank Loan 1.3%, Global Bond 0.8%, ST Bond -0.7%, HY Bond -1.5%, EM Bond -1.7%, IT Bond -2.0%.

Our Strategy in this Market

Tactical Asset Allocation (+), Asset Classes (+), Value Funds (-), Small Cap Funds (+), Sector Funds (+),
 High Yield Bond Funds (0), Active Funds and Stock Selection. (+).
 Our strategy score is Positive at +4. (Range +7 to -7) The higher the score, the better our strategy performs.
 Sector performance benchmark data is from Vanguard, iShares and SPDR Exchange Traded Funds.

Portfolio Performance

Joint Taxable portfolio moderate risk +0.5% return year-to-date. (Large Size, Sectors, Active Funds)
 *David's IRA portfolio moderate-aggressive risk +0.6% return year-to-date. (Small Size, Passive Funds)

The Fidelity Asset Manager 70% Moderate Risk Benchmark saw a -0.1% return in this period.
 The Fidelity Asset Manager 85% Moderate-Aggressive Risk Benchmark saw a 0.1% return in this period.

*Inaccurate portfolio and benchmark comparisons. Portfolios with > 7% cash additions or subtractions, timing not monthly or at the beginning or end of the year. Benchmarks above do not reflect the cash movements in the portfolio. For these portfolio's we will review and use the most appropriate of the following methods; Raw calculation, monthly, average or our model performance.

For performance less portfolio management fee, subtract 0.20%. (0.8% annual fee x 3/12 months).

Portfolio Performance Influences

Our portfolios are outperforming due to their larger positions in large cap growth, small cap growth and sectors.

Joint Taxable Portfolio Moderate Risk (Score= +5)

Large diversified portfolio (+), Sectors in portfolio (+), Active managed funds (+), Strategic Allocation (+)
 Portfolio mutual fund variation (+), No individual stocks (NA)
 Early year rebalancing cost and timing (-)
 Aggressive and moderate portfolios are outperforming conservative (+)
 Cash additions or subtractions implemented in corrections or at market highs (NA)
 One-time implementation costs for new portfolios (NA)

David's IRA Portfolio Moderate-Aggressive Risk (Score= 0)

Small less diversified portfolio (-), No sectors in portfolio (-), Passive managed funds (0), Fixed Allocation (0)
 Portfolio mutual fund variation (+), No individual stocks (NA)
 Early year rebalancing cost and timing (0)
 Aggressive and moderate portfolios are outperforming conservative (+)
 Cash additions or subtractions implemented in corrections or at market highs (NA)
 One-time implementation costs for new portfolios (NA)

The statements above are our opinion based on our research and experience. They may affect your portfolio.

Joint Taxable Portfolio

Portfolio Summary

Account Name: David & Deborah Smith
 Account Type: Taxable
 Account Number: xxxxx xxxxx

STRATEGIC SECTORS MODERATE RISK D4
 2 to 4 FUNDS PER ASSET CLASS 25 to 40 FUNDS
 PORTFOLIO SIZE: \$50,000 to \$2,000,000

March 2018
 TD Ameritrade
 2018 Leaders

ASSET CLASS	FUND NAME	SYMBOL	# SHARES	\$/SHARE	VALUE	TOTAL	ACTION
Large Cap Growth	Pamassus Endeavor (LCB)	PARWX	484.61	36.26	17572	3%	
	Mairs & Power Growth (LCB)	MPGFX	58.75	116.19	6826	1%	
	PRIMECAP Odyssey Gro. (LCG, HC, TEC)	POGRX	760.13	40.25	30595	5%	
	Vanguard Growth ETF (LCG)	VUG	40.00	141.88	5675	1%	
					60669	10%	
Large Cap Value	AMG Yacktman Fund	YACKX	188.40	22.63	4264	1%	
	Oakmark Fund (LCB)	OAKMX	181.54	83.59	15175	3%	
	Vanguard Equity Income	VEIRX	104.09	75.57	7866	1%	
	Dodge & Cox Stock	DODGX	57.21	197.11	11277	2%	
	Vanguard Value ETF	VTV	0.00	0.00	0	0%	
					38582	6%	
Mid Cap Growth	Eventide Gilead (MCG, TECH, HC)	ETGLX	427.50	35.01	14967	2%	
	Akre Focus (MCG)	AKREX	421.99	33.74	14238	2%	
	Champlain Mid Cap (MCG)	CIPMX	502.51	17.88	8985	1%	
	Vanguard Mid Cap Growth ETF (MCG)	VOT	0.00	0.00	0	0%	
					38190	6%	
Mid Cap Value	Diamond Hill Small-Mid Cap (MCV)	DHMX	237.41	22.19	5268	1%	
	Pamassus Mid Cap (MCV)	PARMX	215.98	31.48	6799	1%	
	Vanguard Selected Value	VASVX	162.23	29.92	4854	1%	
	Vanguard Mid Cap Value (MCV)	VOE	43.00	109.39	4704	1%	
					21625	4%	Dump in 60 days
Small Cap Growth	Brown Capital Mgr. Small Co. (SCG, M, T)	BCSIX	142.49	95.37	13590	2%	
	Price QM US Small Cap Stock	PRDSX	398.80	35.59	14193	2%	
	Mairs & Power Small Cap (SCB)	MSCFX	275.33	24.49	6743	1%	
	Vanguard Small Cap Growth ETF (SCG)	VBK	25.00	163.95	4099	1%	
					38624	6%	
Small Cap Value	Sterling Capital Stratten SCV (SCV, MCG)	STSCX	146.40	84.29	12340	2%	
	Vanguard Strategic Small Cap Equity (SCB)	VSTCX	137.37	35.60	4890	1%	
	Vanguard Small Cap Value ETF (SCV)	VBR	0.00	0.00	0	0%	
					17230	3%	
International	Oakmark International (LCV)	OAKIX	773.31	27.78	21482	4%	
	Harding Loevner International Equity (LCG)	HLMNX	718.51	22.93	16475	3%	
	Vanguard International Growth	VWILX	97.56	98.85	9644	2%	
	FMI International (LCB, Dollar Hedged)	FMIJX	419.73	32.82	13776	2%	
	Price International Disc. (MCG, ASIA)	PRIDX	246.31	73.09	18003	3%	
	Oakmark International Small Cap (MCV)	OAKEX	529.58	17.14	9077	2%	
	Fidelity International Small Cap (MCB, SCV)	FISMX	167.06	29.98	5008	1%	
	Fidelity Pacific Basin	FPBFX	117.61	35.40	4163	1%	
	Mathews Pacific Tiger (ASIA, LCG)	MAPTXX	735.57	31.40	23097	4%	
					120726	20%	
Technology	Price Global Technology (TECH, LCG)	PRGTX	1572.38	17.60	27674	5%	
	Fidelity Select IT Services (TECH, LCG)	FBSOX	305.94	57.95	17729	3%	
	Vanguard Information Technology (LCG)	VGT	0.00	0.00	0	0%	
					45403	8%	
Financial	Price Financial (FIN, MCV)	PRISX	380.46	28.52	10851	2%	
	First Trust Financial AlphaDEX (MCV)	FXO	225.00	31.04	6984	1%	
	Vanguard Financials ETF (FIN, LCG)	VFH	140.00	69.47	9726	2%	
					27561	5%	
Healthcare	Price Health Sciences (HC, LCG, MCG)	PRHSX	274.39	71.30	19564	3%	
	Fidelity Select Healthcare (HC, LCG, MCG)	FSPHX	65.97	235.48	15534	3%	
	Vanguard Health Care ETF (HC, LCG)	VHT	0.00	0.00	0	0%	
					35097	6%	
Other	SPDR S&P Defense & Aerospace ETF	XAR	65.00	86.87	5647	1%	
	SPDR S&P Regional Banking ETF	KRE	0.00	0.00	0	0%	
					5647	1%	
Bonds	Fidelity New Markets Income	FNMIK	0.00	0.00	0	0%	
	Vanguard Intermediate Term Inv. Grade	VFICX	1232.03	9.50	11704	2%	
	PIMCO High Yield Bond	PHDAX	2293.94	8.72	20003	3%	
	Fidelity Floating Rate High Income (5% max)	FFRHX	2098.10	9.64	20226	3%	
	Merger Fund	MERFX	1248.18	16.33	20383	3%	
	Vanguard Short Term Inv Grade Bond ADM	VFSUX	4224.03	10.51	44395	7%	
					116710	19%	
Cash	Money Market	CASH	38965.00	1.00	38965	6%	
					38965	6%	

In/Out Flow Activity		2016			2016%			Risk Level
		Asset Class	Actual Allocation	Target Allocation	Passive Allocation		Moderate	
Deposits	\$0							
	\$0							
Performance (Excluding Management Fees)		Large Cap Growth	10%	10%	10%		Base Allocation	
Start	\$602,636	Large Cap Value	6%	7%	8%		75% Stocks	
Current	\$605,029	Mid Cap Growth	6%	6%	4%		25% Bonds & Cash	
Increased Year-to-Date	\$2,393	Mid Cap Value	4%	3%	4%		Strategy	
Additions/Withdrawals	\$0	Small Cap Growth	6%	6%	4%		Diversified	
Year-to-Date Gain (\$)	\$2,393	Small Cap Value	3%	3%	4%		Mutual Fund &	
Year-to-Date Gain (%)	0.4%	International	20%	20%	20%		Sector Portfolio	
Asset Management Fees (No fees)		Technology	8%	7%	7%		Custodian	
January 2018	Q4 Portfolio Management Fee	Financial	5%	6%	7%		Scottrade Advisor	
April 2018	Q1 Portfolio Management Fee	Healthcare	6%	6%	7%		Beneficiaries	
July 2018	Q2 Portfolio Management Fee	Other	1%	1%	0%		Primary:	
October 2018	Q3 Portfolio Management Fee	Sector (25%)					Spouse	
SUM	\$0	Bonds (20%)	19%	20%	20%		Contingent:	
	\$0	Cash (5%)	6%	5%	5%		Children	
	Extra Cash & Bonds	1%	100%	100%	100%			

Thank you for your business
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