

PORTFOLIO REVIEW

EXECUTIVE SUMMARY

PREPARED EXCLUSIVELY FOR
John and Jane Doe

— THE —
PARR McKNIGHT
WEALTH MANAGEMENT GROUP

CLARITY. CONFIDENCE. STRUCTURE.

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DOES YOUR MIX NEED A FIX?

JOHN AND JANE DOE

March 1, 2019

EXTERNAL STATEMENTS REVIEWED:

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John and Jane Doe Rev Trust	Taxable	12/31/2018	\$2,486,186.86
John Doe Rollover IRA	Deferred	12/31/2018	\$1,090,998.28
Jane Doe Rollover IRA	Deferred	12/31/2018	\$42,912.60
TOTAL			\$3,620,097.74

Envision
questionnaire
completed?
 YES NO

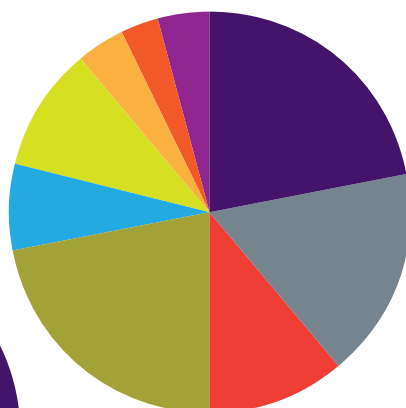
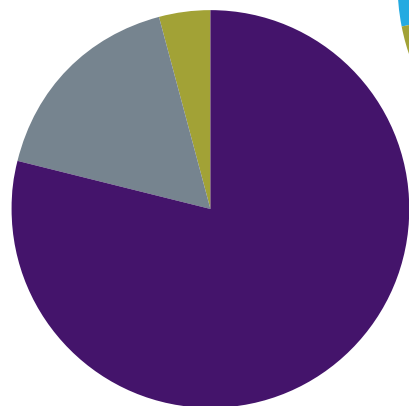
GOALS OF ASSETS:

- Build Net Worth Major Purchase
 Save for Retirement Intergenerational Transfer
 Provide Retirement Income Other _____

INVESTMENT OBJECTIVE: _____

CURRENT ASSET MIX

- Equities 79%
- Fixed Income 17%
- Cash 4%



- U.S. Large Cap Equities 22%
- U.S. Mid Cap Equities 17%
- U.S. Small Cap Equities 11%
- Developed Market Ex-U.S. Equities 22%
- Emerging Market Equities 7%
- U.S. Short Term Taxable Fixed Income 10%
- U.S. Intermediate Term Taxable Fixed Income 4%
- Long Term Tax Exempt Fixed Income 0%
- High Yield Taxable Fixed Income 3%
- High Yield Tax Exempt Fixed Income 0%
- Commodities 4%

TOP HOLDINGS:

TOP HOLDINGS:	TICKER	AMOUNT \$	PORTFOLIO WEIGHT
Vanguard Mid Cap ETF	VO	\$370,000	10.87%
Vanguard FTSE Developed Markets ETF	VEA	\$262,000	7.61%
iShares Core S&P Small Cap	IJR	\$269,000	7.45%
VanEck Vectors Morningstar Wide Moat ETF	MOAT	\$232,000	6.98%
Artisan International Value Investor	ARTKX	\$239,000	6.88%
TOTAL TOP 5		\$1,372,000	39.79%

Asset Mix & Holdings as of xx/xx/xxxx. Market values subject to change. This summary is not intended to represent an investment recommendation; it has been prepared to assist you with your current investment planning and is for informational purposes only. The content has been comprised using information you provided on assets held at other financial institutions. We assume no responsibility for the accuracy or completeness of the information you provided and all data in this report is "as of" the dates indicated.

POTENTIAL RISK EXPOSURES:

Liquidity: All securities are publicly traded open end mutual funds and exchange traded funds. Daily liquidity is available on all securities. The ability to take advantage of a correction may be hindered by a low cash position (<5%).

Inflation: The portfolio is 16% invested in fixed income. Collective yield on the portfolio is only 1.51% and the average duration is less than 3 years. Virtually all of return on fixed income assets may be consumed by inflation. Equities historically have provided an effective inflation hedge long term.

Volatility: Morningstar analytics indicate that the worst three month period for this particular portfolio of investments would have suffered declines of 27%. The worst 12 month period saw declines of 37%. Envision estimates this portfolio has a 5% chance of being down 13% or more in any given year.

Interest Rate: The interest rate sensitivity of your fixed income allocation is relatively low with a duration of 2.6 versus the benchmark of 5.8. This means an increase of 1% in interest rates may cause the fixed income portion of the portfolio to decline by 2.6%. We noted that the fixed income closed-end funds in your portfolio have embedded leverage that enhances interest-rate risk. Owning individual bonds may be preferable as they have defined maturity dates and values.

Credit: Roughly 75% of the fixed income in this portfolio carries a credit rating of investment grade and 25% has a non-investment grade rating. We see opportunities to diversify and restructure a portion of your fixed income allocation.

Tax Efficiency: The open end mutual funds that you own in the revocable trust may generate unwanted capital gains distributions annually. Given your high tax bracket, owning individual municipal bonds, rather than taxable securities may create higher levels of after tax income. Tax inefficient investments should be owned in tax deferred accounts and tax efficient investments are better placed in taxable accounts.

Observations for Discussion

- Effective use of both active and passive approaches.
- Cash flow on portfolio is relatively low at 1.5% (80% of the S&P yield on 80/20 portfolio).
- Large exposure to dividend oriented stocks which appear to be popular and fully valued.
- Short duration yields less expenses produces low to negative yields.
- Be aware of the use of leverage in closed end funds.
- Narrowing spreads in high yield may mean lower future returns.
- New and unproven bullet ETF strategy (maturity dates).
- Lack of transparency from Doubleline fund management.
- Questions about individual bond issues.
- Tax free vs taxable fixed income.
- Direct ownership may be preferable, especially from a tax efficiency perspective.

The observations provided in this document are the opinions of the Parr McKnight Group and may be based on analysis and analytics from in-house and third party providers. As we do not provide any tax advice you may want to consult with your tax advisor before making any changes to your investment strategy. Past performance is not indicative of future results and there is no assurance that any alternative strategy we recommend will be successful.

EXECUTIVE SUMMARY

BEST/WORST TIME PERIODS of current holdings during xxxx-xxxx

TIME PERIOD:	BEST %	WORST %
3 MONTHS	+ 27.43% (Mar 2009- May 2009)	- 27.30% (Mar 2008- May 2008)
1 YEAR	+ 53.25% (Mar 2009- Feb 2010)	- 37.28% (Mar 2008- Feb 2009)

The portfolio-level performance shown is hypothetical and for illustrative purposes only. Investor returns will differ from the results shown. The performance data reflects monthly portfolio rebalancing.

PORTFOLIO VALUE: \$3,500,000	BEST %	WORST %
3 MONTHS (Mar 2009- May 2009)	+\$945,000	-\$945,000
1 YEAR (Mar 2009- Feb 2010)	+\$1,855,000	-\$1,295,000

The Portfolio values shown are for informational purposes only and do not reflect the effect of any fees/expenses or taxes.

Observations for Discussion

- The portfolio returns illustrated revolve around a period of financial crisis.
- Expenses seem to be in line with industry averages given the size of the portfolio.
- Internal expenses are a blend of low cost exchange traded funds and open end mutual funds with moderate expense ratios.
- Expenses could be reduced with direct ownership of individual bonds and equities.
- Data illustrated was found in the supplemental analysis materials provided.
- Illustrated portfolio values are calculated from the total amount submitted for review.

Notes and Next Actions

Investment products and services are offered through Wells Fargo Advisors Financial Network, LLC (WFAFN), Member SIPC. The Parr McKnight Wealth Management Group is a separate entity from WFAFN. CAR-0719-02230

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We are pleased to provide this service to your family. Thank you for using us as a sounding board and second opinion.

If in the future, you decide to reconsider your advisory relationship, we would love to hear from you.