PDM Investment Services
An Independent Registered Investment Advisor

Portfolio Analysis Summary

January thru June – 2018

David & Deborah Smith

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) 2.5%, S&P 500 Equal Weight (RSP) 1.7% (Year-to-date total return)
Vanguard Total World Stock Index ETF (VT) -0.1% (Year-to-date total return)
Technology 10.6%, Small Growth 9.6%, Consumer Discretionary 9.4%, Energy 7.5%, Large Growth 7.1%,
Mid Cap Growth 5.6%, Healthcare 3.9%, Small Value 3.1%.
Utilities 1.1%, Real Estate 0.0%, Mid Cap Value -0.1%, Large Value -1.2%.
Financial -2.9%, Materials -3.0%, Asia -3.1%, Industrials -3.9%, International -3.9%, Telco -5.2%, Consumer Staples -6.8%.
Bonds: Merger 5.8%, Bank Loan 1.3%, Global Bond 1.1%, ST Bond -0.5%, HY Bond -1.2%, IT Bond -2.3%. EM Bond -4.6%.

Our Strategy in this Market
Tactical Asset Allocation (+), Asset Classes (0), Value Funds (-), Small Cap Funds (+), My Sector Funds (+),
High Yield Bond Funds (+), 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 +2.2% return year-to-date. (Large Size, Sectors, Active Funds)
*David's IRA portfolio moderate-aggressive risk +2.6% return year-to-date. (Small Size, Passive Funds)

The Fidelity Asset Manager 70% Moderate Risk Benchmark saw a 1.2% return in this period.
The Fidelity Asset Manager 85% Moderate-Aggressive Risk Benchmark saw a 1.6% 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 0.40%. (0.8% annual fee x 6/12 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

Account Name	David & Deborah Smith	STRATEGIC SECTORS MODERATE RISK D4	June 2018
Account Type	Taxable	2 to 4 FUNDS PER ASSET CLASS 25 to 40 FUNDS	TD Ameritrade
Account Number	xxxxx xxxx	PORTFOLIO SIZE: $50,000 to $2,000,000	2018 Leaders

ASSET CLASS	FUND NAME	SYMBOL	# SHARES	$/SHARE	VALUE	TOTAL	ACTION
Large Cap Growth	Price Blue Chip Growth	TRBCX	108.18	107.61	11641	2%	
	PRIMECAP Odyssey Gro. (LCG, HC, TEC)	POGRX	760.13	39.97	30382	5%	
	Vanguard Growth ETF (LCG)	VUG	40.00	149.81	5992	1%	
					48016	**8%**	
Large Cap Value	AMG Yacktman Fund	YACKX	188.40	23.51	4429	1%	
	Oakmark Fund (LCB)	OAKMX	181.54	85.37	15498	3%	
	Pamassus Endeavor (LCB)	PARWX	327.38	36.85	12064	2%	
	Mairs & Power Growth (LCB)	MPGFX	58.75	117.74	6917	1%	
	Vanguard Equity Income	VEIRX	0.00	0.00	0	0%	
	Dodge & Cox Stock	DODGX	57.21	201.86	11548	2%	
	Vanguard Value ETF	VTV	0.00	0.00	0	0%	
					50457	**8%**	
Mid Cap Growth	Eventide Gilead (MCG, TECH, HC)	ETGLX	427.50	37.80	16160	3%	
	Akre Focus (MCG)	AKREX	421.99	35.10	14812	2%	
	Champlain Mid Cap(MCG)	CIPMX	830.02	18.53	15380	2%	
	Vanguard Mid Cap Growth ETF (MCG)	VOT	0.00	0.00	0	0%	
					46352	**8%**	
Mid Cap Value	Diamond Hill Small-Mid Cap (MCV)	DHMIX	237.41	22.82	5418	1%	
	Pamassus Mid Cap (MCV)	PARMX	215.98	32.56	7032	1%	
	Vanguard Mid Cap Value (MCV)	VOE	43.00	110.46	4750	1%	
					17200	**3%**	
Small Cap Growth	Brown Capital Mgr. Small Co. (SCG, M, T)	BCSIX	142.49	104.87	14943	2%	
	Price QM US Small Cap Stock	PRDSX	398.80	37.56	14979	2%	
	Mairs & Power Small Cap (SCB)	MSCFX	275.32	26.61	7326	1%	
	Vanguard Small Cap Growth ETF (SCG)	VBK	25.00	175.80	4395	1%	
					41643	**7%**	
Small Cap Value	Sterling Capital Stratten SCV (SCV,MCG)	STSCX	100.87	86.16	8691	1%	
	Vanguard Strategic Small Cap Equity (SCB)	VSTCX	239.21	38.37	9178	1%	
	Vanguard Small Cap Value ETF (SCV)	VBR	0.00	0.00	0	0%	
					17869	**3%**	
International	Oakmark International (LCV)	OAKIX	563.88	26.38	14875	2%	
	Harding Loevner International Equity (LCG)	HLMNX	718.51	22.61	16246	3%	
	Vanguard International Growth (LCG)	VWILX	157.41	99.52	15665	3%	
	FMI International (LCB, Dollar Hedged)	FMIJX	419.73	33.63	14116	2%	
	Price International Disc. (MCG, ASIA)	PRIDX	246.31	72.83	17939	3%	
	Oakmark International Small Cap (MCV)	OAKEX	529.58	17.04	9024	1%	
	Fidelity International Small Cap (MCB, SCV)	FISMX	167.06	29.15	4870	1%	
	Fidelity Pacific Basin	FPBFX	339.73	34.23	11629	2%	
	Matthews Pacific Tiger (ASIA, LCG)	MAPTX	480.71	29.95	14397	2%	
					118760	**19%**	
Technology	Price Global Technology (TECH, LCG)	PRGTX	1572.38	17.97	28256	5%	
	Fidelity Select IT Services (TECH, LCG)	FBSOX	305.94	61.28	18748	3%	
	Vanguard Information Technology (LCG)	VGT	0.00	0.00	0	0%	
					47004	**8%**	
Financial	Price Financial (FIN, MCV)	PRISX	590.62	28.79	17004	3%	
	First Trust Financial AlphaDEX (MCV)	FXO	225.00	31.33	7049	1%	
	Vanguard Financials ETF (FIN, LCG)	VFH	140.00	67.45	9443	2%	
					33496	**5%**	
Healthcare	Price Health Sciences (HC, LCG, MCG)	PRHSX	274.39	75.80	20799	3%	
	Fidelity Select Healthcare (HC, LCG, MCG)	FSPHX	65.97	245.05	16166	3%	
	Vanguard Health Care ETF (HC, LCG)	VHT	0.00	0.00	0	0%	
					36965	**6%**	
Other Leaders	SPDR S&P Defense & Aerospace ETF	XAR	65.00	87.13	5663	1%	
Amazon 20%	Vanguard Consumer Discretionary ETF	VCR	0.00	0.00	0	0%	Add
	SPDR S&P Regional Banking ETF	KRE	65.00	61.00	3965	1%	
					9628	**2%**	
Bonds	Fidelity New Markets Income	FNMIX	0.00	0.00	0	0%	
	Vanguard Intermediate Term Inv. Grade ADM	VFIDX	1230.22	9.39	11552	2%	
	Vanguard High Yield ADM	VWEAX	3479.84	5.70	19835	3%	
	Fidelity Floating Rate High Income	FFRHX	2098.10	9.59	20121	3%	
	Merger Fund	MERFX	1248.18	16.86	21044	3%	
	Vanguard Short Term Inv Grade Bond ADM	VFSUX	4224.03	10.46	44183	7%	
					116735	**19%**	
Cash	Money Market	CASH	31874.00	1.00	31874	5%	
					31874	**5%**	
					2016	**2016%**	

In/Out Flow Activity			
Deposits		$0	
		$0	
Performance (Excluding Management Fees)			
Start	$602,636	Ave YTD	
Current	**$616,000**	2.3%	
Increased Year-to-Date	$13,364	Model	
Additions/Withdrawls	$0	X	
Year-to-Date Gain ($)	$13,364	Monthly Calc.	
Year-to-Date Gain (%)	**2.2%**	2.4%	
Asset Management Fees (No fees)			
January 2018	Q4 Portfolio Management Fee	$0	
April 2018	Q1 Portfolio Management Fee	$0	
July 2018	Q2 Portfolio Management Fee	$0	
October 2018	Q3 Portfolio Management Fee	$0	
SUM		$0	
	Extra Cash & Bonds		

Asset Class	Actual Allocation	Target Allocation	Passive Allocation	Risk Level Moderate
Large Cap Growth	8%	9%	10%	**Base Allocation**
Large Cap Value	8%	7%	8%	75% Stocks
Mid Cap Growth	8%	7%	4%	25% Bonds & Cash
Mid Cap Value	3%	3%	4%	**Strategy**
Small Cap Growth	7%	7%	4%	Diversified
Small Cap Value	3%	3%	4%	Mutual Fund &
International	19%	18%	20%	Sector Portfolio
Technology	8%	7%	7%	**Custodian**
Financial	5%	5%	7%	Scottrade Advisor
Healthcare	6%	6%	7%	**Beneficiaries**
Other	2%	3%	0%	Primary:
				Spouse
Bonds (20%)	19%	20%	20%	Contingent:
Cash (5%)	5%	5%	5%	Children
-1%	100%	100%	100%	

Thank you for your business
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