VOLATILITY

How to prevent its devastating effects

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THREE KEY TAKEAWAYS

1

Volatility is here to stay and it is increasing.

2

Volatility can have a devastating affect on your client's retirement plan and your fee based business.

3

There are solutions to reducing volatility without the use of Insurance Products.

WHAT A DIFFERENCE A YEAR MAKES

80% equities / 20% fixed income

Withdrawing 5% a year indexed to actual historical inflation

Retire in 1975 – Money lasts 30 years

Retire in 1974 – Money lasts 13 years

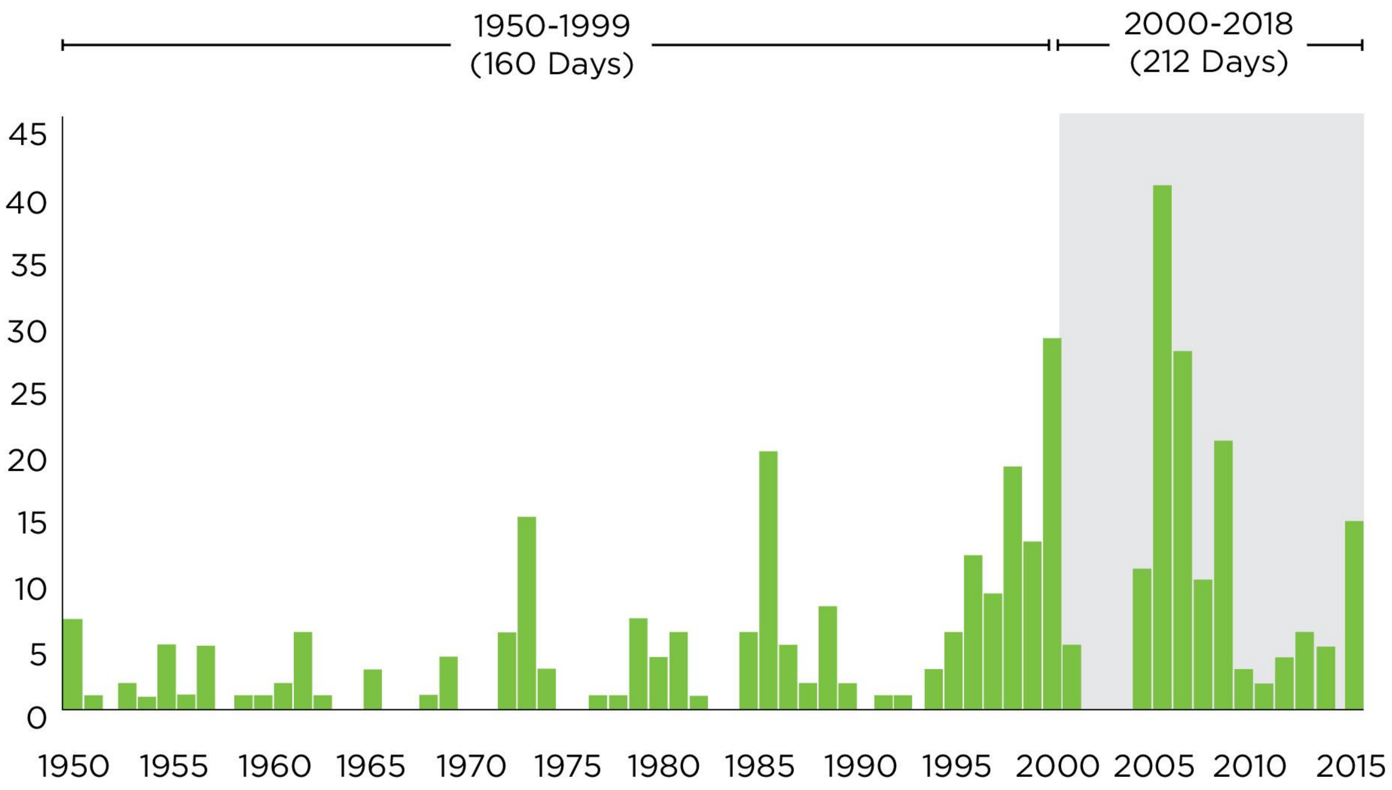
1974 Performance of S&P 500: -26%

Just ONE YEAR of volatility can kill a financial plan!

Sources: Morningstar, Legg Mason. The equity allocation is represented by Ibbotson Associates Stocks, Bond, Bills and Inflation (SBBI) U.S. Large Stocks Index. The fixed income allocation is represented by the Ibbotson Associates Stocks, Bond, Bills and Inflation (SBBI) Investment Grade Fixed Income securities Index. The historical inflation is represented by Ibbotson Associates Stocks, Bond, Bills and Inflation (SBBI) U.S. Inflation Index. The indexes shown are unmanaged and are not available to investors to invest in. Unmanaged index returns do not reflect any fees, expenses or sales charges.

NEGATIVE VOLATILITY IS INCREASING

NUMBER OF DAYS THE S&P 500 DECLINED BY MORE THAN 2%



Source: Standard & Poor's. Stocks represented by S&P 500. 2018 data is through December 20, 2018.

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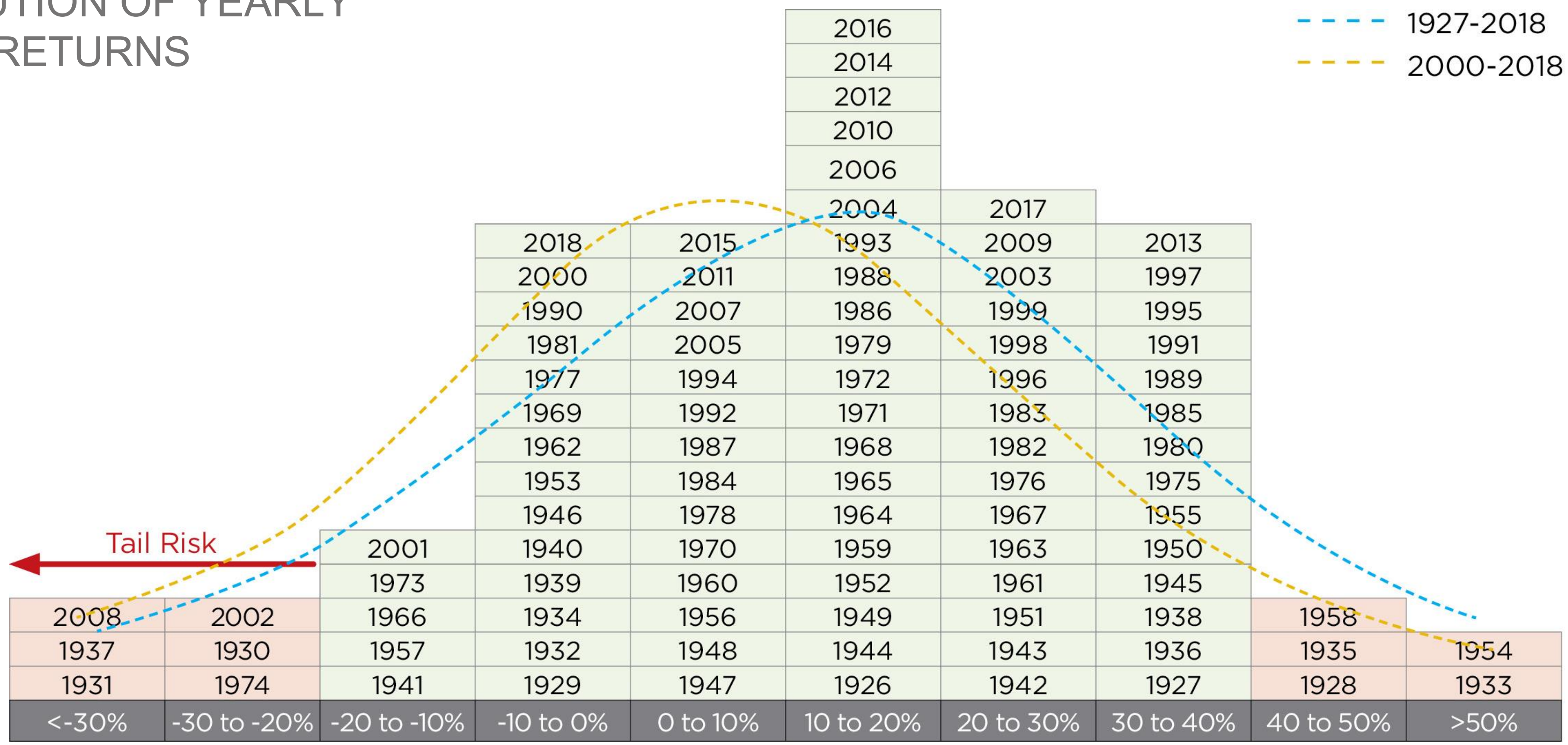
RETURNS ARE INCREASING TO THE DOWNSIDE

DISTRIBUTION OF YEARLY S&P 500 RETURNS



Source: Standard & Poor's. 2018 Data through December 20, 2018.

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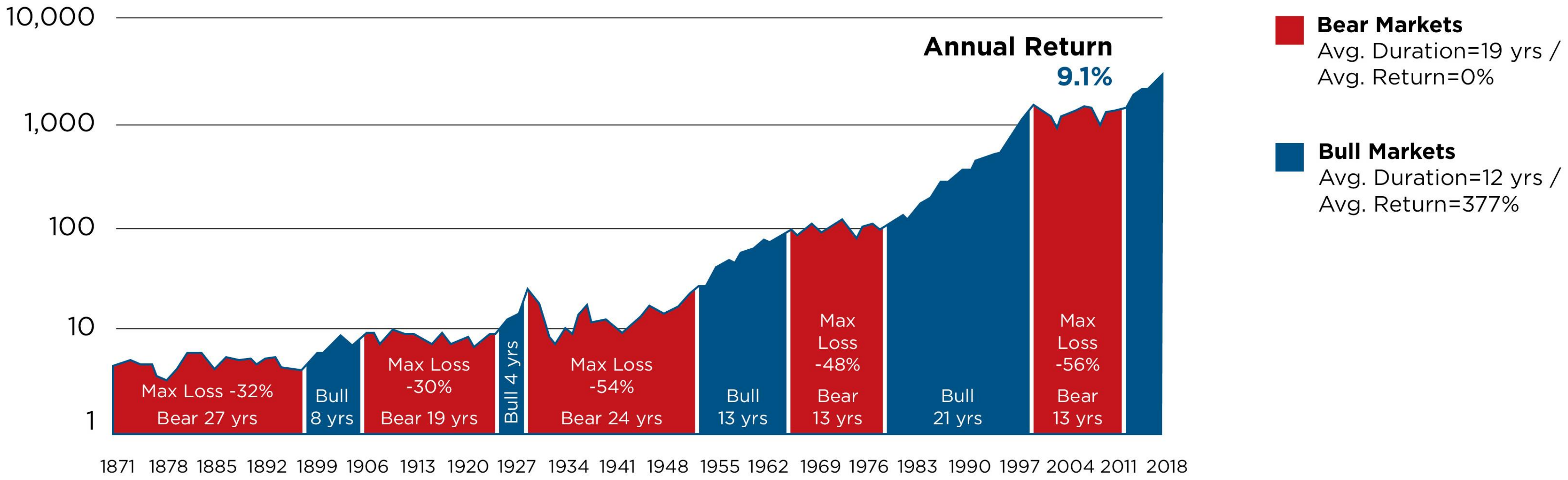
BEAR MARKETS ARE LOOMING

MARKET HISTORY SINCE 1871



Source: Robert Shiller. Annual return data (1871-2018). 2018 Data through December 7, 2018.

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BEAR MARKETS ARE LOOMING

BEAR MARKETS SINCE 1929

INVESTORS LOSE
AN AVERAGE 39.5%
DURING BEAR MARKETS

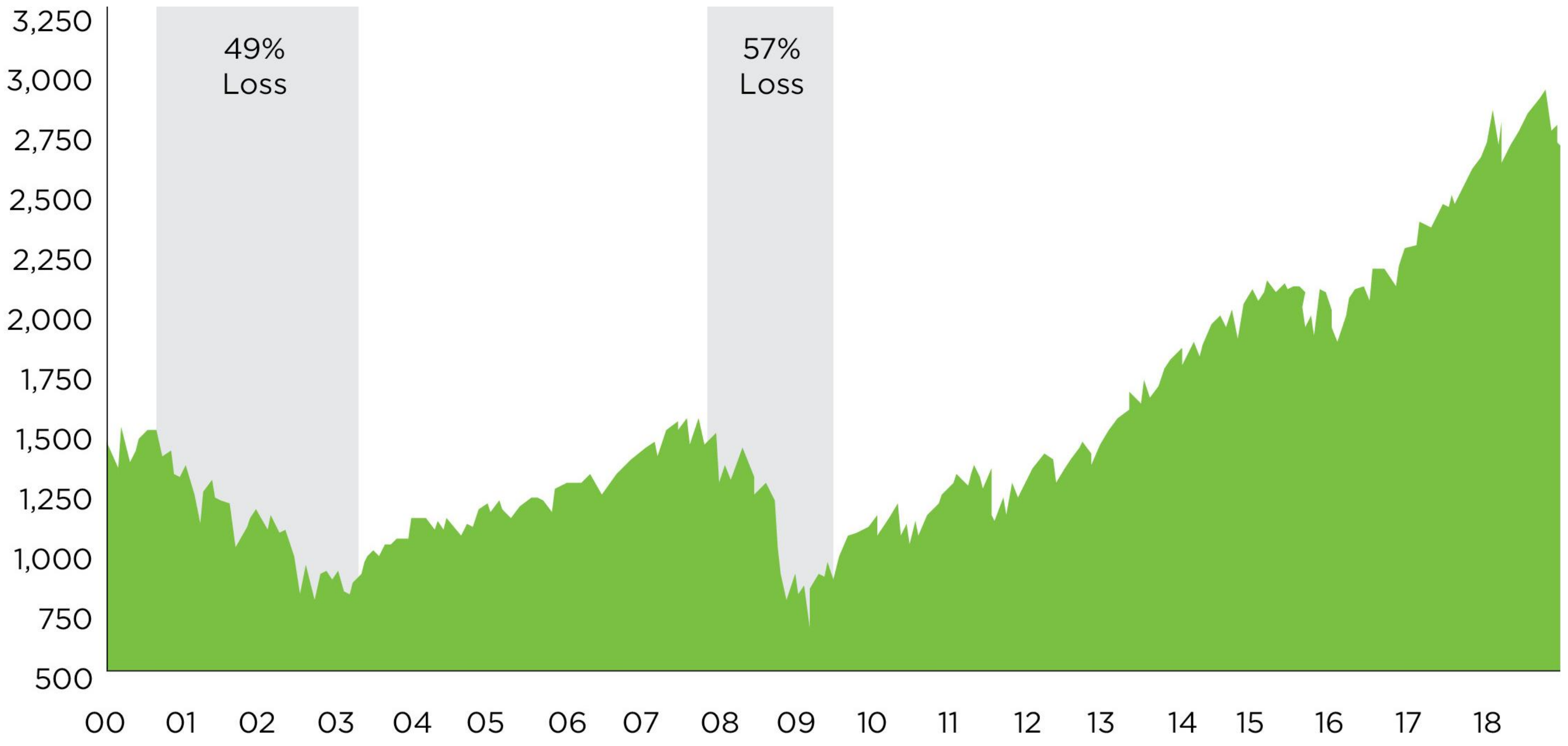
Date	Percent Decline
October 9, 2007—February 23, 2009	-52.5%
March 24, 2000—October 9, 2002	-49.1%
July 16, 1990—October 11, 1990	-19.9%
August 25, 1987—December 4, 1987	-33.5%
November 28, 1980—August 12, 1982	-27.1%
January 11, 1973—October 3, 1974	-48.2%
November 29, 1968—May 26, 1970	-36.1%
February 9, 1966—October 7, 1966	-22.2%
December 12, 1961—June 26, 1962	-28.0%
August 2, 1956—October 22, 1957	-21.5%
May 29, 1946—June 13, 1949	-29.6%
March 6, 1937—April 28, 1942	-60.0%
September 7, 1929—June 1, 1932	-86.2%
Average	**-39.5%**

13 Bear Markets
1 Every 7 Years
on Average

Source: Strategas Research Partners, LLC

DOWNTURNS CAN BE DEVASTATING

S&P 500 ROLLER COASTER



Source: Standard & Poor's

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TWO PROBLEMS WITH VOLATILITY

1

MATH

EMOTIONS

2

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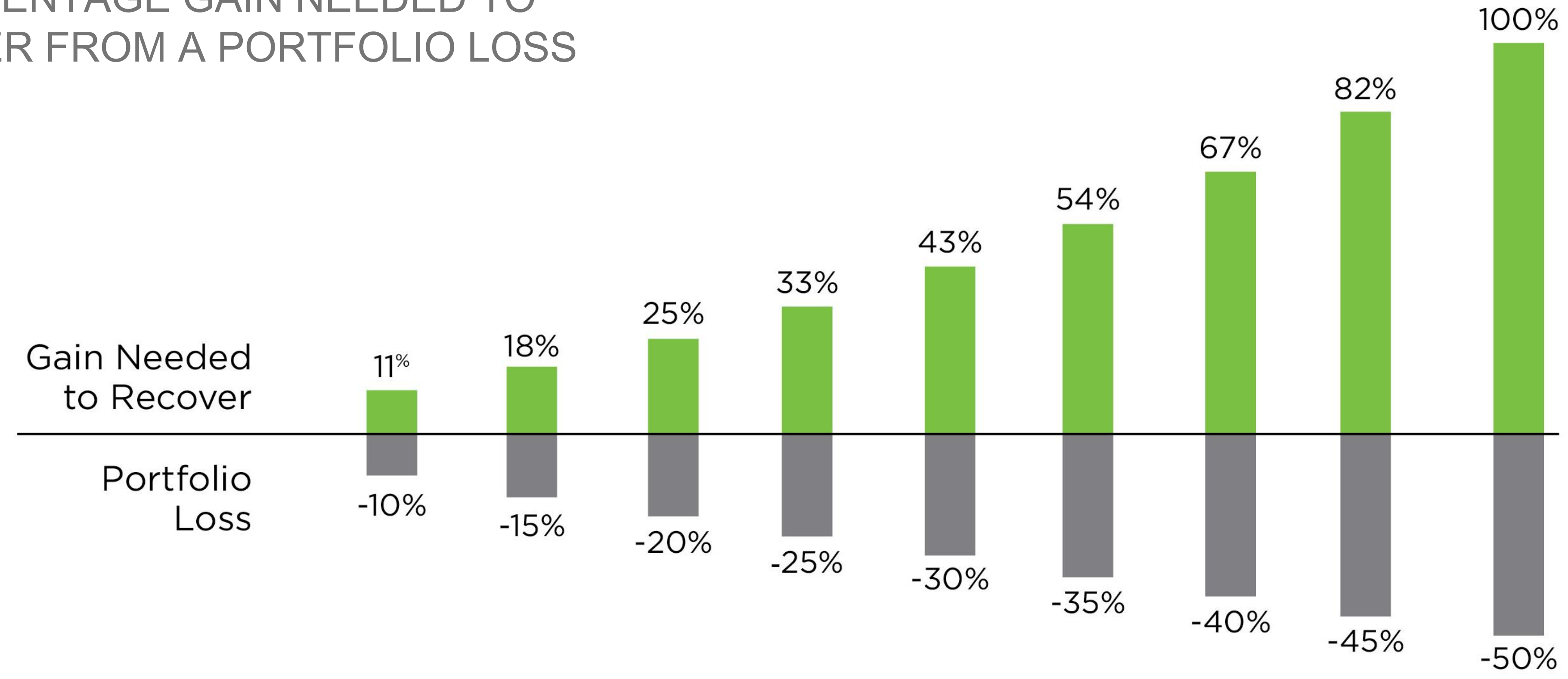
MATH - LOSSES ARE MORE POWERFUL THAN GAINS

PERCENTAGE GAIN NEEDED TO COVER FROM A PORTFOLIO LOSS



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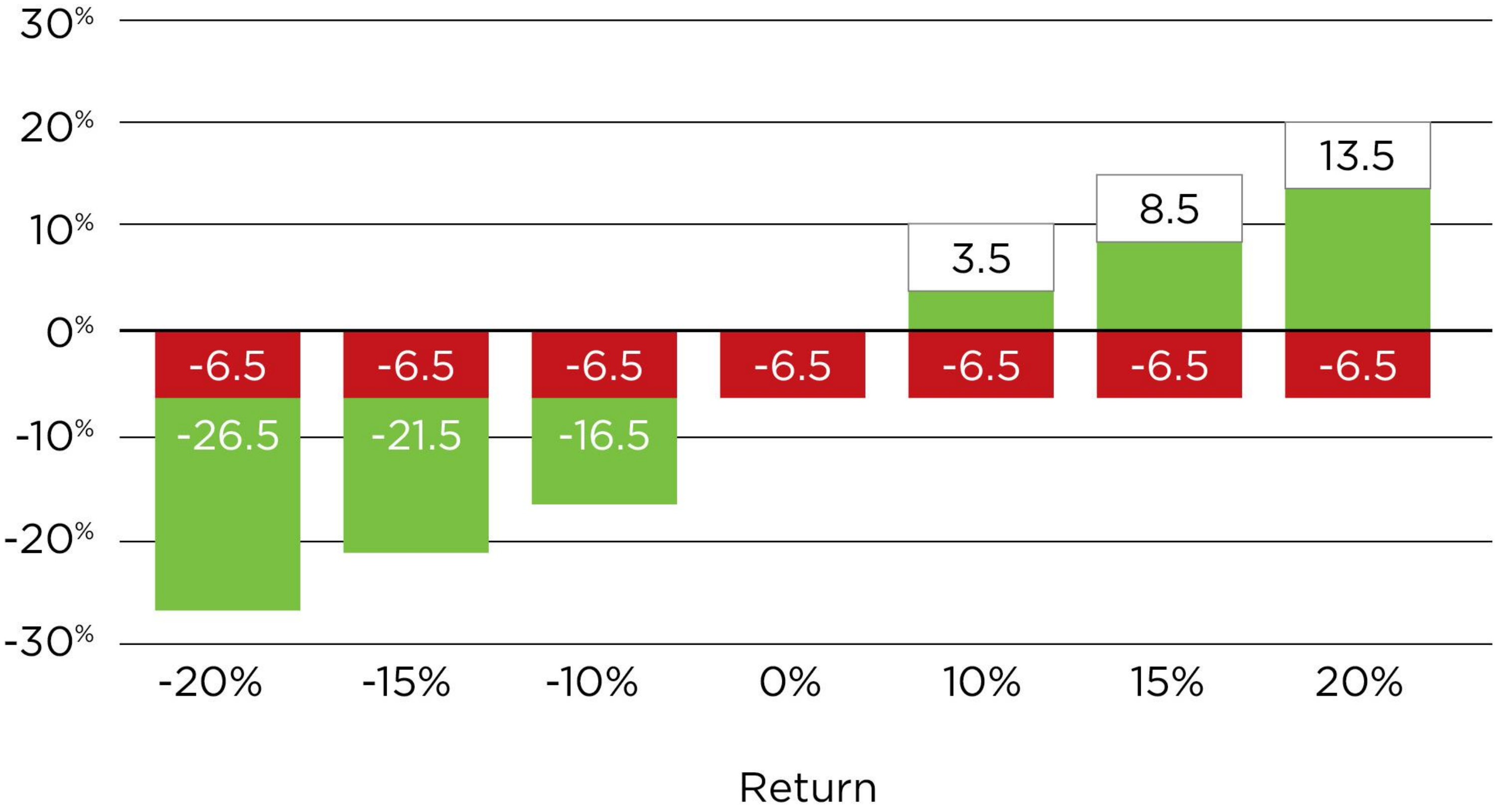
MATH - LOSSES ARE MORE POWERFUL THAN GAINS

THE TORTOISE EARNS MORE IN THE LONG RUN	Tortoise Portfolio	Hare Portfolio
Starting Value	**$100,000**	**$100,000**
Year 1	-6%	-12%
Year 2	-11%	-22%
Year 3	14%	28%
Year 4	5%	10%
Year 5	3%	6%
Year 6	8%	16%
Year 7	4%	8%
Year 8	-19%	-38%
Year 9	13%	26%
Year 10	2%	4%
Ending Value	**$108,161**	**$104,271**
Average Return	**1.3%**	**2.6%**

MATH DURING THE WITHDRAWAL PHASE

WITHDRAWALS WEAKEN GAINS AND MAGNIFY LOSSES



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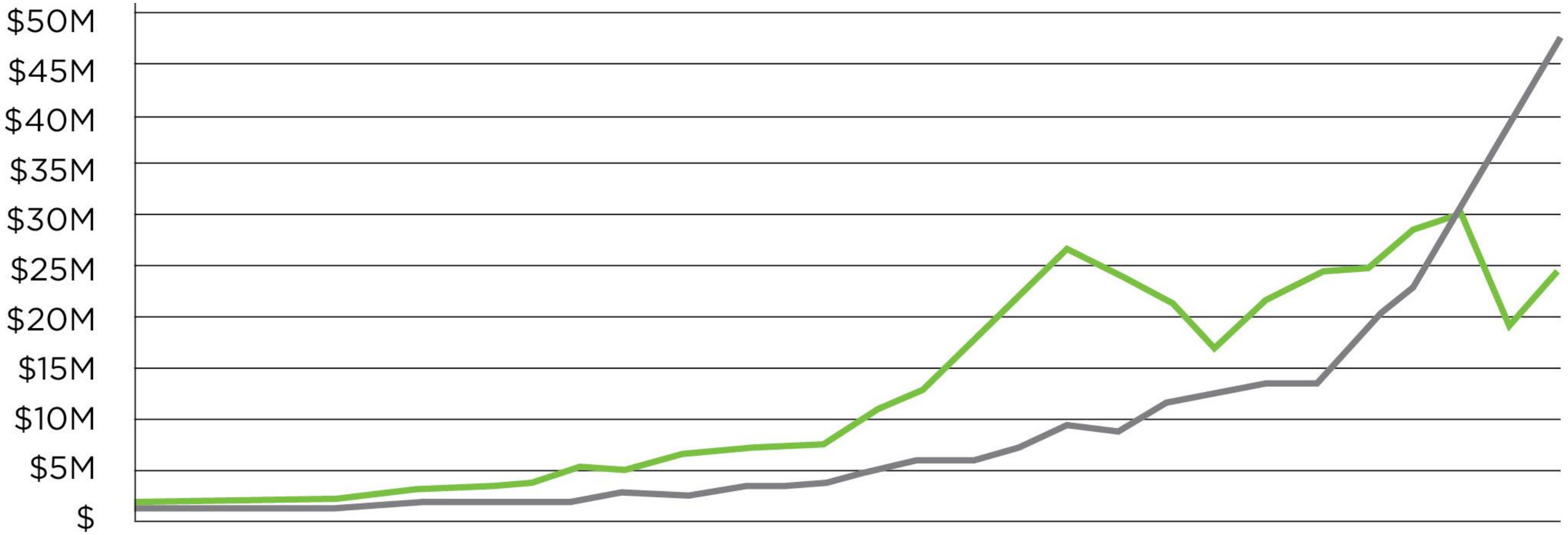
ACCUMULATION VERSUS DISTRIBUTION, WHICH WOULD YOU CHOOSE?

THE ACCUMULATION PHASE — NO WITHDRAWALS



Yr.	‘70	‘71	‘72	‘73	‘74	‘75	‘76	‘77	‘78	‘79	‘80	‘81	‘82	‘83	‘84	‘85	‘86	‘87	‘88	‘89	‘90	‘91	‘92	‘93	‘94	‘95	‘96	‘97	‘98	‘99
%	4	14	19	-15	-26	37	24	-7	7	18	33	-5	22	23	6	32	19	5	17	32	-3	30	8	10	1	38	23	33	29	21
Yr.	‘80	‘81	‘82	‘83	‘84	‘85	‘86	‘87	‘88	‘89	‘90	‘91	‘92	‘93	‘94	‘95	‘96	‘97	‘98	‘99	‘00	‘01	‘02	‘03	‘04	‘05	‘06	‘07	‘08	‘09
%	33	-5	22	23	6	32	19	5	17	32	-3	30	8	10	1	38	23	33	29	21	-9	-12	-22	29	11	5	16	5	-37	26

Years	1970-1999	1980-2009
Avg. Return	14.90%	12.80%
Final Value	$47,438,790	$24,401,564

Source: S&P 500 Returns (https://en.Wikipedia.org/wikaS%26P_500_Index).

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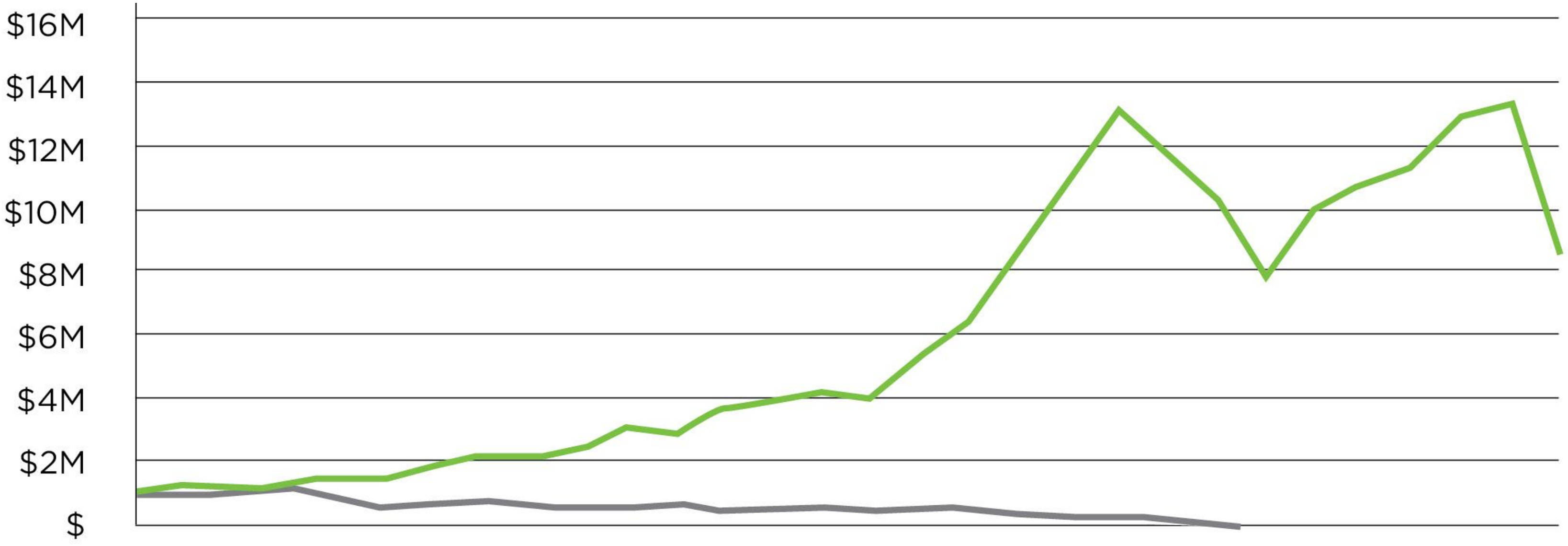
ACCUMULATION VERSUS DISTRIBUTION, WHICH WOULD YOU CHOOSE?

THE DISTRIBUTION PHASE — WITHDRAWING $75K A YEAR WITH 3% ANNUAL INCREASES



Yr.	‘70	‘71	‘72	‘73	‘74	‘75	‘76	‘77	‘78	‘79	‘80	‘81	‘82	‘83	‘84	‘85	‘86	‘87	‘88	‘89	‘90	‘91	‘92	‘93	‘94	‘95	‘96	‘97	‘98	‘99
%	4	14	19	-15	-26	37	24	-7	7	18	33	-5	22	23	6	32	19	5	17	32	-3	30	8	10	1	38	23	33	29	21
Yr.	‘80	‘81	‘82	‘83	‘84	‘85	‘86	‘87	‘88	‘89	‘90	‘91	‘92	‘93	‘94	‘95	‘96	‘97	‘98	‘99	‘00	‘01	‘02	‘03	‘04	‘05	‘06	‘07	‘08	‘09
%	33	-5	22	23	6	32	19	5	17	32	-3	30	8	10	1	38	23	33	29	21	-9	-12	-22	29	11	5	16	5	-37	26

Years	1970-1999	1980-2009
Avg. Return	14.90%	12.80%
Final Value	$0	$8,291,595
Objective	**Failure**	**Success**

Assumptions: $1 million invested with a $75,000 annual withdrawal increased each year by 3%. Source: S&P 500 Returns (https://en.Wikipedia.org/wikaS%26P_500_Index).

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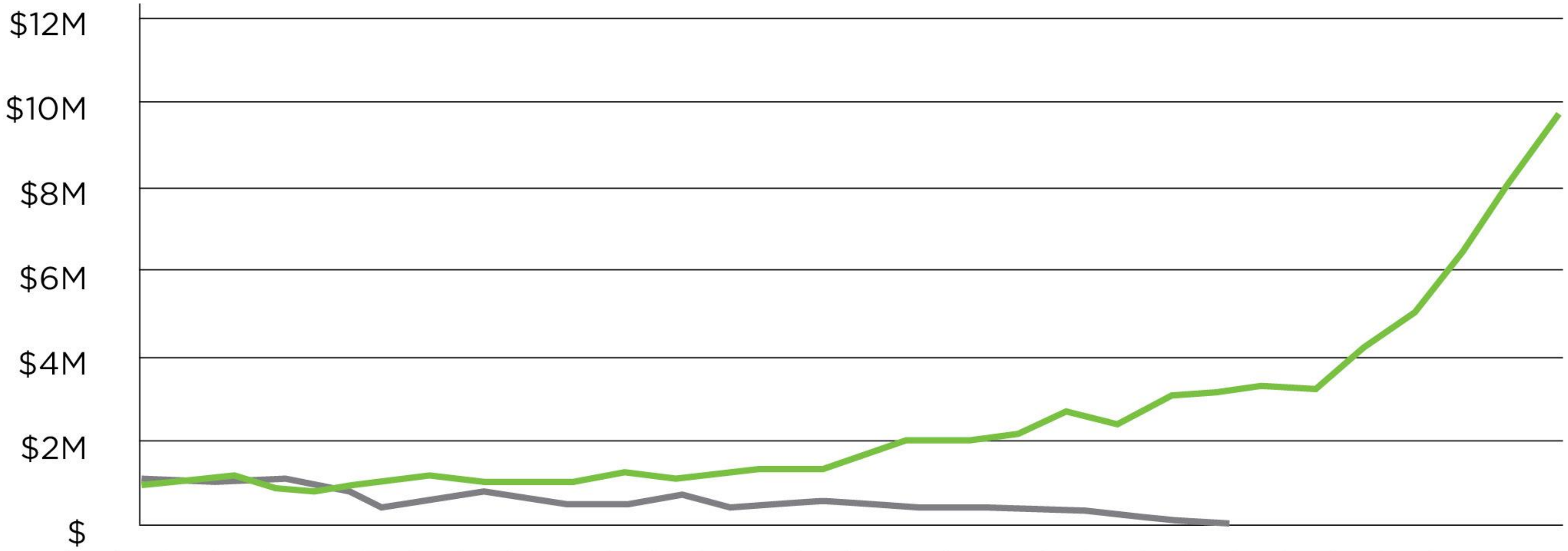
VOLATILITY REDUCTION – JUST ONE YEAR!

THE DIFFERENCE JUST ONE YEAR MAKES



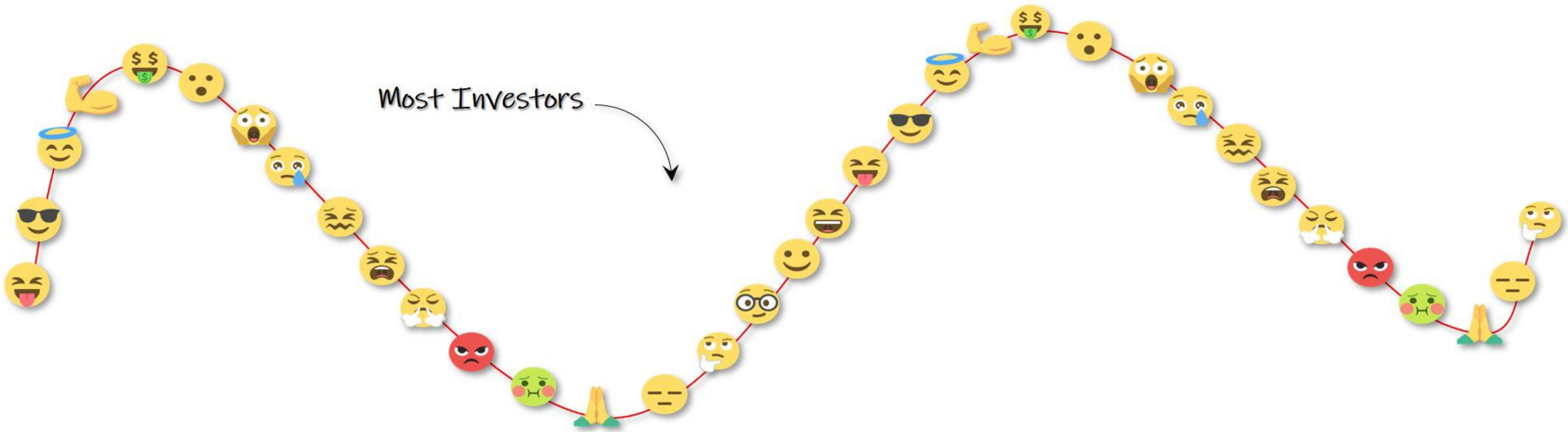
Yr.	'70	'71	'72	'73	'74	'75	'76	'77	'78	'79	'80	'81	'82	'83	'84	'85	'86	'87	'88	'89	'90	'91	'92	'93	'94	'95	'96	'97	'98	'99
%	4	14	19	-15	-26	37	24	-7	7	18	33	-5	22	23	6	32	19	5	17	32	-3	30	8	10	1	38	23	33	29	21
Yr.	'70	'71	'72	'73	'74	'75	'76	'77	'78	'79	'80	'81	'82	'83	'84	'85	'86	'87	'88	'89	'90	'91	'92	'93	'94	'95	'96	'97	'98	'99
%	4	14	19	-15	0	37	24	-7	7	18	33	-5	22	23	6	32	19	5	17	32	-3	30	8	10	1	38	23	33	29	21

Years	1970-1999	Modified 1970-1999*
Avg. Return	14.90%	15.78%
Final Value	$0	$9,762,402
Objective	**Failure**	**Success**

Assumptions: $1 million invested with a $75,000 annual withdrawal increased each year by 3%.
Modified: Removing one year's loss (1974 -26%).
Source: S&P 500 Returns (https://en.Wikipedia.org/wikaS%26P_500_Index).

EMOTIONS DRIVE POOR DECISIONS

AN EMOJI GUIDE TO INVESTING



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EMOTIONS DRIVE POOR DECISIONS

PERFORMANCE OF FIDELITY MAGELLAN FUND

+21.8%

Fidelity Magellan Fund

+13.4%

Average Fidelity Magellan Fund Investor

+16.2%

S&P 500 Index

Source: cbsnews.com. “Lesson From a Great Fund Manager’s Record”, July 16,2010. Performance is measured from 1981-1990 while Peter Lynch was the fund manager and the fund was open to the public.

IS THERE A SOLUTION?

How do we get the returns needed to successfully retire?

PARTICIPATE

+

How do we reduce volatility to successfully retire?

PROTECT

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THREE STEP SOLUTION

Maximize Diversification
(Participate)

Minimize Losses
(Protect)

Maintain Discipline
(Eliminate emotional decision making)

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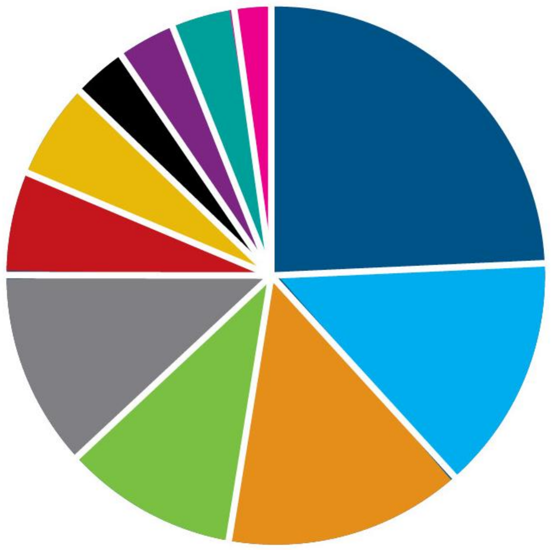
STEP ONE: MAXIMIZE DIVERSIFICATION

IS THE S&P DIVERSIFIED?



Information Technology	23.8%
Financials	14.8%
Health Care	13.8%
Consumer Discretionary	12.2%
Industrials	10.3%
Consumer Staples	8.2%
Energy	6.1%
Materials	3%
Utilities	2.9%
Real Estate	2.9%
Telecommunication	2.1%

Based on GICS® sectors
The weightings for each sector of the index are rounded to the nearest tenth of a percent; therefore, the aggregate weights for the index may not equal 100%.
As of Dec. 29, 2017

STEP ONE: MAXIMIZE DIVERSIFICATION

EQUITY ALLOCATION

Allocation	
Healthcare	9.09%
Consumer Staples	9.09%
Consumer Discretionary	9.09%
Real Estate	9.09%
Technology	9.09%
Financials	9.09%
Energy	9.09%
Industrials	9.09%
Telecommunications	9.09%
Materials	9.09%
Utilities	9.09%

STEP ONE: MAXIMIZE DIVERSIFICATION

CORRELATIONS TO THE S&P 500
(2000-2016)

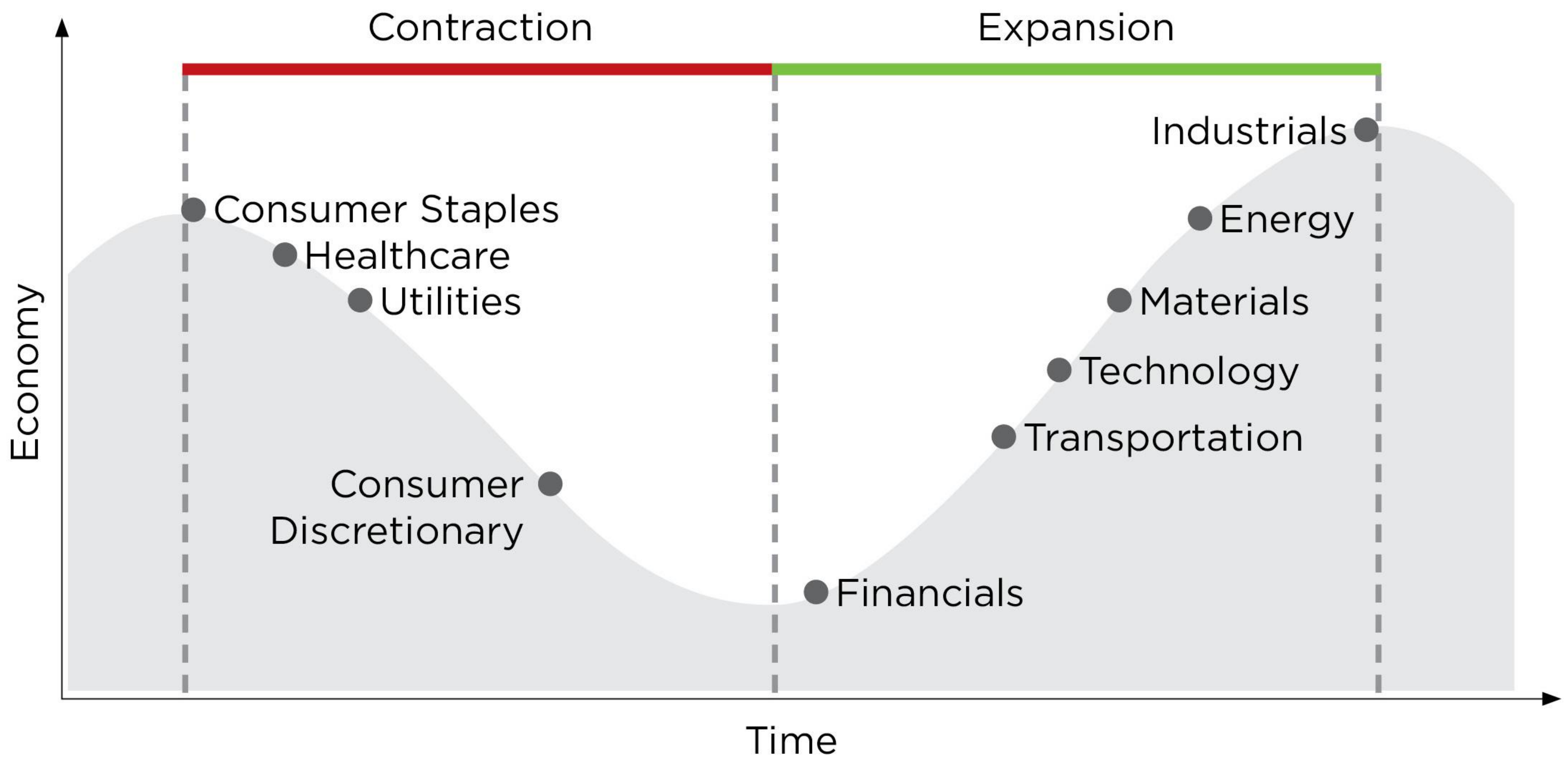
Industrials	0.92
Consumer Discretionary	0.87
Technology	0.86
Financials	0.85
Materials	0.83
Heathcare	0.80
Telecommunications	0.76
Consumer Staples	0.65
Energy	0.65
REITs	0.64
Utilities	0.52
Average	0.76

Growth	0.95
Value	0.94
International	0.87
Average	0.92

Source: Beacon Capital Management

STEP ONE: MAXIMIZE DIVERSIFICATION

SECTORS AND THE BUSINESS CYCLE



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DIVERSIFICATION REDUCES VOLATILITY

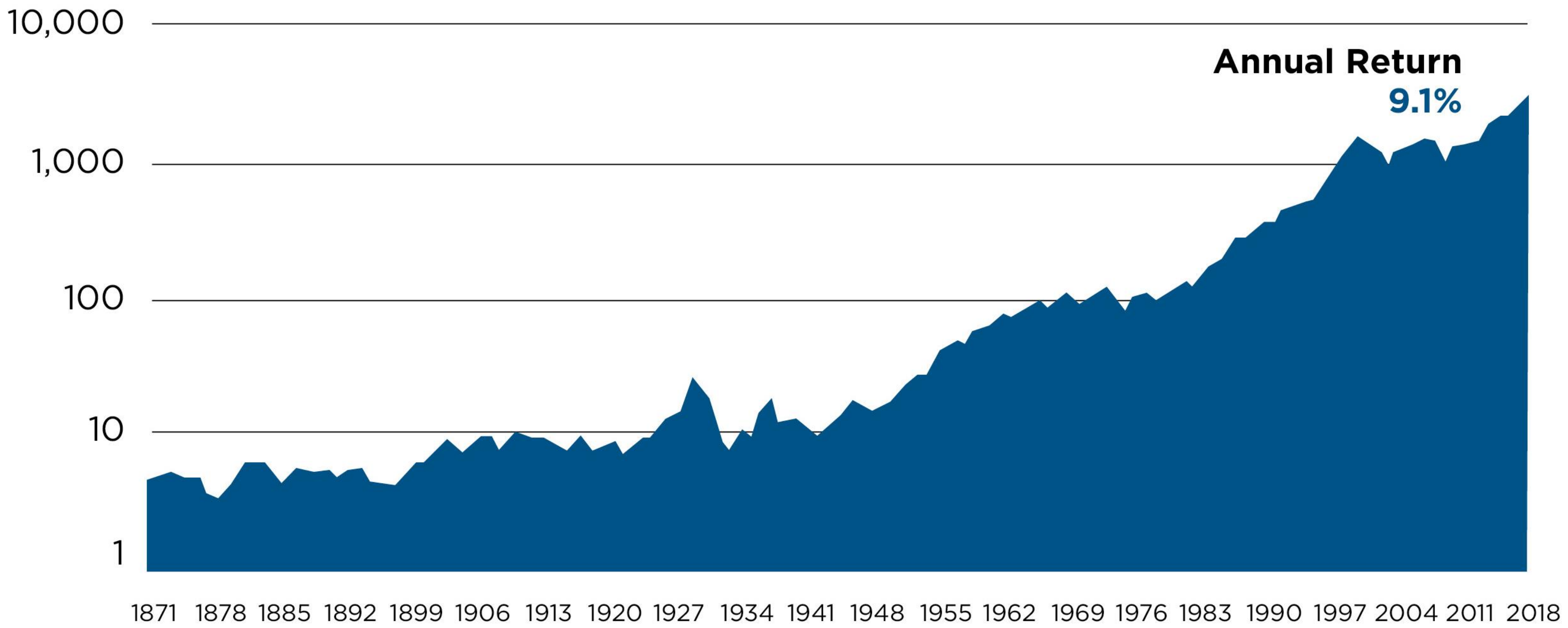
S&P 500 SECTOR RETURNS

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Consumer Staples -16.6%	Technology 61.9%	Consumer Discretionary 30.6%	Utilities 18.9%	Financials 28.2%	Consumer Discretionary 43.7%	Real Estate 30.4%	Healthcare 7.1%	Energy 29.2%	Technology 37.1%
Healthcare -23.3%	Materials 51.4%	Real Estate 28.4%	Consumer Staples 13.6%	Consumer Discretionary 24.6%	Healthcare 42.7%	Utilities 28%	Consumer Discretionary 6.3%	Financials 24.9%	Materials 23.8%
Utilities -27.9%	Consumer Discretionary 46.4%	Industrials 27.3%	Healthcare 10.7%	Healthcare 19.1%	Industrials 41.9%	Healthcare 24.2%	Consumer Staples 5.6%	Communications 22.8%	Healthcare 23.3%
Real Estate -37.%	Communications 29.4%	Materials 24.5%	Real Estate 8.5%	Real Estate 17.6%	Financials 32.9%	Technology 16.7%	Technology 5%	Materials 21.5%	Consumer Discretionary 22.8%
Equal Weight -37.4%	Real Estate 28%	Energy 21.%	Consumer Discretionary 3.6%	Materials 17.3%	Technology 31.%	Consumer Staples 16%	Communications 2.7%	Industrials 20.4%	Industrials 21.5%
Consumer Discretionary -37.8%	Equal Weight 27.7%	Equal Weight 20.1%	Equal Weight 3.5%	Industrials 17.2%	Equal Weight 28.7%	Financials 14.1%	Real Estate 2.4%	Utilities 17.6%	Financials 20%
Communications -38.5%	Energy 25.5%	Communications 19.5%	Energy 2.8%	Communications 16.6%	Consumer Staples 28%	Equal Weight 10.9%	Financials -0.6%	Equal Weight 15.3%	Equal Weight 15.1%
Energy -39.5%	Industrials 22.1%	Financials 14.8%	Technology 0.5%	Equal Weight 14.3%	Energy 25.8%	Consumer Discretionary 8.2%	Equal Weight -1.6%	Technology 13.6%	Utilities 12.5%
Industrials -39.8%	Healthcare 21.8%	Consumer Staples 14.6%	Communications -2.2%	Technology 14.%	Materials 24.9%	Industrials 6.8%	Industrials -3.5%	Consumer Discretionary 6.7%	Consumer Staples 11.8%
Technology -42.6%	Consumer Staples 16.6%	Technology 12.8%	Industrials -2.3%	Consumer Staples 11.1%	Communications 24.2%	Materials 4%	Utilities -4.8%	Real Estate 6.4%	Real Estate 6%
Materials -46.5%	Financials 13.7%	Utilities 7%	Materials -9.5%	Energy 3.4%	Utilities 14.9%	Communications 1.3%	Materials -10.2%	Consumer Staples 6.3%	Energy -2.5%
Financials -48.9%	Utilities 10.1%	Healthcare 5.6%	Financials -14.3%	Utilities 1.8%	Real Estate 2.3%	Energy -11.7%	Energy -23.2%	Healthcare -3.2%	Communications -5.5%

Source: Beacon Capital Management and Vanguard

DO WE NEED ANY OTHER SOLUTIONS?

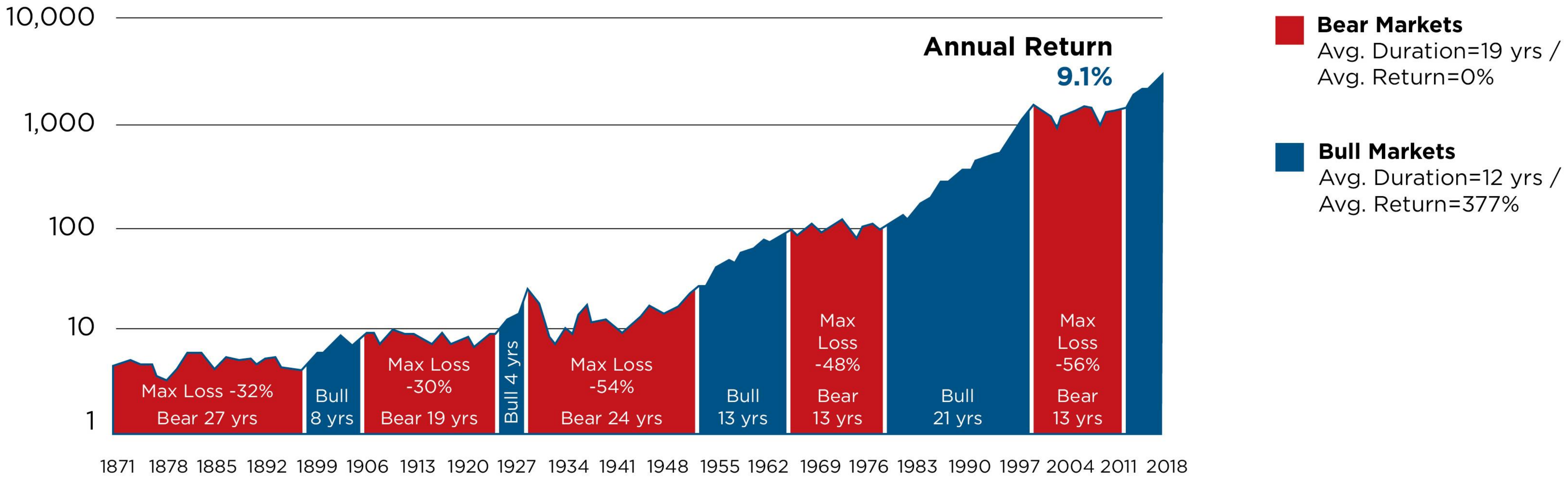
MARKET HISTORY SINCE 1871



Source: Robert Shiller. Annual return data (1871-2017). 2018 Data through December 7, 2018.

UNTIL WE SEE THIS…

MARKET HISTORY SINCE 1871



Source: Robert Shiller. Annual return data (1871-2017). 2018 Data through December 7, 2018.

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…AND THIS

ASSET ALLOCATION AND SYSTEMATIC RISK

HOW IS SYSTEMATIC RISK DEFINED?

The risk inherent to the entire market. Also known as "un-diversifiable risk." Interest rates, recession and wars all represent sources of systematic risk because they affect the entire market and cannot be avoided through diversification.

Source: investopedia.com

UN-DIVERSIFIABLE RISK LOOKS LIKE THIS

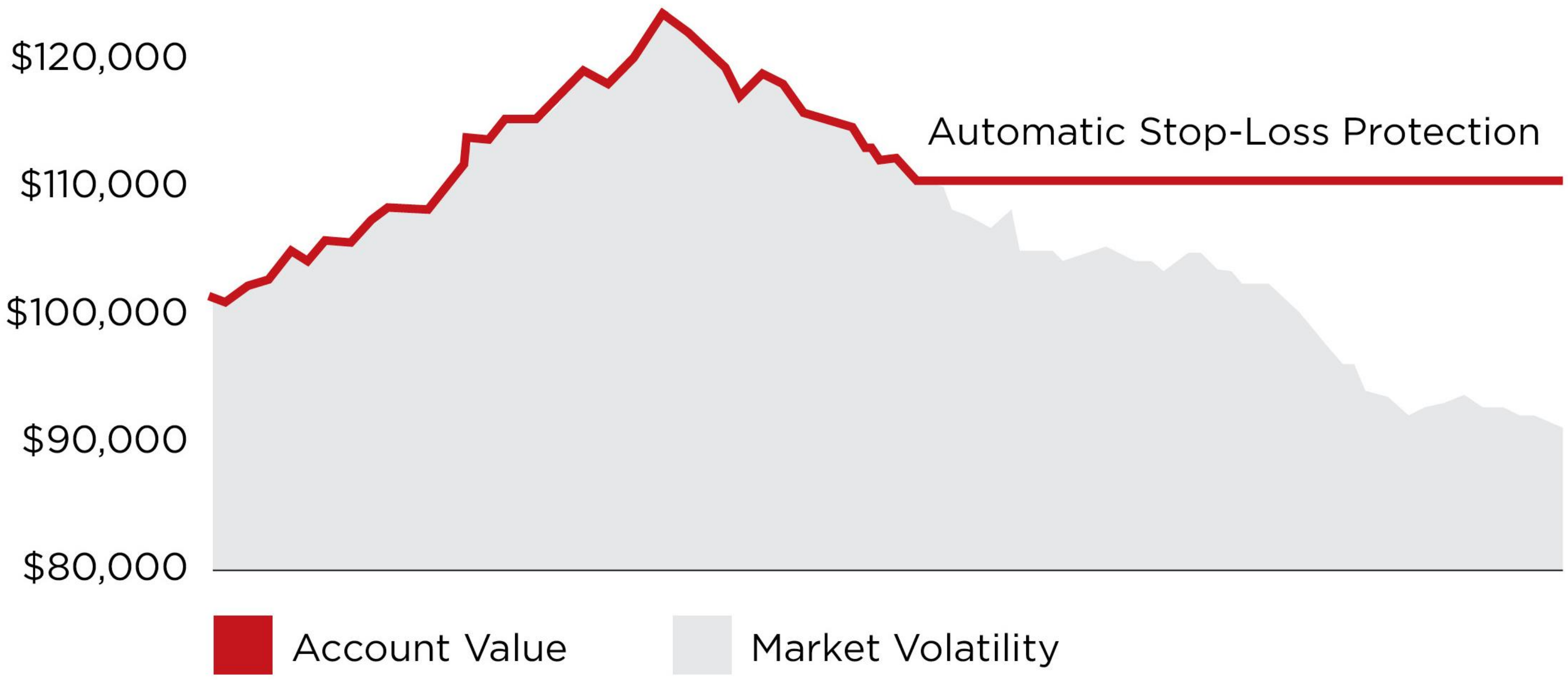
UN-DIVERSIFIABLE RISK=$6.9 TRILLION LOSS OF BUY AND HOLD INVESTOR SAVINGS

Asset Class	2008 Return
U.S. Stocks	-37.3%
International Stocks	-43.4%
Emerging Market Stocks	-54.5%
REITs (Real Estate)	-39.2%
Commodities	-35.6%
Bonds	+5.2%
Average	**-34.12%**

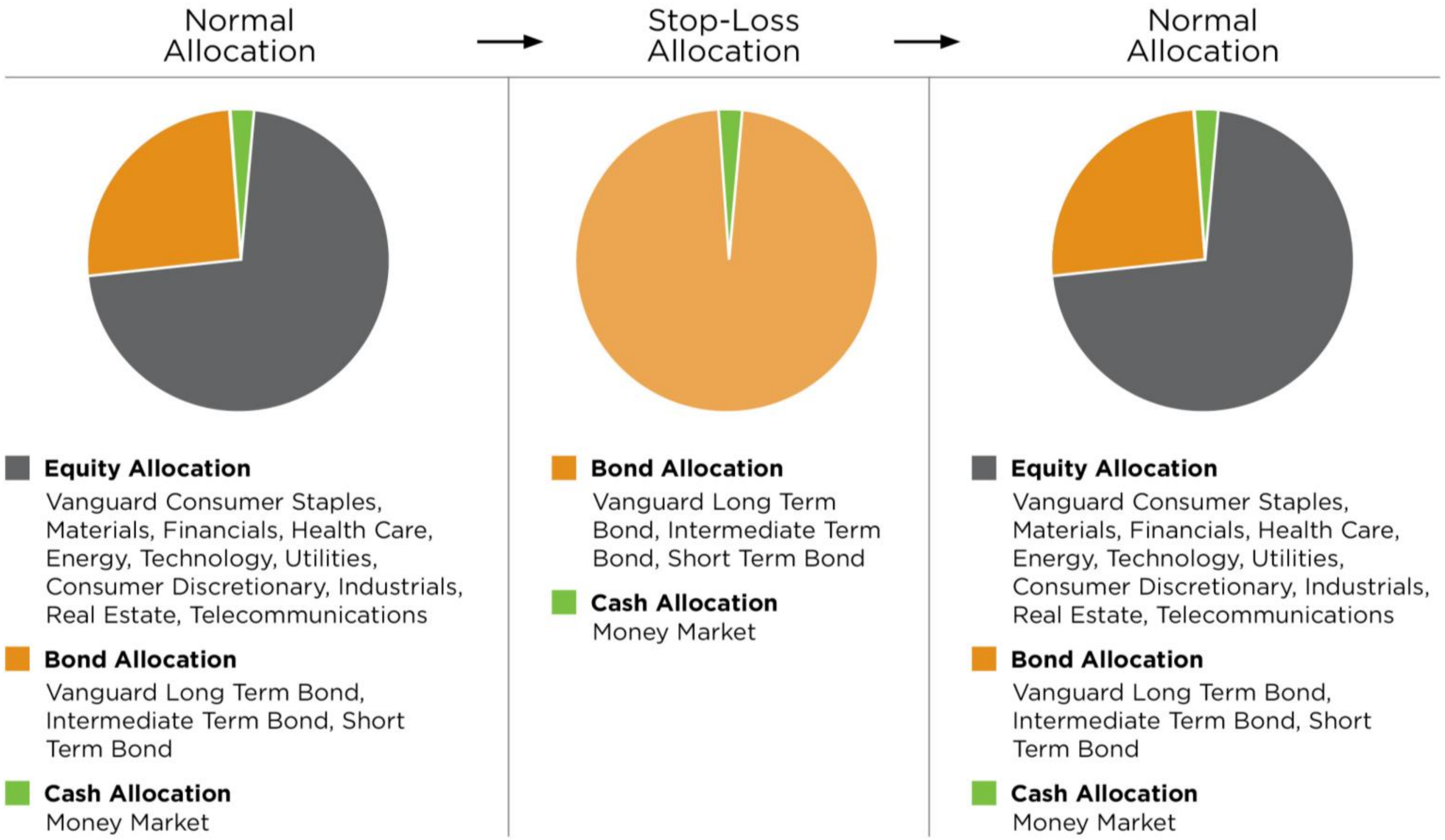
Source: The Capital Spectator

STEP TWO: MINIMIZE LOSSES 2.0

PROTECT PORTFOLIO PRINCIPAL



STEP TWO: MINIMIZE LOSSES 2.0



Note: Vantage 2.0 Balanced Portfolio Illustrated

STEP THREE: MAINTAIN DISCIPLINE (ELIMINATE EMOTIONAL DECISION MAKING)

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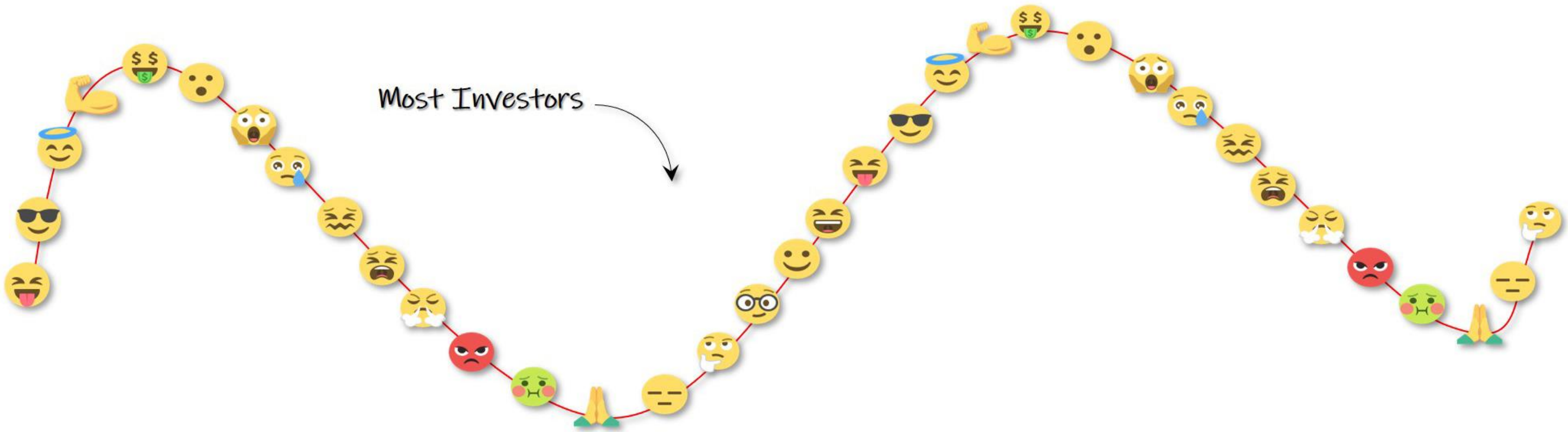

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STEP THREE: MAINTAIN DISCIPLINE (ELIMINATE EMOTIONAL DECISION MAKING)

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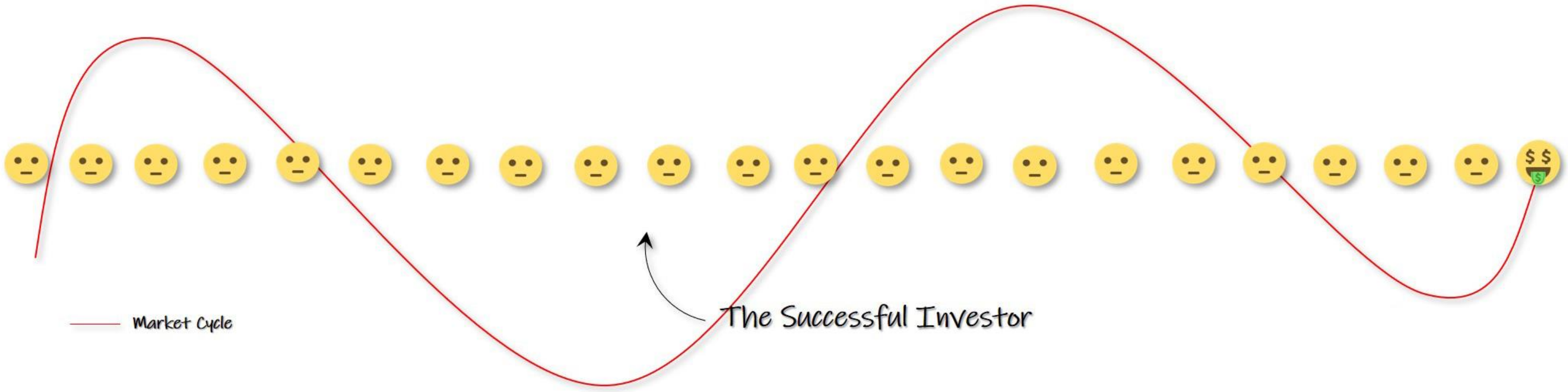
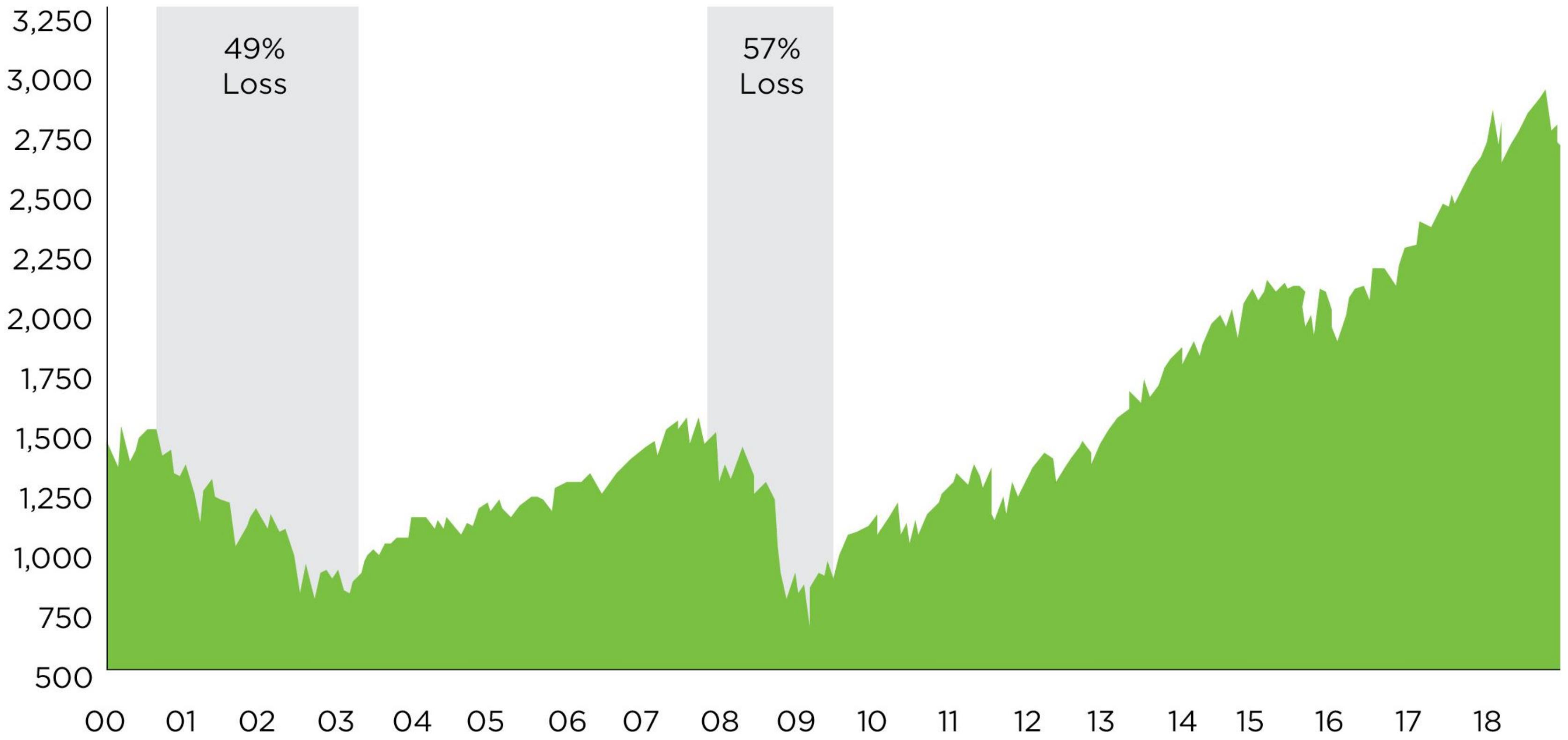


VOLATILITY IS THE NEW NORMAL

S&P 500 ROLLER COASTER



Source: Standard & Poor's

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DISCLOSURES

Disclosure for Backtested Performance Information on the BCM Model Portfolio Strategies:

1. Beacon Capital Management, Inc. (BCM) was incorporated in July 2000 and placed its first independent client investments in July 2000. The performance information presented in the chart or table represents backtested performance based on live (or actual) fund results from April 1, 1993, to period ending date shown using the strategy. Backtested performance is hypothetical (it does not reflect trading in actual accounts) and is provided for informational purposes to indicate historical performance had the model portfolio strategies been available over the relevant period. BCM did not offer the Vantage 1.0 and 2.0, Vantage 3.0, and Vantage 3.0 American model portfolio strategies until August 2011, July 2016, and April 2018, respectively. Prior to August 2011 for the Vantage 1.0 and 2.0 model portfolio strategies, July 2016 for the Vantage 3.0 model portfolio strategies, and April 2018 for the Vantage 3.0 American model portfolio strategies, BCM did not manage client assets using these model portfolio strategies. Client portfolios are monitored and rebalanced, taking into consideration risk exposure consistency, transaction costs, and tax ramifications to maintain the investor objective of each model portfolio strategy.
2. A review of the Disclosure for BCM Sources and Description of Data is an integral part of, and should be read in conjunction with, this explanation of backtested performance information.
3. Backtested performance does not represent actual performance and should not be interpreted as an indication of such performance. Actual performance for client accounts may be materially lower than that of the model portfolio strategies, and backtested performance should not be considered indicative of the skill of the adviser.
4. Backtested performance results have certain, inherent limitations. Such results do not represent the impact that material economic and market factors might have on an investment adviser's decision-making process if the adviser were actually managing client money. Backtested performance also differs from actual performance because it is achieved through the retroactive application of model portfolios (in this case, BCM's model portfolio strategies) designed with the benefit of hindsight. As a result, the models theoretically may be changed from time to time to obtain more favorable performance results.
5. Backtested performance results assume the reinvestment of dividends and capital gains and rebalancing to maintain the investor objective. In reality, client accounts will be rebalanced either more or less frequently depending on the fluctuation of the funds and the cash flow activity of the client. The performance of the BCM model portfolio strategies and satellite funds reflects, and is net of, the effect of BCM's annual investment management fee of 1.8%, billed monthly. A 1.8% annual fee (or $400 annual minimum) is the maximum fee BCM charges clients that engage BCM directly. However, under certain types of relationships, the total fee (BCM investment management fee plus an additional Advisor fee) charged may be higher than 1.8% annually. Depending on the size of your assets under management, your investment management fee may be less. Fund fees and expenses have been deducted from results.

Although the funds BCM recommends attempt to minimize tax liabilities from short and long term capital gains, any resulting tax liability is not deducted from performance results. Performance results also do not reflect transaction fees and other expenses charged by broker-dealers and/or custodians, which reduce returns. BCM is not paid any brokerage commissions, sales loads, 12b1 fees, or any form of compensation from any mutual fund company or broker dealer. The only source of compensation from client investments is obtained from asset based advisory fees paid by the client.

6. For all data periods, annualized standard deviation is presented as an approximation by multiplying the monthly standard deviation number by the square root of twelve. Please note that the number computed from annual data may differ materially from this estimate. We have chosen this methodology because Morningstar, Inc. uses the same method.
7. For all data periods, beta is a statistical measurement of volatility as compared to a benchmark. The Vanguard S&P 500 (VFINX) is used as the benchmark for comparison beta calculations.
8. For all data periods, alpha is a statistical measurement of excess return for risk borne as compared to a benchmark. The Vanguard S&P 500 (VFINX) is used as the benchmark for comparison alpha calculations.
9. Not all BCM clients follow our recommendations, and depending on unique and changing client and market situations, we may customize the construction and implementation of the model portfolio strategies for particular clients, including the use of tax-managed funds, tax-loss-harvesting techniques, and rebalancing frequency and precision. The performance of custom asset allocations may differ materially from (and may be lower than) that of the model portfolio strategies.
10. Performance results for clients that invested in accordance with the model portfolio strategies will vary from the backtested performance provided due to market conditions and other factors, including investments' cash flows, fund allocations, frequency and precision of rebalancing, tax-management strategies, cash balances, lower than 1.8% advisory fees, varying custodian fees, and/or the timing of fee deductions. As the result of these, and other potential variances, our clients have not, and are not expected to have, achieved the exact results shown since August 2011, for the Vantage 1.0 and 2.0 model portfolio strategies, July 2016 for the Vantage 3.0 model portfolio strategies, and April 2018 for the Vantage 3.0 American model portfolio strategies, when we placed our first investment. Actual performance for client accounts may differ materially from (and may be lower than) that of the model portfolio strategies.
11. As with any investment strategy, there is the potential for profit as well as the possibility of loss. BCM does not guarantee any minimum level of investment performance or the success of any model portfolio strategy or investment strategy. All investments involve risk (the amount of which may vary significantly), and investment recommendations will not always be profitable. A review of the Disclosure for BCM Sources and Description of Data under section Vantage 3.0 American Model Portfolio Strategies, Vantage 3.0 Model Portfolio Strategies, Vantage 2.0 Model Portfolio Strategies, Vantage 1.0 Model Portfolio Strategies, and Beacon Satellite Funds is an integral part of and should be read before an investment is made.
12. Past performance does not guarantee future results.
13. DISCLAIMER: THERE ARE NO WARRANTIES, EXPRESSED OR IMPLIED, AS TO ACCURACY, COMPLETENESS, OR RESULTS OBTAINED FROM ANY INFORMATION PROVIDED HEREIN OR ON THE MATERIAL PROVIDED. This document does not constitute a complete description of our investment services and is for informational purposes only. It is in no way a solicitation or an offer to sell securities or investment advisory services, except, where applicable, in states or countries where we are registered or where an exemption or exclusion from such registration exists. Any statements regarding market or other financial information, is obtained from sources that we, and our suppliers, believe reliable, but we do not warrant or guarantee the timeliness or accuracy of this information. Neither our information providers nor we shall be liable for any errors or inaccuracies, regardless of cause, or the lack of timeliness of, or for any delay or interruption in the transmission thereof to the user. All investments involve risk, including foreign currency exchange rates, political risks, different methods of accounting and financial reporting, and foreign taxes.

DISCLOSURES

The following descriptions indicate how live (or actual) fund results are strung together to simulate similar risk and return characteristics back to 1993. This reduces the standard error of the mean, which is unacceptably high for periods less than 20 years.

Vantage 3.0 American Model Portfolio Strategies

1. There are three Vantage 3.0 American Model Portfolio Strategies – U.S., International, and Bond.
2. The key element of construction is the use of four primary portfolios that represent U.S. stocks, International stocks, bonds, and cash. Each primary portfolio is comprised of mutual funds/ETFs. The underlying mutual funds/ETFs and allocations of the primary U.S. stock, International stock, bond, and cash portfolios are the same in all Vantage 3.0 American Model Portfolio Strategies; only the allocation to the primary U.S. stock, International stock, bond, and/or cash portfolios changes to meet the investment objective in the U.S., International, and Bond allocations. The changes and timing of the allocation to the primary U.S. stock, International stock, bond, and/or cash portfolios are determined by a proprietary formula, which is constant throughout the time period simulated.
3. BCM monitors an index benchmark daily that represents each position/holding in the primary U.S. stock and International stock portfolios used in the Vantage 3.0 American Model Portfolio Strategies. When an index benchmark falls below what BCM considers its low trend line, the holding represented by that index benchmark is liquidated the following day, and the proceeds are invested in the primary bond portfolio. Conversely, when an index benchmark rises above what BCM considers its high trend line, the portion of the holding represented by that index benchmark in the primary bond portfolio is liquidated the following day, and the proceeds are invested in the holding represented by the index benchmark in the primary U.S. and/or International stock(s). This does not guarantee against losses from the primary U.S. stock or International stock portfolio(s). There is the potential for large losses due to rapidly moving prices.
4. BCM monitors an index benchmark daily that represents each position/holding in the primary bond portfolio used in the Vantage 3.0 American Model Portfolio Strategies. When an index benchmark falls below what BCM considers its low trend line, the holding represented by that index benchmark is liquidated the following day, and the proceeds are invested in a short term bond mutual fund/ETF. Conversely, when an index benchmark rises above what BCM considers its high trend line, the portion of the holding represented by that index benchmark is liquidated from the short term bond mutual fund/ETF the following day, and the proceeds are invested in the holding represented by the index benchmark in the primary bond portfolio. This does not guarantee against losses from the primary bond portfolio. The primary bond portfolio is invested in bond mutual funds/ETFs with long maturities, which adds exposure to risks that affect market prices of bonds. Market prices of bonds may be affected by several risks, including without limitation: interest rate risk - a rise in interest rates may reduce the value of the primary bond portfolio; default or credit risk - the issuer's ability to make interest and principal payments; and liquidity risk - the inability to sell bond investments promptly prior to maturity with minimal loss of principal. In addition, there is the potential for larger losses due to rapidly moving prices.
5. The Vantage 3.0 American Model Portfolio Strategies' risk management strategies do not guarantee investment losses will be limited. All investments involve risk, and past performance does not guarantee future results, nor should past performance be used to determine potential future maximum losses.

Vantage 3.0 American Model Portfolio Strategies Primary U.S. Stock Portfolio

January 1, 2018 - Present	
American Growth Fund of America (GAFFX)	40.00%
American Fundamental Investors (FUNFX)	30.00%
American SMALLCAP World (SFCWX)	15.00%
American Washington Mutual (FWMIX)	15.00%
March 24, 1993 - December 31, 2017	
American Growth Fund of America (AGTHX)	40.00%
American Fundamental Investors (ANCFX)	30.00%
American SMALLCAP World (SMCWX)	15.00%
American Washington Mutual (AWSHX)	15.00%

Vantage 3.0 American Model Portfolio Strategies Primary Bond Portfolio

January 1, 2018 - Present	
American Capital World Bond (WFBFX)	50.00%
American US Government Securities (USGFX)	50.00%
March 24, 1993 - December 31, 2017	
American Capital World Bond (CWBFX)	50.00%
American US Government Securities (AMUSX)	50.00%

DISCLOSURES

Vantage 3.0 American Model Portfolio Strategies Primary International Stock Portfolio

January 1, 2018 - Present	
American Europacific Growth (FEUPX)	70.00%
American International Growth and Income (IGAIX)	15.00%
American SMALLCAP World (SFCWX)	15.00%
December 1, 2008 - December 31, 2017	
American Europacific Growth (AEPGX)	70.00%
American International Growth and Income (IGAAX)	15.00%
American SMALLCAP World (SMCWX)	15.00%
March 24, 1993 - November 30, 2008	
American Europacific Growth (AEPGX)	82.00%
American SMALLCAP World (SMCWX)	18.00%

Vantage 3.0 American Model Portfolio Strategies Primary Cash Portfolio

March 24, 1993 - Present	
0.00% Return Cash Position	100.00%

DISCLOSURES

Disclosure for BCM Sources and Description of Data

The following descriptions indicate how live (or actual) fund results are strung together to simulate similar risk and return characteristics back to 1993. This reduces the standard error of the mean, which is unacceptably high for periods less than 20 years.

Vantage 3.0 Model Portfolio Strategies

1. There are five Vantage 3.0 Model Portfolio Strategies – Aggressive, Balanced, Conservative, Bond, and Alternative.
2. The key element of construction is the use of three primary portfolios that represent stocks, bonds, and cash. Each primary portfolio is comprised of mutual funds/ETFs. The underlying mutual funds/ETFs and allocations of the primary stock, bond, and cash portfolios are the same in all Vantage 3.0 Model Portfolio Strategies; only the allocation to the primary stock, bond, and/or cash portfolios changes to meet the investment objective in the Aggressive, Balanced, Conservative, and Bond allocations. The Alternative portfolio is available to those investors seeking additional diversification to the Aggressive, Balanced, Conservative, and Bond allocations, with the understanding alternatives are speculative and involve a high degree of risk that is not suitable for all investors. The primary Alternative portfolio is comprised of mutual funds/ETFs. The changes and timing of the allocation to the primary stock, bond, alternative, and/or cash portfolios are determined by a proprietary formula, which is constant throughout the time period simulated.

3. BCM monitors an index benchmark daily that represents each position/holding in the primary stock and alternative portfolios used in the Vantage 3.0 Model Portfolio Strategies. When an index benchmark falls below what BCM considers its low trend line, the holding represented by that index benchmark is liquidated the following day, and the proceeds are invested in the primary bond portfolio. Conversely, when an index benchmark rises above what BCM considers its high trend line, the portion of the holding represented by that index benchmark in the primary bond portfolio is liquidated the following day, and the proceeds are invested in the holding represented by the index benchmark in the primary stock and/or alternative portfolio(s). This does not guarantee against losses from the primary stock and/or alternative portfolio(s). There is the potential for large losses due to rapidly moving prices.

4. BCM monitors an index benchmark daily that represents each position/holding in the primary bond portfolio used in the Vantage 3.0 Model Portfolio Strategies. When an index benchmark falls below what BCM considers its low trend line, the holding represented by that index benchmark is liquidated the following day, and the proceeds are invested in a short term bond mutual fund/ETF. Conversely, when an index benchmark rises above what BCM considers its high trend line, the portion of the holding represented by that index benchmark is liquidated from the short term bond mutual fund/ETF the following day, and the proceeds are invested in the holding represented by the index benchmark in the primary bond portfolio. This does not guarantee against losses from the primary bond portfolio. The primary bond portfolio is invested in bond mutual funds/ETFs with long maturities, which adds exposure to risks that affect market prices of bonds. Market prices of bonds may be affected by several risks, including without limitation: interest rate risk - a rise in interest rates may reduce the value of the primary bond portfolio; default or credit risk - the issuer's ability to make interest and principal payments; and liquidity risk - the inability to sell bond investments promptly prior to maturity with minimal loss of principal. In addition, there is the potential for larger losses due to rapidly moving prices.

5. The Vantage 3.0 Model Portfolio Strategies' risk management strategies do not guarantee investment losses will be limited. All investments involve risk, and past performance does not guarantee future results, nor should past performance be used to determine potential future maximum losses.

Vantage 3.0 Model Portfolio Strategies Primary Stock Portfolio

October 1, 2004 - Present

Vanguard Consumer Staples (VDC)	9.09%
Vanguard Materials (VAW)	9.09%
Vanguard Financials (VFH)	9.09%
Vanguard Health Care (VHT)	9.09%
Vanguard Energy (VDE)	9.09%
Vanguard Information Technology (VGT)	9.09%
Vanguard Utilities (VPU)	9.09%
Vanguard Consumer Discretionary (VCR)	9.09%
Vanguard Industrials (VIS)	9.09%
Vanguard REIT (VNQ)	9.09%
Vanguard Telecommunications (VOX)	9.09%

DISCLOSURES

July 1, 2000 - September 30, 2004	
Consumer Staples Select SPDR (XLP)	9.09%
Materials Select SPDR (XLB)	9.09%
Financial Select SPDR (XLF)	9.09%
Health Care Select SPDR (XLV)	9.09%
Energy Select SPDR (XLE)	9.09%
Technology Select SPDR (XLK)	9.09%
Utilities Select SPDR (XLU)	9.09%
Consumer Discretionary Select SPDR (XLY)	9.09%
Industrial Select SPDR (XLI)	9.09%
iShares Dow Jones US Real Estate (IYR)	9.09%
Fidelity Select Telecommunications (FSTCX)	9.09%
January 1, 1999 - June 30, 2000	
Consumer Staples Select SPDR (XLP)	9.09%
Materials Select SPDR (XLB)	9.09%
Financial Select SPDR (XLF)	9.09%
Health Care Select SPDR (XLV)	9.09%
Energy Select SPDR (XLE)	9.09%
Technology Select SPDR (XLK)	9.09%
Utilities Select SPDR (XLU)	9.09%
Consumer Discretionary Select SPDR (XLY)	9.09%
Industrial Select SPDR (XLI)	9.09%
Fidelity Real Estate Investment (FRESX)	9.09%
Fidelity Select Telecommunications (FSTCX)	9.09%
March 24, 1993 - December 31, 1998	
Fidelity Select Consumer Staples (FDFAX)	9.09%
Fidelity Select Materials (FSDPX)	9.09%
Fidelity Select Financial Services (FIDSX)	9.09%
Fidelity Select Health Care (FSPHX)	9.09%
Fidelity Select Energy (FSENX)	9.09%
Fidelity Select Technology (FSPTX)	9.09%
Fidelity Select Utilities (FSUTX)	9.09%
Fidelity Select Consumer Discretionary (FSCPX)	9.09%
Fidelity Select Industrial Equipment (FSCGX)	9.09%
Fidelity Real Estate Investment (FRESX)	9.09%
Fidelity Select Telecommunications (FSTCX)	9.09%

DISCLOSURES

Vantage 3.0 Model Portfolio Strategies Primary Bond Portfolio

October 16, 2012 - Present	
Vanguard Extended Duration Treasury (EDV)	25.00%
Vanguard Long Term Bond (BLV)	25.00%
Vanguard Intermediate Term Bond (BIV)	25.00%
Vanguard S-T Inflation-Protected Securities (VTIP)	25.00%
Vanguard Short Term Bond (BSV)	0.00%
January 29, 2008 - October 15, 2012	
Vanguard Extended Duration Treasury (EDV)	25.00%
Vanguard Long Term Bond (BLV)	25.00%
Vanguard Intermediate Term Bond (BIV)	25.00%
Vanguard Inflation-Protected Securities (VIPSX)	25.00%
Vanguard Short Term Bond (BSV)	0.00%
April 10, 2007 - January 28, 2008	
Vanguard Long Term Treasury Bond (VUSTX)	25.00%
Vanguard Long Term Bond (BLV)	25.00%
Vanguard Intermediate Term Bond (BIV)	25.00%
Vanguard Inflation-Protected Securities (VIPSX)	25.00%
Vanguard Short Term Bond (BSV)	0.00%
July 12, 2000 - April 9, 2007	
Vanguard Long Term Treasury Bond (VUSTX)	25.00%
Vanguard Long Term Bond (VBLTX)	25.00%
Vanguard Intermediate Term Bond (VBIIX)	25.00%
Vanguard Inflation-Protected Securities (VIPSX)	25.00%
Vanguard Short Term Bond (VBISX)	0.00%
March 1, 1994 - July 11, 2000	
Vanguard Long Term Treasury Bond (VUSTX)	33.34%
Vanguard Long Term Bond (VBLTX)	33.33%
Vanguard Intermediate Term Bond (VBIIX)	33.33%
Vanguard Short Term Bond (VBISX)	0.00%
March 24, 1993 - February 28, 1994	
Vanguard Long Term Treasury Bond (VUSTX)	66.67%
Vanguard Intermediate Term Treasury (VFITX)	33.33%
Vanguard Short Term Federal (VSGBX)	0.00%

DISCLOSURES

Vantage 3.0 Model Portfolio Strategies Primary Alternative Portfolio	
October 24, 2006 - Present	
Powershares Global Listed Private Equity (PSP)	33.34%
Powershares DB Commodity Index (DBC)	33.33%
Powershares DB G10 Currency Harvest (DBV)	33.33%
September 20, 2006 - October 23, 2006	
Red Rocks Global Listed Private Equity Index	33.34%
Powershares DB Commodity Index (DBC)	33.33%
Powershares DB G10 Currency Harvest (DBV)	33.33%
February 6, 2006 - September 19, 2006	
Red Rocks Global Listed Private Equity Index	33.34%
Powershares DB Commodity Index (DBC)	33.33%
DBIQ G10 Currency Future Harvest Index	33.33%
January 2, 1997 - February 5, 2006	
Red Rocks Global Listed Private Equity Index	33.34%
DBIQ Optimum Yield Diversified Commodity Index	33.33%
DBIQ G10 Currency Future Harvest Index	33.33%
March 24, 1993 - January 1, 1997	
DBIQ Optimum Yield Diversified Commodity Index	50.00%
DBIQ G10 Currency Future Harvest Index	50.00%
Vantage 3.0 Model Portfolio Strategies Primary Cash Portfolio	
March 24, 1993 - Present	
0.00% Return Cash Position	100.00%

DISCLOSURES

Disclosure for BCM Sources and Description of Data

The following descriptions indicate how live (or actual) fund results are strung together to simulate similar risk and return characteristics back to 1993. This reduces the standard error of the mean, which is unacceptably high for periods less than 20 years.

Vantage 2.0 Model Portfolio Strategies

1. There are three Vantage 2.0 Model Portfolio Strategies – Aggressive, Balanced, and Conservative.
2. The key element of construction is the use of three primary portfolios that represent stocks, bonds, and cash. Each primary portfolio is comprised of mutual funds/ETFs. The underlying mutual funds/ETFs and allocations of the primary stock, bond, and cash portfolios are the same in all Vantage 2.0 Model Portfolio Strategies; only the allocation to the primary stock, bond, and/or cash portfolios changes to meet the investor objective. The changes and timing of the allocation to the primary stock, bond, and/or cash portfolios are determined by a proprietary formula, which is constant throughout the time period simulated.
3. BCM monitors an equity benchmark index daily which is the basis for the primary stock portfolio used in the Vantage 2.0 Model Portfolio Strategies. When that equity benchmark index falls by 10% from its previous high, based on closing prices, the primary stock portfolio is liquidated the following day and the proceeds are invested in the primary bond portfolio. This does not guarantee losses from the primary stock portfolio will be limited to 10% or less. There is the potential for larger losses due to rapidly moving prices.
4. BCM monitors a bond benchmark index daily which is the basis of the allocation for the primary bond portfolio used in the Vantage 2.0 Model Portfolio Strategies. When that bond benchmark index falls by 4% from its previous high, based on closing prices, the primary bond portfolio is liquidated the following day, and the proceeds are invested in a short-term bond position. This does not guarantee losses from the primary bond portfolio will be limited to 4% or less. In many cases, the primary bond portfolio may experience larger than 4% losses as the current holdings may be more sensitive than the bond benchmark index to several risks that affect bond prices. Market prices of bonds may be affected by several risks, including without limitation: interest rate risk - a rise in interest rates may reduce the value of the primary bond portfolio; default or credit risk - the issuer's ability to make interest and principal payments; and liquidity risk - the inability to sell bond investments promptly prior to maturity with minimal loss of principal. In addition, there is the potential for larger losses due to rapidly moving prices. Investments in the primary bond portfolio do not guarantee against losses.
5. The Vantage 2.0 Model Portfolio Strategies' risk management strategies do not guarantee investment losses will be limited. All investments involve risk, and past performance does not guarantee future results, nor should past performance be used to determine potential future maximum losses.

Vantage 2.0 Model Portfolio Strategies Primary Stock Portfolio

October 1, 2004 - Present	
Vanguard Consumer Staples (VDC)	9.09%
Vanguard Materials (VAW)	9.09%
Vanguard Financials (VFH)	9.09%
Vanguard Health Care (VHT)	9.09%
Vanguard Energy (VDE)	9.09%
Vanguard Information Technology (VGT)	9.09%
Vanguard Utilities (VPU)	9.09%
Vanguard Consumer Discretionary (VCR)	9.09%
Vanguard Industrials (VIS)	9.09%
Vanguard REIT (VNQ)	9.09%
Vanguard Telecommunications (VOX)	9.09%
July 1, 2000 - September 30, 2004	
Consumer Staples Select SPDR (XLP)	9.09%
Materials Select SPDR (XLB)	9.09%
Financial Select SPDR (XLF)	9.09%
Health Care Select SPDR (XLV)	9.09%
Energy Select SPDR (XLE)	9.09%
Technology Select SPDR (XLK)	9.09%
Utilities Select SPDR (XLU)	9.09%
Consumer Discretionary Select SPDR (XLY)	9.09%
Industrial Select SPDR (XLI)	9.09%
iShares Dow Jones US Real Estate (IYR)	9.09%
Fidelity Select Telecommunications (FSTCX)	9.09%

DISCLOSURES

January 1, 1999 - June 30, 2000	
Consumer Staples Select SPDR (XLP)	9.09%
Materials Select SPDR (XLB)	9.09%
Financial Select SPDR (XLF)	9.09%
Health Care Select SPDR (XLV)	9.09%
Energy Select SPDR (XLE)	9.09%
Technology Select SPDR (XLK)	9.09%
Utilities Select SPDR (XLU)	9.09%
Consumer Discretionary Select SPDR (XLY)	9.09%
Industrial Select SPDR (XLI)	9.09%
Fidelity Real Estate Investment (FRESX)	9.09%
Fidelity Select Telecommunications (FSTCX)	9.09%
March 24, 1993 - December 31, 1998	
Fidelity Select Consumer Staples (FDFAX)	9.09%
Fidelity Select Materials (FSDPX)	9.09%
Fidelity Select Financial Services (FIDSX)	9.09%
Fidelity Select Health Care (FSPHX)	9.09%
Fidelity Select Energy (FSENX)	9.09%
Fidelity Select Technology (FSPTX)	9.09%
Fidelity Select Utilities (FSUTX)	9.09%
Fidelity Select Consumer Discretionary (FSCPX)	9.09%
Fidelity Select Industrial Equipment (FSCGX)	9.09%
Fidelity Real Estate Investment (FRESX)	9.09%
Fidelity Select Telecommunications (FSTCX)	9.09%
Vantage 2.0 Model Portfolio Strategies Primary Bond Portfolio	
April 10, 2007 - Present	
Vanguard Long Term Bond (BLV)	33.33%
Vanguard Intermediate Term Bond (BIV)	33.33%
Vanguard Short Term Bond (BSV)	33.34%
March 1, 1994 - April 9, 2007	
Vanguard Long Term Bond (VBLTX)	33.33%
Vanguard Intermediate Term Bond (VBIIX)	33.33%
Vanguard Short Term Bond (VBISX)	33.34%
March 24, 1993 - February 28, 1994	
Vanguard Total Bond Market (VBMFX)	100.00%
Vantage 2.0 Model Portfolio Strategies Primary Cash Portfolio	
March 24, 1993 - Present	
0.00% Return Cash Position	100.00%

DISCLOSURES

Disclosure for BCM Sources and Description of Data

The following descriptions indicate how live (or actual) fund results are strung together to simulate similar risk and return characteristics back to 1993. This reduces the standard error of the mean, which is unacceptably high for periods less than 20 years.

Vantage 1.0 Model Portfolio Strategies

1. There are three Vantage 1.0 Model Portfolio Strategies – Aggressive, Balanced, and Conservative.
2. The key element of construction is the use of three primary portfolios that represent stocks, bonds, and cash. Each primary portfolio is comprised of mutual funds. The underlying mutual funds and allocations of the primary stock, bond, and cash portfolios are the same in all Vantage 1.0 Model Portfolio Strategies; only the allocation to the primary stock, bond, and/or cash portfolios changes to meet the investor objective. The changes and timing of the allocation to the primary stock, bond, and/or cash portfolios are determined by a proprietary formula, which is constant throughout the time period measured.

Vantage 1.0 Model Portfolio Strategies Primary Stock Portfolio

April 1, 1998 - Present	
DFA US Micro Cap (DFSCX)	15.00%
DFA US Small Cap Value (DFSVX)	15.00%
DFA International Small Co. (DFISX)	15.00%
DFA International Small Cap Value (DISVX)	15.00%
DFA Emerging Markets (DFEMX)	15.00%
DFA Emerging Markets Value (DFEVX)	15.00%
DFA Real Estate Securities (DFREX)	10.00%
October 1, 1996 - March 31, 1998	
DFA US Micro Cap (DFSCX)	22.50%
DFA US Small Cap Value (DFSVX)	22.50%
DFA International Small Co. (DFISX)	22.50%
DFA International Small Cap Value (DISVX)	22.50%
DFA Real Estate Securities (DFREX)	10.00%
December 29, 1994 - September 30, 1996	
DFA US Micro Cap (DFSCX)	22.50%
DFA US Small Cap Value (DFSVX)	22.50%
DFA International Small Cap Value (DISVX)	45.00%
DFA Real Estate Securities (DFREX)	10.00%
March 24, 1993 - December 28, 1994	
DFA US Micro Cap (DFSCX)	45.00%
DFA US Small Cap Value (DFSVX)	45.00%
DFA Real Estate Securities (DFREX)	10.00%

DISCLOSURES

Vantage 1.0 Model Portfolio Strategies Primary Bond Portfolio

September 15, 2006 - Present

DFA Intermediate Government (DFIGX)	50.00%
DFA Inflation-Protected Securities (DIPSX)	50.00%

March 24, 1993 - September 14, 2006

DFA Intermediate Government (DFIGX)	100.00%

Vantage 1.0 Model Portfolio Strategies Primary Cash Portfolio

March 24, 1993 - Present

0.00% Return Cash Position	100.00%

DISCLOSURES

Beacon Satellite Funds

There are 18 satellite funds investors may allocate to their portfolio to meet a specific investor objective.

DFA US Core Equity 1	
September 15, 2005 - Present	
DFA US Core Equity 1 (DFEOX)	100.00%
March 24, 1993 - September 14, 2005	
Vanguard 500 (VFINX)	100.00%
DFA Enhanced US Large Co.	
July 2, 1996 - Present	
DFA Enhanced US Large Co. (DFELX)	100.00%
March 24, 1993 - July 1, 1996	
Vanguard 500 (VFINX)	100.00%
DFA US Large Value	
March 24, 1993 - Present	
DFA US Large Value (DFLVX)	100.00%
DFA US Micro Cap	
March 24, 1993 - Present	
DFA US Micro Cap (DFSCX)	100.00%
DFA US Small Cap Value	
March 24, 1993 - Present	
DFA US Small Cap Value (DFSVX)	100.00%
DFA International Core Equity	
September 15, 2005 - Present	
DFA International Core Equity (DFIEX)	100.00%
March 24, 1993 - September 14, 2005	
Vanguard 500 (VFINX)	100.00%
DFA Large Cap International	
March 24, 1993 - Present	
DFA Large Cap International (DFALX)	100.00%
DFA International Value Portfolio	
February 15, 1994 - Present	
DFA International Value Portfolio (DFIVX)	100.00%
March 24, 1993 - February 14, 1994	
Vanguard 500 (VFINX)	100.00%

DISCLOSURES

DFA International Small Co.	
September 30, 1996 - Present	
DFA International Small Co. (DFISX)	100.00%
March 24, 1993 - September 29, 1996	
Vanguard 500 (VFINX)	100.00%
DFA International Small Cap Value	
December 29, 1994 - Present	
DFA International Small Cap Value (DISVX)	100.00%
March 24, 1993 - December 28, 1994	
Vanguard 500 (VFINX)	100.00%
DFA Emerging Markets Core	
April 4, 2005 - Present	
DFA Emerging Markets Core (DFCEX)	100.00%
March 24, 1993 - April 3, 2005	
Vanguard 500 (VFINX)	100.00%
DFA Emerging Markets	
April 22, 1994 - Present	
DFA Emerging Markets (DFEMX)	100.00%
March 24, 1993 - April 21, 1994	
Vanguard 500 (VFINX)	100.00%
DFA Emerging Markets Value	
April 1, 1998 - Present	
DFA Emerging Markets Value (DFEVX)	100.00%
March 24, 1993 - March 31, 1998	
Vanguard 500 (VFINX)	100.00%
DFA Real Estate Securities	
January 5, 1993 - Present	
DFA Real Estate Securities (DFREX)	100.00%
March 24, 1993 - January 4, 1993	
Vanguard 500 (VFINX)	100.00%

DISCLOSURES

DFA Commodity Strategy	
November 5, 2010 - Present	
DFA Commodity Strategy (DCMSX)	100.00%
March 24, 1993 - November 4, 2010	
Vanguard 500 (VFINX)	100.00%
DFA One-Year Fixed Income	
March 24, 1993 - Present	
DFA One-Year Fixed Income (DFIHX)	100.00%
DFA Intermediate Government	
March 24, 1993 - Present	
DFA Intermediate Government (DFIGX)	100.00%
DFA Inflation-Protected Securities	
September 14, 2006 - Present	
DFA Inflation-Protected Securities (DIPSX)	100.00%
March 24, 1993 - September 13, 2006	
Vanguard Total Bond Market (VBMFX)	100.00%
Money Market	
March 24, 1993 - Present	
0.00% Return Cash Position	100.00%

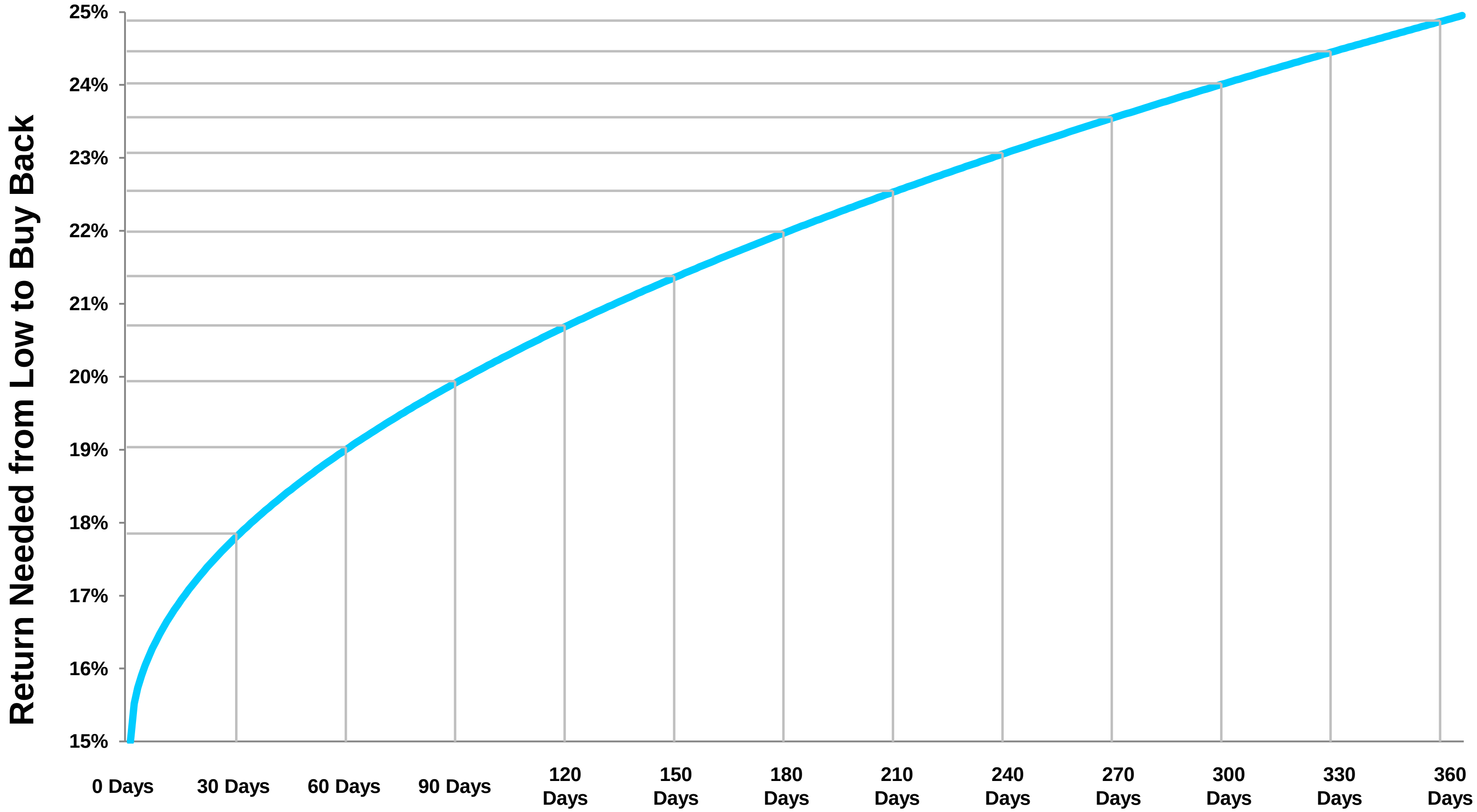
DISCLOSURES

Disclosure for Benchmark Allocation

1. Benchmarks provide the standards against which investment performance is measured. Beacon utilizes Morningstar Asset Allocation Category classifications as a benchmark for each portfolio. Morningstar, Inc. is an independent publisher of portfolio research and ratings.
2. Morningstar Asset Allocation Categories are assigned based on the typical equity exposure of the portfolio over time. For portfolios that are reviewed and assigned a Morningstar Asset Allocation Category by Morningstar, Inc., the highest equity exposure for the assigned category is used. For example, if Morningstar, Inc. assigns the Morningstar Asset Allocation 50% to 70% Equity Category to a portfolio, Beacon will use 70% as the typical equity exposure for that portfolio. For those portfolios that are not reviewed or assigned to a Morningstar Asset Allocation Category by Morningstar, Inc., Beacon estimates the typical equity exposure of the portfolio over extended time periods.
3. Morningstar Category classifications break portfolios into peer groups that help investors compare historical performance and assess potential risk.
4. Morningstar assigns categories to all types of portfolios, such as mutual funds, variable annuities, and separate accounts. Portfolios are placed in a given category based on their average holdings statistics over the past three years. Morningstar's editorial team also reviews and approves all category assignments. If the portfolio is new and has no history, Morningstar estimates where it will fall before giving it a more permanent category assignment. When necessary, Morningstar may change a category assignment based on recent changes to the portfolio.
5. A full description of each Morningstar Category can be provided upon request.
6. No management fees have been deducted from the performance of the Morningstar Categories.
7. For all data periods, beta is a statistical measurement of volatility as compared to a benchmark. The Vanguard 500 Fund (VFINX) is used as the benchmark for comparison beta calculations, which is calculated for each Beacon portfolio and Morningstar Category.
8. For all data periods, alpha is a statistical measurement of excess return for risk borne as compared to a benchmark. The Vanguard 500 Fund (VFINX) is used as the benchmark for comparison alpha calculations, which is calculated for each Beacon portfolio and Morningstar Category.

VANTAGE 2.0 STOP LOSS BUY BACK

The Longer the Decline → The More Confidence We Need



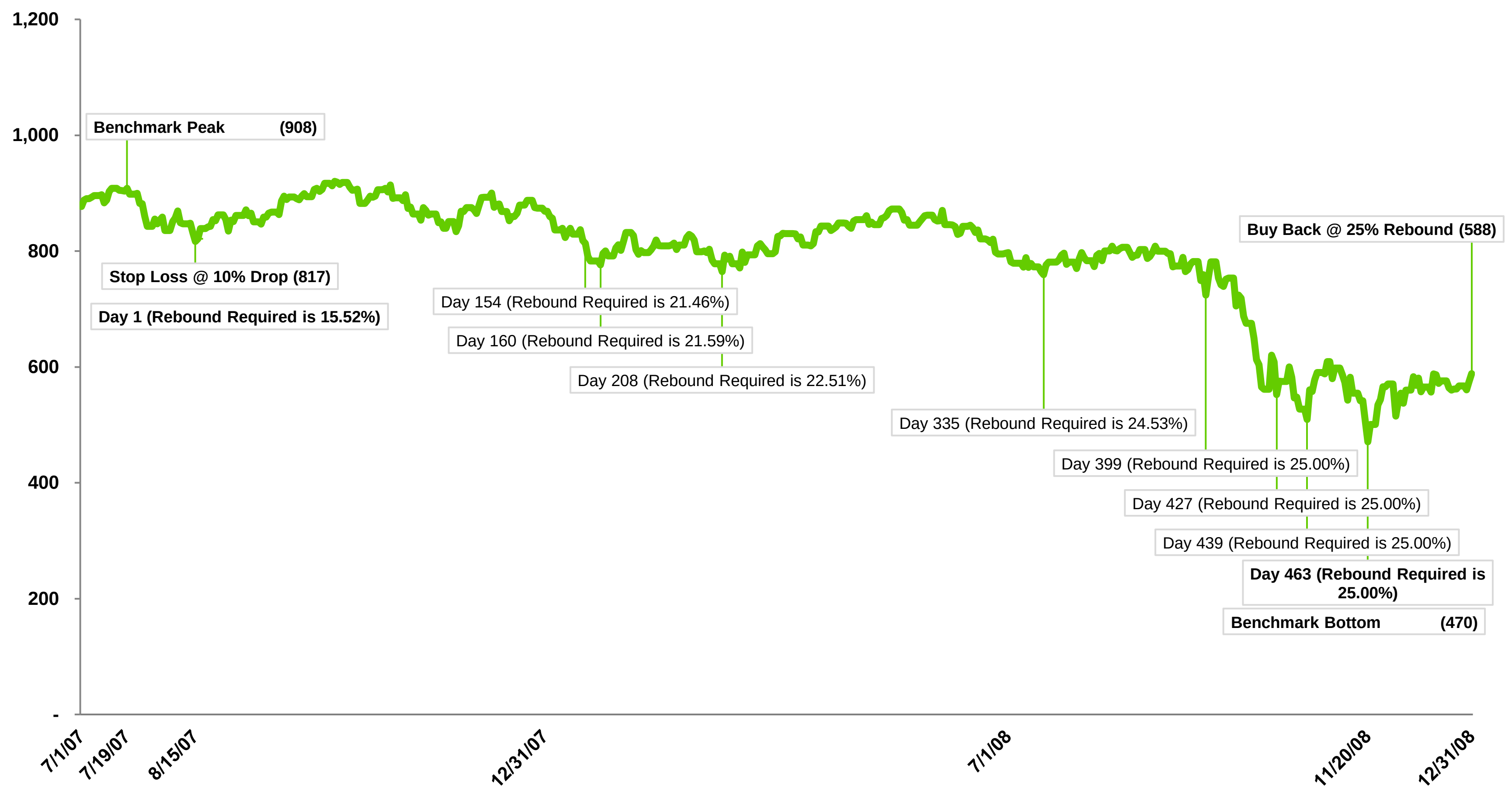
Buy Trigger	15%	17.9%	19.0%	19.9%	20.7%	21.4%	22.0%	22.5%	23.1%	23.6%	24.0%	24.5%	24.9%

Number of Days Since Stop Loss

BEACON
Capital Management

2.0 RISK MANAGEMENT IN ACTION

Vantage 2.0 Benchmark Index Simulation



BEACON Capital Management