SwaimBrown
Wealth Management LLC

2018 Portfolio Strategies Brochure

ABOUT OUR FIRM

SwaimBrown is an independent, fee-only investment advisor.

Our focus is on wealth management. We believe success in properly managing client assets is not measured by performance statistics, but by our clients' success in achieving their goals.

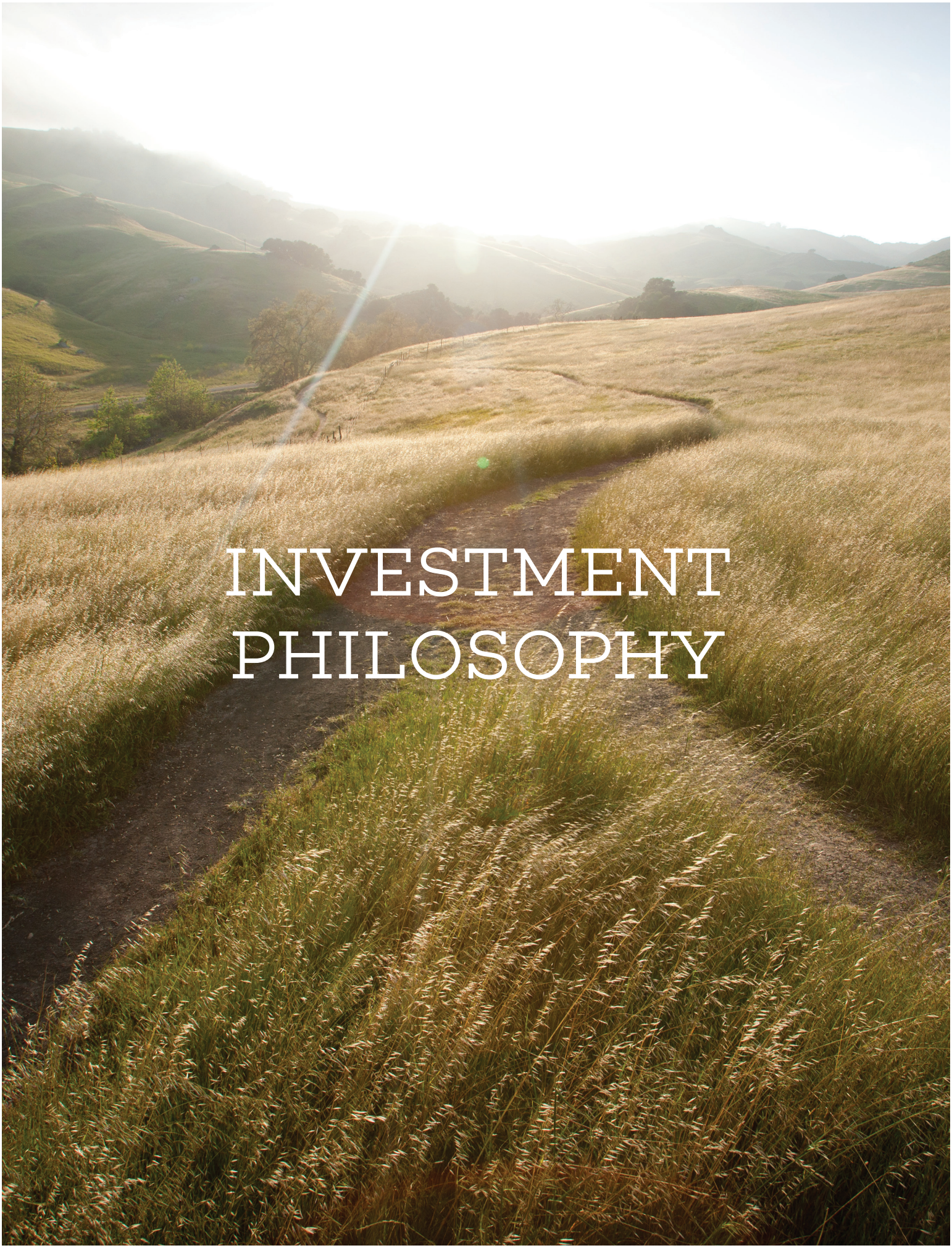
We believe that successful wealth management is about understanding and managing risk. Instead of chasing hot funds and betting on hot markets, we focus on developing a disciplined investment strategy that will provide our clients the investment returns they need with the least risk possible to their assets.

Our clients are not speculative, high-risk investors. Some are fiduciaries of corporate retirement plans, non-profit institutions, trusts or estates. Others are individuals who have already established themselves financially. All seek to grow their assets over time while avoiding the numerous risks that abound in today's investment environment.

We are successful because we understand the unique needs of our clients, and because we are ideally positioned to respond to those needs. As an independent, fee-based firm we do not represent investment or insurance providers, nor do we receive commissions for recommending investments or trading securities.

We answer only to our clients, ensuring that the investments we recommend to them are those that we believe to be appropriate for them.

Our reality is a simple one: We succeed only when our clients succeed.



INVESTMENT PHILOSOPHY

Three key concepts for investment success

Our investment philosophy can be summed up in a single phrase: Focus on the things you can control, not the things you can't control.

All too often, investment managers devote their efforts to trying to outguess the market – where it's heading and where to be (or not be) in the future. While this may sound appealing, study after study has found that this approach – known as "active management" – is futile and costly. In fact, statistics show that more than 80% of active managers fail to beat their market benchmark over five- and ten-year time periods! What's more, the slim percentage of managers who do beat the market never show any predictable tendency to repeat the feat in the future – it appears that luck has as much to do with beating the market as does skill. And managers who guess wrong about the direction of the market run the risk of missing out on returns that were otherwise there to be had for their clients.

In our opinion, that is no basis for an investment philosophy, and for that reason we reject the costly and ineffective games that Wall Street encourages investors to play. While we can't know the future direction of the market and can't control which market sectors will or won't be in favor, we can devote ourselves to certain key concepts that are within our control, and that have been proven to have a significant, positive effect on investment performance.

We call these our Three Key Concepts for Investment Success. These concepts are grounded in logic, reason and commonsense.

They are embraced by some of the largest institutional investors in the world – foundations, pension funds and endowments who all are charged with managing their money as prudently and effectively as possible. These institutional investors don't play Wall Street's game, and we don't think our clients should either.

Here is a look at our Three Key Concepts in more detail:

Concept One: Maximize Cost Efficiency

If you could increase your net investment return without increasing your risk, would you want to do that? Obviously, you would, and yet most investors – and their advisors – fail to focus on some very simple strategies that can significantly improve the cost efficiency of the investment portfolio, thereby increasing net returns in the process:

1. Use institutional, asset-class funds:

Institutional, asset-class funds are low-cost, style specific investments designed to capture the risk and return characteristics of a specific market segment. These funds track their targeted asset class with great precision and with much lower cost than most retail mutual funds. Such funds are available only to large institutional investors and a limited number of independent Registered Investment Advisors, including us.

Four major attributes of asset-class funds make them attractive:

1 Lower operating expenses.
2 Lower turnover, resulting in lower costs.
3 Lower turnover, resulting in lower taxes.
4 Consistently maintained market segments.

2. Focus on asset location:

Many investors have heard of asset allocation, but few are familiar with the concept of asset location, which is the strategic division of assets across an investor's accounts based on those assets' tax liability.

Proper asset location is extremely important in maximizing the investor's net return; several studies have shown investors can lose up to 20% of their after-tax return by mis-locating investments in the wrong type of account. And yet a recent Federal Reserve survey showed most investors populate taxable and tax-deferred accounts with identical securities.

Under the current tax code, capital gains and income are taxed at different rates. Because the sources of return for investments vary (capital gains, dividends and income) it is advantageous to place tax-efficient investments in taxable accounts and tax-inefficient investments in taxdeferred accounts to the greatest extent possible.

By placing high-income investments in a taxdeferred account investors can shelter that income from taxes. Meanwhile, low-income, low-turnover investments such as large-cap stock funds can be placed in taxable accounts due to their greater tax efficiency.

Proper asset location can help many investors increase their after-tax return without assuming additional risk, and this is a major focus of our portfolio management efforts.

Concept Two: Minimize Unnecessary Volatility

If you have two investment portfolios with the same average (arithmetic) return over time, you would probably expect them to generate the same ending wealth value. But there is an important additional part of the equation: A portfolio that has lower volatility will actually generate a higher compound return over time than a portfolio with greater volatility (see Exhibit 1).

Obviously, then, you want to design your portfolio so that it has as little volatility as necessary to achieve your goals. This is an important concept but one that few advisors devote time to understanding.

While all stock investors have to live with a certain amount of volatility, the goal should be to structure your portfolio so that it doesn't experience unnecessary volatility. While there are many ideas about the best way to accomplish this goal, only one asset-allocation strategy has won a Nobel Prize in Economic Science for its efforts in this area: Modern Portfolio Theory (MPT).

According to MPT, asset classes and investment styles (such as growth and value, large and small, foreign and domestic, etc.) should be combined in a portfolio with an understanding of the effect those asset classes have on each other, not just evaluated on their own. For example, large U.S. growth stocks and REIT (real estate) stocks each have a high degree of volatility on their own, but when they are combined in a portfolio they actually help reduce the portfolio's volatility. This is because those two asset classes historically have a low correlation relative to one another; when large growth stocks are in favor, REIT stocks tend to be out of favor, and vice versa.

Today, MPT is the gold-standard for prudent investment management, whether for large institutional investors or individuals. In fact, it was the explicit

underpinning of the Uniform Prudent Investors Act, which sets the guidelines for prudent fiduciary conduct in most states. While nearly everyone in the investment industry today touts the virtues of "diversification", the measure of that commitment is whether the investment professional is truly adhering to the principles of Modern Portfolio Theory.

To be sure, MPT does not give us a free pass around the volatility that is an inherent part of stock investing; there are times, such as 2002 and 2008, when nearly every equity asset class declines and there is no short-term benefit to be had from diversification. What MPT does accomplish over the long term is to reduce the extreme volatility that comes from being concentrated in just a few stocks or market sectors, something that will increase your compound returns over time compared to less efficiently designed portfolios.

EXHIBIT 1
LESS VOLATILITY = GREATER WEALTH

Year	Rate of Return	Ending Value	Rate of Return	Ending Value
1	8%	$108,000	30%	$130,000
2	8%	$116,640	-20%	$104,000
3	8%	$125,971	25%	$130,000
4	8%	$136,049	-20%	$104,000
5	8%	$146,933	25%	$130,000
Arithmetic return Compound return	8% 8%		8% 5.39%	

Source: CEG Worldwide.

Concept Three: Manage the Portfolio Proactively

We embrace the concept of "buy-and-hold", but we definitely do not embrace the concept of "buy-and-forget-about-it". While we avoid making subjective decisions about the near-term direction of the stock market, we go to great lengths to manage your portfolio and monitor the investments within it. Our efforts in this area include:

Rebalancing: Rebalancing is the process of reallocating assets back to their predetermined target weightings. Over time, as segments of the portfolio perform differently, the portfolio's asset allocation will change causing a deviation in its expected risk and return. The primary purpose of rebalancing is to maintain the structural integrity of the portfolio to deliver a more consistent and predictable investment experience.

Reallocation: The capital markets are a dynamic environment. Things do not stay static –countries thrive or fall into decline, enterprises come and go, and entire industries are created or made obsolete in short order. As such, we monitor the global capital markets to see if new asset classes are emerging that may add a diversification benefit to our portfolio strategies. We conduct rigorous analyses of new asset class opportunities and, when appropriate, we add them to our portfolio strategies if we believe they make sense for our investors. We do not make such decisions based on market conditions as we believe such decision making is flawed; rather, we choose to add new

asset classes to our portfolio strategies when we believe there is along-term diversification benefit for doing so.

Investment Evaluation:

New investments are constantly coming to market much like new food products are constantly popping up on supermarket shelves. As Vanguard founder John Bogle noted, most of these investment products serve the interests of the investment provider, not the investor. However, sometimes new investment vehicles come to market that do provide a compelling benefit to our investors, such as Exchange Traded Funds and Inflation-Adjusted Bonds (commonly known as "TIPS"). Other times asset-class funds come to market that may track a particular asset class at a lower cost than a fund we are currently using in our portfolio strategies.

We constantly evaluate new investment vehicles to determine if they will help our investors achieve their goals with lower volatility, or less cost, than the current investments in our portfolios.

At SwaimBrown, we are committed to providing our clients with an unsurpassed level of service and advice.

To help us accomplish this vision, we partner with Capital Directions, LLC, one of the Southeast's oldest and largest investment managers, to provide portfolio management services for our clients. Founded in 1985, Capital Directions manages and advises on more than $1.2 billion, much of it through selective affiliations with independent investment advisors like us.

There are several key advantages that our partnership with CD provides our clients: Outstanding service: Capital Directions performs many of the "mechanical" aspects of investment management for our clients – trading, portfolio construction, processing distributions, producing performance reports, etc. This frees us from these time-consuming tasks, allowing us to devote much more of our energy to being responsive to our clients' high-level planning needs and providing investment solutions that meet those needs.

Expanding our "brain trust": Because no one can be an expert in everything, we believe that professional collaboration is essential to providing superior service to our clients. Our partnership with Capital Directions gives us access to a firm that has twice been named one of the "Best Managed Firms" in the country in studies by Moss Adams, LLP on behalf of Charles Schwab & Co., Inc. Capital Directions limits the number of advisory firms it partners with, which allows the principals of our firm and the principals of Capital Directions to work closely together to craft an investment plan custom-tailored to each client's unique needs, goals and values.

Accessing institutional investments: Capital Directions is one of a limited number of advisors around the country who are approved to use the institutional, asset-class funds of Dimensional Fund Advisors (DFA). DFA funds are among the most highly regarded in the investment industry, thanks to their extremely low cost structure and outstanding tax efficiency. Investors wishing to go directly to DFA must have a minimum of $2 million per fund. Thanks to our affiliation with Capital Directions, however, we are pleased to offer our clients access to DFA funds at greatly reduced minimums.

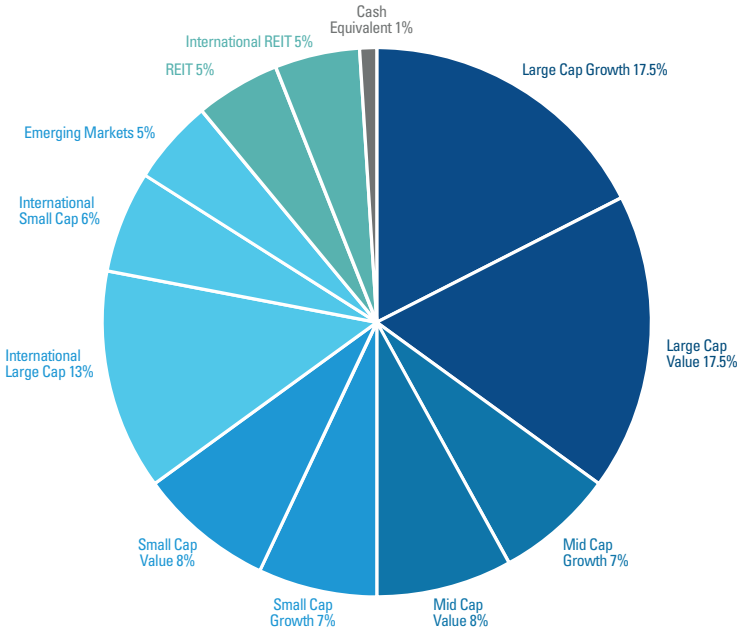
Investment Strategies

The model portfolios on the following pages represent the investment strategies employed by Capital Directions since their commencement date of January 1999. All of the performance data contained on the following pages is hypothetical in that it does not represent actual trading by Capital Directions. Please see the Disclosure Statement and Sources of Data for important information about the hypothetical performance data at the end of this document.

ALL EQUITY PORTFOLIO

100% Equities

Large-Cap U.S. Stock	35.00%
Mid-Cap U.S. Stock	15.00%
Small-Cap U.S. Stock	15.00%
International Stock	24.00%
Real Estate Stock	10.00%
Fixed Income	0.00%
Cash Equivalent	1.00%



Average Annual Return

For the periods ending 9/30/18

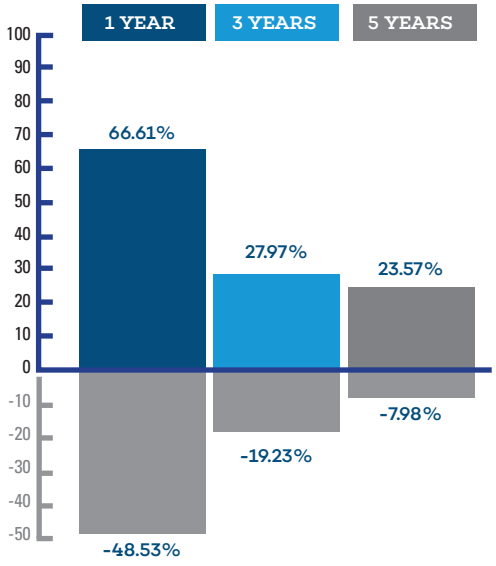
	RETURN
3 months	3.38%
1 year	9.30%
3 years	12.29%
5 years	8.70%
10 years	8.83%
20 years	6.63%

OBJECTIVE

The All Equity Portfolio seeks a high degree of long-term capital appreciation through a diversified global equity strategy. The portfolio is entirely invested in stocks. Forthis reason it is suitable only for investors with longer time horizons who can withstand a high degree of principal volatility. Investors in this portfolio should have a time horizon of ten years or longer.

VOLATILITY INDEX

01/01/98 - 12/31/17



Ten Year Calendar Returns

2008-2017

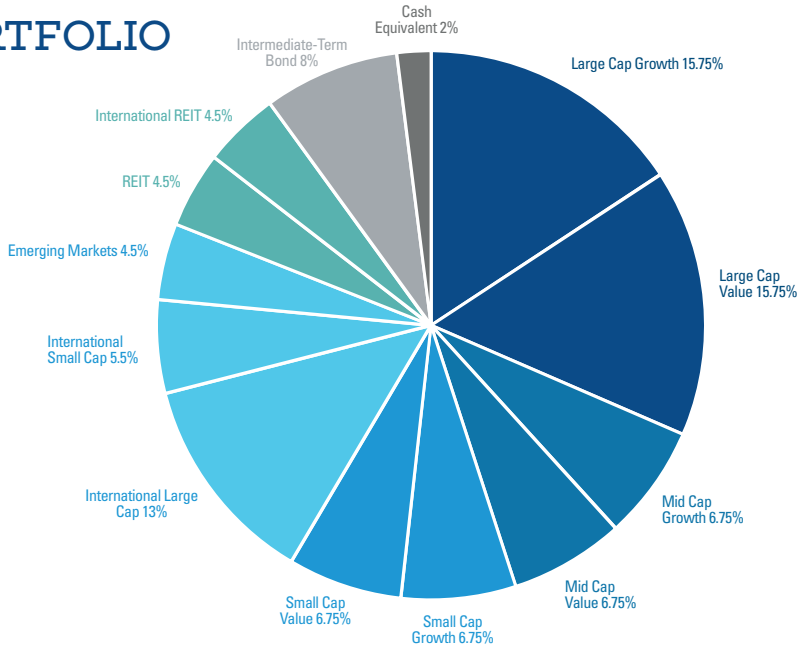
CALENDAR YEAR	RETURN	CALENDAR YEAR	RETURN
2008	-40.75%	2013	27.99%
2009	33.40%	2014	6.04%
2010	19.39%	2015	-2.30%
2011	-5.15%	2016	11.44%
2012	17.51%	2017	18.08%

Please refer to the Disclosure Statement and Sources of Data for important information about hypothetical investment performance contained in this brochure. Portfolios managed by Capital Directions, LLC, and commenced operations in January 1999.

AGGRESSIVE GROWTH PORTFOLIO

90% Equities / 10% Fixed Income

Large-Cap U.S. Stock	31.50%
Mid-Cap U.S. Stock	13.50%
Small-Cap U.S. Stock	13.50%
International Stock	22.50%
Real Estate Stock	9.00%
Fixed Income	8.00%
Cash Equivalent	2.00%



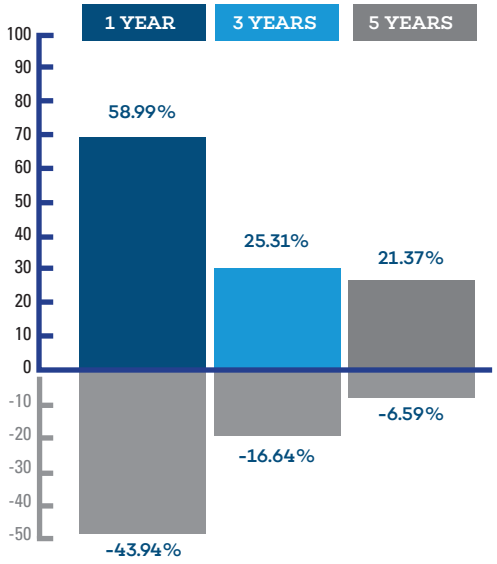
Average Annual Return

For the periods ending 9/30/18

	RETURN
3 months	3.03%
1 year	8.19%
3 years	11.12%
5 years	7.96%
10 years	8.38%
20 years	6.42%

VOLATILITY INDEX

01/01/98 - 12/31/17



OBJECTIVE

The Aggressive Growth Portfolio seeks a high degree of long-term capital appreciation through a diversified global investment strategy. The portfolio is allocated primarily to equities with a small commitment to fixed-income securities to reduce volatility. Because of its high commitment to equities the portfolio will experience a higher degree of principal volatility; as a result, it is appropriate for investors with time horizons of ten years or longer.

Ten Year Calendar Returns

2008-2017

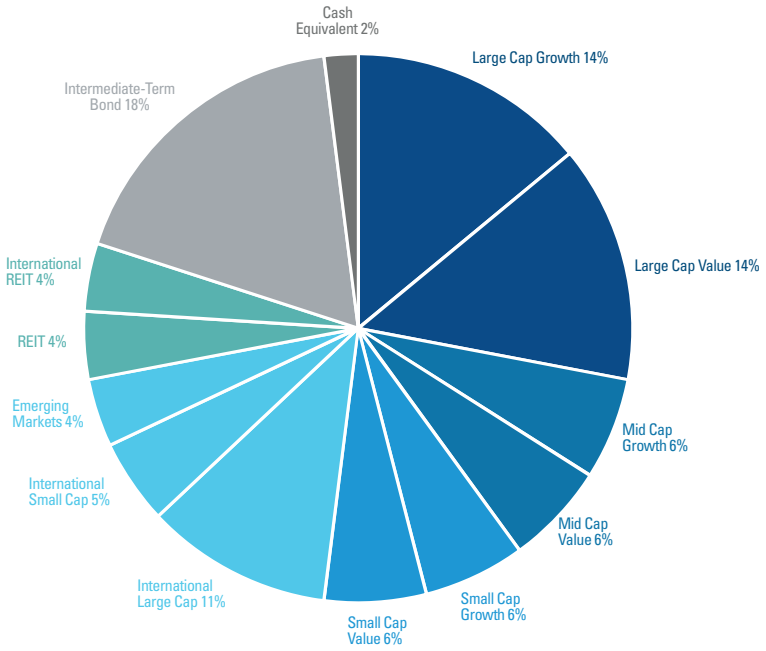
CALENDAR YEAR	RETURN	CALENDAR YEAR	RETURN
2008	-36.71%	2013	24.89%
2009	30.36%	2014	5.95%
2010	17.97%	2015	-2.10%
2011	-4.64%	2016	10.39%
2012	15.79%	2017	16.66%

Please refer to the Disclosure Statement and Sources of Data for important information about hypothetical investment performance contained in this brochure. Portfolios managed by Capital Directions, LLC, and commenced operations in January 1999.

GROWTH PORTFOLIO

80% Equities / 20% Fixed Income

Large-Cap U.S. Stock	28.00%
Mid-Cap U.S. Stock	12.00%
Small-Cap U.S. Stock	12.00%
International Stock	20.00%
Real Estate Stock	8.00%
Fixed Income	18.00%
Cash Equivalent	2.00%



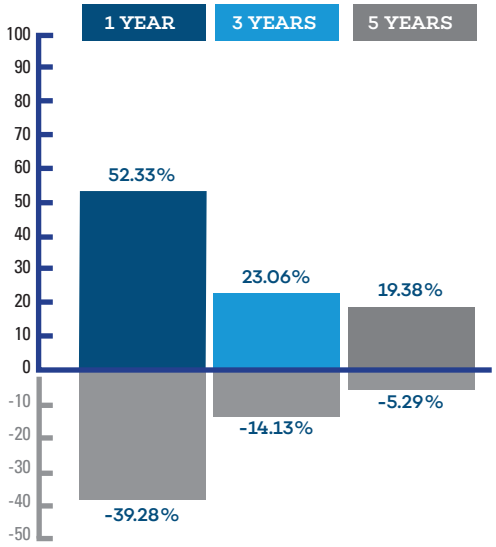
Average Annual Return

For the periods ending 9/30/18

	RETURN
3 months	2.66%
1 year	7.02%
3 years	9.87%
5 years	7.20%
10 years	7.88%
20 years	6.24%

VOLATILITY INDEX

01/01/98 - 12/31/17



OBJECTIVE

The Growth Portfolio seeks long-term capital appreciation through a diversified global investment strategy. Current income is a secondary consideration. The portfolio is allocated primarily to equities with a secondary allocation to fixed-income securities. Because of its high commitment to equities the portfolio will experience a higher degree of principal volatility; as a result, it is appropriate for investors with time horizons of seven years or longer.

Ten Year Calendar Returns

2008-2017

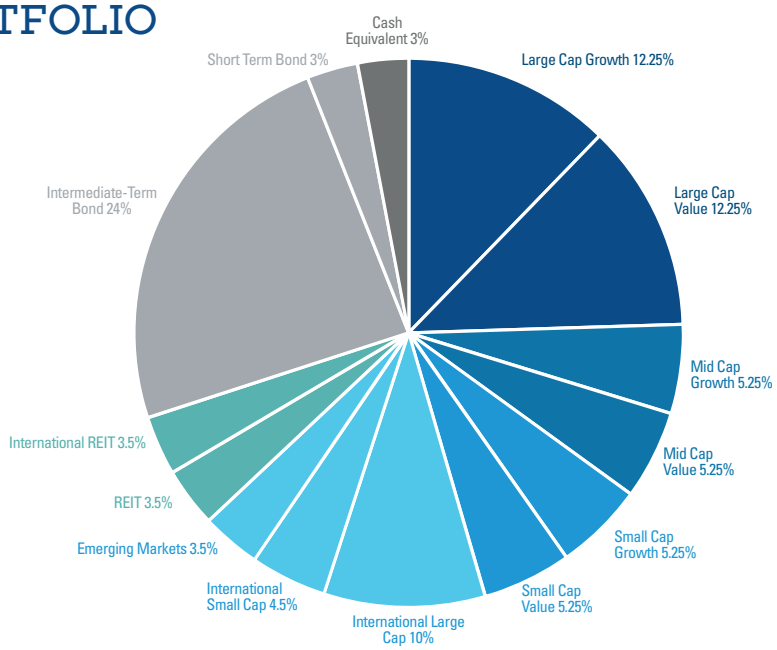
CALENDAR YEAR	RETURN	CALENDAR YEAR	RETURN
2008	-32.51%	2013	21.95%
2009	27.42%	2014	5.88%
2010	16.65%	2015	-1.96%
2011	-1.80%	2016	9.40%
2012	14.21%	2017	15.06%

Please refer to the Disclosure Statement and Sources of Data for important information about hypothetical investment performance contained in this brochure. Portfolios managed by Capital Directions, LLC, and commenced operations in January 1999.

CAPITAL APPRECIATION PORTFOLIO

70% Equities / 30% Fixed Income

Large-Cap U.S. Stock	24.50%
Mid-Cap U.S. Stoc	10.50%
Small-Cap U.S. Stock	0.50%
International Stock	17.50%
Real Estate Stock	7.00%
Fixed Income	27.00%
Cash Equivalent	3.00%



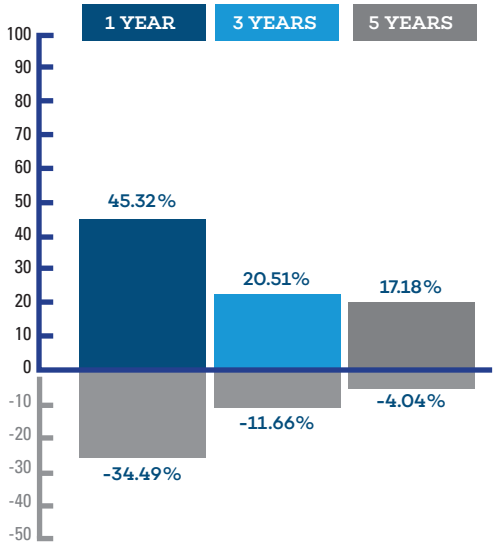
Average Annual Return

For the periods ending 9/30/18

	RETURN
3 months	2.31%
1 year	5.95%
3 years	8.61%
5 years	6.38%
10 years	7.26%
20 years	5.90%

VOLATILITY INDEX

01/01/98 - 12/31/17



OBJECTIVE

The Capital Appreciation Portfolio seeks long-term capital appreciation through a diversified global investment strategy. The portfolio is allocated primarily to equities with a substantial secondary allocation to fixed-income securities. Because of its high commitment to equities the portfolio will experience a higher degree of principal volatility; as a result, it is appropriate for investors with time horizons of seven years or longer.

Ten Year Calendar Returns

2008-2017

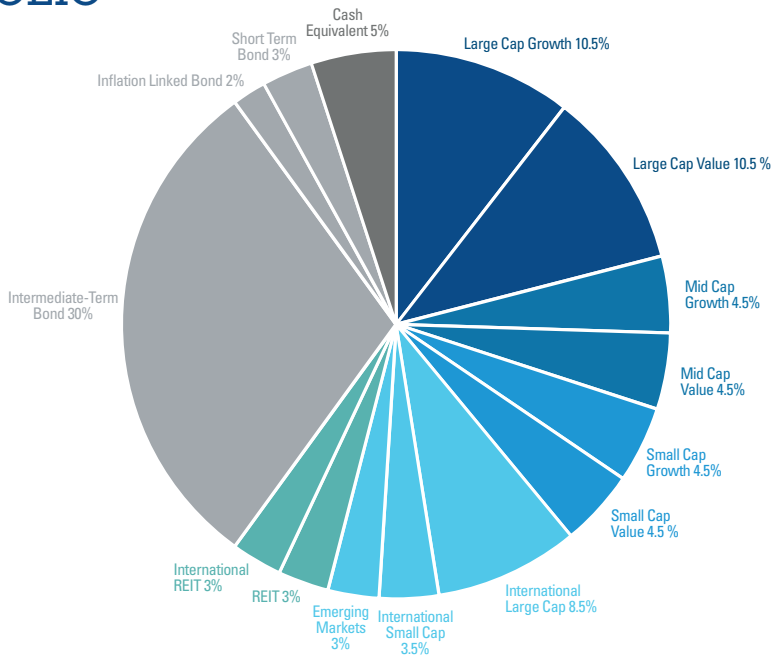
CALENDAR YEAR	RETURN	CALENDAR YEAR	RETURN
2008	-28.34%	2013	18.69%
2009	24.29%	2014	5.65%
2010	15.04%	2015	-1.82%
2011	-1.32%	2016	8.31%
2012	12.96%	2017	13.35%

Please refer to the Disclosure Statement and Sources of Data for important information about hypothetical investment performance contained in this brochure. Portfolios managed by Capital Directions, LLC, and commenced operations in January 1999.

MODERATE GROWTH PORTFOLIO

60% Equities / 40% Fixed Income

Large-Cap U.S. Stock	21.00%
Mid-Cap U.S. Stock	9.00%
Small-Cap U.S. Stock	9.00%
International Stock	15.00%
Real Estate Stock	6.00%
Fixed Income	35.00%
Cash Equivalent	5.00%



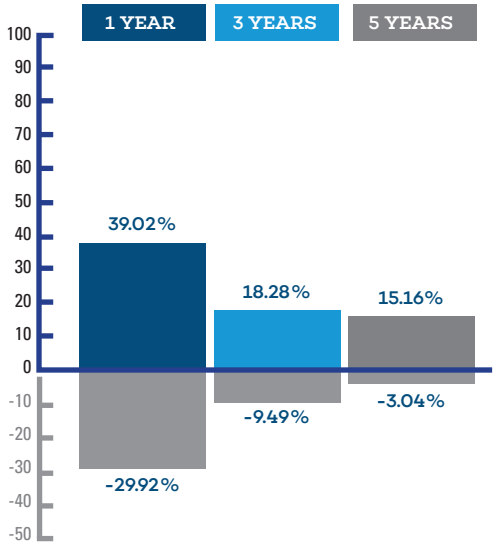
Average Annual Return

For the periods ending 9/30/18

	RETURN
3 months	1.95%
1 year	4.86%
3 years	7.35%
5 years	5.54%
10 years	6.57%
20 years	5.51%

VOLATILITY INDEX

01/01/98 - 12/31/17



OBJECTIVE

The Moderate Growth Portfolio seeks moderate long-term capital appreciation through a diversified global investment strategy. Current income is a secondary consideration. The portfolio is invested primarily in equities with a substantial secondary allocation to fixed-income securities. Because of the percentage invested in equities the portfolio will experience moderate short- and mid-term principal volatility. As a result, it is appropriate for investors with time horizons of five years or longer.

Ten Year Calendar Returns

2008-2017

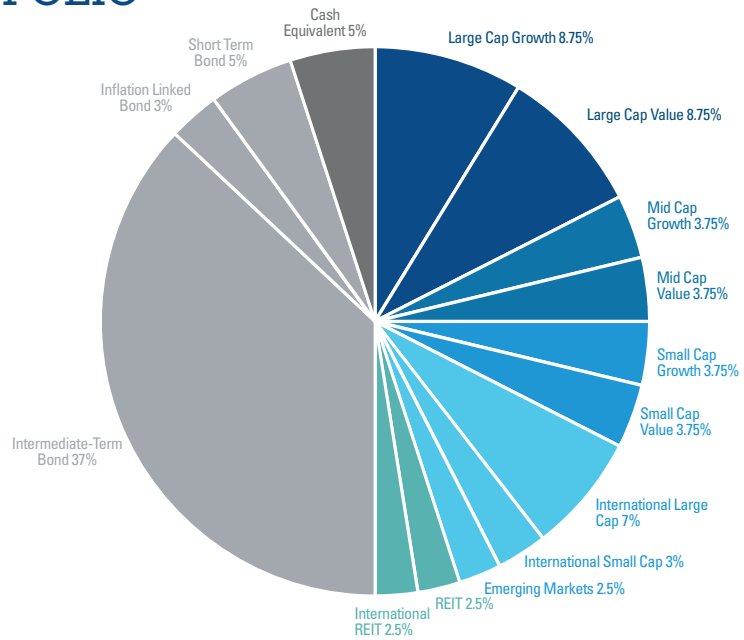
CALENDAR YEAR	RETURN	CALENDAR YEAR	RETURN
2008	-24.31%	2013	15.44%
2009	21.36%	2014	5.35%
2010	13.34%	2015	-1.71%
2011	-0.88%	2016	7.30%
2012	11.46%	2017	11.66%

Please refer to the Disclosure Statement and Sources of Data for important information about hypothetical investment performance contained in this brochure. Portfolios managed by Capital Directions, LLC, and commenced operations in January 1999.

CONSERVATIVE GROWTH PORTFOLIO

50% Equities / 50% Fixed Income

Large-Cap U.S. Stock	17.50%
Mid-Cap U.S. Stock	7.50%
Small-Cap U.S. Stock	7.50%
International Stock	12.50%
Real Estate Stock	5.00%
Fixed Income	45.00%
Cash Equivalent	5.00%



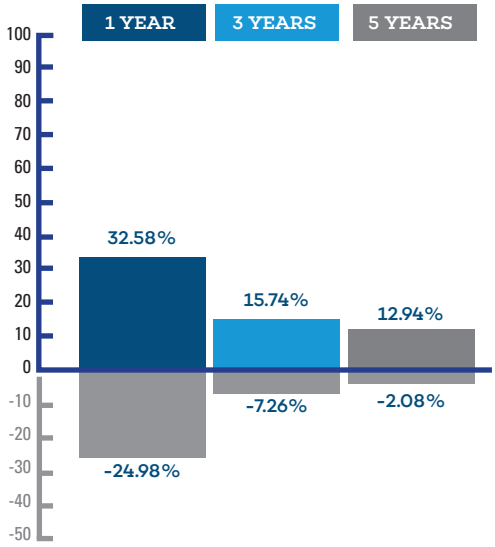
Average Annual Return

For the periods ending 9/30/18

	RETURN
3 months	1.58%
1 year	3.75%
3 years	6.11%
5 years	4.72%
10 years	5.82%
20 years	5.05%

VOLATILITY INDEX

01/01/98 - 12/31/17



OBJECTIVE

The Conservative Growth Portfolio seeks moderate longterm capital appreciation through a diversified global investment strategy. Current income is a secondary consideration. The portfolio is evenly allocated between stocks and fixed-income securities. Because of the percentage invested in equities the portfolio will experience moderate short- and mid-term principal volatility. As a result, it is appropriate for investors with time horizons of five years or longer.

Ten Year Calendar Returns

2008-2017

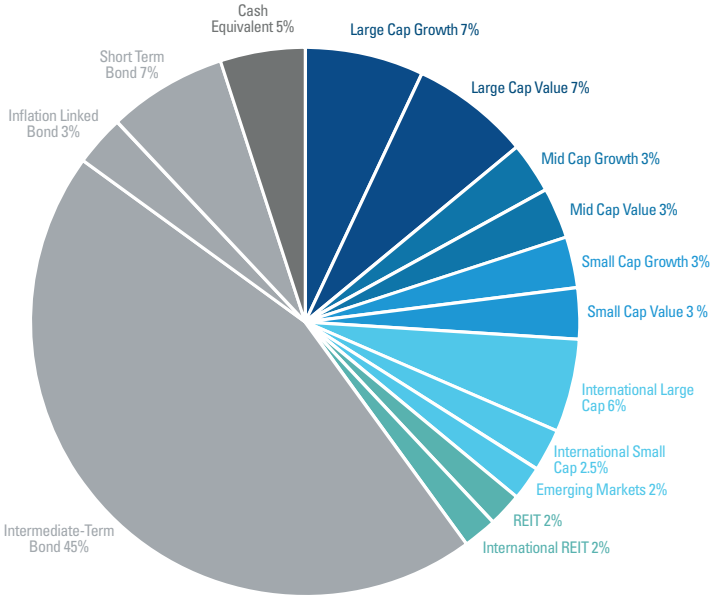
CALENDAR YEAR	RETURN	CALENDAR YEAR	RETURN
2008	-20.05%	2013	11.97%
2009	18.38%	2014	4.94%
2010	12.35%	2015	-1.62%
2011	0.03%	2016	6.25%
2012	9.94%	2017	10.00%

Please refer to the Disclosure Statement and Sources of Data for important information about hypothetical investment performance contained in this brochure. Portfolios managed by Capital Directions, LLC, and commenced operations in January 1999.

CONSERVATIVE PORTFOLIO

40% Equities / 60% Fixed Income

Large-Cap U.S. Stock	14.00%
Mid-Cap U.S. Stock	6.00%
Small-Cap U.S. Stock	6.00%
International Stock	10.00%
Real Estate Stock	4.00%
Fixed Income	55.00%
Cash Equivalent	5.00%



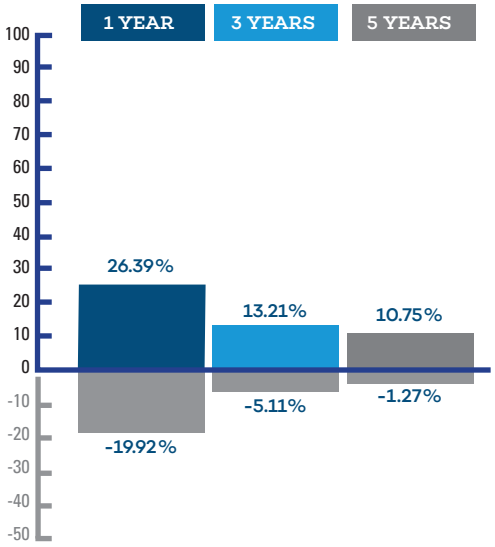
Average Annual Return

For the periods ending 9/30/18

	RETURN
3 months	1.21%
1 year	2.61%
3 years	4.87%
5 years	3.90%
10 years	5.02%
20 years	4.52%

VOLATILITY INDEX

01/01/98 - 12/31/17



OBJECTIVE

The Conservative Portfolio seeks current income and, secondarily, moderate long-term capital growth through a diversified investment strategy. The portfolio is allocated primarily to fixed-income securities with a substantial secondary allocation to equities. Because of the percentage invested in equities the portfolio will experience moderate short- and mid-term principal volatility. As a result, it is appropriate for investors with time horizons of five years or longer.

Ten Year Calendar Returns

2008-2017

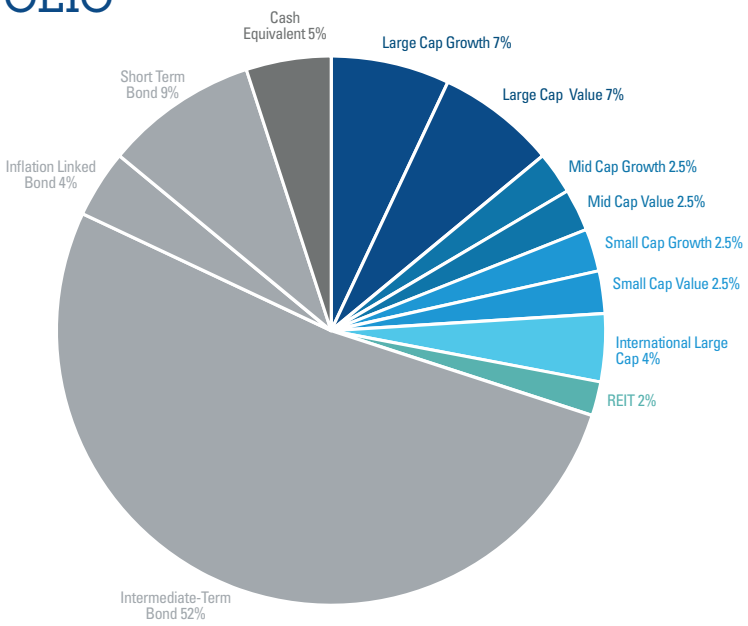
CALENDAR YEAR	RETURN	CALENDAR YEAR	RETURN
2008	-16.22%	2013	9.15%
2009	15.54%	2014	4.45%
2010	10.07%	2015	-1.48%
2011	0.88%	2016	5.21%
2012	8.38%	2017	8.34%

Please refer to the Disclosure Statement and Sources of Data for important information about hypothetical investment performance contained in this brochure. Portfolios managed by Capital Directions, LLC, and commenced operations in January 1999.

CAPITAL PRESERVATION PORTFOLIO

30% Equities / 70% Fixed Income

Large-Cap U.S. Stock	14.00%
Mid-Cap U.S. Stock	5.00%
Small-Cap U.S. Stock	5.00%
International Stock	4.00%
Real Estate Stock	2.00%
Fixed Income	65.00%
Cash Equivalent	5.00%



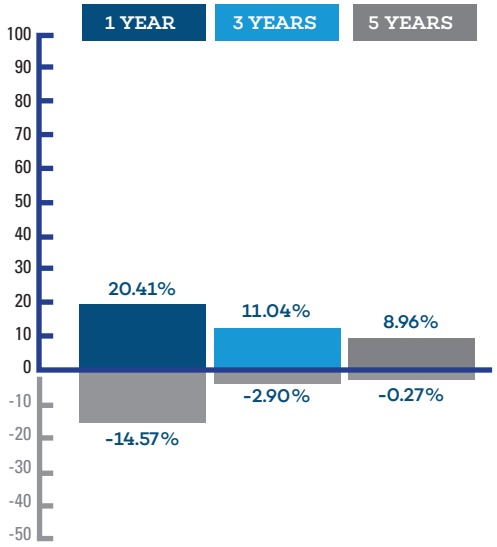
Average Annual Return

For the periods ending 9/30/18

	RETURN
3 months	1.20%
1 year	2.16%
3 years	3.89%
5 years	3.41%
10 years	4.46%
20 years	4.19%

VOLATILITY INDEX

01/01/98 - 12/31/17



OBJECTIVE

The Capital Preservation Portfolio seeks current income and, secondarily, capital preservation through a diversified investment strategy. The portfolio is allocated primarily to fixed-income securities with a secondary allocation to equities. Because of the exposure to equities the portfolio will experience moderate short-term principal volatility. As a result, this portfolio is appropriate for investors with time horizons of three years or longer.

Ten Year Calendar Returns

2008-2017

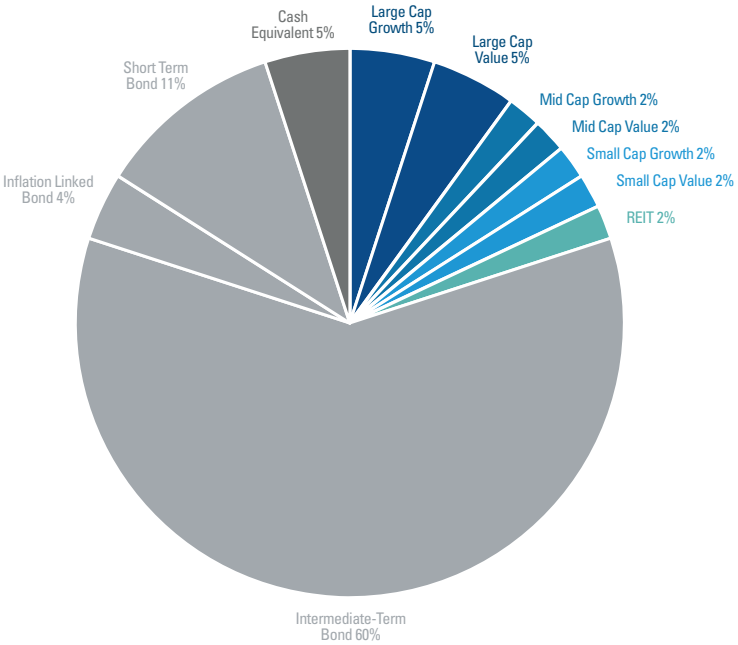
CALENDAR YEAR	RETURN	CALENDAR YEAR	RETURN
2008	-10.76%	2013	7.16%
2009	11.88%	2014	4.25%
2010	7.95%	2015	-1.18%
2011	1.79%	2016	4.54%
2012	6.32%	2017	6.25%

Please refer to the Disclosure Statement and Sources of Data for important information about hypothetical investment performance contained in this brochure. Portfolios managed by Capital Directions, LLC, and commenced operations in January 1999.

DEFENSIVE PORTFOLIO

20% Equities / 80% Fixed Income

Large-Cap U.S. Stock	10.00%
Mid-Cap U.S. Stock	4.00%
Small-Cap U.S. Stock	4.00%
International Stock	0.00%
Real Estate Stock	2.00%
Fixed Income	75.00%
Cash Equivalent	5.00%



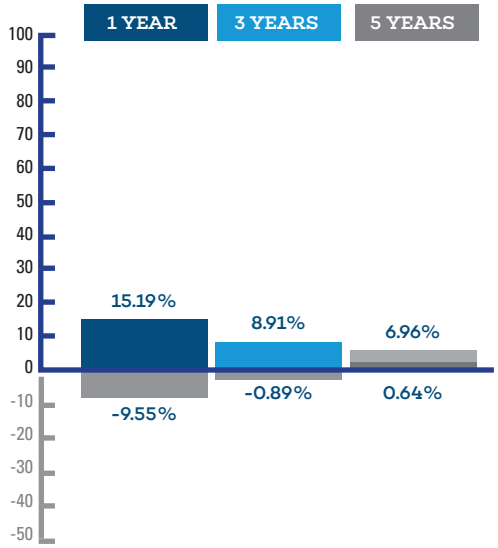
Average Annual Return

For the periods ending 9/30/18

	RETURN
3 months	0.79%
1 year	1.02%
3 years	2.67%
5 years	2.62%
10 years	3.64%
20 years	3.72%

VOLATILITY INDEX

01/01/98 - 12/31/17



OBJECTIVE

The Defensive Portfolio seeks current income and, secondarily, capital preservation through a diversified investment strategy. The portfolio is allocated primarily to fixed-income securities with a secondary allocation to equities. Because of the exposure to equities the portfolio will experience some short-term principal volatility. This portfolio is appropriate for investors with time horizons of three years or longer.

Ten Year Calendar Returns

2008-2017

CALENDAR YEAR	RETURN	CALENDAR YEAR	RETURN
2008	-6.06%	2013	4.15%
2009	8.76%	2014	3.85%
2010	6.32%	2015	-1.09%
2011	2.22%	2016	3.76%
2012	4.72%	2017	4.43%

Please refer to the Disclosure Statement and Sources of Data for important information about hypothetical investment performance contained in this brochure. Portfolios managed by Capital Directions, LLC, and commenced operations in January 1999.

References

Index Returns *For the periods ending 9/30/18*	3 months	1 year	3 years	5 years	10 years	20 years
S&P 500 Index	7.71%	17.91%	17.31%	13.95%	11.97%	7.42%
Russell 2000 Index	3.58%	15.24%	17.12%	11.07%	11.11%	9.45%
MSCI EAFE Index	1.35%	2.74%	9.23%	4.42%	5.38%	5.20%
DJ Wilshire REIT	0.72%	4.59%	6.88%	9.14%	7.21%	10.08%
Barclays Capital U.S. Gov't/Credit Bond In	0.21%	-0.96%	0.91%	1.52%	3.22%	4.09%

The index returns listed above represent different asset classes included in our model portfolios. Index returns and the volatility of these returns can be materially different from that of our model portfolios. The indexes do not include deductions for fess, expenses or taxes.

Purpose of Presenting Model Portfolio Performance

The purpose of presenting our model portfolio performance is to give our prospective clients an idea of how our model portfolios would have performed over the past twenty years. We believe that no investor should take more risk than is needed to achieve his or her long-term goals and our intention in presenting model portfolio performance is to give our prospective clients an idea of the risks and volatility associated with our Model Portfolios and the historical rewards investors have received for taking varying degrees of risk.

Disclosure Statement

The hypothetical investment performance in this brochure provides some indication of the risks of investing in a portfolio managed by Capital Directions, LLC (CD). CD acts as the portfolio manager for advisory firms through its Partners+Program®. These portfolios commenced operations in January 1999. Performance numbers are blended historical returns for the mutual funds used in the model portfolios, or the representative index for the periods prior to commencement of operations by the selected fund, net of its corresponding expense ratio. See "Sources of Data" below. These hypothetical returns were calculated after the end of the periods shown and reflect the reinvestment of dividends and other earnings. Returns are shown net of fund fees, the maximum portfolio management fee for CD and estimated transaction costs for a typical client portfolio. Estimated transaction costs for initial purchases and rebalancing in a $500,000 typical client account are approximately 0.10% on an annual basis. These model portfolio returns do not represent actual investment decisions by CD and, thus, may not reflect the impact that material economic and market factors might have had on our decision-making if CD were actually managing the money.

Average Annual Return: Average annual returns for the 1, 3, 5, 10 and 20-year periods ending *9/30/18*

Volatility Index: This index is designed to show a range of best and worst returns (or "volatility") of each portfolio during rolling 1, 3 and 5-year periods between 1998 and 2017. For example, the first column shows the highest and lowest return in a single year during this twenty-year period. Typically, the volatility of a portfolio decreases substantially the longer the investments are held.

Ten-Year Annual Returns: Year-by-year annual total return for each year ended December 31, 2008 to 2017.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

Sources of Data

Large-Cap Growth
January 1990 - September 2000: S&P 500 Growth Index
October 2000 - December 2017: SPDR Dow Jones U.S. Large Cap Growth Index
Large-Cap Value
January 1990 - March 1993: S&P 500 Value Index
April 1993 - December 2017: DFA U.S. Large Cap Value
Mid-Cap Growth
January 1990 - July 2000: Wilshire Mid-Cap Growth Index
August 2000 - December 2017: iShares S&P/BARRA Mid-Cap 400 Growth Index
Mid-Cap Value
January 1990 - February 1993: Wilshire Mid-Cap Value Index
March 1993 - June 2007: DFA U.S. Small-Cap Value
July 2007 - December 2017: DFA U.S. Targeted Value
Small-Cap Growth
January 1990 - September 2000: Wilshire Small-Cap Growth Index
October 2000 - December 2017: SPDR Dow Jones U.S. Small-Cap Growth Index
Small-Cap Value
January 1990 - June 2007: DFA U.S. Micro Cap
July 2007 - December 2017: DFA U.S. Targeted Value

International Large-Cap
January 1990 - January 1996: MSCI EAFE Index
February 1996 - December 2017: DWS EAFE Equity Index Institutional
International Small-Cap
Beginning January 2004: DFA International Small Company
Real Estate/REIT
January 1990 - January 1993: Wilshire REIT
February 1993 - December 2017: DFA Real Estate Securities
International Real Estate/REIT
Beginning July 2007: DFA International Real Estate Securities
Intermediate-Term Bond
January 1990 - June 1997: Barclay's Capital Intermediate-Term Government/Credit July 1997 - December 2017: DWS U.S. Bond Index Institutional
Inflation-Linked Bond
January 1990 - January 1997: Barclay's Capital Intermediate-Term Government/Credit February 1997 - December 2017: PIMCO Real Return Bond
Short-Term Bond
January 1990 - December 2017: DFA One-Year Fixed Income
Emerging Markets
July 2007 - DFA Emerging Markets Core

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