PDM Investment Services
An Independent Registered Investment Advisor

Portfolio Analysis Summary

EXAMPLE

January thru March – 2019

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) 13.5%, S&P 500 Equal Weight (RSP) 14.8% (Year-to-date total return)
Vanguard Total World Stock Index ETF (VT) 12.2% (Year-to-date total return)
Technology 20.6%, Small Growth 19.5%, Mid Cap Growth 19.5%, Real Estate 17.4%, Energy 16.8%, Industrials 16.8%, Large Growth 16.8%, Consumer Discretionary 14.8%, Mid Cap Value 13.8%, Small Value 13.4%.
Communication 13.0%, Materials 11.6%, Consumer Staples 11.3%, Utilities 10.8%, Large Value 10.6%, International 10.4%.
Financial 9.3%, Asia 8.8%, Healthcare 8.1%.
Bonds: HY Bond 8.1%, EM Bond 5.7%, Bank Loan 5.2%, IT Bond 3.8%, Global Bond 3.0%, ST Bond 2.8%, Merger 2.1%.

Our Strategy in this Market
Tactical Asset Allocation (+), Asset Classes (+), Growth Funds (+), Small Cap Funds (+), My Sector Funds (0), High Yield Bond Funds (+), Active Funds and Stock Selection. (+).
Our strategy score is Positive at +6. (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 11.6% return year-to-date. (Large Size, Sectors, Active Funds)

The Fidelity Asset Manager 70% Moderate Risk Benchmark saw a 10.2% return in this period.

After Fee Alpha (Performance after fees to benchmark) = +0.5% (9 years), +1.2% (Q1 2019)

Portfolio average performance over 9 years = 7.7%. Benchmark average performance over 9 years = 6.5%.
Alpha = +1.2% - 0.7% fee = +0.5%, 2019: 11.6% - 10.2% - 0.18 fee = +1.2%

For performance less portfolio management fee, subtract 0.175% Q1, 0.35% Q2, 0.53% Q3, 0.70% Q4.

Portfolio Performance Influences

Our portfolios are outperforming due to their larger positions in growth, mid/small cap, sectors and HY bonds.

Joint Taxable Portfolio Moderate Risk (Score= +7)
Large size very diversified portfolio (+), Sectors in portfolio (+), Active managed funds (+), Strategic Allocation (+)
Some individual stocks (+), Portfolio mutual fund variation (+)
Aggressive portfolios are outperforming Conservative portfolios (+)
Early year rebalancing cost and timing (0)
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	March 2019
Account Type	Joint Taxable		2 to 4 FUNDS PER ASSET CLASS 25 to 40 FUNDS + STOCKS	TD Ameritrade
Account Number	xxxxx xxxx		PORTFOLIO SIZE: $50,000 to $2,000,000	2019 Leaders

ASSET CLASS	FUND NAME	SYMBOL	# SHARES	$/SHARE	VALUE	TOTAL	ACTION
Large Cap Growth	Price Blue Chip Growth	TRBCX	163.31	111.55	18217	3%	
	PRIMECAP Odyssey Gro. (LCG, HC, TEC)	POGRX	760.13	39.06	29691	5%	
	Akre Focus	AKREX	421.99	40.48	17082	3%	
	Vanguard Growth ETF (LCG)	VUG	40.00	156.42	6257	1%	
					71247	**11%**	
Large Cap Value	AMG Yacktman Fund	YACKX	439.26	20.53	9018	1%	
	Oakmark Fund (LCB)	OAKMX	181.54	77.05	13988	2%	
	Pamassus Endeavor (LCB)	PARWX	327.38	34.19	11193	2%	
	Mairs & Power Growth (LCB)	MPGFX	58.75	120.37	7072	1%	
	Vanguard Equity Income	VEIRX	90.74	73.30	6651	1%	
	Dodge & Cox Stock	DODGX	57.21	183.47	10496	2%	
	Vanguard Value ETF	VTV	0.00	0.00	0	0%	
					58418	**9%**	
Mid Cap Growth	Eventide Gilead (MCG, TECH, HC)	ETGLX	267.76	40.49	10842	2%	
	BlackRock Mid-Cap Growth Equity	CMGSX	265.25	24.28	6440	1%	
	Champlain Mid Cap(MCG)	CIPMX	830.02	19.25	15978	3%	
	Vanguard Mid Cap Growth ETF (MCG)	VOT	0.00	0.00	0	0%	
					33260	**5%**	
Mid Cap Value	Diamond Hill Small-Mid Cap (MCV)	DHMIX	237.41	21.34	5066	1%	
	Pamassus Mid Cap (MCV)	PARMX	215.98	33.49	7233	1%	
	Vanguard Mid Cap Value (MCV)	VOE	43.00	107.88	4639	1%	
					16938	**3%**	
Small Cap Growth	Brown Capital Mgr. Small Co. (SCG, M, T)	BCSIX	142.49	99.54	14183	2%	
	Price QM US Small Cap Stock	PRDSX	398.80	36.53	14568	2%	
	Mairs & Power Small Cap (SCB)	MSCFX	275.32	25.05	6897	1%	
	Virtus KAR Small Cap Growth ESG	PXSGX	144.59	36.16	5228	1%	
	Vanguard Small Cap Growth ETF (SCG)	VBK	0.00	0.00	0	0%	
					40877	**6%**	
Small Cap Value	Sterling Capital Stratten SCV (SCV,MCG)	STSCX	100.87	75.83	7649	1%	
	Vanguard Strategic Small Cap Equity (SCB)	VSTCX	239.21	31.81	7609	1%	
	Vanguard Small Cap Value ETF (SCV)	VBR	0.00	0.00	0	0%	
					15258	**2%**	
International	Oakmark International (LCV)	OAKIX	448.57	22.31	10008	2%	
	Harding Loevner International Equity (LCG)	HLMNX	718.51	21.53	15470	2%	
	Vanguard International Growth (LCG)	VWILX	157.41	91.04	14331	2%	
	FMI International (LCB, Dollar Hedged)	FMIJX	419.73	31.03	13024	2%	
	Price International Disc. (MCG, ASIA)	PRIDX	118.48	62.16	7365	1%	
	Virtus KAR International Small Cap	VIISX	443.88	17.03	7559	1%	
	Oakmark International Small Cap (MCV)	OAKEX	261.88	14.08	3687	1%	
	Fidelity International Small Cap (MCB, SCV)	FISMX	167.06	25.74	4300	1%	
	Fidelity Pacific Basin	FPBFX	339.73	30.01	10195	2%	
	Matthews Pacific Tiger (ASIA, LCG)	MAPTX	480.71	28.90	13893	2%	
					99831	**16%**	
Technology	Price Global Technology (TECH, LCG)	PRGTX	510.24	14.76	7531	1%	
	Fidelity Select IT Services (TECH, LCG)	FBSOX	192.50	67.94	13078	2%	
	Google	GOOGL	6.00	1176.89	7061	1%	
	Intuit	INTU	30.00	261.41	7842	1%	
	EPAM Systems	EPAM	50.00	169.13	8457	1%	
	Vanguard Information Technology (LCG)	VGT	40.00	200.63	8025	1%	
					51995	**8%**	
Financial	Price Financial (FIN, MCV)	PRISX	410.12	24.81	10175	2%	
	First Trust Financial AlphaDEX (MCV)	FXO	225.00	30.26	6809	1%	
	Visa	V	35.00	156.19	5467	1%	
	Worldpay	WP	0.00	0.00	0	0%	
	Vanguard Financials ETF (FIN, LCG)	VFH	70.00	64.54	4518	1%	
					26968	**4%**	
Healthcare	Price Health Sciences (HC, LCG, MCG)	PRHSX	198.75	77.40	15383	2%	
	Fidelity Select Healthcare (HC, LCG, MCG)	FSPHX	807.95	24.46	19762	3%	
	Vanguard Health Care ETF (HC, LCG)	VHT	35.00	172.48	6037	1%	
					41183	**7%**	
Other Leaders	SPDR S&P Defense & Aerospace ETF	XAR	65.00	91.80	5967	1%	
	Vanguard Consumer Discretionary ETF	VCR	0.00	0.00	0	0%	
	SPDR S&P Regional Banking ETF	KRE	0.00	0.00	0	0%	
					5967	**1%**	
Bonds	Guggenheim Total Return Bond (ITB)	GIBLX	224.93	26.75	6017	1%	
	Vanguard Intermediate Term Bond ADM (ITB	VFIDX	1230.22	9.68	11909	2%	
	Diamond Hill Corporate Credit (HYB)	DHSTX	447.23	11.19	5005	1%	
	Vanguard High Yield ADM (HYB)	VWEAX	3479.84	5.76	20044	3%	
	Fidelity Floating Rate High Income (BL)	FFRHX	2592.52	9.46	24525	4%	
	Merger Fund	MERFX	1607.68	16.76	26945	4%	
	Vanguard Short Term Inv Grade Bond ADM	VFSUX	4224.03	10.59	44732	7%	
					139176	**22%**	
Cash	Money Market	CASH	28197.63	1.00	28198	4%	
					28198	**4%**	
					2016	**2016%**	

In/Out Flow Activity		
		$0
		$0
		$0
Performance (Excluding Management Fees)		
Start	$563,671	
Current	**$629,316**	
Increased Year-to-Date	$65,645	
Additions/Withdrawls	$0	
Year-to-Date Gain ($)	$65,645	
Year-to-Date Gain (%)	**11.6%**	
Asset Management Fees (No fees)		
January 2019	Q4 Portfolio Management Fee	$0
April 2019	Q1 Portfolio Management Fee	$0
July 2019	Q2 Portfolio Management Fee	$0
October 2019	Q3 Portfolio Management Fee	$0
SUM		$0
	Extra Cash & Bonds	

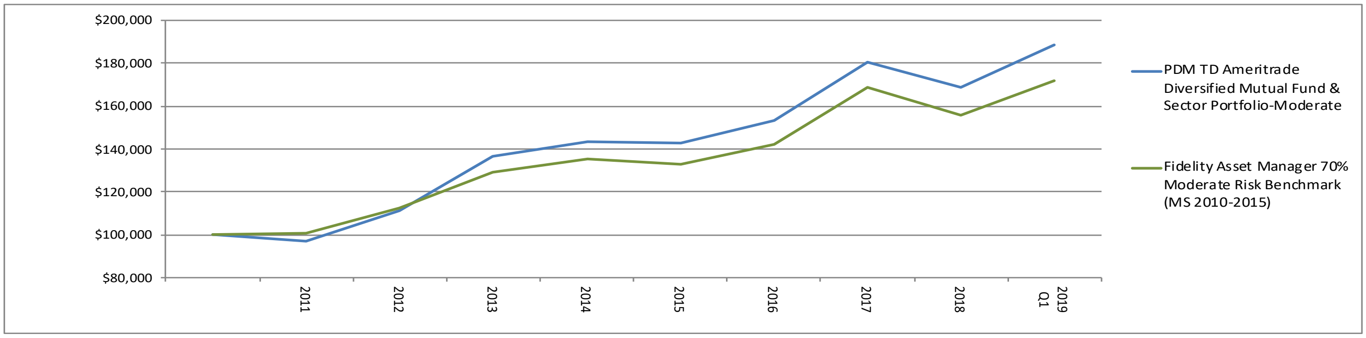
Asset Class	**Actual Allocation**	**Target Allocation**	**Passive Allocation**
Large Cap Growth	11%	11%	10%
Large Cap Value	9%	8%	8%
Mid Cap Growth	5%	7%	4%
Mid Cap Value	3%	3%	4%
Small Cap Growth	6%	8%	4%
Small Cap Value	2%	3%	4%
International	16%	16%	20%
Technology	8%	7%	7%
Financial	4%	5%	7%
Healthcare	7%	6%	7%
Other	1%	1%	0%
Bonds (20%)	22%	20%	20%
Cash (5%)	4%	5%	5%
2%	100%	100%	100%

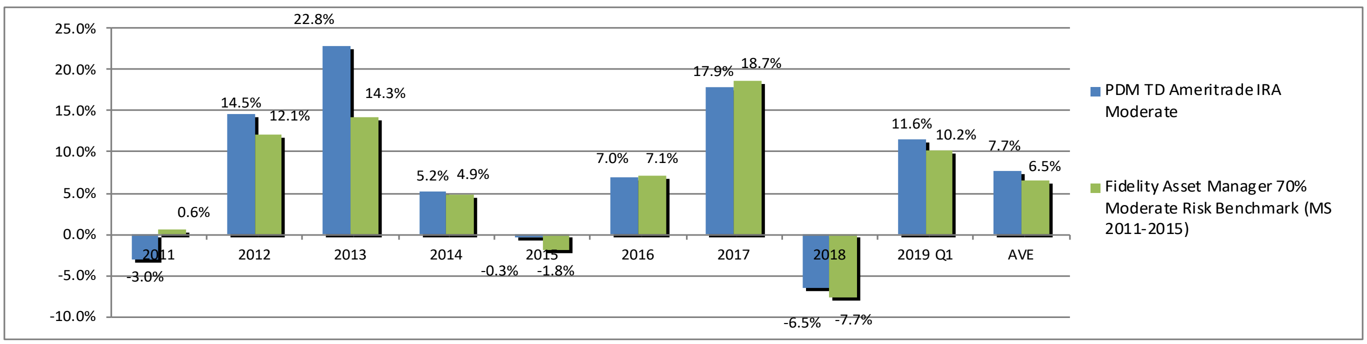
Risk Level
Moderate
Base Allocation
75% Stocks
25% Bonds & Cash
Strategy
Diversified
Mutual Fund &
Sector Portfolio
Custodian
TD Ameritrade
Beneficiaries
Primary:
Spouse
Contingent:
Children

Thank you for your business
Philip Michalek
PDM Investment Services, LLC (A Registered Investment Advisor)
5131 Standish Drive, Troy, Michigan 48085 (248-890-4696)

Joint Taxable Portfolio Performance

- The portfolio produced an 7.2% annual return over the past 3 years, 5.6% over 5 years and 7.3% over 9 years.
- The portfolio outperformed the Fidelity Asset Manager 70% Moderate Risk Benchmark (MS 2010-2015) by 0.7% over the past 3 years, +0.7% the past 5 years and +1.1% the past 9 years.
- 78% of the 9 years the portfolio outperformed or performed close to its benchmark.
- The worst performing year the portfolio saw a -6.5% drop compared to its benchmark at -7.7% in 2018.
  The performance calculation includes capital gains, dividends and custodial transaction fees (0.2%)
  The performance calculation excludes portfolio management fees and taxes.





Accumulated Gains

Calculations are from year end portfolio summary reports. Gains are calculated after portfolio management fees are deducted. Gains do not include contributions or withdrawals.

	TD Ameritrade Joint Taxable			
2011	-$3,800			
2012	$13,379			
2013	$24,063			
2014	$5,871			
2015	-$1,532			
2016	$18,000			
2017	$34,600			
2018	-$38,965			
2019 Q1	$65,645			
Totals	$117,261.00			