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## Annualized Trailing Returns

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As of Date: 9/30/2018

<b>Magni Model Portfolios</b>	<b>YTD</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>Since Inception*</b>
Magni Emerging Markets	-7.65%	-1.71%	10.60%	1.65%	4.70%	12.84%
iShares MSCI Emerging Markets ETF	-8.02%	-1.35%	11.73%	3.02%	4.45%	
Magni EAFE	-1.48%	1.96%	10.41%	5.25%	5.46%	8.73%
iShares MSCI EAFE ETF	-1.42%	2.69%	9.17%	4.33%	5.30%	7.49%
Magni ACW ex US	-3.90%	0.61%	10.55%	3.87%	5.12%	10.35%
iShares MSCI ACWI ex US ETF	-2.93%	1.86%	9.92%	4.06%	4.76%	

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\* Inception Date: Magni models - 1/1/2003. iShares EM - 4/7/2003. iShares EAFE - 8/14/2001. iShares ACWx - 3/26/2008.

Additional Magni index composites exist and the model performance shown herein does not include all Magni index composites available. Model performance results have inherent limitations. Model performance does not involve financial risk and cannot completely account for the impact of financial risk associated with actual trading. Certain factors and variables related to the markets in general or to the implementation of any specific trading or investment strategy cannot be fully accounted for in the preparation of model performance results; these factors can affect actual trading results adversely. Furthermore, model performance data does not include transaction costs, which can affect performance.

The model performance shown is forward tested performance based upon internally generated simulations of concurrent actual trading, measured by the independent services Advent OnDemand and Morningstar Direct. While no trades using client assets were executed, the simulated, concurrent trades were based upon real time market data and trade entries and exits are documented along with any profits or losses. Investment decisions and weightings were made based upon research, as noted, and performance was computed by an analysis conducted by independent performance measurement firms.

There is no guarantee as to the future performance or any specific level of performance or the success of any investment decision or strategy that Magni may use or the success of Magni's overall investment management services on behalf of the client. Investment decisions made by Magni are subject to various market, currency, economic, political and business risks and Magni's investment decisions on behalf of the client may not always be profitable.

# **Disclosures**

## **DESCRIPTION OF THE MODEL**

- Returns are based on a model using index results for each country. The performance shown is forward-tested performance based upon a simulation of concurrent actual trading. While no trades using client assets were actually executed, the simulated, concurrent trades were based upon real time market data and trade entries and exits are documented along with any profits or losses. Investment decisions and weightings were made based upon research received from a third-party data provider, which were then translated into algorithmic inputs.
- Magni relied on a third-party provider to provide certain research information and data relevant to the model. In early 2011, Magni purchased the third-party data provider and began performing the research process internally. While Magni believes the research process has been improved as a result of the acquisition, no guarantees can be made that Magni will be able to recreate the research process and data inputs identically as they were before Magni purchased the third-party data provider.

## **EXECUTION OF THE MAGNI STRATEGY**

- Magni Global Portfolios involve the use of country-level Exchange Traded Funds ("ETFs") which Magni believes provides a cost-effective way to execute the strategy. Magni may also employ derivatives and other investments to access certain countries and markets where the use of ETFs may not be possible or suitable. Such investments may entail higher expenses and transaction costs.
- Magni portfolios may not hold ETFs for all countries in the model if suitable country ETFs are not available. Magni adjusts portfolio weightings to take account of availability and such adjustments, while not expected to be material, may result in differences between model and actual performance.

## **PERFORMANCE RESULTS**

- The performance results are United States dollar-based, based upon trade-date accounting and include the reinvestment of dividends, capital gains and interest (if any). The results for the full historical period are time-weighted. The performance results are presented gross or net as indicated. Where performance results are presented on a gross of fees and expenses basis, the results shown do not reflect the deduction of advisory fees paid to Magni.
- Gross results do, however, reflect the underlying expenses of the ETFs such as trading and other expenses that reduce the return. Additional fees for custody and other expenses, which can range from 0.05% for developed markets to 1.00% for emerging markets, are not included in the net of fees results due to the fact that such transaction expenses are difficult to approximate given the ongoing changes to the percentage mix of the markets selected by Magni.
- Magni portfolios may not hold ETFs for all countries in the model if suitable country ETFs are not available. Magni adjusts portfolio weightings to take account of availability and such adjustments, while not expected to be material, may result in differences between model and actual performance.
- The comparison indices used are the iShares MSCI ACWI ex US ETF ("iShares ACWI ex US ETF") for the Magni ACW ex US strategy, iShares MSCI EAFE ETF ("iShares EAFE ETF") for the Magni EAFE strategy, and the iShares MSCI Emerging Markets ETF ("iShares EM ETF") for the Magni Emerging Markets Strategy.
- iShares ETFs are free float-adjusted market capitalization weighted index funds intended to replicate the equity performance of the relevant indices. Performance of the iShares ETFs are net of fund advisor, administrative, trading, and operational expenses.
- Magni's Actual Track Record represents real trading and results. Magni's managed accounts are held at Schwab on behalf of individuals associated with Magni and are managed by Magni on a discretionary basis. The results shown include expenses charged by Schwab for executing trades, but do not include management fees that would otherwise be charged to clients by Magni. The performance in these accounts is shown for informational purposes only.