

# Performance Update

**Confidential - Prepared for Jackson Community Foundation on January 15, 2026**

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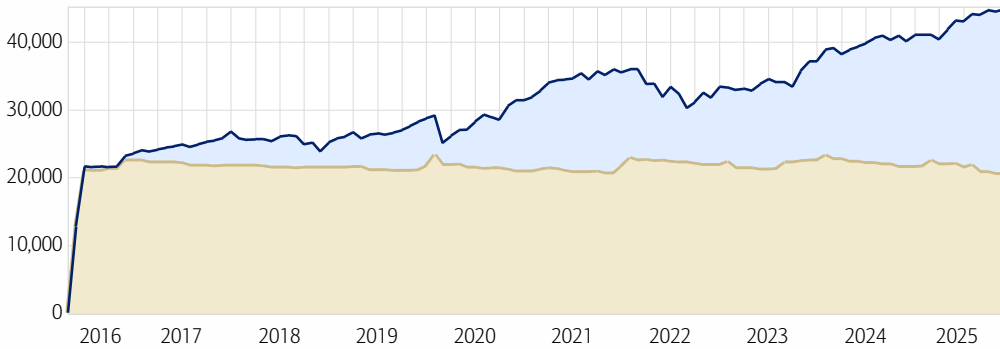
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# Total portfolio review

Performance period: 06/22/2016 to 12/31/2025

## Investment earnings and cash flows

\$ in Thousands

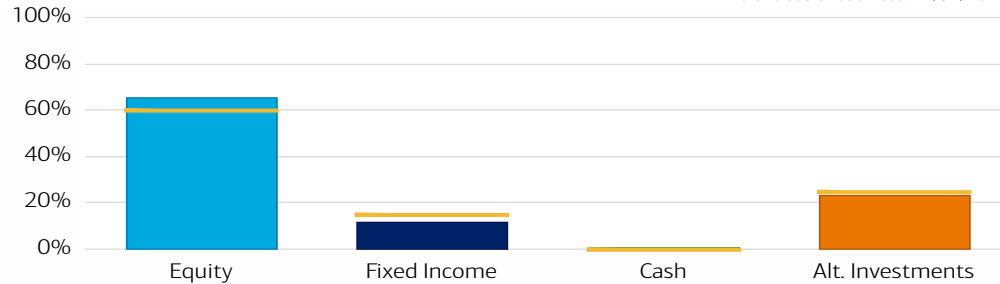


■ Total Market Value ■ Opening Balance +/- Contributions/(Withdrawals)

Categories(\$)	Prior 3 Months(\$)	Prior 12 Months(\$)	Entire Period(\$)
Opening Balance	44,001,277	40,151,057	0
Contributions/(Withdrawals)	(244,436)	(1,075,162)	20,415,140
Interest/Dividends	315,728	880,581	6,409,762
Appreciation/(Depreciation)	843,071	4,959,165	18,090,820
<b>Closing Balance</b>	<b>44,915,640</b>	<b>44,915,640</b>	<b>44,915,640</b>

## Asset allocation vs. Custom Allocation Model

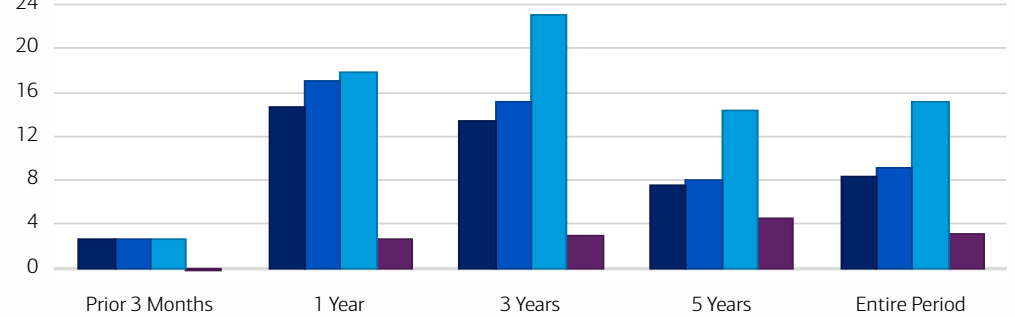
As of close of business: 12/31/2025



Asset Class	Current holdings		Allocation Model		Gap	
	(\$)	(%)	(\$)	(%)	(\$)	(%)
Equity	29,314,719	65.27	26,949,384	60.00	(2,365,334)	(5.27)
Fixed Income	5,062,899	11.27	6,737,346	15.00	1,674,447	3.73
Cash	183,890	0.41	0	0.00	(183,890)	(0.41)
Alt. Investments	10,354,132	23.05	11,228,910	25.00	874,778	1.95
<b>Total</b>	<b>44,915,640</b>	<b>100.00</b>	<b>44,915,640</b>	<b>100.00</b>		

## Annualized performance

Return (%)

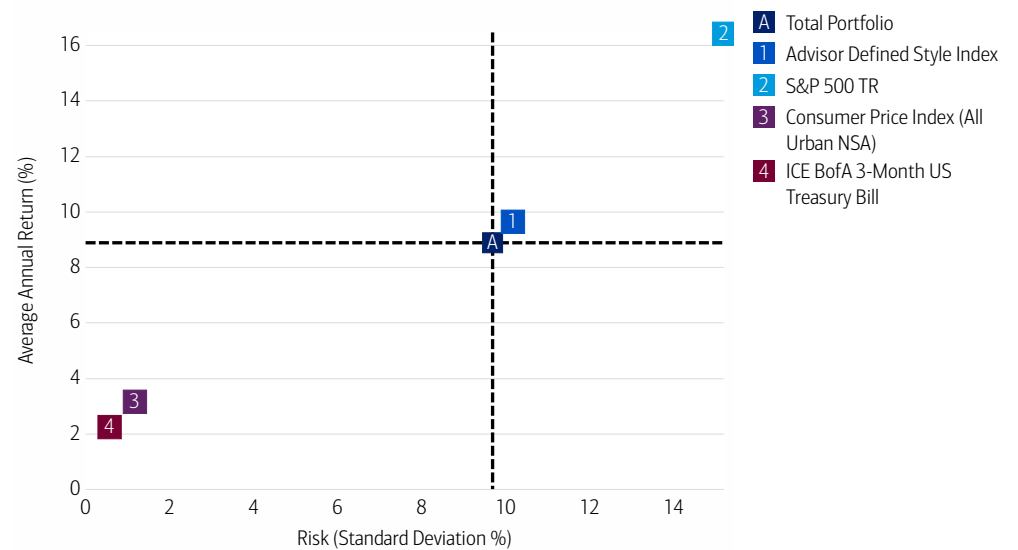


(%)

	Prior 3 Months	1 Year	3 Years	5 Years	Entire Period
<b>Total Portfolio</b>	<b>2.63</b>	<b>14.66</b>	<b>13.33</b>	<b>7.50</b>	<b>8.38</b>
Advisor Defined Style Index	2.59	17.10	15.08	7.98	9.09
S&P 500 TR	2.65	17.88	23.01	14.42	15.12
Consumer Price Index (All Urban NSA)	(0.23)	2.68	2.97	4.46	3.17

Returns for periods longer than one year are annualized.

## Risk vs. return analysis



Some accounts have been excluded from this analysis. Please see the following page for details.

**Accounts included in this report:** Please refer to the Account List for accounts included in this report. External Asset information is included only in the Asset Allocation section if in the Account List. **Merrill does not independently verify the accuracy of assets not held in a Merrill account.**

Report created January 15, 2026  
for **Jackson Community Foundation**  
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For informational purposes only - account statement is official record of holdings, balances and security values

# Total portfolio review

Performance period: 06/22/2016 to 12/31/2025

**Please refer to the below list for all accounts that were included in the Risk vs. Return Analysis within the Total Portfolio Review.**

## Account

XXX-XX142 "Main"

XXX-XX164 "Dream Maker CMS Gift"

XXX-XX187 "Fojtasek Legacy Fund"

XXX-XX004 "Domestic Equity"

XXX-XX005 "International Equity"

XXX-XX006 "Fixed Income"

XXX-XX007 "Cash Account"

XXX-XX008

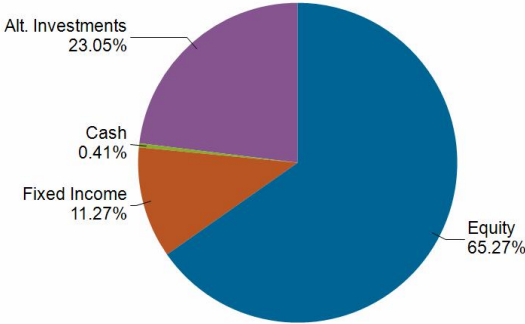
XXX-XX009 "Alternatives"

# Custom Portfolio Review



## Asset Allocation

As of close of business: 12/31/2025



Asset Class	Market Value(\$)	% of Total	Model (%)	Diff (%)
Equity	29,314,719	65.27	60.00	(5.27)
Fixed Income	5,062,899	11.27	15.00	3.73
Cash	183,890	0.41	0.00	(0.41)
Alt. Investments	10,354,132	23.05	25.00	1.95
<b>Subtotal</b>	<b>44,915,640</b>	<b>100.00</b>	<b>100.00</b>	
<b>Total</b>	<b>44,915,640</b>		<b>100.00</b>	

## Size & Style Analysis: All Holdings

As of Close of Business: 12/31/2025

Model Selected: Custom

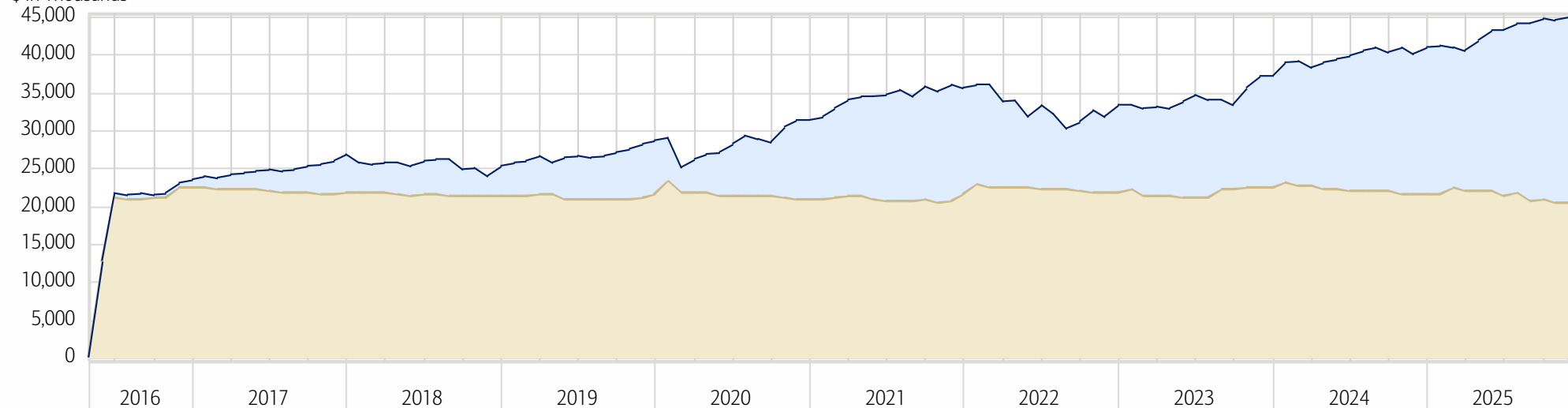
Size And Style	0%	25%	Current(%)	Market Value(\$)	Model(%)	Diff(%)
<b>Equity</b>						
Large Cap Growth			18.63	8,370,017	19.00	0.37
Large Cap Value			18.63	8,370,017	19.00	0.37
Small/Mid Cap Growth			3.30	1,483,172	1.00	(2.30)
Small/Mid Cap Value			3.30	1,483,172	1.00	(2.30)
International Equity			21.39	9,608,341	20.00	(1.39)
Equities Blend			0.00	0	0.00	0.00
<b>Fixed Income</b>						
Long Term Bond			3.00	1,345,673	3.00	0.00
Intermediate Term Bond			5.47	2,457,973	5.70	0.23
Short Term Bond			2.80	1,259,253	6.30	3.50
Fixed Income Blend			0.00	0	0.00	0.00
<b>Cash</b>						
Cash			0.41	183,890	0.00	(0.41)
<b>Alternative Investments</b>						
Real Assets			0.00	0	0.00	0.00
Hedge Fund Strategies			23.05	10,354,132	25.00	1.95
Private Equity			0.00	0	0.00	0.00
<b>Total of Analyzed Assets</b>				<b>44,915,640</b>		
<b>Total Assets</b>				<b>44,915,640</b>		

Accounts included in this report: Please refer to the Account List for accounts included in this report. External Asset information may be incorporated into this exhibit if included in the Account List. Contact your Financial Advisor for more information. Merrill does not independently verify the accuracy of assets not held in a Merrill account.

# Portfolio cash flows and performance: annualized

Performance period: 06/22/2016 to 12/31/2025

\$ in Thousands



■ Total Market Value ■ Opening Balance +/- Contributions/(Withdrawals)

Categories	Prior 3 Months	YTD	1 Year	3 Years	5 Years	7 Years	Entire Period
Opening Balance (\$)	44,001,277	40,151,057	40,151,057	31,763,083	31,360,603	23,888,129	0
Contributions/(Withdrawals) (\$)	(244,436)	(1,075,162)	(1,075,162)	(1,304,492)	(397,175)	(933,148)	20,415,140
Interest/Dividends (\$)	315,728	880,581	880,581	2,537,131	3,763,292	4,880,576	6,409,762
Appreciation/(Depreciation) (\$)	843,071	4,959,165	4,959,165	11,919,919	10,188,921	17,080,165	18,090,820
Closing Balance (\$)	44,915,640	44,915,640	44,915,640	44,915,640	44,915,640	44,915,640	44,915,640
Time Weighted Return (%)	2.63	14.66	14.66	13.33	7.50	9.81	8.38
<b>Reference Indices (%)</b>							
Advisor Defined Style Index	2.59	17.10	17.10	15.08	7.98	10.57	9.09
S&P 500 TR	2.65	17.88	17.88	23.01	14.42	17.29	15.12
Consumer Price Index (All Urban NSA)	(0.23)	2.68	2.68	2.97	4.46	3.70	3.17

Returns for periods longer than one year are annualized.

# Cash flows and valuations

Performance period: 01/01/2023 to 12/31/2025

Period	Opening Balance	Contributions/(Withdrawals)				Interest/ Dividends	Appreciation/ (Depreciation)	Closing Balance
		Month 1	Month 2	Month 3	Quarter			
<b>2025</b>	<b>40,151,057</b>				<b>(1,075,162)</b>	<b>880,581</b>	<b>4,959,165</b>	<b>44,915,640</b>
4QTR	44,001,277	61,383	(299,268)	(6,552)	(244,436)	315,728	843,071	44,915,640
3QTR	43,214,246	(500,028)	379,193	(1,100,000)	(1,220,835)	194,399	1,813,467	44,001,277
2QTR	41,056,668	(544,411)	(2,410)	29,147	(517,674)	196,835	2,478,418	43,214,246
1QTR	40,151,057	350	28,651	878,783	907,783	173,619	(175,792)	41,056,668
<b>2024</b>	<b>37,117,417</b>				<b>(871,244)</b>	<b>853,197</b>	<b>3,051,687</b>	<b>40,151,057</b>
4QTR	41,005,953	27,584	(400,000)	28,493	(343,923)	275,104	(786,077)	40,151,057
3QTR	39,350,848	(199,850)	33,650	(200,000)	(366,200)	200,137	1,821,168	41,005,953
2QTR	39,197,648	26,061	(424,997)	28,388	(370,548)	198,459	325,289	39,350,848
1QTR	37,117,417	314	786,448	(577,335)	209,427	179,497	1,691,307	39,197,648
<b>2023</b>	<b>31,763,083</b>				<b>641,915</b>	<b>803,353</b>	<b>3,909,067</b>	<b>37,117,417</b>
4QTR	34,039,253	24,497	177,993	25,007	227,497	290,256	2,560,412	37,117,417
3QTR	33,836,384	77	24,928	1,015,459	1,040,463	164,267	(1,001,862)	34,039,253
2QTR	32,950,865	24,031	50	(150,248)	(126,166)	200,054	811,631	33,836,384
1QTR	31,763,083	1,349	523,772	(1,025,000)	(499,879)	148,776	1,538,886	32,950,865
<b>Total</b>	<b>31,763,083</b>				<b>(1,304,492)</b>	<b>2,537,131</b>	<b>11,919,919</b>	<b>44,915,640</b>

Accounts included in this report: Please refer to the Account List for accounts included in this report.

# Investment strategy performance: annualized

Performance period: 05/17/2024 to 12/31/2025

XXX-XX004 "Domestic Equity"							
Style / Manager	Ownership Dates	Market Value(\$)	% of Total	Prior 3 Months	YTD	1 Year	Entire Period
<b>Equity</b>		<b>19,441,428</b>	<b>100.00</b>				
<b>US Large Cap</b>		<b>16,498,640</b>	<b>84.86</b>				
VANGUARD S&P 500 ETF	05/17/2024 - Present	16,498,640	84.86	2.63	17.82	17.82	18.17
100.00% S&P 500 TR				2.65	17.88	17.88	18.12
<b>US Mid Cap</b>		<b>970,683</b>	<b>4.99</b>				
VANGUARD MID-CAP ETF	10/28/2025 - Present	970,683	4.99	(0.85)	--	--	(0.85)
100.00% CRSP US Mid Cap TR				--	--	--	(1.67)
<b>US Small Cap</b>		<b>1,972,105</b>	<b>10.14</b>				
VANGUARD SMALL-CAP ETF	10/28/2025 - Present	1,972,105	10.14	0.43	--	--	0.43
100.00% CRSP US Small Cap TR				--	--	--	(0.44)
<b>Total Strategy/Portfolio</b>	<b>11/03/2016 - Present</b>	<b>19,441,428</b>	<b>100.00</b>	<b>2.69</b>	<b>14.37</b>	<b>14.37</b>	<b>13.49</b>

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# Investment strategy performance: annualized

Performance period: 11/03/2016 to 12/31/2025

XXX-XX006 "Fixed Income"											
Style / Manager	Ownership Dates	Market Value(\$)	% of Total	Prior 3 Months	YTD	1 Year	3 Years	5 Years	7 Years	Entire Period	
<b>Fixed Income</b>		<b>4,928,631</b>	<b>100.00</b>								
<b>US Core Fixed Income</b>		<b>3,202,716</b>	<b>64.98</b>								
BRECKINRIDGE INTERMEDIATE SUST GOVCRED	07/01/2024 - Present	1,725,686	35.01	1.20	7.12	7.12	--	--	--	6.72	
100.00% BBG Barclays US Government Credit Intermediate TR				1.20	6.97	6.97	--	--	--	6.33	
CCM COMMUNITY IMPACT BOND FUND	11/03/2016 - Present	739,941	15.01	1.60	6.89	6.89	4.54	0.42	1.74	1.70	
100.00% BBG Barclays US Aggregate Intermediate Bond TR				1.35	7.45	7.45	5.01	(0.29)	2.04	1.97	
VANGUARD LONG-TERM BOND ETF	07/01/2024 - Present	737,088	14.96	(0.35)	6.42	6.42	--	--	--	5.10	
100.00% BBG Barclays US Long Government/Credit TR				(0.02)	6.62	6.62	--	--	--	4.33	
<b>Other Fixed Income</b>		<b>1,725,915</b>	<b>35.02</b>								
CIO AGGREGATE TAXABLE FI SMA	07/01/2024 - Present	1,725,915	35.02	1.05	7.47	7.47	--	--	--	6.01	
100.00% BBG Barclays US Aggregate Bond				1.10	7.30	7.30	--	--	--	6.19	
<b>Total Strategy/Portfolio</b>	<b>11/03/2016 - Present</b>	<b>4,928,631</b>	<b>100.00</b>	<b>0.99</b>	<b>7.13</b>	<b>7.13</b>	<b>4.84</b>	<b>(0.25)</b>	<b>2.20</b>	<b>1.95</b>	

Accounts included in this report: Please refer to the Account List for accounts included in this report.

For informational purposes only - account statement is official record of holdings, balances and security values

# Investment strategy performance: annualized

Performance period: 04/20/2018 to 12/31/2025

XXX-XX005 "International Equity"										
Style / Manager	Ownership Dates	Market Value(\$)	% of Total	Prior 3 Months	YTD	1 Year	3 Years	5 Years	7 Years	Entire Period
<b>Equity</b>		<b>9,438,015</b>	<b>100.00</b>							
<b>Non-US Developed</b>		<b>8,490,453</b>	<b>89.96</b>							
CAPITAL GROUP INTERNATIONAL EQUITY SMA	07/18/2022 - Present	2,380,355	25.22	3.87	27.88	27.88	15.79	--	--	14.73
100.00% MSCI EAFE TR Net				4.86	31.22	31.22	17.22	--	--	17.15
FIERA CAPITAL/APEX INTERNATIONAL ADR SMA	12/22/2023 - Present	1,414,958	14.99	1.38	29.52	29.52	--	--	--	15.56
100.00% MSCI AC World ex US TR Net				5.05	32.39	32.39	--	--	--	18.45
VANGUARD FTSE ALL-WORLD EX-US ETF	04/20/2018 - Present	4,695,139	49.75	4.81	32.20	32.20	17.36	8.10	10.30	7.20
100.00% FTSE AW ex US Net Tx US TR				5.06	32.17	32.17	17.44	8.20	10.48	7.31
<b>Emerging Markets</b>		<b>947,563</b>	<b>10.04</b>							
CLEARBRIDGE EMERGING MARKETS	10/29/2020 - Present	947,563	10.04	7.45	37.02	37.02	15.15	1.91	--	4.78
100.00% MSCI Emerging Markets TR Net				4.73	33.57	33.57	16.40	4.20	--	6.88
<b>Total Strategy/Portfolio</b>	<b>11/03/2016 - Present</b>	<b>9,438,015</b>	<b>100.00</b>	<b>4.35</b>	<b>31.37</b>	<b>31.37</b>	<b>17.04</b>	<b>6.61</b>	<b>9.38</b>	<b>5.95</b>

# Investment strategy performance: annualized

Performance period: 04/02/2024 to 12/31/2025

XXX-XX187 "Fojtasek Legacy Fund"							
Style / Manager	Ownership Dates	Market Value(\$)	% of Total	Prior 3 Months	YTD	1 Year	Entire Period
<b>Equity</b>		<b>291,700</b>	<b>70.20</b>				
<b>US Large Cap</b>		<b>166,657</b>	<b>40.11</b>				
VANGUARD S&P 500 ETF	04/02/2024 - Present	166,657	40.11	2.44	17.20	17.20	17.90
100.00% S&P 500 TR				2.65	17.88	17.88	17.99
<b>US Small Cap</b>		<b>41,132</b>	<b>9.90</b>				
VANGUARD SMALL-CAP ETF	04/02/2024 - Present	41,132	9.90	1.51	8.55	8.55	9.70
100.00% CRSP US Small Cap TR				1.82	8.82	8.82	9.19
<b>Non-US Developed</b>		<b>62,768</b>	<b>15.11</b>				
VANGUARD FTSE DEVELOPED MARKETS ETF	04/02/2024 - Present	62,768	15.11	5.65	34.34	34.34	17.58
100.00% FTSE Developed All Cap ex US Net Tax US RIC				6.08	34.86	34.86	18.02
<b>Emerging Markets</b>		<b>21,144</b>	<b>5.09</b>				
VANGUARD FTSE EMERGING MARKETS ETF	04/02/2024 - Present	21,144	5.09	0.93	24.95	24.95	18.67
100.00% FTSE Emerging Net Tax US RIC				1.80	26.06	26.06	20.37
<b>Fixed Income</b>		<b>123,803</b>	<b>29.80</b>				
<b>US Core Fixed Income</b>		<b>123,803</b>	<b>29.80</b>				
VANGUARD TOTAL BOND MARKET ETF	04/02/2024 - Present	123,803	29.80	0.80	6.70	6.70	5.55
100.00% BBG Barclays US Aggregate Float Adjusted				1.07	7.21	7.21	5.73
<b>Total Strategy/Portfolio</b>	<b>04/02/2024 - Present</b>	<b>415,503</b>	<b>100.00</b>	<b>2.08</b>	<b>15.91</b>	<b>15.91</b>	<b>13.39</b>

This exhibit can be run with performance periods that are different from the Ownership dates which are included for reference when reviewing your performance and allocation information. Ownership dates indicate the date of your initial enrollment in, and termination from (if applicable) the Style Manager Strategy(ies) and your initial purchase, and sale (if applicable) of Funds (e.g., mutual funds and ETFs) referenced in the report. Where the term "Present" is included in an ownership date, you were enrolled in the particular Style Manager Strategy or Fund through the date the report was created, in which case performance is reflected through the end date of the performance reporting period indicated on the exhibit. Performance returns for Style Manager Strategies and Funds are calculated after the account becomes fully invested. As a result, performance results and performance date ranges for Style Manager Strategies and Funds may differ from other account performance-related reports, including your statement. Please also refer to the performance section in "Important Information About this Report" for other important performance-related information. Performance shown is "Net of Fees" and reflects the deduction of the applicable investment advisory program fee based on the program and strategy for the account, and includes all components of the Program Fee, inclusive of the Style Manager Expense Rate. The Total Strategy/Portfolio index ownership date indicates the date of your initial enrollment in the account. The individual Style / Manager index ownership date indicates the date on which the account first invested in the specific Style Manager Strategy or Fund.

# Risk statistics

Performance period: 06/22/2016 to 12/31/2025

## Total portfolio

Account	Account type / Manager	Closing Balance(\$)	% of Total	Statistic Period	Std Dev	Sharpe Ratio	Beta	R <sup>2</sup>	Tracking Error
XXX-XX142 "Main"	ENDOWMENTM	22,453	0.05	06/22/2016 to 12/31/2024	5.93	(0.61)	(0.24)	0.00	5.96
XXX-XX164 "Dream Maker CMS Gift"	ENDOWMENT	95,361	0.21	--	--	--	--	--	--
XXX-XX187 "Fojtasek Legacy Fund"	Jackson DAF Custom	415,504	0.93	04/01/2024 to 12/31/2025	7.43	1.13	0.99	0.99	0.75
XXX-XX004 "Domestic Equity"	JCF Domestic C	19,498,626	43.41	11/01/2016 to 12/31/2025	15.54	0.74	0.96	0.99	1.45
XXX-XX005 "International Equity"	JCF International A	9,525,240	21.21	11/01/2016 to 12/31/2025	14.50	0.44	0.99	0.97	2.31
XXX-XX006 "Fixed Income"	JCF Fixed Income C	4,938,248	10.99	11/01/2016 to 12/31/2025	5.14	(0.05)	1.03	0.97	0.84
XXX-XX007 "Cash Account"	TMA	31,365	0.07	01/01/2017 to 12/31/2024	65.04	(8.89)	2.26	0.00	65.03
XXX-XX008	TMA	0	--	01/01/2017 to 01/31/2020	5.85	0.21	1.37	0.74	3.27
XXX-XX009 "Alternatives"	TMA	10,388,844	23.13	02/01/2017 to 12/31/2025	6.39	0.64	(0.10)	0.05	16.08
<b>Total Portfolio</b>		<b>44,915,640</b>	<b>100.00</b>		<b>9.68</b>	<b>0.65</b>	<b>0.94</b>	<b>0.97</b>	<b>1.75</b>

For further details on the statistics shown, see the "Risk Statistics Glossary" at the end of this report. All statistical values on this report are percentage based. Closing Balance and % of Total is as of 12/31/2025.

Std Dev = Standard Deviation;

# Account list

As of close of business: 12/31/2025

## All Accounts

Merrill					
Account Number/Nickname	Account Title	Credit Type	Account Registration	Market Value(\$)	% of Total
XXX-XX142 "Main"		Cash	ENDOWMENTM	22,453	0.05
XXX-XX164 "Dream Maker CMS Gift"		Cash	ENDOWMENT	95,361	0.21
XXX-XX187 "Fojtasek Legacy Fund"	Service Type: Custom Managed - Advisor Disc Investment Manager/Model: Jackson DAF Custom Manager Style: Multi Asset	Cash	ENDOWMENT	415,504	0.93
XXX-XX004 "Domestic Equity"	Service Type: Custom Managed - Advisor Disc Investment Manager/Model: JCF Domestic C Manager Style: Multi-Style Equity	Cash	TMA	19,498,626	43.41
XXX-XX005 "International Equity"	Service Type: Custom Managed - Advisor Disc Investment Manager/Model: JCF International A Manager Style: Multi-Style Equity	Cash	TMA	9,525,240	21.21
XXX-XX006 "Fixed Income"	Service Type: Custom Managed - Advisor Disc Investment Manager/Model: JCF Fixed Income C Manager Style: Multi-Style Fixed Income	Cash	TMA	4,938,248	10.99
XXX-XX007 "Cash Account"		Cash	TMA	31,365	0.07
XXX-XX009 "Alternatives"		Cash	TMA	10,388,844	23.13
<b>Total</b>				<b>44,915,640</b>	<b>100</b>

## Purged Accounts\*

Account Number/Nickname	Account Title	Account Registration	Purged Date
XXX-XXA05			02/01/2020
XXX-XX008			05/01/2021

\*For Performance Reporting purposes only

## Accounts Held at Other Financial Institutions\*

Account Name/Institution	Account Type	Source	Last Updated	Balance(\$)
Impact Investment	Real Estat	Advisor Entered	11/21/2025	1,100,000

\* Assets held in accounts outside of Merrill are reflected throughout this Report as "External Accounts" and "External Account Proxies", both of which are generally referred to as "External Assets". External Accounts are accounts held outside of Merrill. External Account Proxies reflect the asset values and asset allocation of External Assets that you have provided to your Financial Advisor and Merrill. The "Last Updated" dates reflected above indicate the most recent date that you or a third party provided or updated the holdings, values or other External Asset information to be included in this Report.

**Merrill does not independently verify the accuracy of assets not held in a Merrill account.** It is your responsibility to ensure that the External Asset information reflected in this Report is accurate and current. Please refer to "Important Information About this Report" at the end of this Report for important information relating to External Assets.

# Account list

As of close of business: 12/31/2025

Unless otherwise indicated, assets and investment accounts included in this Report are held at Merrill Lynch, Pierce, Fenner & Smith Incorporated (MLPF&S or Merrill), Member SIPC. Merrill's SIPC coverage only applies to assets held at Merrill. Please contact the firms holding the External Assets to understand whether they are members of SIPC and the details of any SIPC coverage for the External Assets.

Bank deposits are held at the Bank of America, N.A. and affiliated banks or other depository institutions and are covered by FDIC insurance up to applicable limits. Bank deposits are not protected by SIPC.

This Report is not an account statement.

# Important information about reference indices

Market indices are included in this report to provide a reference point when reviewing the performance of your account(s). Indices provide a general source of information on how various market segments and types of investments have performed in the past. The index illustrated may be a single index, a combination of indices, or may include the performance of a Merrill allocation model. The characteristics of the indices provided may differ from your actual account(s). You should discuss with your Financial Advisor the reference indices selected and how they compare with your account(s).

**XXX-XX004: Account Performance Range: 11/01/2016 - CURRENT**

## **Style Index:**

11/01/2016 - 11/30/2016 (22.00% S&P 500 TR, 19.00% Russell 1000 Value TR, 19.00% Russell 1000 Growth TR, 9.00% Wilshire Real Estate Securities, 7.00% Russell 2500 TR, 7.00% Dow Jones U.S. Select Dividend TR, 7.00% CRSP US Large Cap TR, 5.00% Russell 2000 Value TR, 5.00% Russell 2000 Growth TR) \*

12/01/2016 - 02/28/2017 (22.00% S&P 500 TR, 19.00% Russell 1000 Value TR, 19.00% Russell 1000 Growth TR, 9.00% Wilshire Real Estate Securities, 7.00% Russell 2500 TR, 7.00% Dow Jones U.S. Select Dividend TR, 7.00% CRSP US Large Cap TR, 5.00% Russell 2000 Value TR, 5.00% Russell 2000 Growth TR) \*

03/01/2017 - 04/30/2017 (14.50% S&P 500 TR, 12.75% Russell 1000 Value TR, 12.75% Russell 1000 Growth TR, 12.00% CRSP US Large Cap TR, 9.00% Wilshire Real Estate Securities, 7.00% Russell 3000 Value TR, 7.00% Russell 3000 Growth TR, 7.00% Dow Jones U.S. Select Dividend TR, 5.00% Russell 2500 TR, 5.00% CRSP US Small Cap TR, 4.00% Russell 2000 Value TR, 4.00% Russell 2000 Growth TR) \*

05/01/2017 - 10/31/2017 (42.80% Russell 1000 Value TR, 27.30% Russell 1000 Growth TR, 9.00% Wilshire Real Estate Securities, 9.00% Dow Jones U.S. Select Dividend TR, 7.30% Russell 2500 TR, 4.60% S&P Small Cap 600 Value TR) \*

11/01/2017 - 01/31/2018 (39.80% Russell 1000 Value TR, 30.30% Russell 1000 Growth TR, 9.00% Wilshire Real Estate Securities, 9.00% Dow Jones U.S. Select Dividend TR, 7.30% Russell 2500 TR, 4.60% S&P Small Cap 600 Value TR) \*

02/01/2018 - 03/31/2018 (38.50% Russell 1000 Growth TR, 33.60% Russell 1000 Value TR, 9.00% Wilshire Real Estate Securities, 7.30% Russell 2500 TR, 7.00% Dow Jones U.S. Select Dividend TR, 4.60% S&P Small Cap 600 Value TR) \*

04/01/2018 - 06/30/2018 (32.00% Russell 3000 Growth TR, 24.00% Russell 3000 Value TR, 13.60% Russell 1000 Value TR, 12.50% Russell 1000 Growth TR, 7.30% Russell 2500 TR, 6.00% Wilshire Real Estate Securities, 4.60% S&P Small Cap 600 Value TR) \*

07/01/2018 - 10/31/2018 (34.00% Russell 3000 Growth TR, 22.27% Russell 3000 Value TR, 14.50% Russell 1000 Growth TR, 12.61% Russell 1000 Value TR, 6.77% Russell 2500 TR, 5.57% Wilshire Real Estate Securities, 4.28% S&P Small Cap 600 Value TR) \*

11/01/2018 - 03/31/2020 (34.00% Russell 3000 Growth TR, 22.27% Russell 3000 Value TR, 14.50% Russell 1000 Growth TR, 12.61% Russell 1000 Value TR, 6.77% Russell 2500 TR, 5.57% Wilshire Real Estate Securities, 4.28% S&P Small Cap 600 Total Return) \*

04/01/2020 - 09/30/2020 (33.00% Russell 3000 Growth TR, 20.00% Russell 3000 Value TR, 20.00% Russell 1000 Value TR, 15.00% Russell 1000 Growth TR, 10.00% Russell 2500 TR, 2.00% S&P Small Cap 600 Total Return)

10/01/2020 - 12/31/2020 (24.00% Russell 1000 Growth TR, 22.00% Russell 3000 Value TR, 21.00% Russell 3000 Growth TR, 20.00% Russell 1000 Value TR, 13.00% Russell 2500 TR)

01/01/2021 - 08/31/2021 (24.00% Russell 1000 Growth TR, 22.00% S&P 900 Value TR, 21.00% S&P 900 Growth TR, 20.00% Russell 1000 Value TR, 13.00% Russell 2500 TR)

09/01/2021 - 10/31/2021 (22.00% Russell 1000 Value TR, 22.00% Russell 1000 Growth TR, 20.50% S&P 900 Value TR, 20.50% S&P 900 Growth TR, 15.00% Russell 2500 TR)

11/01/2021 - 05/31/2022 (23.00% Russell 1000 Value TR, 21.00% Russell 1000 Growth TR, 21.00% S&P 900 Value TR, 20.00% S&P 900 Growth TR, 15.00% Russell 2500 TR)

06/01/2022 - 06/30/2022 (25.00% S&P 900 Value TR, 20.00% S&P 900 Growth TR, 15.00% Russell 1000 Value TR, 15.00% Russell 1000 Growth TR, 15.00% Russell 2500 TR, 10.00% S&P 500 TR)

07/01/2022 - 04/30/2024 (25.00% S&P 900 Value TR, 20.00% S&P 900 Growth TR, 15.00% Russell 1000 Value TR, 15.00% Russell 1000 Growth TR, 14.00% Russell 2500 TR, 11.00% S&P 500 TR)

05/01/2024 - 08/31/2025 (56.00% S&P 500 TR, 15.00% Russell 1000 Value TR, 15.00% Russell 1000 Growth TR, 14.00% Russell 2500 TR)

09/01/2025 - 09/30/2025 (86.00% S&P 500 TR, 14.00% Russell 2500 TR)

10/01/2025 - CURRENT (85.00% S&P 500 TR, 10.00% CRSP US Small Cap TR, 5.00% CRSP US Mid Cap TR)

# Important information about reference indices

## **XXX-XX006: Account Performance Range: 11/01/2016 - CURRENT**

### **Style Index:**

11/03/2016 - 11/30/2016 (50.00% ICE BofA US Broad Market Bond, 50.00% BBG Barclays US Aggregate Bond)  
12/01/2016 - 04/30/2017 (50.00% ICE BofA US Broad Market Bond, 15.00% BBG Barclays US Aggregate Bond, 9.00% ICE BofA US Corporate & Government Master, 9.00% S&P/LSTA Leveraged Loan, 9.00% ICE BofA US Corporate 1-5 Yrs, 8.00% ICE BofA Preferred Securities Fixed Rate)  
05/01/2017 - 12/31/2017 (51.01% ICE BofA US Broad Market Bond, 40.50% BBG Barclays US Aggregate Bond, 2.38% ICE BofA US Treasury & Agency Master, 2.04% ICE BofA US Corporate Master, 1.95% ICE BofA Mortgage Master, 1.36% ICE BofA Global Broad Market ex USD TR Hedged, 0.59% ICE BofA High Yield Master Bond - US Cash Pay, 0.17% ICE BofA 3-Month US Treasury Bill) \*  
01/01/2018 - 01/31/2018 (51.01% ICE BofA US Broad Market Bond, 40.50% BBG Barclays US Aggregate Bond, 2.29% ICE BofA US Treasury & Agency Master, 2.04% ICE BofA Mortgage Master, 2.04% ICE BofA US Corporate Master, 1.36% ICE BofA Global Broad Market ex USD TR Hedged, 0.59% ICE BofA High Yield Master Bond - US Cash Pay, 0.17% ICE BofA 3-Month US Treasury Bill) \*  
02/01/2018 - 08/31/2018 (66.00% BBG Barclays US Aggregate Bond, 25.51% ICE BofA US Broad Market Bond, 2.29% ICE BofA US Treasury & Agency Master, 2.04% ICE BofA Mortgage Master, 2.04% ICE BofA US Corporate Master, 1.36% ICE BofA Global Broad Market ex USD TR Hedged, 0.59% ICE BofA High Yield Master Bond - US Cash Pay, 0.17% ICE BofA 3-Month US Treasury Bill) \*  
09/01/2018 - 12/31/2018 (85.00% BBG Barclays US Aggregate Bond, 15.00% ICE BofA US Broad Market Bond)  
01/01/2019 - 01/31/2019 (50.00% BBG Barclays US Aggregate Bond, 35.00% BBG Barclays US Aggregate Float Adjusted, 15.00% ICE BofA US Broad Market Bond)  
02/01/2019 - 09/30/2020 (45.00% BBG Barclays US Aggregate Bond, 35.00% BBG Barclays US Aggregate Float Adjusted, 20.00% ICE BofA US Broad Market Bond)  
10/01/2020 - 11/30/2021 (40.00% BBG Barclays US Aggregate Bond, 35.00% BBG Barclays US Aggregate Float Adjusted, 25.00% ICE BofA US Broad Market Bond)  
12/01/2021 - 10/31/2022 (40.00% BBG Barclays US Aggregate Bond, 25.00% ICE BofA US Broad Market Bond, 20.00% BBG Barclays US Aggregate Float Adjusted, 15.00% ICE BofA US Corporate 1-5 Yrs)  
11/01/2022 - 01/31/2023 (25.00% ICE BofA US Broad Market Bond, 25.00% BBG Barclays US Aggregate Bond, 20.00% BBG Barclays US Aggregate Float Adjusted, 15.00% ICE BofA US Corporate 1-5 Yrs, 15.00% BBG Barclays US Aggregate Intermediate Bond TR) \*  
02/01/2023 - 06/30/2023 (35.00% BBG Barclays US Aggregate Float Adjusted, 25.00% ICE BofA US Broad Market Bond, 25.00% BBG Barclays US Aggregate Bond, 15.00% BBG Barclays US Aggregate Intermediate Bond TR) \*  
07/01/2023 - 06/30/2024 (40.00% BBG Barclays US Aggregate Intermediate Bond TR, 35.00% BBG Barclays US Aggregate Float Adjusted, 12.50% ICE BofA US Broad Market Bond, 12.50% BBG Barclays US Aggregate Bond) \*  
07/01/2024 - 12/31/2025 (35.00% BBG Barclays US Aggregate Bond, 35.00% BBG Barclays US Government Credit Intermediate TR, 15.00% BBG Barclays US Long Government/Credit TR, 15.00% BBG Barclays US Aggregate Intermediate Bond TR) \*

## **XXX-XX008: Account Performance Range: 01/01/2017 - 01/31/2020**

Advisor Defined Style Index Performance Range: 01/01/2017 - 01/31/2020 \*

### **Fixed Allocation Blend Index:**

AI: 100.00% HFRI Fund of Funds Composite \*

# Important information about reference indices

**XXX-XX005: Account Performance Range: 11/01/2016 - CURRENT**

**Style Index:**

11/03/2016 - 04/30/2017 (100.00% MSCI AC World ex US TR Net)

05/01/2017 - 12/31/2017 (37.50% MSCI World ex USA TR Net, 25.00% MSCI EAFE Growth TR Gross, 20.00% MSCI EAFE TR Net, 16.50% MSCI Emerging Markets TR Net, 1.00% ICE BofA 3-Month US Treasury Bill)

01/01/2018 - 03/31/2018 (25.00% MSCI EAFE Growth TR Gross, 20.00% MSCI EAFE TR Net, 13.50% MSCI Emerging Markets TR Net, 13.00% MSCI Europe ex UK TR Net, 10.00% MSCI Japan TR Net, 7.50% MSCI United Kingdom TR Net, 6.50% MSCI Pacific ex Japan TR Net, 3.50% MSCI Canada TR Net, 1.00% ICE BofA 3-Month US Treasury Bill)

04/01/2018 - 06/30/2018 (50.00% MSCI AC World ex US TR Net, 25.00% MSCI EAFE Growth TR Gross, 20.00% MSCI EAFE TR Net, 5.00% MSCI Emerging Markets TR Net)

07/01/2018 - 10/31/2018 (50.00% MSCI AC World ex US TR Net, 45.00% MSCI EAFE TR Net, 5.00% MSCI Emerging Markets TR Net)

11/01/2018 - 12/31/2018 (50.00% MSCI AC World ex US TR Net, 45.00% MSCI EAFE TR Net, 5.00% FTSE Emerging Net Tax US RIC)

01/01/2019 - 01/31/2019 (50.00% FTSE AW ex US Net Tx US TR, 25.00% MSCI EAFE Investable Market Index TR Net, 7.00% MSCI EAFE TR Net, 5.00% FTSE Emerging Net Tax US RIC, 5.00% MSCI AC World ex US Growth TR Net, 5.00% MSCI AC World ex US TR Net, 3.00% MSCI EAFE Value TR Net)

02/01/2019 - 03/31/2020 (47.00% FTSE AW ex US Net Tx US TR, 25.00% MSCI EAFE Investable Market Index TR Net, 8.00% FTSE Emerging Net Tax US RIC, 7.00% MSCI EAFE TR Net, 5.00% MSCI AC World ex US Growth TR Net, 5.00% MSCI AC World ex US TR Net, 3.00% MSCI EAFE Value TR Net)

04/01/2020 - 09/30/2020 (52.00% FTSE AW ex US Net Tx US TR, 13.00% MSCI AC World ex US Growth TR Net, 13.00% MSCI EAFE Value TR Net, 8.00% FTSE Emerging Net Tax US RIC, 7.00% MSCI EAFE TR Net, 7.00% MSCI AC World ex US TR Net)

10/01/2020 - 06/30/2022 (50.00% FTSE AW ex US Net Tx US TR, 13.00% MSCI EAFE Value TR Net, 13.00% MSCI AC World ex US TR Net, 10.00% MSCI AC World ex US Growth TR Net, 9.00% MSCI Emerging Markets TR Net, 5.00% MSCI EAFE TR Net)

07/01/2022 - 11/30/2023 (50.00% FTSE AW ex US Net Tx US TR, 30.00% MSCI EAFE TR Net, 10.00% MSCI Emerging Markets TR Net, 10.00% MSCI AC World ex US TR Net)

12/01/2023 - CURRENT (50.00% FTSE AW ex US Net Tx US TR, 25.00% MSCI EAFE TR Net, 15.00% MSCI AC World ex US TR Net, 10.00% MSCI Emerging Markets TR Net)

**XXX-XX009: Account Performance Range: 02/01/2017 - CURRENT**

**Advisor Defined Style Index Performance Range:** 02/01/2017 - CURRENT

**Fixed Allocation Blend Index:**

Equity: 60.00% MSCI AC World TR Net USD, 20.00% MSCI US REIT TR Net

Fixed Income: 20.00% ICE BofA Global High Yield

**XXX-XX187: Account Performance Range: 03/11/2024 - CURRENT**

**Style Index:**

04/02/2024 - CURRENT (40.00% S&P 500 TR, 30.00% BBG Barclays US Aggregate Float Adjusted, 15.00% FTSE Developed All Cap ex US Net Tax US RIC, 10.00% CRSP US Small Cap TR, 5.00% FTSE Emerging Net Tax US RIC)

**XXX-XX142: Account Performance Range: 06/22/2016 - CURRENT**

**Advisor Defined Style Index Performance Range:** 06/01/2016 - 12/31/2024 \*

**Single Market Index:** 100% US Treasury Bill 30 Days \*

**XXX-XX007: Account Performance Range: 01/01/2017 - CURRENT**

**Advisor Defined Style Index Performance Range:** 01/01/2017 - 12/31/2024 \*

**Single Market Index:** 100% US Treasury Bill 30 Days \*

**All Accounts : CAG Performance Range: 06/22/2016 - CURRENT**

**Advisor Defined Style Index**

**Fixed Allocation Blend Index:**

06/22/2016 - 12/31/2016 (50.00% Russell 3000 TR, 30.00% BBG Barclays US Aggregate Bond, 20.00% MSCI AC World ex US TR Net)

01/01/2017 - 06/30/2018 (40.00% Russell 3000 TR, 30.00% BBG Barclays US Aggregate Bond, 20.00% MSCI AC World ex US TR Net, 10.00% HFRI Fund of Funds Composite) \*

07/01/2018 - 06/30/2025 (40.00% Russell 3000 TR, 20.00% MSCI AC World ex US TR Net, 20.00% BBG Barclays US Aggregate Bond, 20.00% HFRI Fund of Funds Composite) \*

07/01/2025 - CURRENT (40.00% Russell 3000 TR, 20.00% MSCI AC World ex US TR Net, 15.00% BBG Barclays US Aggregate Bond, 15.00% MSCI AC World TR Net USD, 5.00% ICE BofA Global High Yield, 5.00% MSCI US REIT TR Net)

**Additional Comparatives:** The following indices are further reference points to various broad market indices. Based on the exhibits selected, these indices may or may not be included in this report.

**S&P 500 TR**

**Russell 3000 TR**

**Accounts included in this report:** Please refer to the Account List for accounts included in this report.

# Important information about reference indices

*HFRI Fund of Funds Composite*

*Consumer Price Index (All Urban NSA)*

*US Treasury Bill 30 Days*

*BBG Barclays US Aggregate Bond*

*MSCI AC World ex US TR Net*

A **Style Index** is designed to provide a relevant market comparison to the performance of an account and where applicable, an investment manager or Financial Advisor's investment strategy. It can either be a single index benchmark or a combination of indexes. A Style Index is determined by Merrill based on several factors such as the Manager's investment philosophy and style if applicable, the asset mix over time, the range and average market capitalization of stock holdings over time, and maturities and duration of fixed income holdings.

An **Advisor Defined Style Index** is the reference index selected by your Advisor as the primary comparative index for your account(s). If risk statistics such as alpha or the information ratio have been included in the analysis, this index will be used in calculating those statistics. The following are type(s) of index blends your Financial Advisor selected:

**Fixed Allocation Blend Index** - weighs the performance of the indices selected for each asset class based on the allocation displayed. If daily performance is available for each component index leveraged, your Fixed Allocation Blend is calculated based on the actual performance start date. If performance data is not available daily for one or more component indices, your Fixed Allocation Blend will leverage full month performance returns for those indices and months.

**Single Market Index** - references a primary index as a comparative to your account. If risk statistics such as alpha or the information ratio have been included in the analysis, this index will be used in calculating those statistics.

A **Custom Index** when presented, is calculated using the same market indices included in the Style Index, but leverages the actual asset allocation of your account(s). The difference between the Style and Custom Indices provides an indication of positive/negative asset allocation impact. Please note, the Custom Index can leverage indices not included in your Style Index and, therefore, may not have the same data availability.

**Allocation Score:** This score is designed as a measure of the incremental rate of return added by the investment manager's asset allocation decisions. Mathematically, it is derived by subtracting the Style Index Return from the Custom Index Return, thus "isolating" out the effect of the manager's active asset allocation decisions in the Custom Index, as compared with the static or passive allocation guidelines in the Style Index.

**Selection Score:** This is designed as a measure of the value added by the investment manager or Financial Advisor's active security selection. Mathematically, it is derived by subtracting the Custom Index return from the actual portfolio's return, thus "isolating" out the effect of the manager or Financial Advisor's active security selection decisions versus the passive alternative of the market indices used in the Custom Index.

**Active Management Score:** This score indicates the incremental rate of return added by the investment manager or Financial Advisor through security selection and asset allocation. The score is derived by comparing the actual, actively managed portfolio's returns to those of a "passive" portfolio, the Style Index. Mathematically, the Active Management Score is computed as the difference between the actual portfolio return and the Style Index return. It is also equal to the sum of the Selection and the Allocation Scores, since it "cumulates" the manager's or the Financial Advisor's contribution in both areas.

Reference Indices may be included as a general source of information regarding the performance of certain types of investments (e.g., US equities, international equities, fixed income, cash, etc.). Direct investment into an index cannot be made. Additional information regarding the indices shown is available from your Financial Advisor.

The Russell Indexes are marks of Frank Russell Company.

Performance data for indices is generally available on a "Close of Business" or monthly basis for the performance date range.

\* The noted indices do not have performance information available as of "Close of Business" or for partial month portfolio returns. In these cases, the indices reflect full month performance returns. It is important to understand this if you are using any indices for performance comparisons relative to your account(s) and the overall market.

# Important information about this report

## **Risk Statistics Glossary**

### **Alpha**

Total market line alpha measures the difference between an investment's actual performance, and its expected performance as indicated by the returns of a benchmark index. A positive Alpha indicates the risk adjusted performance is above the index. In calculating the Market Line Alpha, Standard Deviation (total risk) is used as the risk measure. Alpha is often used to judge the value added or subtracted by a portfolio's manager.

### **Beta**

Beta is used to measure sensitivity to market risk. Beta is a measure of the average relationship, over time, of the rate of return of a portfolio or security to the rate of return of the index. An investment that is equally as volatile as the market has a beta of 1.0, an investment half as volatile as the market has a beta of 0.5. Investments with a beta higher than 1.0, such as 1.2 are more volatile than the market.

### **Down Market Capture Ratio**

Down market capture ratio is a measure of investment's performance in down markets relative to the market itself. A down market is one in which the market's monthly return is less than zero. The lower the investment's down market capture ratio, the better the investment protected capital during a market decline. A negative down market capture ratio indicates that an investment's returns rose while the market declined.

### **Downside Risk**

Downside Risk, DSR, only identifies volatility on the down side. DSR measures the variability of returns below the mean whereas Standard Deviation attributes volatility in either direction to risk. The DSR method calculates the deviations below the mean of each observed monthly return. Each time a return falls below the mean, the difference between the mean and return is squared, the sum is divided by the number of observations and the square root is taken. This result is then shown on an annualized basis.

### **Information Ratio**

The information ratio is a measure of value added by an investment manager. It is the ratio of (annualized) excess return above the associated index to (annualized) tracking error. Excess return is calculated by linking the difference of the manager's return for each period minus the associated index's return for each period, then annualizing the result.

### **Risk Adjusted Performance**

Risk-Adjusted Performance, RAP, is a Merrill proprietary measure that indicates the excess return per unit of total risk as measured by Downside Risk. It is a ratio of the arithmetic average of excess returns over Treasuries to Downside Risk, unlike the Sharpe Ratio which uses Standard Deviation as its measure. It is a measure of the premium earned for the risk incurred by the portfolio. By using Downside Risk, the inconsistencies that occur from results with down returns can be avoided.

### **R-Squared**

The diversification measure,  $R^2$ , indicates the percentage of volatility in portfolio returns which can be "explained" by market volatility. This statistic indicates the degree to which the observed values of one variable, such as the returns of a managed portfolio, can be explained by, or are associated with the values of another variable, such as a market index. It is especially helpful in assessing how likely it is that alpha and beta are statistically significant. The  $R^2$  values generally range from 0.0 to 1.0. An investment with an  $R^2$  of 1.0 is perfectly correlated with the market whereas an investment with an  $R^2$  of 0.0 will behave independently of the market. An  $R^2$  of 0.95, for example, implies that 95% of the fluctuations in a portfolio are explained by fluctuations in the market.

### **\* Sharpe Ratio**

The Sharpe ratio indicates the excess return per unit of total risk as measured by Standard Deviation. It is a ratio of the arithmetic average of excess returns over Treasuries to the Standard Deviation. The Sharpe Ratio is a measure of the premium earned for the risk incurred by the portfolio.

### **\* Sortino Ratio**

The Sortino ratio is a measure of a risk-adjusted return of an investment asset. It is an extension of the Sharpe ratio. While the Sharpe ratio takes into account any volatility in return of an asset, Sortino ratio differentiates volatility due to up and down movements. The up movements are considered desirable and not accounted in the volatility. That is, the Sortino ratio does not penalize a fund for its upside volatility.

### **Standard Deviation**

A measure of the extent to which observations in a series vary from the arithmetic mean of the series. The standard deviation of a series of asset returns is a measure of volatility, or risk, of the asset.

### **Tracking Error**

Tracking Error is a measure of how closely an investment's returns track the returns of the index. It is the annualized standard deviation of the differences between the investment's and the associated index's monthly returns. If an investment tracks its associated index closely, then tracking error will be low. If an investment tracks its associated index perfectly, then tracking error will be zero.

### **\* Treynor Ratio**

Treynor Ratio is the return in excess of the risk-free rate divided by the Beta. The ratio can be used to rank the desirability of a particular asset in combination with other assets. Similar to a Sharpe Ratio, it substitutes Beta for Standard Deviation in the denominator with the substitution now only measuring market risk. The formula for Treynor Ratio is equal to the mean return on the portfolio minus the mean return on the risk free portfolio divided by Beta.

### **Up Market Capture Ratio**

Up market capture ratio is a measure of product's performance in up markets relative to the market itself. An up market is one in which the market's monthly return is greater than or equal to zero. The higher the investment's up market capture ratio, the better the investment capitalized on a rising market.

\* A negative Sharpe, Sortino or Treynor ratio indicates that the investment performed worse than the risk-free investment. It is difficult to offer an idea of what a "good" Sharpe, Sortino or Treynor ratio is without looking at it relative to other investments and it can also be misrepresented because investments with negative returns and high volatility can have better Sharpe, Sortino or Treynor ratio compared to accounts with slightly negative returns and low volatility.

# Important information about this report

This analysis is a brokerage report that provides you with a detailed review of your investment strategy, including current financial positions, asset allocation and investment performance. In conjunction with a Financial Advisor's assistance, this report can help you make informed investment decisions in order to support your financial objectives. Merrill offers brokerage, investment advisory and other services. For more information about any of these services and their differences, including the type of advice and assistance offered, see your Financial Advisor. Please note that security classifications and definitions of objectives described below can be changed from time to time at the discretion of Merrill. It is important for you to understand that this report is not a comprehensive financial plan. If you are interested in a formal analysis of your entire financial situation, ask your Advisor about Merrill's financial planning services, including the fees that may be applicable.

This Report provides important information about your account(s), market indices, goals and risk level. The return information for the account(s), market indices and return comparison charts reflect time-weighted rates of return unless the returns are labeled "money weighted rates of return". Time-weighted rates of return should be used to judge the performance of the selected investment manager(s) and the money weighted rate of return should be used to assess overall growth and accumulation of wealth. Both return calculations reflect transaction costs, market appreciation or depreciation and the reinvestment of capital gains, dividends, interest and other income. The treatment of fees is discussed below.

For accounts enrolled in managed account programs such as the Merrill Lynch Investment Advisory Program and Strategic Portfolio Advisor ("SPA"), client agreements, disclosure statements, and profiles (if applicable) can provide additional information about these programs, including applicable fees, restrictions and other terms.

Merrill is both a broker-dealer and an investment adviser, and it offers both brokerage and investment advisory services. There are important differences between these services, including the type of advice and assistance provided, the fees charged, and the rights and obligations of the parties. Brokerage services are also regulated under different laws and rules than advisory services. It is important for you to understand these differences, particularly when determining which service or investments you might select.

## **Pricing of Securities**

Pricing of securities is for informational purposes only. Your Merrill Account Statement is your official record of holdings, balances, and security values for your accounts at Merrill. Securities that are External Assets (if you have chosen to include them) reflect pricing information as of the "As of Date" indicated, provided pricing information for a particular security is available to Merrill. Otherwise, pricing information is based on the information you or a third party provided to Merrill on the "Last Updated" date on the Account List, which may be earlier than the "As of Date" indicated. Please contact your Financial Advisor if you have questions relating to pricing information. Please see the "External Assets" section at the end of this Report for important information relating to External Assets generally, including reviewing the External Assets with your Financial Advisor on a regular basis. Annuities and life insurance products are not held in your Merrill account. Their values are listed in the report for your convenience. Life Insurance Cash Values and Annuity Contract Values are used to calculate Total Portfolio Value. These values are as of "close of one business" day prior to the "as of" date shown. Cash values may not reflect immediately available funds due to loan balances and/or policy changes. Annuity Contract Values may not reflect immediately available funds due to contract changes. All market values include accrued interest, unless otherwise indicated.

## **Performance**

Account values, cash flows and returns may differ from other sources due to differing methods of pricing, accounting or calculation. This Report is prepared on a trade date basis using accrued income when sufficient data is available and thus will differ from a report prepared on a settlement date basis (e.g., your Merrill account statement). From time to time, asset valuation or transaction data may be adjusted, which in turn may impact the portfolio performance calculations and other information shown in the report. In addition, if your account(s) holds "when issued securities," which are not valued by Merrill until the settlement date, your asset allocation may not be accurately reflected.

Rate of returns presented "Net of Fees" reflect the deduction of the **Investment Advisory Program** fee, where applicable. The deduction of the **Investment Advisory Program** fee, where applicable, is also reflected in the Appreciate/Depreciation section. Other than the applicable program fee, net returns do not reflect the deduction of fees that may be charged directly to an underlying account, including, but not limited to brokerage-related commissions, transfer taxes, margin interest, certain redemption fees, exchange or similar fees (such as American Depositary Receipts) charged by third parties, including issuers, electronic fund, wire or other account transfer fees, annual investor fees and repurchase fees relating to exchange-traded notes and other charges imposed by law.

Rate of returns presented "Gross of Fees" are shown before the deduction of advisory fees where applicable in order to make them comparable to the returns of the market indices. Rate of returns are presented "Net of Fees" unless noted as "Gross of Fees."

Please refer to the applicable ADV Brochure and Client Agreement for a full description of investment advisory fees for accounts enrolled in an investment advisory program.

Market indices or other benchmark returns are shown for comparison purposes only, and there is no assurance or guarantee that such performance will be achieved. Market indices are unmanaged. It is not possible to invest in an index. Depending on how account fees are paid (see below), the account returns may be shown after the deduction of fees for certain periods. When the fee is deducted directly from this account(s), information will be shown both before and after the deduction of fees. When the fee is deducted directly from another account(s), information will be shown before the deduction of fees. When the fee is paid via invoice:

- For periods prior to September 1998, information will be shown before the deduction of fees.
- For periods after September 1998, information will be shown both before and after the deduction of fees.

It is very important that you provide Merrill with current information regarding the management of your account(s). We encourage you to contact your Financial Advisor if there have been any changes in your financial situation or investment objectives, or if you wish to impose any reasonable restrictions on the management of your account(s) or reasonably modify existing restrictions.

When you enrolled in the Program, you received a copy of the following materials:

- Program Brochure on Form ADV describing the Program and our services.
- If applicable, Profiles and Style Manager Strategies containing Information about the investment strategies selected for the account.

We have made available these materials on [www.merrill.com/SMAMaterials](http://www.merrill.com/SMAMaterials). If you would like additional copies, please contact your Financial Advisor and it will be provided to you free of charge. We have previously provided you with a copy of the Summary of Programs and Services. It is also available at [www.ml.com/relationships](http://www.ml.com/relationships).

The valuation of hedge funds is prepared based upon information from third party sources. The information has not been verified and cannot be guaranteed. This data may include estimates and is subject to revision.

If you are enrolled in the Investment Advisory Program and an account has been managed by more than one manager, the manager name in the Report reflects the current manager. However, return and standard deviation information may be calculated using the entire history of each account. This Report may also include information for account(s) that are not managed by an investment manager (i.e., where you make the investment decisions).

## **Classification of Securities**

For Asset Class, Sector or Size and Style Analysis reports, securities are generally classified by asset class, sector, size and style and, for Fixed Income, maturity.

- For Size and Style, security classification is as follows: a capitalization breakpoint of \$19.70 billion defines the size Large Cap, \$19.70 billion to \$6.40 billion for Mid Cap, and less than \$6.40 billion for Small Cap for domestic equity securities. Small/Mid Cap (SMID) is defined as less than \$19.70 billion. The style (Growth,

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Core or Value) for these securities is defined by a proprietary procedure which utilizes a series of quantitative and qualitative metrics (e.g., expected earnings growth, analyst coverage, etc.).

- For Equity Sector, security classifications are based on Global Industry Classification Standard ("GICS"). Source: Morgan Stanley Capital International ("MSCI") and Standard & Poor's ("S&P"), a division of the McGraw Hill Companies, Inc.

- For Fixed Income, maturity breakpoints are as follows: Short-Term: 0-5 years, Intermediate-Term: 5-15 years, Long-Term greater than 15 years.

- For Fixed Income, Non-Securitized US Agency, US Government Sponsored Enterprise, and Super National debt are classified as US Government / Quasi Government. All Securitized Agency and Government Sponsored Enterprise debt are classified as Securitized.

- For Fixed Income, bonds are classified as either Investment Grade or High Yield based on the bond's composite rating as determined by a methodology set out in the Composite Rating Explanation, with the exception of bonds pre-refunded or maturity to escrow (including partial redemptions). Bonds pre-refunded or maturity to escrow (including partial redemptions) are classified as investment grade and placed in their respective fixed income sector.

- Equity Region classifications are based on country of domicile and mapped to BofA Global Research Group global regions.

- Convertible securities and options are classified as Equities.

- Preferred Stock is classified as Fixed Income.

- Life Insurance products are classified as Other.

- For Alternative Investments, Exchange Funds, Hedge Funds, Private Equity, Managed Futures, Precious Metals and select Market-Linked Investments may be included.

- For "Other" and "Hard" Assets, items that are not easily classified into the asset classes above (such as business interests, investment real estate, options, and life insurance) are shown for informational purposes only and are not part of your analysis.

- When External Assets are included in a Report (as described further in the External Assets section of this Appendix), securities and/or strategies are generally classified, where available, as indicated above. If a classification is not available, External Assets are classified as "Other".

- When available, Market-Linked Investments are classified by the nature of the referenced or linked security or market measure associated with that market-linked investment which may be an individual security, index, or other investment such as a mutual fund or exchange traded fund.

- For mutual funds, exchange traded funds, closed end funds and the investment options of underlying annuities, the fund may be shown by holdings or, optionally, by profile (fund objective).

- When shown by holdings, the fund is classified by the asset class, sector, size and style or maturity breakdown of those securities. When shown by profile, the fund is classified by the asset class, sector, or size and style provided by vendors and mapped to the Chief Investment Office (CIO) allocation schema in order to report the industry's or Merrill's interpretation of the objective of the fund/pooled investment vehicle. Note that the data used for this classification is obtained from a variety of sources and may not be current (see "Data As Of" date shown in the Details Section for the date the portfolio securities and/or strategies were reported by the fund). Mutual funds, exchange traded funds, closed end funds and the investment options of underlying annuities may change their portfolio securities on a regular (often daily) basis. Accordingly, any analysis that includes mutual funds, exchange traded funds, closed end funds, and the investment options of underlying annuities may not accurately reflect the current composition of these funds. The classification of these securities may differ from other sources due to differing methods of classification (e.g. shown and classified by holdings versus by profile). As such, this Report may differ from other reports (e.g., your Merrill account statement, in which these funds are always shown by profile) depending on whether the funds are shown by holdings or by profile in this Report. In particular, Non-Traditional Funds (NTFs), mutual funds and exchange traded funds that pursue alternative strategies or provide alternative asset exposure, may be classified as alternative investments when shown by profile, but when shown by holdings, the NTF will be classified by the asset class, sector, size and style or maturity breakdown of its holdings, which may reflect no allocation to alternative investments.

- If the holdings or profile data for mutual funds, exchange traded funds, or closed end funds is not available, the fund is classified by its predominant asset class ("Data As Of" date shown as "N/A" in the Details Section).

- If the holdings or profile data for the investment options of underlying annuities is not available, fixed annuities and market value adjusted annuities are classified as Fixed Income and variable annuities are classified as Equities. Note that annuities and life insurance products are not held in your account but are included here for your information.

- For investment advisory programs, asset allocation information may be based on your actual securities and/or strategies, model portfolio holdings or the mandated style. Your Financial Advisor can provide additional information.

The Details Section may also provide summary information regarding accounts enrolled in managed account programs such as the Investment Advisory Program (utilizing Managed or Custom Managed strategies), classification detail for the managed account is not based on your actual holdings but on the investment style that has been identified for the specific investment manager/style.

Your Financial Advisor can also provide a report based on the account's actual holdings.

When External Assets are included in a Report (as described further in the External Assets section of this Appendix), holdings are generally classified, where available, as indicated above and are based on classification types established by Merrill. The Merrill classification types may differ from those used at those institutions where your External Assets are maintained. These differences in classification may cause the External Assets in your External Accounts to be displayed in asset allocations and/or sector information on your Merrill Reports that differ from how they appear in those other institutions. These differences in classification types do not impact the valuation of the External Assets. Allocations reported when a classification is not available for External Accounts and External Account Proxies are classified as "Other".

If Asset Class Analysis, Size and Style, or Sector Detail exhibits are included in this report, classification details for mutual funds, closed end funds, certain managed accounts, annuities and External Account Proxies are identified in "Details for Managed Assets and Pooled Investments" ("Details Section").

"External Account Proxy" are External Accounts that you have generally identified in the aggregate and not by specific holdings. As with all External Assets, be sure to periodically review these accounts with your Financial Advisor and advise if there have been any changes to the holdings in or value of these Accounts. When External Accounts and External Account Proxies are included in a Report (as described further in the External Assets section of this Report), holdings are generally classified, where available, as indicated above. If a classification is not available, External Accounts and External Account Proxies are classified as "Other". If "Portfolio Detail" reports are included, the value shown for mutual funds, exchange traded funds, closed end funds and the investment options of underlying variable annuities is the proportionate dollar value of a fund's holdings, as classified by asset class, sector, size and style or maturity, respectively.

## **Date of Composition Information Obtained for Pooled Investments**

If the accounts included in this Report hold mutual funds, closed end funds, annuities, and/or other pooled investments, the holdings reported by the fund or carrier as appropriate, as of the date identified below, are reflected in the Report. Note that mutual funds change their portfolio holdings on a regular (often daily) basis. Accordingly, this Report may not reflect the current composition of the accounts included.

## **External Assets**

The following important information is provided to help you better understand the information relating to assets not held in a Merrill account (external assets) that has been provided in this report, if applicable, and to advise you to periodically review and update those external assets with your Financial Advisor. If you have requested your Financial Advisor to include your external assets in this report, your disclosed external assets are reflected in the Account List. For purposes of the following information, both External Accounts and External Account Proxies are referred to generally as "External Assets".

- External Assets may include securities, values and other information that have been supplied: (1) by you to your Financial Advisor: (2) by you through a direct custodial feed (or) through a third party data aggregation service which combines your External Assets and provides that information to Merrill. External Assets

**Accounts included in this report:** Please refer to the Account List for accounts included in this report.

# Important information about this report

information may not be included in every exhibit in this Report. Please make sure you periodically review your External Assets and if you have provided External Assets-related information to your Financial Advisor for inclusion in this or other reports and analyses, it is important that you review the External Assets information included in this report to confirm it is accurate and provide your Financial Advisor with updated values, as appropriate.

External Assets information is not included in every exhibit in this Report. External Assets information is only included in the following exhibits:

- Account List
- Asset Allocation
- Asset Allocation Overview
- Asset and Account Allocation
- Asset Class Analysis Account Detail
- Asset Class Analysis Account Summary
- Asset Class Analysis Detail
- Asset Class Analysis Summary
- Balances
- Historical Allocation by Asset Class
- Holdings by Account/Product
- Holdings by Product
- Holdings by Product (MRP)
- Holdings by Product/Account
- Portfolio Overview
- Portfolio Summary by Account
- Potential Wealth
- Progress to Goals
- Research Ratings
- Sector Analysis Detail
- Sector Analysis Summary
- Size and Style Analysis Detail
- Size and Style Analysis Summary
- Total Portfolio Review

Your Financial Advisor and Merrill will not update information relating to your External Assets, except for pricing information, if pricing information for a particular security is available to Merrill. Please refer to "Pricing of Securities" for additional information.

• *Your Merrill Account Statement is your official record of holdings, balances, and security values for your accounts at Merrill. Any investments sold to you by your Merrill Advisor will be included on your Merrill Account Statement. Any information contained in this Report does not replace or supersede information on your Merrill Account Statement or any third party account statement for your External Assets. If there is any inconsistent information reflected for the External Assets information included in this Report, please refer to the statement or report sent to you by the third party and notify the Office Management Team at your Merrill branch office so that we may update the information.*

• **Merrill does not independently verify the accuracy of assets not held in a Merrill account.**

• Although Merrill may be providing you with information relating to External Assets, Merrill does not provide investment advice with respect to External Assets unless otherwise agreed to between you and Merrill.

## **Important Note about Alternative Investments**

Alternative investments can provide diversification benefits not obtained from more traditional investments, but should be carefully considered based on your investment objectives, risk tolerance, liquidity needs and time horizon. Certain types of products that implement alternative investment strategies (such as hedge funds and private equity) are often long-term, illiquid investments that are not easily valued, while other types of products that implement alternative investment strategies, such as Non-Traditional Funds (NTFs) (mutual funds and exchange traded funds that pursue alternative strategies or provide alternative asset exposure) are generally liquid. NTFs, hedge funds, private equity funds and other products that implement alternative investment strategies may be reflected in the alternative investment asset allocation.

- For Alternative Investments, Exchange Funds, Hedge Funds, Private Equity, Managed Futures Precious Metals and select Market-Linked Investments may be included.

- For "Other" and "Hard" Assets, items that are not easily classified into the asset classes above (such as business interests, investment real estate, options, and life insurance) are shown for informational purposes only and are not part of your analysis.

## **Alternative Investment Risks**

For investors who may want to consider alternative investments as part of a diversified portfolio, careful consideration should be given to the associated risks of these investments. The investor's investment objectives, time horizon, risk tolerance, liquidity needs and net worth should be appropriate as certain types of products that implement alternative investment strategies (such as hedge funds and private equity) are often long-term, illiquid investments that are not easily valued.

Often specific levels of net worth and liquidity are required in making certain alternative investments available (e.g., for some alternative investments, such as hedge funds and private equity, net worth of \$5 million or more is required). In addition, the timing of capital calls and distributions may not be predictable; periodic pricing or valuation information may not be available; and complex tax structures may be utilized and there may be delays in distributing important tax information. Certain alternative investment products (such as hedge funds and private equity) are sold pursuant to exemptions from registration with the SEC and may not be subject to the same regulatory requirements as other investment products. Certain alternative investments require tax reports on Schedule K-1 to be prepared and filed. As a result, investors will likely be required to obtain extensions for filing federal, state, and local income tax returns each year. Certain other investments in your portfolio may also be classified as alternative investments. Non-Traditional funds (NTFs) are mutual funds and exchange-traded funds that are classified as alternative investments because their principal investment strategies utilize alternative investment strategies or provide for alternative asset exposure as the means to meet their investment objectives. Though the portfolio holdings of NTFs are generally made up of stocks and bonds, NTFs may also hold other asset classes and may use short selling, leverage and derivatives. While the strategies employed by NTFs are often used by hedge funds and other alternative investment vehicles, unlike hedge funds, NTFs are registered with the SEC and thus subject to a more structured regulatory regime and offer lower initial and subsequent investment minimums, along with daily pricing and liquidity. While these investment vehicles can offer diversification within a relatively liquid and accessible structure, it is absolutely essential to understand that because of this structure, NTFs may not have the same type of non-market returns as other investments classified as alternative investments (such as hedge funds) and thus may serve as an imperfect substitute for such other investment vehicles. The risk characteristics of NTFs can be similar to those generally associated with traditional alternative investment products (such as hedge funds). No assurance can be given that the investment objectives of any particular alternative investment will be achieved. Like any investment, an investor can lose all or a substantial amount of his or her investment. In addition to the foregoing risks, each alternative investment vehicle is subject to its own varying degrees of strategy-specific or other risks. Whether a particular investment meets the investment objectives and risk parameters of any particular client must be determined case by case. You must carefully review the prospectus or offering materials for any particular fund/pooled vehicle and consider your ability to bear these risks before any decision to invest.

## **Alternative Investments Annual Estimated Income**

Report includes the estimated income ("Estimated Income") for fixed income, equities, mutual funds and certain alternative investments. Estimated Income is an estimate only and actual income might be lower or higher than the estimated amounts. For fixed income, estimates are based on the security's coupon. For equities, mutual funds and alternative investments, estimates are based on recent dividend/distribution payments which may change in the future. Estimated Income for certain types of securities could include a return of principal or capital gains in which case the Estimated Income would be overstated. The report does not predict or make any representation regarding the likelihood of these estimated income payments occurring.

For alternative investments, dividends/distributions are not guaranteed, may be modified, and may be funded from sources other than cash flow from operations, including, but not limited to, borrowings, offering proceeds, the sale of assets, and expense reimbursements. If dividends/distributions or Estimated Income include a return of principal or capital gains, Estimated Income would be overstated and the product would have less money to invest, which may lower returns. If dividends/distributions include borrowed funds or are funded, directly or indirectly, from temporary fee waivers or expense reimbursements, the

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dividend/distribution rate may not be sustainable. There can be no assurance that a change in market conditions or other factors will not result in a change in the dividend/distribution rate at a future time.

## **Asset Allocation Models**

Merrill, through the CIO, has developed asset allocation models for investment guidance that are based on various risk tolerance and time horizon metrics. These asset allocation models and guidance are subject to change as market conditions change in the future. Alternatively, your Financial Advisor may have customized an asset allocation for your specific situation which may or may not be based on an asset allocation model. Asset allocation does not assure a profit or protect against a loss in declining markets. Asset allocation cannot eliminate the risk of fluctuating prices and uncertain returns.

Asset allocation models that include alternative investments as an asset class are predicated on various client liquidity profiles. In general, including alternative investments, particularly traditional hedge funds and private equity funds, may only be in the best interest of clients with lower liquidity needs. In adopting an asset allocation model or strategy that includes alternative investments or in investing in alternative investments, you should consider your liquidity needs and assets available to you to help meet those needs. You should regularly review your asset allocation with your Financial Advisor.

- When a Wealth Management Analysis is included, the Portfolio Assets Rate of Return represents the after-tax rate of return that your portfolio assets are projected to generate for the purposes of this analysis. Liquidating your portfolio assets would be more costly than the financing alternatives with lower interest rates because you would be losing a greater amount of investment income than you would be paying in interest costs. Interest expense may not be deductible for all taxpayers. Please consult your tax advisor.

## **IMPORTANT DISCLOSURES**

The Chief Investment Office (CIO) provides thought leadership on wealth management, investment strategy and global markets; portfolio management solutions; due diligence; and solutions oversight and data analytics. CIO viewpoints are developed for Bank of America Private Bank, a division of Bank of America, N.A., ("Bank of America") and Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S" or "Merrill"), a registered broker-dealer, registered investment adviser and a wholly owned subsidiary of Bank of America Corporation ("BofA Corp.").

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Trust and fiduciary services are provided by Bank of America, N.A., Member FDIC and a wholly owned subsidiary of BofA Corp.

Banking products are provided by Bank of America, N.A., and affiliated banks, Members FDIC and wholly owned subsidiaries of BofA Corp.

Merrill is not a bank and FDIC deposit insurance only covers the failure of an FDIC-insured bank.

Bank of America, Merrill, their affiliates, and advisors do not provide legal, tax, or accounting advice. Clients should consult their legal and/or tax advisors before making any financial decisions.

Investment products offered through MLPF&S and insurance and annuity products offered through MLLA:

<b>Are Not FDIC Insured</b>	<b>Are Not Bank Guaranteed</b>	<b>May Lose Value</b>
<b>Are Not Deposits</b>	<b>Are Not Insured by Any Federal Government Agency</b>	<b>Are Not a Condition to Any Banking Service or Activity</b>

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