



## Tree Fort Financial Hypothetical Compounded Annual Return Since Inception 2003 through 12/31/2017

# 10%

Hypothetical Average Client*	
Value of \$1.00 invested in 2003 before advisor fees	\$4.23
Benchmark return (Dow Jones US Total Market Index Fund symbol IYY x @ .83)	\$3.33
Cumulative excess return over the benchmark	\$.90
Cumulative advisor fees	\$.30
Ratio of cumulative excess returns /cumulative advisor fees	3

### How Does Tree Fort Financial Get Excess Returns?

Tree Fort Financial believes in transparency. Compound annual returns are used unless specifically stated otherwise. Tree Fort Financial measures its performance against established benchmarks based on risk tolerance. Returns over benchmark are excess returns. Excess returns measure advisor performance. As long as excess returns are greater than advisor fees, the advisor pays for its services. The chart shows a tradition since inception of Tree Fort Financial paying for its services by a margin of excess returns.

Tree Fort Financial continuously makes active recommendations based on present circumstances. Limitations include that present circumstances may not reflect future outcomes. In spite of best efforts, adverse outcomes may occur. The past is not necessarily indicative of the future.

Tree Fort Financial uses a proprietary market momentum program combined with fundamental analysis to find opportunities, and seeks to avoid currency devaluation. We invest in benchmark-like funds if our proprietary program does not indicate other funds with a potential for excess returns. Tree Fort Financial believes there may be less risk actively investing in the growing tip of worldwide securities markets than passively investing in under performing asset allocations; in down markets it seeks to preserve capital and in up markets it seeks to recommend investments in whole classes of underpriced securities with accelerating demand and rising value preferably at the start of their investment life cycles.

Tree Fort Financial fiduciary advice began when Jeff Liautaud opened Tree Fort Financial in 2003. Operating as an independent fiduciary, your Registered Investment Advisor offers independent fee-based financial advice, and retains no commissions or compensation from third parties.

*\*Hypothetical means all advisor recommendations taken as given without restriction, reinvestment of dividends and earnings, before advisor fees and before transaction fees. The benchmark for a hypothetical average client (investment weighted) is Dow Jones US Total Market Index fund including dividends. The hypothetical average client risk tolerance multiplier is determined by multiplying investment dollars per risk tolerance divided by total investment dollars times that risk tolerance multiplier, and adding all such investment weighted risk tolerance multipliers. Three year average annual return is equal to % return (3rd year back + 2nd year back + 1st year back)/3. Five year and "Since 2003" inception is similar. Weighted average returns are based on clients with the advisor at 12/31 which is the end of the year. Individual results may vary.*

F006: A127-2017-1231-b

## Tree Fort Financial Hypothetical Compounded Annual Investment Returns By Risk Tolerance

	Conservative		Moderate		Average Client		Moderate Aggressive		Aggressive		BOC	
	Benchmark IYY x .57	Actual	Benchmark IYY x .71	Actual	Benchmark varies	Actual	Benchmark IYY x .86	Actual	Benchmark IYY x 1.00	Actual	Benchmark VT x 1.00	Actual
2003	17%	17%	21%	27%	26%	29%	26%	30%	30%	28%		
2004	7%	9%	8%	11%	10%	19%	10%	16%	12%	13%		
2005	3%	4%	4%	16%	5%	23%	5%	24%	6%	22%		
2006	9%	13%	11%	12%	13%	27%	13%	37%	15%	25%		
2007	3%	6%	4%	16%	5%	18%	5%	19%	6%	22%		
2008	-21%	-8%	-26%	-17%	-31%	-25%	-32%	-25%	-37%	-33%		
2009	16%	17%	20%	25%	24%	20%	24%	20%	28%	0%		
2010	9%	6%	12%	2%	13%	5%	14%	5%	16%	6%		
2011	1%	5%	1%	3%	1%	0%	1%	-1%	1%	-6%		
2012	9%	11%	11%	11%	13%	12%	14%	13%	16%	18%		
2013	18%	4%	23%	4%	25%	4%	28%	3%	32%	3%		
2014	7%	2%	9%	0%	10%	1%	11%	1%	13%	5%		
2015	0%	6%	0%	4%	0%	5%	0%	5%	0%	2%		
2016	7%	2%	9%	3%	9%	0%	10%	-2%	12%	-2%		
2017	12%	16%	15%	22%	18%	27%	18%	27%	21%	33%	24%	33%
3 year avg	6%	8%	8%	10%	9%	11%	10%	10%	11%	11%	0%	0%
5 year avg	9%	6%	11%	7%	12%	7%	14%	7%	16%	8%	0%	0%
since 2003 avg	7%	7%	8%	9%	9%	11%	10%	11%	11%	9%	0%	0%
compound /yr	6%	7%	7%	9%	8%	10%	9%	10%	10%	8%	24%	33%

Hypothetical compound returns before taxes, before advisor fees and before transaction fees are provided for model portfolio categories of conservative, moderate, moderate aggressive, and aggressive.

Returns over benchmark are excess returns. Excess returns measure advisor performance. The more **above average** returns generated, the less likely that single incidences of returns **below average** will drag down the average. Look for compound cumulative excess returns over benchmark over a long period of time.

A benchmark is based on the Dow Jones US Total Market Index fund including dividends (symbol IYY) adjusted for risk tolerance. The benchmark is based on the US Total Stock Market for consistency over time, and because the US Total Stock market is where the greatest wealth in the world is concentrated. It is commonly accepted that the US Total Stock Market has given off a 10.5% compound annual return over a very long period of time. Benchmarks are, for example, conservative (IYY x .57) or 6%, moderate (IYY x .71) or 7.5%, moderate aggressive (IYY x .86) or 9%, and aggressive (IYY x1.00) or 10.5%.

BOC Portfolio has a benchmark based on the Vanguard Total World Stock fund including dividends (symbol VT). BOC Portfolio began in 2017 so earlier results are not available.

For more information, contact Jacki Liautaud, President, at 312-666-7587 or jacki@treefortfinancial.com.

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*Model portfolio volatility may be materially different from benchmark volatility. Results portrayed are before taxes. Historical returns are not necessarily indicative of future returns. Risk of loss may occur. Individual results may vary from hypothetical compound returns for reasons including but not limited to the following. Not all clients choose Tree Fort Financial model portfolio recommendations. Not all clients execute promptly. Not all trades are executed concurrently with model portfolio recommendations. Not all clients fit into model portfolio risk tolerance categories. Not all clients rebalance when model portfolios rebalance. Some weighted average compound returns may rely on estimates of contributions.*