

# Model Overview

Prepared for

**60/40 Equity Model**

Sep 30, 2022

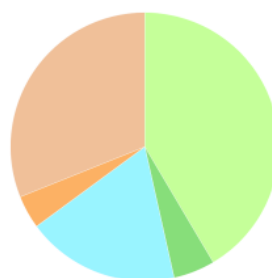


## Top holdings

### Top 10 holdings

		% of portfolio
Gold		4.00
Costco Wholesale Corp	COST	3.50
Albemarle Corp	ALB	3.50
AbbVie Inc	ABBV	3.50
United States Treasury Floating Rate Notes 0% 10/31/2022	91282CAS0	3.15
CVS Health Corp	CVS	3.00
Ford Motor Co	F	2.50
Microsoft Corp	MSFT	2.50
Public Storage	PSA	2.50
Procter & Gamble Co (The)	PG	2.50

# Allocation



RIA Equity Portfolio 60/40  
Weight (%)

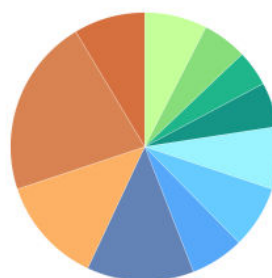
◆ US stocks large cap	41.5
◆ US stocks mid cap	5
◆ US stocks small cap	-
◆ Non US stocks	-
<hr/>	
◆ US bonds investment grade	18.4
◆ US bonds high yield	-
◆ US bonds inflation protected	-
◆ Non US bonds	-
<hr/>	
◆ Alternative	4
◆ Cash & equivalents	31.1
	100

Stocks	46.5
Bonds	18.4
Alternative	4
Cash & equivalents	31.1
	100

Cash & equivalents comprises money market holdings, and fixed-income securities with maturity of less than 90 days. Alternative comprises commodity, precious metals and alternative funds.

# Stocks Analysis

## Sectors



RIA Equity Portfolio 60/40  
Weight (%)

	Weight (%)
<i>Cyclical</i>	
◆ Basic Materials	7.5
◆ Consumer Cyclical	5.4
◆ Financial Services	4.3
◆ Real Estate	5.4
<i>Sensitive</i>	
◆ Communication Services	7.5
◆ Energy	7.5
◆ Industrials	6.4
◆ Technology	12.9
<i>Defensive</i>	
◆ Consumer Defensive	12.9
◆ Healthcare	21.5
◆ Utilities	8.6
	100
Percentage of portfolio analyzed	46.5
<hr/>	
Cyclical	22.6
Sensitive	34.4
Defensive	43
	100

Values are based on the percentage of portfolio analyzed.

# Stocks Analysis

## Style

	% Value	Blend	Growth
Large	35	29	25
Mid	0	3	8
Small	0	0	0

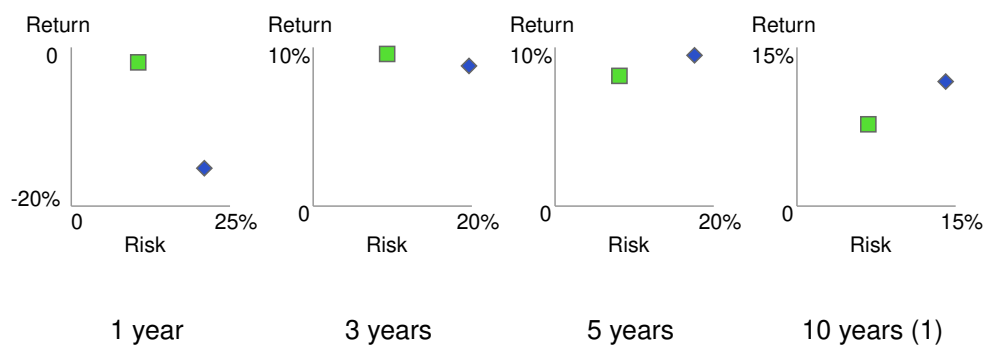
### RIA Equity Portfolio 60/40

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Average style	
Percentage of portfolio analyzed	46.5

Values are based on the percentage of portfolio analyzed.

# Performance



	1 year	3 years	5 years	10 years (1)
<b>Annualized Total Return</b>				
RIA Equity Portfolio 60/40	-1.9%	9.6%	8.2%	7.7%
SPY	-15.2%	8.8%	9.5%	11.8%
<b>Risk (standard deviation)</b>				
RIA Equity Portfolio 60/40	10.5%	9.3%	8.1%	6.7%
SPY	21%	19.6%	17.6%	14.1%
<b>Alpha</b>				
RIA Equity Portfolio 60/40	6.4%	5.4%	3.4%	2.2%
SPY	0%	0%	0%	-0.1%
<b>Beta</b>				
RIA Equity Portfolio 60/40	0.49	0.45	0.43	0.44
SPY	1.00	1.00	1.00	1.00
<b>Sharpe ratio</b>				
RIA Equity Portfolio 60/40	0.34	1.18	1.02	1.13
SPY	-0.31	0.65	0.65	0.88
<b>Maximum drawdown</b>				
RIA Equity Portfolio 60/40	-10.1%	-14.1%	-14.1%	-14.1%
SPY	-23.2%	-33.7%	-33.7%	-33.7%

Distribution rate: RIA Equity Portfolio 60/40: 1.74% SPY: 1.7%

(1) Assets backfilled in portfolio RIA Equity Portfolio 60/40: ABBV before 01/02/13 with S&P 500 Index TR; GOOG before 03/27/14 with S&P 500 Index TR; TFLO before 02/04/14 with Barclays US Aggregate Bond Index

Dividends: RIA Equity Portfolio 60/40: reinvested; SPY: reinvested

Simulation: Quarter rebalance

Advisory Fees (annual): RIA Equity Portfolio 60/40: 1%; SPY: None

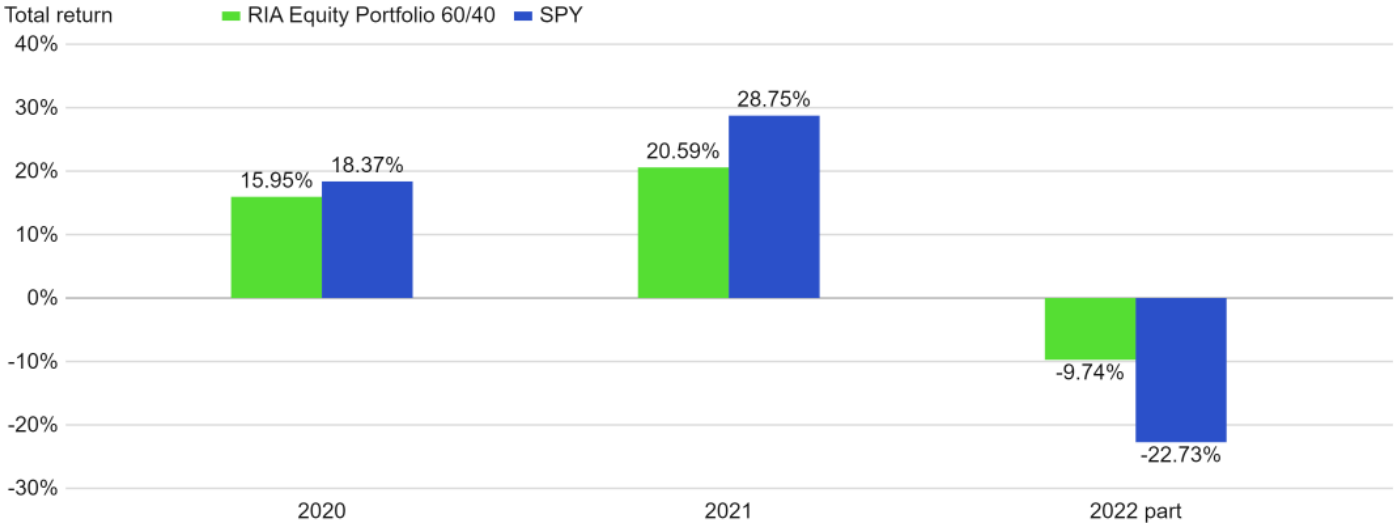
The benchmark used to calculate alpha, beta is: S&P 500 Index TR

# Performance

## Cumulative returns 3y

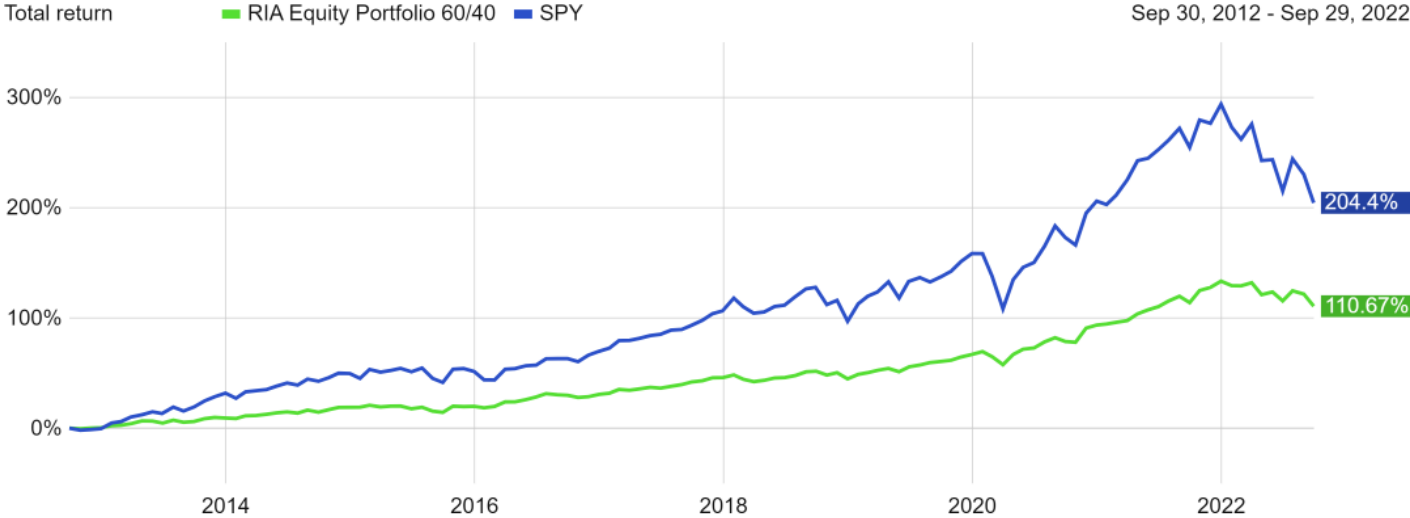


## Periodic returns 3y

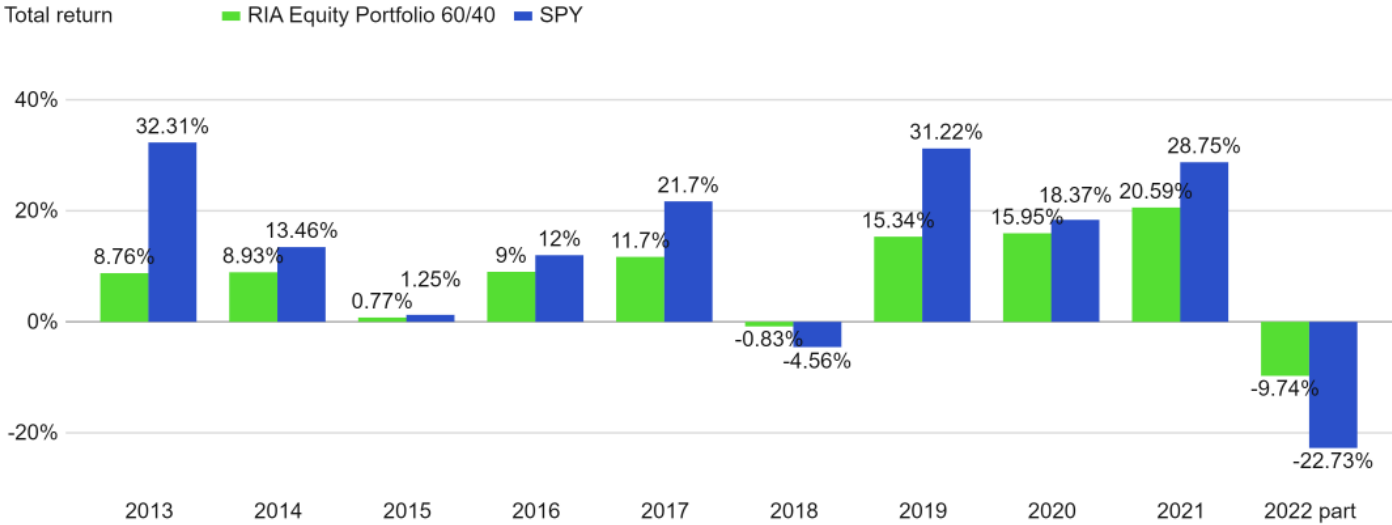


# Performance

## Cumulative returns 10y



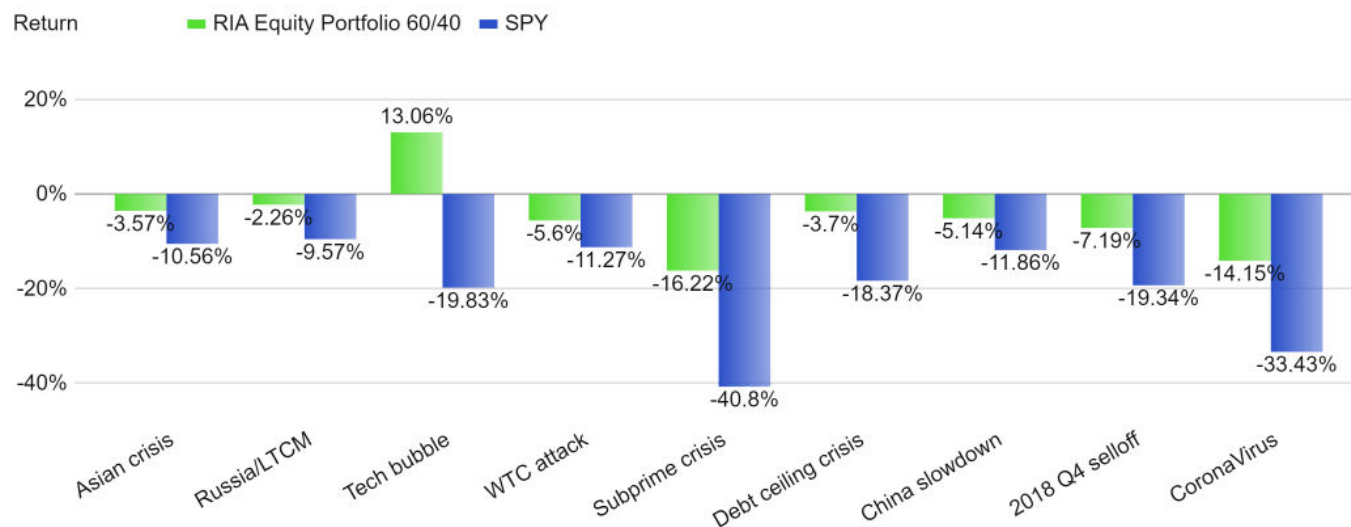
## Periodic returns 10y





# Stress Test

## Past performance for historical scenarios



**Asian crisis (1997):** Currency crisis originated in Thailand and spread to Asian countries. Global markets experienced drops on fear of worldwide contagion.

**Russia/LTCM (1998):** After Russia defaulted on its bonds, Long Term Capital Management's collapse threatened to cause a chain reaction of losses.

**Tech bubble (2000-2001):** Deflating of the dot-com bubble caused a prolonged decrease in equity prices.

**WTC attack (2001):** Terrorist attack disrupted trading in the US markets and triggered a sell-off.

**Subprime crisis (2008-2009):** A rise in subprime mortgage delinquencies led to a financial crisis and recession.

**Debt ceiling crisis (2011):** Political deadlock in Congress prevents budget decisions and raises the possibility of US debt default. The US is downgraded by rating agency S&P.

**China slowdown (2015):** Concerns about a slowdown of Chinese economy and devaluation of the Yuan triggered losses in world markets.

**2018 Q4 selloff (2018):** Volatility due to raising interest rates, trade disputes and the possibility of recession lead to a global selloff.

**CoronaVirus (2020):** Virus infection spreads worldwide, threatening to slow down the global economy

# Correlations

RIA Equity Portfolio 60/40

(for top 20 positions)

	ABBV	ABT	ALB	COST	CVS	DUK	F	GOOG	GS	IAU	IEF	MSFT	NEE	PG	PSA	RTX	TFLO	TLT	VZ	XOM
ABBV	1																			
ABT	0.31	1																		
ALB	0.15	0.37	1																	
COST	0.26	0.32	0.12	1																
CVS	0.45	0.42	0.24	0.24	1															
DUK	0.26	0.45	0.36	0.33	0.31	1														
F	-0.02	0.32	0.42	0.36	0.47	0.21	1													
GOOG	0.45	0.55	0.49	0.53	0.28	0.35	0.43	1												
GS	0.23	0.48	0.63	0.23	0.42	0.24	0.56	0.65	1											
IAU	0.26	0.25	-0.13	0.27	0.12	0.24	-0.07	0.2	0	1										
IEF	0.02	0.29	0.19	0.35	0.06	0	0.22	0.37	0.18	0.22	1									
MSFT	0.34	0.66	0.45	0.62	0.3	0.32	0.49	0.8	0.61	0.17	0.45	1								
NEE	0.26	0.51	0.48	0.56	0.18	0.49	0.29	0.58	0.35	0.24	0.41	0.54	1							
PG	0.17	0.41	-0.23	0.33	0.34	0.35	0.07	0.05	0.02	0.35	-0.09	0.16	0	1						
PSA	0.26	0.36	0.09	0.65	0.27	0.55	0.37	0.51	0.28	0.25	0.11	0.52	0.48	0.4	1					
RTX	0.55	0.11	0.16	0.09	0.42	0.09	0.12	0.37	0.45	0.14	-0.07	0.17	-0.06	0.16	0.02	1				
TFLO	-0.37	-0.23	-0.25	0.07	-0.17	-0.13	0.01	-0.25	-0.12	-0.13	0.02	-0.1	-0.17	0.04	0	-0.2	1			
TLT	0.08	0.23	0.15	0.46	0.04	0.02	0.17	0.39	0.09	0.26	0.89	0.48	0.44	-0.02	0.23	-0.12	-0.04	1		
VZ	0.39	0.35	0.18	-0.14	0.25	0.24	-0.14	0.26	0.2	0.15	0.24	0.13	0.13	0.12	-0.18	0.45	-0.48	0.13	1	
XOM	0.15	0.09	0.36	-0.2	0.3	0.1	0.43	0.22	0.52	-0.22	-0.17	0.18	-0.21	-0.15	-0.04	0.46	-0.07	-0.28	0.26	1

Correlation is the extent to which the values of different types of investments move in tandem with one another in response to changing economic and market conditions. Correlation is a measure on a scale of -1 to +1. Investments with a correlation of +0.5 or more tend to rise and fall in value at the same time. Investments with a negative correlation of -0.5 to -1 are more likely to gain or lose value in opposing cycles.

## Funds Expense

### RIA Equity Portfolio 60/40

Average net expense ratio: 0.17%; Portfolio net expense ratio:  
**0.04%**

Fund	Symbol	Maximum Sales load	Net exp. ratio	As of prospectus	Weight in portfolio	Net annual expense (*)
iShares 20+ Year Treasury Bond ETF	TLT	-	0.15%	06/29/22	10%	15
iShares Treasury Floating Rate Bond ETF	TFLO	-	0.15%	03/01/22	8%	12
iShares Gold Trust	IAU	-	0.25%	01/31/22	4%	10
iShares 7-10 Year Treasury Bond ETF	IEF	-	0.15%	06/29/22	4%	6
					26%	43

(\*) in \$, based on portfolio value of \$100,000. Does not include sales loads if applicable.

## Important Information

This report presents past performance, which does not guarantee future results. The investment return and principal value will fluctuate thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than return data quoted herein.

The model portfolio results presented in this report are based on simulated investments, assuming that the holdings are purchased on the first day of the period indicated. When applicable, portfolio rebalancing is simulated to adjust the holdings back to their initial weights, according to the frequency indicated.

The measure of return used in this report include distribution income such as dividends. The simulation of model portfolios does not take into account trading costs and tax implications.

Unlike the results shown in an actual performance record, these results do not represent actual trading. Also, because these trades have not actually been executed, these results may have under- or over-compensated for the impact, if any, of certain market factors, such as lack of liquidity. Simulated or hypothetical trading programs in general are also subject to the fact that they are designed with the benefit of hindsight. No representation is being made that any account will or is likely to achieve profits or losses similar to these being shown.

## Definitions

**Alpha:** the excess return of the investment over the benchmark, after adjusting for risk. A positive value implies that the investment has performed better than expected, relatively to its risk. The benchmark used for alpha calculation in this report is the S&P500 Index Total Return.

**Backfill:** for investments with an inception date that is later than the beginning of the reporting period, the returns of a similar investment are used to fill the missing data, when indicated. For example, a mutual fund class with long history can be used to backfill the history of another class that has a recent inception date.

**Beta:** the volatility of the investment compared to the volatility of the benchmark. A value lower than 1 indicates that the investment is less volatile than the benchmark. A value greater than 1 indicates a higher volatility. The benchmark used for beta calculation in this report is the S&P500 Index Total Return.

**Cash and equivalents:** short term, high credit quality and highly liquid investments such as money market funds.

**Correlation:** a measure of association between two investments. A positive value indicates that the investments tend to move up and down at the same time. A negative value indicates that the investments tend to move in opposite directions. The maximum value is 1; the minimum value is -1.

**Expense ratio:** for investment funds, the expense ratio as reported in the fund's prospectus.

**Information ratio:** A risk-adjusted measure which captures excess or active returns and relates them to excess or active risk. The higher the information ratio, the better.

**Maximum drawdown:** the largest percent retrenchment from an investment's peak value to the investment's valley value for a given period.

**Risk (Standard Deviation):** a measure of dispersion of returns around their historical average. The higher the standard deviation, the more widely the investment's returns vary over time.

**Sharpe ratio:** compares the investment return against the risk-free return (US Treasury Bill), after adjusting for risk. The greater the Sharpe ratio, the better its risk-adjusted performance.

**Sortino ratio:** a modification of the Sharpe ratio, using downside deviation for the risk adjustment instead of standard deviation. The downside deviation only considers periods of negative returns.

**Up/Down capture ratio:** shows what portion of a market performance was captured by an investment in up and down markets.

**Yield 12-month:** the sum of distributions from the asset(s) over 12 trailing months, divided by the current market price of the asset(s).

**Yield SEC:** for fixed income investments, the annualized yield based on the 30-day period ending on the last day of previous month.

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