

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) 18.4%, S&P 500 Equal Weight (RSP) 12.7% (Year-to-date total return)  
Vanguard Total World Stock Index ETF (VT) 16.6% (Year-to-date total return)

Consumer Discretionary 48%, Technology 46%, Large Growth 40%, Mid Cap Growth 35%, Small Growth 35%,  
Communication 29%, Materials 19%, Healthcare 18%.

Asia 17%, Emerging Market 15%, Industrials 12%, Consumer Staples 11%, International 11%.

Small Value 6%, Mid Cap Value 3%, Large Value 2%, Utilities -1%, Financial -2%, Real Estate -5%, Energy -33%.

Bonds: IT Bond 10%, EM Bond 6%, Global Bond 5%, ST Bond 5%, Merger 5%, HY Bond 5%, Bank Loan 1%.

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

## Strategy Performance

- Joint: Large Highly Diversified Mutual Fund Portfolios with 30% Sector Individual Stock Focus (\$300,000 +)
- IRA: Medium Diversified Mutual Fund Portfolios with 20% Sector Mutual Fund Focus (\$200,000)
- NA: Small Less Diversified Mutual Fund Portfolios (\$50,000)

### Our Strategy Positives

Active Funds > Passive Funds, Growth > Value, Large Cap > Mid/Small Cap, US > International,  
Sector Focus (Technology, Financial Tech, Healthcare), Individual stocks (\$300,000 AUM) = +6  
Strong diversification from the large number of holdings.

### Our Strategy Negatives

Intermediate & Short-Term Bonds > High Yield & Bank Loan Bonds.

### Portfolio Performance Contributors

Tactical Asset Allocation (% equities, % bonds, % cash)

Strategic Asset Allocation (% in each asset)

Equity Selection (Active Mutual Funds, Index ETF's and Individual Stocks)

Early year rebalancing cost and timing (0), One-time implementation costs for new portfolios (NA)

Cash additions or subtractions implemented in corrections or at market highs (NA)

See page 7 and 8 of the Focused Growth Investor Newsletter for more detail on our strategy performance.

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

Thank you for your business  
Philip Michalek  
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# Portfolio Holdings

Account Name	David & Deborah Smith		STRATEGIC	SECTORS	MODERATE RISK	300	December 2020	
Account Type	Joint		Equity Stock/Mutual Fund = 34% stock				TD Ameritrade	
Account Number	xxxxx xxxxx		PORTFOLIO SIZE: \$300,000 to \$2,000,000				2020 Leaders	
ASSET CLASS	FUND NAME	SYMBOL	# SHARES	\$/SHARE	VALUE	TOTAL	ACTION	
Large Cap Growth	Price Blue Chip Growth	TRBCX	81.60	165.52	13506	2%		
	PRIMECAP Odyssey Gro. (LCG, HC, TEC)	POGRX	0.00	0.00	0	0%		
	Akre Focus	AKREX	130.30	53.53	6975	1%		
	Brown Advisory Sustainable Growth	BAFWX	532.31	39.21	20872	3%		
	Vanguard Growth ETF (LCG)	VUG	0.00	0.00	0	0%		
					41353	5%		
Large Cap Value	AMG Yackman Fund	YACKX	439.26	21.26	9339	1%		
	Oakmark Fund (LCB)	OAKMX	0.00	0.00	0	0%		
	Pamassus Endeavor (LCB)	PARWX	168.24	48.31	8128	1%		
	Mairs & Power Growth (LCB)	MPGFX	90.80	136.08	12356	2%		
	Dodge & Cox Stock	DODGX	0.00	0.00	0	0%		
	Vanguard Value ETF	VTV	0.00	0.00	0	0%		
					29822	4%		
Mid Cap Growth	Eventide Gilead (MCG, TECH, HC)	ETGLX	354.05	63.15	22358	3%		
	BlackRock Mid-Cap Growth Equity	CMGSX	621.20	39.65	24631	3%		
	Champlain Mid Cap(MCG)	CIPMX	118.06	24.76	2923	0%		
	Vanguard Mid Cap Growth ETF (MCG)	VOT	0.00	0.00	0	0%		
					49912	6%		
Mid Cap Value	Diamond Hill Small-Mid Cap (MCV)	DHMX	237.41	22.93	5444	1%		
	Pamassus Mid Cap (MCV)	PARMX	215.98	40.78	8808	1%		
	Vanguard Mid Cap Value (MCV)	VOE	0.00	0.00	0	0%		
					14252	2%		
Small Cap Growth	Brown Capital Mgr. Small Co. (SCG, M, T)	BCSIX	66.47	133.34	8863	1%		
	Price QM US Small Cap Stock	PRDSX	195.19	47.73	9317	1%		
	Alger Small Cap Focus	AGOZX	210.32	32.97	6934	1%		
	Virtus KAR Small Cap Growth ESG	PXSGX	224.46	53.53	12015	1%		
	Brown Advisory Small Company	BAFSX	112.64	57.87	6518	1%		
	Vanguard Small Cap Growth ETF (SCG)	VBK	0.00	0.00	0	0%		
						43648	5%	
Small Cap Value	Sterling Capital Stratten SCV (SCV,MCG)	STSCX	100.87	69.80	7041	1%		
	Vanguard Strategic Small Cap Equity (SCB)	VSTCX	239.21	35.34	8454	1%		
	Vanguard Small Cap Value ETF (SCV)	VBR	0.00	0.00	0	0%		
						15494	2%	
International	Oakmark International (LCV)	OAKIX	0.00	0.00	0	0%		
	Harding Loevner International Equity (LCG)	HLNMX	309.58	28.43	8801	1%		
	Vanguard International Growth (LCG)	VWILX	157.41	160.29	25231	3%		
	WCM Focused International	WCMIX	440.80	24.75	10910	1%		
	FMI International (LCB, Dollar Hedged)	FMJIX	0.00	0.00	0	0%		
	Price International Disc. (MCG, ASIA)	PRIDX	118.49	90.77	10755	1%		
	Virtus KAR International Small Cap	VIISX	443.88	23.40	10387	1%		
	Fidelity International Small Cap (MCB, SCV)	FISMX	0.00	0.00	0	0%		
	Fidelity Pacific Basin	FPBFX	184.12	43.86	8075	1%		
	Mathews Pacific Tiger (ASIA, LCG)	MAPTX	232.22	34.94	8114	1%		
	Price Asia Opportunities	TRAOX	398.75	20.37	8123	1%		
	Vanguard FTSE Pacific ETF	VPL	0.00	0.00	0	0%		
						90396	11%	
Technology	Price Global Technology (TECH, LCG)	PRGTX	149.22	27.32	4077	0%		
	Fidelity Select IT Services (TECH, LCG)	FBSOX	0.00	0.00	0	0%		
	Google	GOOGL	11.00	1752.64	19279	2%		
	Intuit	INTU	52.00	379.85	19752	2%		
	EPAM Systems	EPAM	45.00	358.35	16126	2%		
	Adobe	ADBE	31.00	500.12	15504	2%		
	Tyler Technologies	TYL	38.00	466.52	16568	2%		
	Amazon	AMZN	5.00	3256.93	16285	2%		
	Microsoft	MSFT	35.00	222.42	7785	1%		
	Vanguard Information Technology (LCG)	VGT	0.00	0.00	0	0%		
						115395	14%	
Financial	Price Financial (FIN, MCV)	PRISX	0.00	0.00	0	0%		
	First Trust Financial AlphaDEX (MCV)	FXO	0.00	0.00	0	0%		
	Visa	V	75.00	218.73	16405	2%		
	PayPal	PYPL	45.00	234.20	10539	1%		
	S&P Global	SPGI	40.00	328.73	13149	2%		
	Jack Henry	JKHY	85.00	161.99	13769	2%		
	FactSet Research	FDS	39.00	332.50	12968	2%		
	Verisk Analytics	VRSK	82.00	207.59	17022	2%		
	Vanguard Financials ETF (FIN, LCG)	VFH	0.00	0.00	0	0%		
						83852	10%	
Healthcare	Price Health Sciences (HC, LCG, MCG)	PRHSX	75.38	98.85	7451	1%		
	Fidelity Select Healthcare (HC, LCG, MCG)	FSPHX	298.24	31.74	9466	1%		
	Stryker	SYK	30.00	245.04	7351	1%		
	Thermo Fisher Scientific	TMO	20.00	465.78	9316	1%		
	Veeva Systems	VEEV	58.00	272.25	15791	2%		
	Danaher	DHR	40.00	222.14	8886	1%		
	Zoetis	ZTS	85.00	165.50	14068	2%		
	Charles River Labs	CRL	40.00	249.68	9994	1%		
	United Health Group	UNH	25.00	350.68	8767	1%		
						0	0%	
	Vanguard Health Care ETF	VHT	0.00	0.00	0	0%		
					91089	11%		
Other Leaders	American Tower	AMT	0.00	0.00	0	0%		
	Roper Technologies	ROP	28.00	224.46	6285	1%		
			19.00	431.09	8191	1%		
					0	0%		
					14476	2%		
Bonds	Vanguard Intermediate Term Bond ADM (ITB)	VFIIX	1157.55	10.47	12120	1%		
	Diamond Hill Corporate Credit (HYB)	DHSTX	1723.82	11.77	20289	2%		
	Vanguard High Yield ADM (HYB)	VWEAX	3427.44	5.98	20496	2%		
	Fidelity Floating Rate High Income (BL)	FFRHX	1214.62	9.27	11259	1%		
	Merger Fund	MERFX	2184.25	17.43	38071	5%		
	Vanguard Short Term Inv Grade Bond ADM	VFSUX	4731.63	11.03	52190	6%		
					154426	19%		
Cash	Money Market	CASH	79216.76	1.00	79217	10%		
					79217	10%		

In/Out Flow Activity		Asset Class	2016		Risk Level
			Actual Allocation	Target Allocation	
	\$0	Large Cap Growth	5%	10%	Moderate
	\$0	Large Cap Value	4%	7%	
	\$0	Mid Cap Growth	6%	6%	
	\$0	Mid Cap Value	2%	4%	
	\$0	Small Cap Growth	5%	6%	
	\$0	Small Cap Value	2%	3%	
	\$0	International	11%	13%	20%
	\$0	Technology	14%	8%	7%
	\$0	Financial	10%	8%	7%
	\$0	Healthcare	11%	9%	7%
	\$0	Other	2%	1%	0%
	\$0	Bonds (20%)	19%	20%	20%
	\$0	Cash (5%)	10%	5%	5%
	\$0		3%	100%	100%

Performance (Excluding Management Fees)			2016			Risk Level
	Ave YTD	Model	Actual Allocation	Target Allocation	Passive Allocation	
Start	\$690,199		Large Cap Growth	5%	10%	Base Allocation
Current	\$823,331		Large Cap Value	4%	7%	
Increased Year-to-Date	\$133,132		Mid Cap Growth	6%	6%	
Additions/Withdrawals	\$0		Mid Cap Value	2%	4%	
Year-to-Date Gain (\$)	\$133,132		Small Cap Growth	5%	6%	
Year-to-Date Gain (%)	19.3%		Small Cap Value	2%	3%	Strategy
			International	11%	13%	
			Technology	14%	8%	
			Financial	10%	8%	
			Healthcare	11%	9%	
January	Q4 Portfolio Management Fee	\$0	Other	2%	1%	Beneficiaries
April	Q1 Portfolio Management Fee	\$0			0%	
July	Q2 Portfolio Management Fee	\$0				
October	Q3 Portfolio Management Fee	\$0				
SUM		\$0	Bonds (20%)	19%	20%	
	Extra Cash & Bonds		Cash (5%)	10%	5%	Contingent:
						Children 2

# Portfolio Holdings

Account Name	David Smith	STRATEGIC SECTORS	MODERATE RISK	100	December 2020		
Account Type	IRA	2 to 4 FUNDS PER ASSET CLASS	25 to 40 FUNDS		TD Ameritrade		
Account Number	xxxxx xxxxx	PORTFOLIO SIZE: \$50,000 to \$2,000,000			2020 Leaders		
ASSET CLASS	FUND NAME	SYMBOL	# SHARES	\$/SHARE	VALUE	TOTAL	ACTION
<b>Large Cap Growth</b>	Price Blue Chip Growth	TRBCX	52.75	165.52	8731	4%	
	PRIMECAP Odyssey Growth	POGRX	73.56	42.42	3120	1%	
	Akre Focus	AKREX	106.19	53.53	5684	2%	
	Brown Advisory Sustainable Growth	BAFWX	236.98	39.21	9292	4%	
	Vanguard Growth ETF	VUG	0.00	0.00	0	0%	
					<b>26828</b>	<b>11%</b>	
<b>Large Cap Value</b>	Yackman Fund	YACKX	157.80	21.26	3355	1%	
	Mairs & Power Growth	MPGFX	25.62	136.08	3486	1%	
	Pamassus Endeavor (LCB, M)	PARWX	132.22	48.31	6387	3%	
	Oakmark Fund	OAKMX	39.37	90.12	3548	2%	
	Dodge & Cox Stock	DODGX	11.99	192.56	2308	1%	
	Vanguard Value ETF (LCV)	VTV	0.00	0.00	0	0%	
					<b>19084</b>	<b>8%</b>	
<b>Mid Cap Growth</b>	Eventide Gilead (MCG)	ETGLX	141.51	63.15	8936	4%	
	BlackRock Mid-Cap Growth Equity	CMGSX	168.11	39.65	6665	3%	
	Vanguard Mid Cap Growth ETF (MCG)	VOT	0.00	0.00	0	0%	
					<b>15602</b>	<b>7%</b>	
<b>Mid Cap Value</b>	Diamond Hill Small-Mid Cap (MCV)	DHMIX	63.36	22.93	1453	1%	
	Pamassus Mid Cap (MCV)	PARMX	111.12	40.78	4531	2%	
	Vanguard Mid Cap Value (MCV)	VOE	0.00	0.00	0	0%	
					<b>5984</b>	<b>3%</b>	
<b>Small Cap Growth</b>	Alger Small Cap Focus	AGOZX	103.55	32.97	3414	1%	
	Price QM US Small Cap Stock	PRDSX	86.16	47.73	4113	2%	
	Brown Advisory Small Company	BAFSX	55.94	57.87	3237	1%	
	Vanguard Small Cap Growth ETF (SCG,M)	VBK	7.00	267.66	1874	1%	
					<b>12637</b>	<b>5%</b>	
<b>Small Cap Value</b>	Stratten Small Cap Opportunities	STSCX	40.89	69.80	2854	1%	
	Vanguard Strategic Small Cap Equity	VSTCX	60.86	35.34	2151	1%	
	Vanguard Small Cap Value ETF (SCV, M)	VBR	0.00	0.00	0	0%	
					<b>5004</b>	<b>2%</b>	
<b>International</b>	Oakmark International (LCV)	OAKIX	0.00	0.00	0	0%	
	WCM Focused International	WCMIX	192.97	24.75	4776	2%	
	Vanguard International Growth	VWILX	39.72	160.29	6367	3%	
	Harding Loevner International Equity (LCG)	HLMNX	175.45	28.43	4988	2%	
	Virtus KAR International Small Cap	VIISX	135.09	23.40	3161	1%	
	Price International Disc. (MCG, Asia)	PRIDX	44.80	90.77	4067	2%	
	Fidelity Pacific Basin	FPBFX	95.40	43.86	4184	2%	
	Price Asia Opportunities	TRAOX	98.22	20.37	2001	1%	
Matthews Pacific Tiger (ASIA, LCG)	MAPTX	72.07	34.94	2518	1%		
					<b>32062</b>	<b>14%</b>	
<b>Technology</b>	Price Global Technology	PRGTX	258.31	27.32	7057	3%	
	Fidelity Select IT Services	FBSOX	50.54	93.68	4735	2%	
	Blackrock Technology Opportunities	BGSAX	77.28	59.87	4627	2%	
	Vanguard Information Technology (LCG)	VTG	0.00	0.00	0	0%	
					<b>16419</b>	<b>7%</b>	
<b>Financial</b>	Price Financial	PRISX	177.77	26.90	4782	2%	
	Visa	V	8.00	218.73	1750	1%	
	S&P Global	SPGI	4.00	328.73	1315	1%	
					<b>7847</b>	<b>3%</b>	
<b>Healthcare</b>	Fidelity Select Healthcare	FSPHX	276.90	31.74	8789	4%	
	Price Healthcare	PRHSX	79.63	98.85	7871	3%	
	Eventide Healthcare & Life Sciences	ETNHX	26.46	54.53	1443	1%	
	Vanguard Health Care ETF (HC, LCG)	VHT	0.00	0.00	0	0%	
					<b>18103</b>	<b>8%</b>	
<b>Other</b>			0.00	0.00	0	0%	
			0.00	0.00	0	0%	
					<b>0</b>	<b>0%</b>	
<b>Bonds</b>	Vanguard Intermediate Term Inv. Grade ADM	VFIDX	450.53	10.47	4717	2%	
	Vanguard High Yield ADM	VWEAX	767.61	5.98	4590	2%	
	Diamond Hill Corporate Credit (HYB)	DHSTX	212.77	11.77	2504	1%	
	Fidelity Floating Rate High Income	FFRHX	467.37	9.27	4333	2%	
	Merger Fund	MERFX	494.60	17.43	8621	4%	
	Vanguard Short Term Inv Grade Bond ADM	VFSUX	1495.31	11.03	16493	7%	
					<b>41258</b>	<b>18%</b>	
<b>Cash</b>	Money Market	CASH	33513.19	1.00	33513	14%	
					<b>33513</b>	<b>14%</b>	

In/Out Flow Activity (Internal Transfer to Roth)	Asset Class	Actual Allocation	Target Allocation	Passive Allocation	Risk Level
					Moderate
		\$0			
		\$0			
Portfolio Management Fees		(\$2,357)			
<b>Performance (Excluding Management Fees)</b>	Large Cap Growth	11%	13%	10%	<b>Base Allocation</b>
Start Year	Large Cap Value	8%	8%	8%	75% Stocks
Current	Mid Cap Growth	7%	6%	4%	25% Bonds & Cash
Increased Year-to-Date	Mid Cap Value	3%	4%	4%	<b>Strategy</b>
Additions/Withdrawals	Small Cap Growth	5%	6%	4%	Diversified
Year-to-Date Gain (\$)	Small Cap Value	2%	3%	4%	Mutual Fund & Sector Portfolio
Year-to-Date Gain (%)	International	14%	14%	20%	
<b>Asset Management Fees (Fees for Taxable, Roth and IRA account)</b>	Technology	7%	8%	7%	<b>Custodian</b>
January	Financial	3%	5%	7%	TD Ameritrade
April	Healthcare	8%	8%	7%	<b>Beneficiaries</b>
July	Other	0%	0%	0%	Primary:
October	Bonds (20%)	18%	20%	20%	Spouse, Matthew
SUM	Cash (5%)	14%	5%	5%	Joseph 33% each
	Extra Bonds & Cash	7%	100%	100%	100%

# Portfolio Performance

**Joint Portfolio Moderate Risk 19.3% return year-to-date.**

**David IRA Portfolio Moderate Risk 18.5% return year-to-date.**

(Large Size, Sectors, Active Funds, Stocks)  
(Medium Size, Sectors, Active Funds, Stocks)

**The Fidelity Asset Manager 70% Moderate Risk Benchmark saw a 17.2% return in this period.**

For performance less portfolio management fee, subtract 0.15% Q1, 0.30% Q2, 0.45% Q3, 0.60% Q4.

The performance calculation includes capital gains, dividends and custodial transaction fees (0.2%)

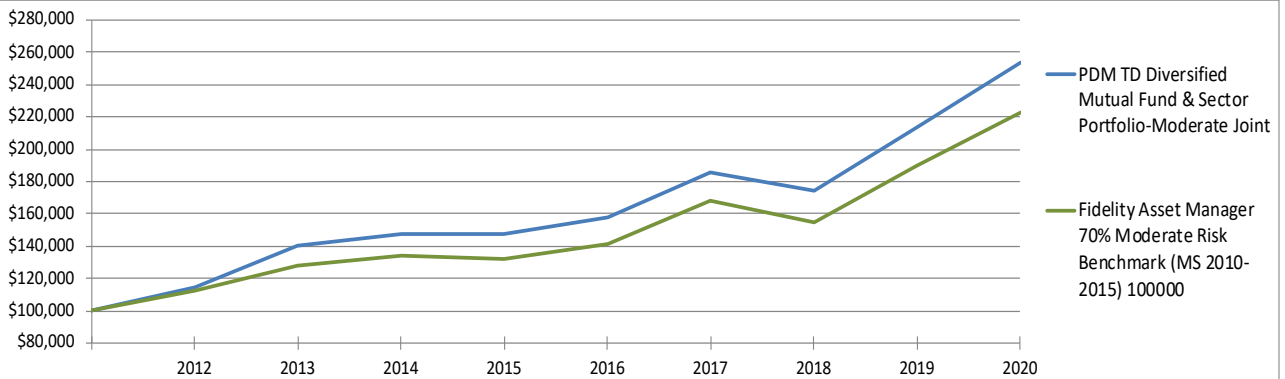
**Joint Portfolio**

After Fee Alpha (AFA) = Performance after advisor fee to benchmark (2012 to 2020 Bar Graphs)

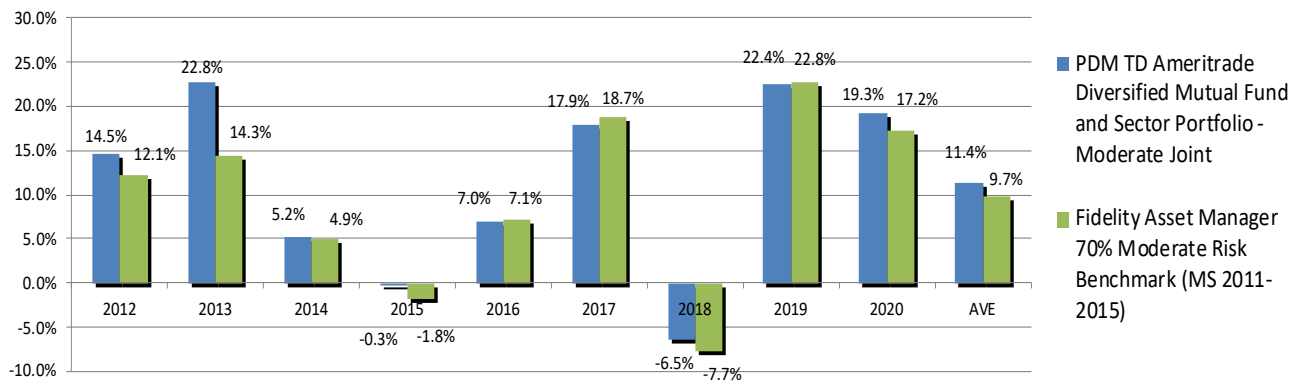
11.4% Average annual performance – 9.7% Benchmark average annual performance -0.6% Advisor Fee = +1.1% AFA

Advisor After Fee Alpha Range is typically between [-3.0% to -1.0% ave to +1.0%] (based on 6 advisors we monitor)

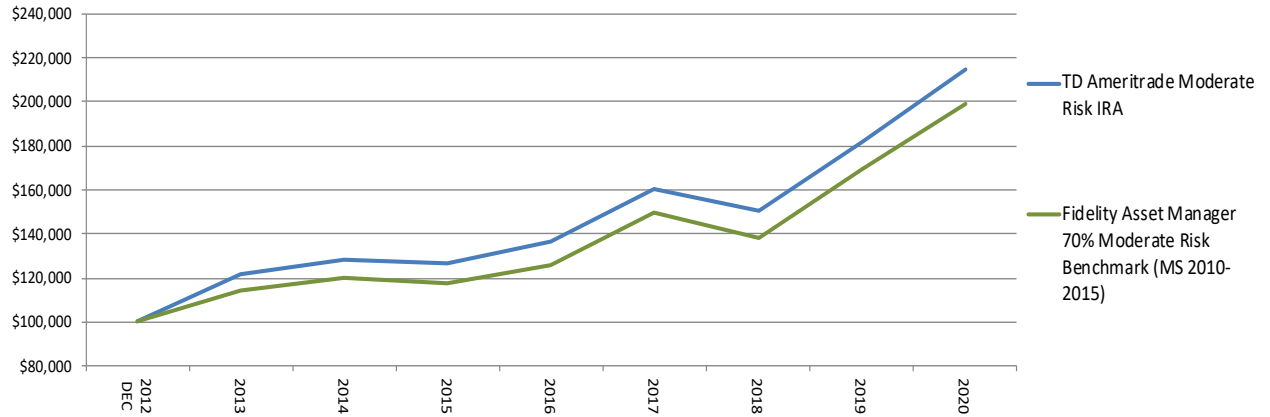
Consider all the services you use from your advisor. 50% of your fees typically cover Financial Advice, Financial Planning and Services (account setup, transfers, rollovers and money moves) and 50% for Portfolio Design, Management and Reporting.



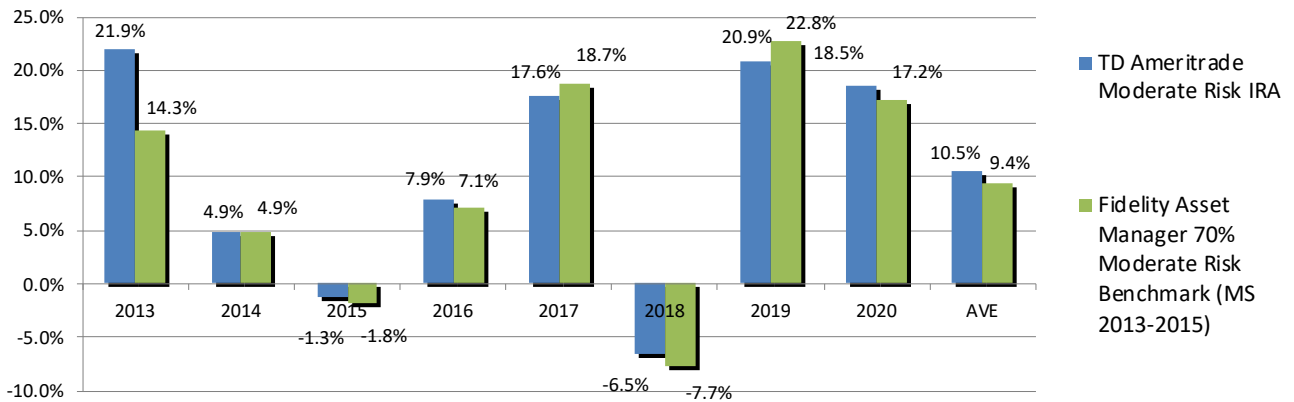
	2012	2013	2014	2015	2016	2017	2018	2019	2020	3YR Annual	5YR Annual	9YR Annual
PDM TD Diversified Mutual Fund & Sector Portfolio-Moderate Joint	14.5%	22.8%	5.2%	-0.3%	7.0%	17.9%	-6.5%	22.4%	19.3%	10.9%	11.5%	10.9%
Fidelity Asset Manager 70% Moderate Risk Benchmark (MS 2010-2015)	12.1%	14.3%	4.9%	-1.8%	7.1%	18.7%	-7.7%	22.8%	17.2%	9.9%	11.0%	9.3%



## Portfolio Performance



	2013	2014	2015	2016	2017	2018	2019	2020	3 YR Annual	5 YR Annual	8 YR Annual
TD Ameritrade Moderate Risk IRA	21.9%	4.9%	-1.3%	7.9%	17.9%	-6.5%	20.9%	18.5%	10.2%	11.2%	10.0%
Fidelity Asset Manager 70% Moderate Risk Benchmark (MS 2010-2015)	14.3%	4.9%	-1.8%	7.1%	18.7%	-7.7%	22.8%	17.2%	9.9%	11.0%	9.0%



### 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 Portfolio	TD Ameritrade David IRA	Total
2012	\$13,379	\$10,205	\$23,584
2013	\$24,063	\$20,057	\$44,120
2014	\$5,871	\$3,861	\$9,732
2015	-\$1,532	-\$4,591	-\$6,123
2016	\$18,000	\$9,397	\$27,397
2017	\$34,600	\$25,004	\$59,604
2018	-\$38,965	-\$15,392	-\$54,357
2019	\$126,528	\$39,678	\$166,206
2020	\$133,132	\$34,512	\$167,644
Totals	\$315,076.00	\$122,731.00	\$437,807.00