

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) -3%, S&P 500 Equal Weight (RSP) -11% (Year-to-date total return)  
 Vanguard Total World Stock Index ETF (VT) -7% (Year-to-date total return)  
 Technology 15%, Large Growth 11%, Consumer Discretionary 6%, Mid Cap Growth 4%, Healthcare 1%, Small Growth 1%,  
 Communication -1%, Consumer Staples -6%, Asia -8%, Materials -9%.  
 Emerging Market -10%, International -11%, Utilities -12%, Real Estate -14%, Industrials -15%, Large Value -16%,  
 Mid Cap Value -19%, Small Value -21%, Financial -24%, Energy -37%.  
 Bonds: IT Bond 6%, Global Bond 3%, ST Bond 3%, Merger 0%, EM Bond -3%, HY Bond -5%, Bank Loan -5%.  
 Sector performance benchmark data is from Vanguard, iShares and SPDR Exchange Traded Funds.

## Portfolio Performance

**Joint Portfolio Moderate Risk 1.1% return year-to-date.** (Large Size, Sectors, Active Funds, Stocks)  
**David IRA Portfolio Moderate Risk -1.1% return year-to-date.** (Medium Size, Sectors, Active Funds, Stocks)  
**The Fidelity Asset Manager 70% Moderate Risk Benchmark saw a -1.4% return in this period.**  
 For performance less portfolio management fee, subtract 0.175% Q1, 0.35% Q2, 0.53% Q3, 0.70% Q4.  
**After Fee Alpha (AFA) = Performance after fees to benchmark (2011 to 2019 Bar Graphs) Joint**  
 Portfolio average annual performance = 8.9% - Benchmark average annual performance = 7.9% - Portfolio management average annual fee 0.7% = After Fee Alpha of +0.3%.  
 AFA range of 6 advisors we monitor adjusted for services. (-2.9% to -0.9% to +0.8%) 2011 to 2019  
 Also consider the services you use: Advice 0.2% + Financial Planning 0.3% + Portfolio Management 0.5% + Other Services.  
 Other services include account setup, strategy selection, reporting, money in/out and tax information. (fees are our estimate)

## Strategy Performance

- Small Less Diversified Mutual Fund Portfolios (\$50,000)
- Medium Diversified Mutual Fund Portfolios with 20% Sector Mutual Fund Focus (\$150,000) IRA
- Large Highly Diversified Mutual Fund Portfolios with 30% Sector Individual Stock Focus (\$300,000 +) Joint

### 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.

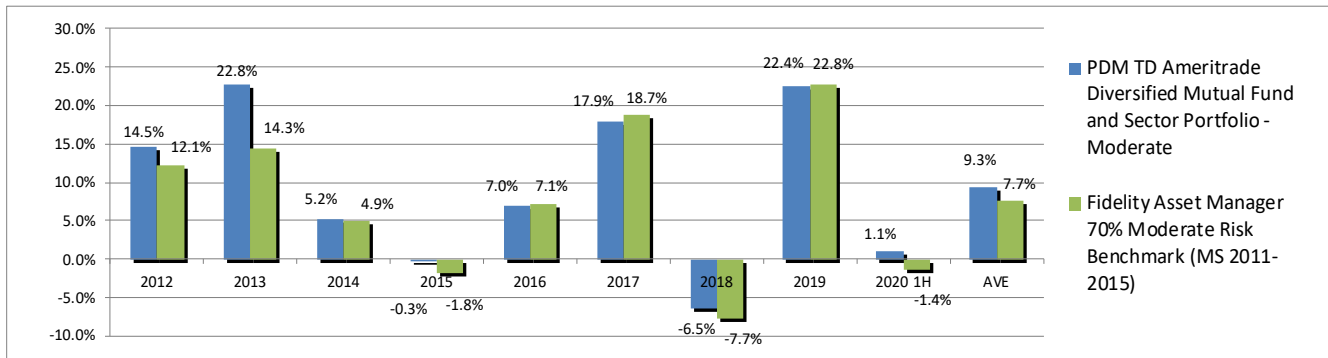
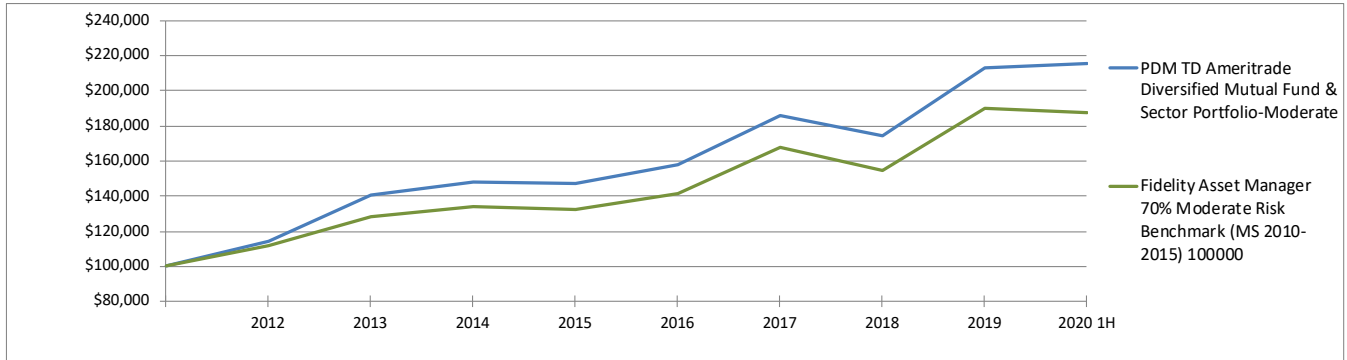
# Joint Portfolio

Account Name	David & Deborah Smith	STRATEGIC SECTORS	MODERATE RISK	300	June 2020		
Account Type	Joint	2 to 4 FUNDS PER ASSET CLASS	30 to 40 FUNDS + STOCKS		TD Ameritrade		
Account Number	XXXXX XXXX	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	128.33	138.03	17714	3%	
	PRIMECAP Odyssey Gro. (LCG, HC, TEC)	POGRX	0.00	0.00	0	0%	
	Akre Focus	AKRFX	421.99	48.01	20260	3%	
	Brown Advisory Sustainable Growth Vanguard Growth ETF (LCG)	BAFWX VUG	725.41 40.00	31.96 202.09	23184 8084	3% 1%	
Large Cap Value	AMG Yacktman Fund	YACKX	439.26	18.60	8170	1%	
	Oakmark Fund (LCB)	OAKMX	0.00	0.00	0	0%	
	Pamassus Endeavor (LCB)	PARWX	168.24	35.23	5927	1%	
	Mairs & Power Growth (LCB)	MFGFX	90.80	120.42	10934	2%	
	Dodge & Cox Stock Vanguard Value ETF	DODGX VTI	57.21 0.00	160.70 0.00	9194 0	1% 0%	
Mid Cap Growth	Eventide Gilead (MCG, TECH, HC)	ETGLX	364.53	47.16	17191	2%	Add 6000
	BlackRock Mid-Cap Growth Equity	CMGSX	621.20	30.05	18667	3%	
	Champlain Mid Cap (MCG)	CIPMX	348.79	20.44	7129	1%	
	Vanguard Mid Cap Growth ETF (MCG)	VOT	0.00	0.00	0	0%	
Mid Cap Value	Diamond Hill Small-Mid Cap (MCV)	DHMIX	237.41	17.63	4185	1%	
	Pamassus Mid Cap (MCV)	PARMX	215.98	32.65	7052	1%	
	Vanguard Mid Cap Value (MCV)	VOE	0.00	0.00	0	0%	
Small Cap Growth	Brown Capital Mgr. Small Co. (SCG, M, T)	BCSIX	66.47	114.26	7595	1%	
	Price QM US Small Cap Stock	PRDSX	195.19	37.49	7318	1%	
	Alger Small Cap Focus	AGOZX	436.02	25.97	11323	2%	
	Virtus KAR Small Cap Growth ESG	PXSGX	224.46	45.47	10206	1%	
	Brown Advisory Small Company Vanguard Small Cap Growth ETF (SCG)	BASFX VBK	112.64 0.00	44.31 0.00	4991 0	1% 0%	
	Small Cap Value	Sterling Capital Stratten SCV (SCV, MCG)	STSCX	100.87	63.10	6365	1%
Vanguard Strategic Small Cap Equity (SCB)		VSTCX	239.21	27.20	6506	1%	
Vanguard Small Cap Value ETF (SCV)		VBR	0.00	0.00	0	0%	
International	Oakmark International (LCV)	OAKIX	245.58	19.21	4715	1%	Hold
	Harding Loevner International Equity (LCG)	HLMNX	516.79	22.67	11716	2%	
	Vanguard International Growth (LCG)	VWILX	157.41	115.51	18182	3%	
	WCM Focused International	WCMIX	440.80	19.77	8715	1%	
	FMI International (LCB, Dollar Hedged)	FMIJX	0.00	0.00	0	0%	
	Price International Disc. (MCG, ASIA)	PRIDX	118.49	70.96	8408	1%	
	Virtus KAR International Small Cap Fidelity International Small Cap (MCB, SCV)	VIISX FISMX	443.88 0.00	17.47 0.00	7755 0	1% 0%	
	Fidelity Pacific Basin	FPBFX	184.12	35.09	6461	1%	
	Matthews Pacific Tiger (ASIA, LCG)	MAPTX	0.00	0.00	0	0%	
	Vanguard FTSE Pacific ETF	VPL	0.00	0.00	0	0%	
	Technology	Price Global Technology (TECH, LCG)	PRGTX	315.68	20.49	6468	1%
Fidelity Select IT Services (TECH, LCG)		FBSOX	44.07	78.53	3461	0%	
Google		GOOGL	6.00	1418.05	8508	1%	ADD
Intuit		INTU	30.00	295.19	8886	1%	ADD
EPAM Systems		EPAM	65.00	252.01	16381	2%	
Adobe		ADBE	18.00	435.31	7836	1%	ADD
Tyler Technologies		TYL	23.00	346.88	7978	1%	ADD
Amazon		AMZN	3.00	2758.82	8276	1%	ADD
Vanguard Information Technology (LCG)		VGT	0.00	0.00	0	0%	
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	193.17	14488	2%	
	PayPal	PYPL	45.00	174.23	7840	1%	
	S&P Global	SPGI	20.00	329.48	6590	1%	ADD
	Jack Henry	JKHY	85.00	184.03	15643	2%	
	FactSet Research	FDS	20.00	328.47	6569	1%	ADD
	Verisk Analytics	VRSK	82.00	170.20	13956	2%	
Healthcare	Vanguard Financials ETF (FIN, LCG)	VFH	0.00	0.00	0	0%	
	Price Health Sciences (HC, LCG, MCG)	PRHSX	75.38	87.06	6563	1%	
	Fidelity Select Healthcare (HC, LCG, MCG)	FSPHX	539.64	30.13	16259	2%	
	Stryker	SYK	30.00	180.19	5406	1%	
	Thermo Fisher Scientific	TMO	20.00	362.34	7247	1%	ADD
	Veeva Systems	VEEV	42.00	234.42	9846	1%	ADD
	Danaher	DHR	40.00	176.83	7073	1%	ADD
	Zoetis	ZTS	85.00	137.04	11648	2%	
	Charles River Labs	CRL	40.00	174.35	6974	1%	
	Becton Dickinson	BDX	0.00	0.00	0	0%	ADD
Other Leaders	Vanguard Health Care ETF	VHT	0.00	0.00	0	0%	
	SPDR S&P Defense & Aerospace ETF	XAR	0.00	0.00	0	0%	
	American Tower	AMT	28.00	258.54	7239	1%	
Bonds	Roper Technologies	ROP	0.00	0.00	0	0%	
	Vanguard Intermediate Term Bond ADM (ITB)	VFIDX	1157.55	10.52	12177	2%	
	Diamond Hill Corporate Credit (HYB)	DHSTX	447.23	11.03	4933	1%	
	Vanguard High Yield ADM (HYB)	VWEAX	3427.44	5.61	19228	3%	
	Fidelity Floating Rate High Income (BL)	FFRHX	1214.62	8.74	10616	2%	
	Merger Fund	MERFX	1391.05	17.15	23856	3%	
Cash	Vanguard Short Term Inv Grade Bond ADM	VFSUX	3457.74	10.94	37828	5%	
	Money Market	CASH	100329.14	1.00	100329	14%	
					<b>108638</b>	<b>16%</b>	
					<b>100329</b>	<b>14%</b>	
					<b>2016</b>	<b>2016</b>	
<b>In/Out Flow Activity</b>			<b>Asset Class</b>	<b>Actual Allocation</b>	<b>Target Allocation</b>	<b>Passive Allocation</b>	<b>Risk Level</b>
Start							Moderate
Current							
Increased Year-to-Date							
Additions/Withdrawals							
Year-to-Date Gain (\$)							
Year-to-Date Gain (%)							
<b>Asset Management Fees (Fees from another account)</b>							
January	Q4 Portfolio Management Fee	\$0	Financial	10%	10%	7%	Custodian
April	Q1 Portfolio Management Fee	\$0	Healthcare	10%	10%	7%	TD Ameritrade
July	Q2 Portfolio Management Fee	\$0	Other	1%	1%	0%	Beneficiaries
October	Q3 Portfolio Management Fee	\$0	Bonds (20%)	16%	20%	20%	Primary
SUM		\$0	Cash (5%)	14%	5%	5%	Spouse
Extra Cash & Bonds			5%	100%	100%	100%	Contingent: Children 2

Thank you for your business  
 Philip Michalek  
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## Joint Portfolio Performance

- Portfolio produced a 5.0% annual return over the past 3 years, 7.9% over 5 years and 8.9% over 9 years.
- The portfolio outperformed the Fidelity Asset Manager 70% Moderate Risk Benchmark (MS 2010-2015) by +1.2% over the past 3 years, +0.6% the past 5 years and +1.7% the past 9 years.
- 89% of the 9 years the portfolio outperformed or performed close to its benchmark.
- The worst performing year the portfolio saw a -15.5% drop compared to its benchmark at -16.2% in 2020 Q1. The performance calculation includes capital gains, dividends and custodial transaction fees (0.2%)  
The performance calculation excludes portfolio management fees of 0.7% and taxes.



### Accumulated Gains

Calculations are from year end portfolio summary reports. Gains are calculated after portfolio management fees of 0.7% 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				
Totals	\$178,144.00	\$88,219.00		\$266,363.00

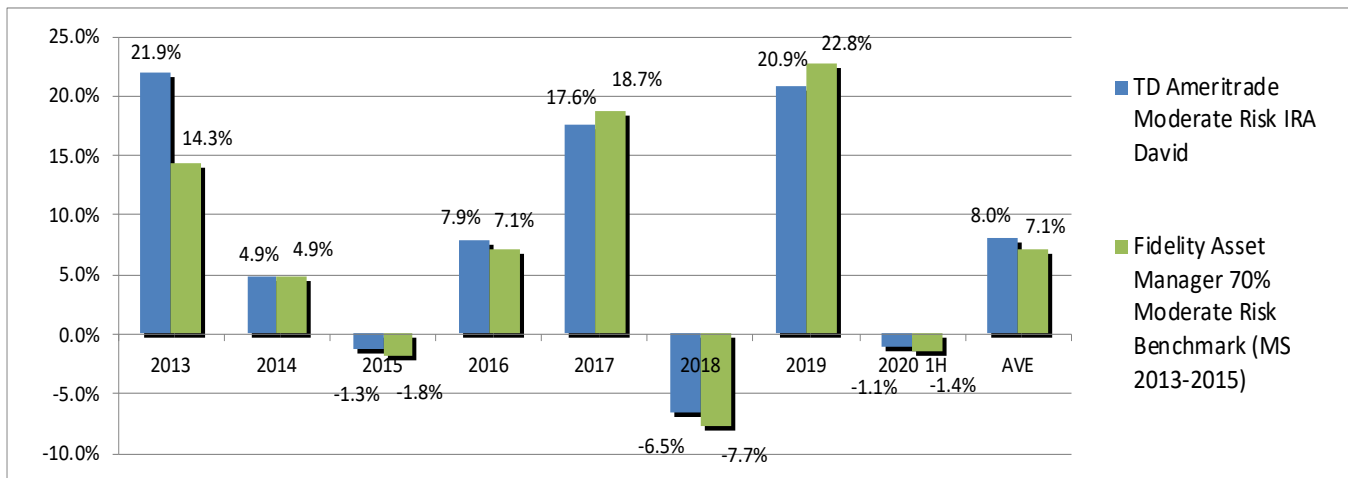
# David IRA Portfolio

Account Name	David Smith		STRATEGIC	SECTORS	MODERATE RISK	100	June 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
Large Cap Growth	Price Blue Chip Growth	TRBCX	52.75	138.03	7281	4%	
	PRIMECAP Odyssey Growth	POGRX	73.56	38.58	2838	1%	
	Akre Focus	AKREX	184.68	48.01	8866	5%	
	Brown Advisory Sustainable Growth	BAFWX	236.98	31.96	7574	4%	
	Vanguard Growth ETF	VUG	30.00	202.09	6063	3%	
					<b>32622</b>	<b>17%</b>	
Large Cap Value	Yackman Fund	YACKX	157.80	18.60	2935	1%	
	Mairs & Power Growth	MPGFX	25.62	120.42	3085	2%	
	Pamassus Endeavor (LCB, M)	PARWX	132.22	35.23	4658	2%	
	Oakmark Fund	OAKMX	39.37	68.44	2694	1%	
	Dodge & Cox Stock	DODGX	11.99	160.70	1926	1%	
	Vanguard Value ETF (LCV)	VTV	0.00	0.00	0	0%	
					<b>15299</b>	<b>8%</b>	
Mid Cap Growth	Eventide Gilead (MCG)	ETGLX	181.24	47.16	8547	4%	
	BlackRock Mid-Cap Growth Equity	CMGSX	223.78	30.05	6725	3%	
	Vanguard Mid Cap Growth ETF (MCG)	VOT	0.00	0.00	0	0%	
					<b>15272</b>	<b>8%</b>	
Mid Cap Value	Diamond Hill Small-Mid Cap (MCV)	DHMX	63.36	17.63	1117	1%	
	Pamassus Mid Cap (MCV)	PARMX	111.12	32.65	3628	2%	
	Vanguard Mid Cap Value (MCV)	VOE	0.00	0.00	0	0%	
					<b>4745</b>	<b>2%</b>	
Small Cap Growth	Alger Small Cap Focus	AGOZX	103.55	25.97	2689	1%	
	Price QM US Small Cap Stock	PRDSX	86.16	37.49	3230	2%	
	Brown Advisory Small Company	BAFSX	55.94	44.31	2479	1%	
	Vanguard Small Cap Growth ETF (SCG,M)	VBK	7.00	199.60	1397	1%	
					<b>9795</b>	<b>5%</b>	
Small Cap Value	Stratten Small Cap Opportunities	STSCX	40.89	63.10	2580	1%	
	Vanguard Strategic Small Cap Equity	VSTCX	60.86	27.20	1655	1%	
	Vanguard Small Cap Value ETF (SCV, M)	VBR	0.00	0.00	0	0%	
					<b>4235</b>	<b>2%</b>	
International	Oakmark International (LCV)	OAKIX	109.03	19.21	2094	1%	
	WCM Focused International	WCMIX	192.97	19.77	3815	2%	
	Vanguard International Growth	VWILX	39.72	115.51	4588	2%	
	Harding Loevner International Equity (LCG)	HLMNX	175.45	22.67	3978	2%	
	Virtus KAR International Small Cap	VIISX	135.09	17.47	2360	1%	
	Price International Disc. (MCG, Asia)	PRIDX	44.80	70.96	3179	2%	
	Fidelity Pacific Basin	PFBFX	95.40	35.09	3348	2%	
Matthews Pacific Tiger (ASIA, LCG)	MAPTX	0.00	0.00	0	0%		
					<b>23362</b>	<b>12%</b>	
Technology	Price Global Technology	PRGTX	258.31	20.49	5293	3%	
	Fidelity Select IT Services	FBOSX	50.54	78.53	3969	2%	
	Blackrock Technology Opportunities	BGSAX	77.28	44.42	3433	2%	
	Vanguard Information Technology (LCG)	VGT	10.00	278.71	2787	1%	
					<b>15482</b>	<b>8%</b>	
Financial	Price Financial	PRISX	177.77	22.27	3959	2%	
	Visa	V	0.00	0.00	0	0%	
	S&P Global	SPGI	0.00	0.00	0	0%	
					<b>3959</b>	<b>2%</b>	
Healthcare	Fidelity Select Healthcare	FSPHX	276.90	30.13	8343	4%	
	Price Healthcare	PRHSX	79.63	87.06	6932	4%	
	Eventide Healthcare & Life Sciences	ETNHX	26.46	43.33	1146	1%	
	Vanguard Health Care ETF (HC, LCG)	VHT	0.00	0.00	0	0%	
					<b>16422</b>	<b>8%</b>	
Other	SPDR S&P Defense & Aerospace ETF	XAR	0.00	0.00	0	0%	
			0.00	0.00	0	0%	
					<b>0</b>	<b>0%</b>	
Bonds	Vanguard Intermediate Term Inv. Grade ADM	VFIDX	262.38	10.52	2760	1%	
	Vanguard High Yield ADM	VWEAX	767.61	5.61	4306	2%	
	Fidelity Floating Rate High Income	FFRHX	467.37	8.74	4085	2%	
	Merger Fund	MERFX	494.60	17.15	8482	4%	
	Vanguard Short Term Inv Grade Bond ADM	VFSUX	1313.33	10.94	14368	7%	
					<b>34001</b>	<b>17%</b>	
Cash	Money Market	CASH	21253.45	1.00	21253	11%	
					<b>21253</b>	<b>11%</b>	

In/Out Flow Activity (Internal Transfer to Roth)	Asset Class	Actual Allocation	Target Allocation	Passive Allocation	Risk Level
					Moderate
Portfolio Management Fees					
\$0					
\$0					
(\$1,219)	Large Cap Growth	17%	16%	10%	Base Allocation
<b>Performance (Excluding Management Fees)</b>	Large Cap Value	8%	8%	8%	75% Stocks
Start Year \$199,828	Mid Cap Growth	8%	7%	4%	25% Bonds & Cash
<b>Current \$196,447</b>	Mid Cap Value	2%	2%	4%	Strategy
Increased Year-to-Date (\$3,381)	Small Cap Growth	5%	6%	4%	Diversified
Additions/Withdrawals (\$1,219)	Small Cap Value	2%	2%	4%	Mutual Fund & Sector Portfolio
Year-to-Date Gain (\$2,162)	International	12%	12%	20%	
<b>Year-to-Date Gain (%) -1.1%</b>	Technology	8%	9%	7%	Custodian
<b>Asset Management Fees (Fees for Taxable, Roth and IRA account)</b>	Financial	2%	4%	7%	TD Ameritrade
January Q4 Portfolio Management Fee (\$591)	Healthcare	8%	9%	7%	Beneficiaries
April Q1 Portfolio Management Fee (\$628)	Other	0%	0%	0%	Primary:
July Q2 Portfolio Management Fee \$0					Spouse
October Q3 Portfolio Management Fee \$0	Bonds (20%)	17%	20%	20%	Contingent:
<b>SUM (\$1,219)</b>	Cash (5%)	11%	5%	5%	Matthew, Joseph
Extra Bonds & Cash	3%	100%	100%	100%	

## David IRA Portfolio Performance



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