

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) +14.0%, S&P 500 Equal Weight (RSP) +11.6% (Year-to-date total return)
 Vanguard Total World Stock Index ETF (VT) +17.8% (Year-to-date total return)
 Technology 26.1%, International 21.7%, Healthcare 21.3%, Large Growth 20.1%, Asia 19.0%, Mid Cap Growth 15.9%,
 Materials 15.9%, Small Growth 15.3%.
 Industrials 14.0%, Consumer Discretionary 12.5%, Utilities 11.8%, Financial 11.4%, Mid Cap Value 10.2%.
 Large Value 9.3%, Small Value 6.9%, Consumer Staples 5.4%, Real Estate 3.4%, Telco -5.5%, Energy -8.4%.
 Bonds: EM Bond 7.9%, HY Bond 6.3%, IT Bond 3.7%, ST Bond 2.4%, Merger 2.4%, Bank Loan 1.7%, Global Bond 1.3%.

Our Strategy in this Market

Tactical Asset Allocation (+), Asset Classes (+), Value Funds (0), Small Cap Funds (0), Sector Funds (+),
 High Yield Bond Funds (+), Active Funds and Stock Selection. (+).

Our strategy score is Positive at +5. (Range +7 to -7) The higher the score, the better our strategy performs.

The S&P 500 continues to make new highs without any significant correction.

Sector performance benchmark data is from Vanguard, iShares and SPDR Exchange Traded Funds.

Portfolio Performance

Joint Taxable portfolio moderate risk +13.2% return year-to-date. (Large Size, Sectors, Active Funds)
 David's IRA portfolio moderate-aggressive risk +14.6% return year-to-date. (Small Size, Passive Funds)

The Fidelity Asset Manager 70% Moderate Risk Benchmark saw a 13.9% return in this period.

The Fidelity Asset Manager 85% Moderate-Aggressive Risk Benchmark saw a 16.4% return in this period.

For performance less portfolio management fee, subtract 0.60%. (0.8% annual fee x 9/12 months)

Portfolio Performance Influences

Our benchmarks are outperforming due to their large positions in large cap growth & international.

Joint Taxable Portfolio Moderate Risk (Score= +4)

Large diversified portfolio (+), Sectors in portfolio (+), Active managed funds (+), No individual stocks (NA)

Portfolio mutual fund variation (+)

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), No individual stocks (NA)

Portfolio mutual fund variation (+)

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
 Account Type Taxable
 Account Number xxxx xxxx

Portfolio Summary

September 2017
 Scottrade
2017 Leaders

ASSET CLASS	FUND NAME	SYMBOL	# SHARES	\$/SHARE	VALUE	TOTAL	ACTION
Large Cap Growth	Pamassus Endeavor (LCB)	PARWX	168.07	37.58	6316	1%	
	Mairs & Power Growth (LCB)	MPGFX	108.99	123.99	13514	2%	
	PRIMECAP Odyssey Gro. (LCG, HC, TEC)	POGRX	764.41	34.64	26479	5%	
	Vanguard Growth ETF (LCG)	VUG	40.00	132.75	5310	1%	
					51619	9%	
Large Cap Value	AMG Yacktman Fund	YACKX	401.62	23.53	9450	2%	
	Oakmark Fund (LCB)	OAKMX	181.54	82.85	15041	3%	
	Vanguard Equity Income	VEIRX	0.00	0.00	0	0%	
	Vanguard Value ETF	VTV	0.00	0.00	0	0%	
					24491	4%	
Mid Cap Growth	Eventide Gilead (MCG, TECH, HC)	ETGLX	427.50	31.92	13646	2%	
	Akre Focus (MCG)	AKREX	421.99	30.50	12871	2%	
	Champlain Mid Cap (MCG)	CIPMX	502.51	16.93	8508	1%	
	Vanguard Mid Cap Growth ETF (MCG)	VOT	80.00	121.75	9740	2%	
Mid Cap Value	Diamond Hill Small-Mid Cap (MCV)	DHMIX	463.25	22.73	10530	2%	
	Pamassus Mid Cap (MCV)	PARMX	404.72	32.12	13000	2%	
	Vanguard Mid Cap Value (MCV)	VOE	90.00	105.64	9508	2%	
					77801	13%	
Small Cap Growth	Brown Capital Mgr. Small Co. (SCG, M, T)	BCSIX	78.11	89.77	7012	1%	
	Price QM US Small Cap Stock	PRDSX	398.80	32.98	13153	2%	
	Mairs & Power Small Cap (SCB)	MSCFX	507.97	25.81	13111	2%	
	Vanguard Small Cap Growth ETF (SCG)	VBK	25.00	152.64	3816	1%	
					37091	6%	
Small Cap Value	Sterling Capital Stratten SCV (SCV, MCG)	STSCX	146.40	90.19	13203	2%	
	Vanguard Strategic Small Cap Equity (SCB)	VSTCX	137.37	36.99	5081	1%	
	Vanguard Small Cap Value ETF (SCV)	VBR	40.00	127.79	5112	1%	
					23396	4%	
International	Oakmark International (LCV)	OAKIX	773.31	28.77	22248	4%	
	Harding Loevner International Equity (LCG)	HLMNX	1137.44	22.08	25115	4%	
	FMI International (LCB, Dollar Hedged)	FMIJX	419.73	33.59	14099	2%	
	Price International Disc. (MCG, ASIA)	PRIDX	246.31	69.70	17168	3%	
	Oakmark International Small Cap (MCV)	OAKEX	1033.79	18.12	18732	3%	
	Fidelity International Small Cap (MCB, SCV)	FISMX	0.00	0.00	0	0%	
	Matthews Emerging Asia (ASIA, MCB, SCB)	MEASX	315.79	14.57	4601	1%	
Matthews Pacific Tiger (ASIA, LCG)	MAPTX	735.57	28.84	21214	4%		
					123176	21%	
Technology	Price Global Technology (TECH, LCG)	PRGTX	1408.26	18.30	25771	4%	
	Fidelity Select IT Services (TECH, LCG)	FBSOX	425.93	51.40	21893	4%	
	Vanguard Information Technology (LCG)	VGT	0.00	0.00	0	0%	
					47664	8%	
Financial	Price Financial (FIN, MCV)	PRISX	380.46	27.90	10615	2%	
	First Trust Financial AlphaDEX (MCV)	FXO	415.00	29.68	12317	2%	
	Vanguard Financials ETF (FIN, LCG)	VFH	0.00	0.00	0	0%	
					22932	4%	
Healthcare	Price Health Sciences (HC, LCG, MCG)	PRHSX	193.75	74.36	14407	2%	
	Fidelity Select Healthcare (HC, LCG, MCG)	FSPHX	40.31	232.58	9376	2%	
	Vanguard Health Care ETF (HC, LCG)	VHT	0.00	0.00	0	0%	
					23783	4%	
Other	Fidelity Select Chemicals (MAT)	FSCHX	47.40	176.07	8346	1%	
			0.00	0.00	0	0%	
					8346	1%	
Bonds	Fidelity New Markets Income	FNMIK	0.00	0.00	0	0%	
	Vanguard Intermediate Term Inv. Grade	VFICX	1232.03	9.82	12099	2%	
	PIMCO High Yield Bond	PHYDX	1626.81	9.06	14739	3%	
	Fidelity Floating Rate High Income	FFRHX	2098.10	9.63	20205	3%	
	Merger Fund	MERFX	1248.18	16.04	20021	3%	
	Vanguard Short Term Inv Grade Bond ADM	VFSUX	4224.03	10.69	45155	8%	
					112218	19%	
Cash	Money Market	CASH	26259.93	1.00	26260	5%	
					26260	5%	
					2016	2016%	

In/Out Flow Activity	Asset Class	Actual Allocation	Target Allocation	Passive Allocation	Risk Level
Deposits					
			Moderate	Moderate	Moderate
	Large Cap Growth	9%	9%	7%	Base Allocation
	Large Cap Value	4%	6%	7%	75% Stocks
	Mid Cap	13%	12%	7%	25% Bonds & Cash
	Small Cap Growth	6%	7%	7%	Strategy
	Small Cap Value	4%	4%	7%	Diversified
	International	21%	20%	14%	Mutual Fund & Sector Portfolio
	Technology	8%	7%	7%	Custodian
	Financial	4%	5%	7%	Scottrade Advisor
	Healthcare	4%	5%	7%	
	Other	1%	0%	5%	Beneficiaries
	Alternative	0%	0%	0%	Primary:
	Sector (25%)				Spouse
	Bonds (20%)	19%	20%	15%	Contingent:
	Cash (5%)	5%	5%	10%	Children
SUM					
	Extra Cash & Bonds	-1%	100%	100%	100%

Thank you for your business
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