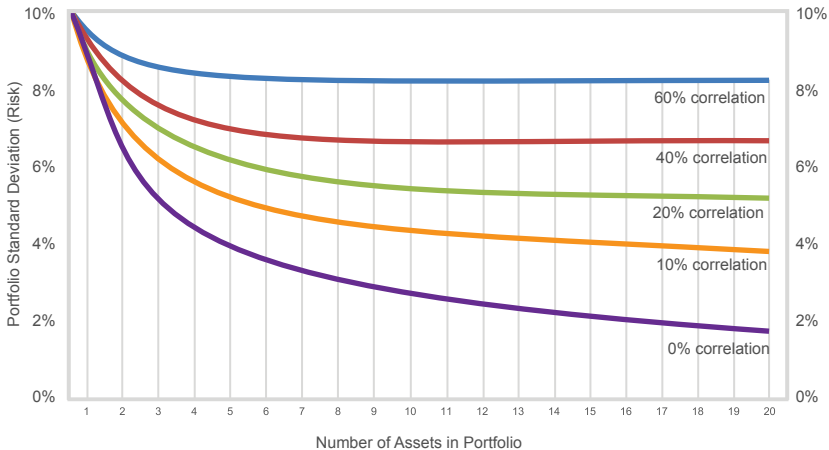


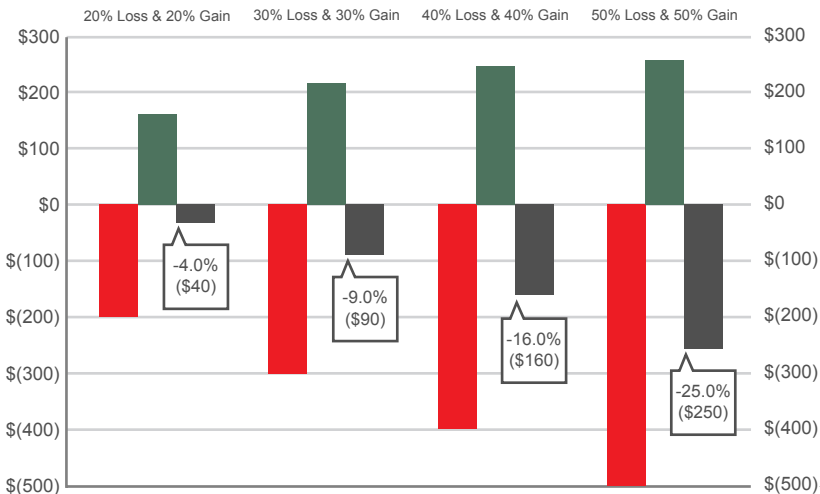
The Holy Grail

PORTFOLIO RISK REDUCTION FROM ADDING ASSETS OF
MODERATE TO ZERO CORRELATION



SOURCE: *PRINCIPLES* BY RAY DALIO, PG. 56-57

Values Changes of a \$1,000 Portfolio with 0% Average Returns



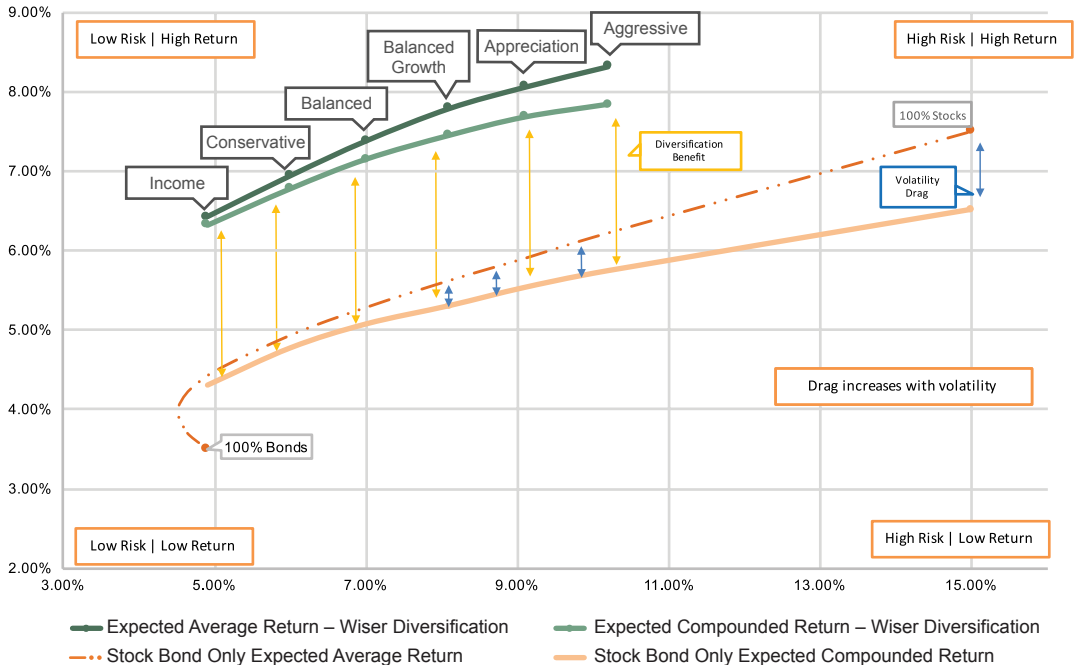
Dollar losses on percentage loss followed by identical gain

YEAR 1 - LOSS

YEAR 2 - GAIN

NET LOSS ON INITIAL INVESTMENT

Average vs Compounded Expected Returns & Risk Impact Volatility (Risk) Drag over 20 Years



This graph illustrates the difference, for each strategy & Stock & Bond-only comparable portfolio, between the expected average returns and compounded returns of the median result of a Monte Carlo simulation of 10,000 trial 20-year sample periods. All returns are shown gross of fees.

| Asset Class Correlation Matrix | | | | | | | | | | | | |
|--------------------------------|-------|-------|---------------------|-----------|---------------------|-----------------------|-------------------------|--------------------------|--------------------|------------------------------|-------------|-----------------------------|
| | Cash | Bonds | Alternative Lending | US Stocks | US Small Cap Stocks | Developed Intl Stocks | Emerging Markets Stocks | All Asset VRP Harvesting | Alternatives Other | Equity Variance Risk Premium | Reinsurance | Real Estate and Real Assets |
| Cash | 1.00 | | | | | | | | | | | |
| Bonds | 0.11 | 1.00 | | | | | | | | | | |
| Alternative Lending | -0.18 | 0.21 | 1.00 | | | | | | | | | |
| US Stocks | -0.16 | -0.08 | 0.60 | 1.00 | | | | | | | | |
| US Small Cap Stocks | -0.15 | -0.13 | 0.50 | 0.92 | 1.00 | | | | | | | |
| Developed International Stocks | -0.09 | 0.04 | 0.60 | 0.88 | 0.78 | 1.00 | | | | | | |
| Emerging Markets Stocks | -0.06 | 0.03 | 0.50 | 0.78 | 0.70 | 0.85 | 1.00 | | | | | |
| All Asset VRP Harvesting | -0.03 | -0.06 | 0.10 | 0.12 | 0.15 | 0.20 | 0.25 | 1.00 | | | | |
| Alternatives Other | -0.12 | 0.02 | 0.40 | 0.71 | 0.66 | 0.77 | 0.77 | 0.10 | 1.00 | | | |
| Equity Variance Risk Premium | -0.12 | -0.01 | 0.55 | 0.96 | 0.85 | 0.97 | 0.87 | 0.18 | 0.78 | 1.00 | | |
| Reinsurance | 0.05 | 0.18 | 0.20 | 0.13 | 0.08 | 0.15 | 0.14 | 0.10 | 0.24 | 0.15 | 1.00 | |
| Real Estate and Real Assets | 0.00 | 0.26 | 0.30 | 0.35 | 0.43 | 0.40 | 0.45 | 0.05 | 0.20 | 0.40 | 0.12 | 1.00 |

Asset Class Assumptions—October 2018

NOMINAL EXPECTED LONG-TERM AVERAGE RETURNS (OVER 10 TO 20 YEARS)

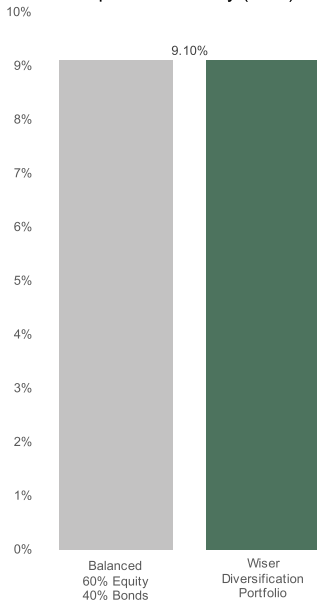
| Asset Class | Long-term Expected Return | Expected Risk |
|--------------------------------|---------------------------|---------------|
| Cash | 2.65% | 0.1% |
| Bonds | 3.50% | 4.9% |
| Alternative Lending | 6.50% | 5.0% |
| US Stocks | 7.50% | 15.0% |
| US Small Cap Stocks | 8.50% | 18.0% |
| Developed International Stocks | 8.25% | 17.0% |
| Emerging Markets Stocks | 11.00% | 23.0% |
| All Asset VRP Harvesting | 8.50% | 10.0% |
| Alternatives Other | 8.25% | 11.0% |
| Equity Variance Risk Premium | 8.00% | 12.0% |
| Reinsurance | 8.70% | 9.0% |
| Real Estate and Real Assets | 8.00% | 6.5% |

Asset Classes and Their Functions

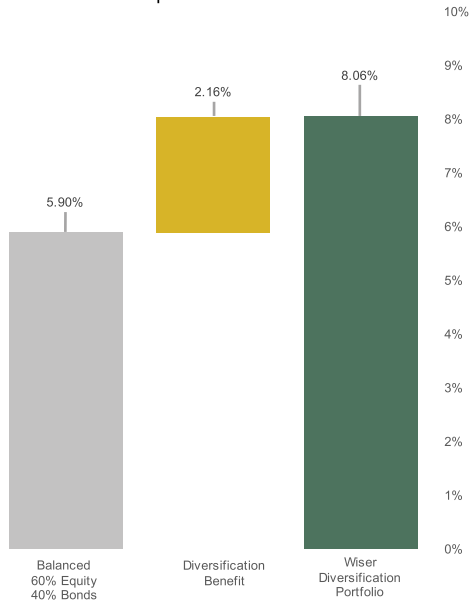
| Asset Class | Benefits |
|--------------------------------|---|
| Cash | Safety |
| Bonds | Yield, diversification, and safety |
| Alternative Lending | High yield, low interest rate risk |
| US Stocks | Capital growth, long-run inflation protection, tax efficiency |
| US Small Cap Stocks | Capital growth, long-run inflation protection, tax efficiency |
| Developed International Stocks | Capital growth, long-run inflation protection, tax efficiency |
| Emerging Markets Stocks | Capital growth, long-run inflation protection |
| All Asset VRP Harvesting | Diversification and high expected return |
| Alternatives Other | Diversification and modest expected return |
| Equity Variance Risk Premium | High expected return with lower than stock market volatility |
| Reinsurance | Diversification, high expected yield, low interest rate risk |
| Real Estate and Real Assets | Income, diversification, inflation protection |

Expected Benefits of Wisier Diversification

Expected Volatility (Risk)



Expected Return



Investing in stocks, bonds, and other assets which present various forms of risk to investors could result in losses and positive returns are not guaranteed. Diversification only reduces risk of capital loss but does not eliminate this risk. Measures of expected return and/or expected risk are not forecasts of returns or risks but are only statistical definitions for modeling purposes based upon financial and statistical analyses. Past performance is no indication of future results, and all investments or assets could lose value in the future due to a variety of financial factors. Due to volatility exhibited in various markets, including but not limited to stocks, bonds and other forms of investable assets these markets may not perform in a similar manner in the future. Among risks which can affect value, financial assets are also exposed to potential inflation and liquidity risks. Investors may experience different results in any chosen investment strategy or portfolio depending on the time and placement of capital into any assets associated thereto. The performance of a specific individual client account may vary substantially from the performance results reflected above. Diversified strategies are constructed to diversify from an all-bond portfolio, directed toward investment among assets that may largely, though not necessarily completely, be non-bond alternatives. Investors are cautioned that they should carefully consider fully diversifying their total personal investment allocations to incorporate a variety of investment assets which also may include stocks, stock mutual funds and ETFs, international assets, bonds and fixed income instruments (where appropriate), and other non-stock/bond investments (e.g., without limitation, Real Estate and other assets).