About the BOC Portfolio

Since inception 1/1/2017 BOC is an investment portfolio overseen by a Registered Investment Advisor Representative (Investment Manager). The BOC Portfolio is created using a process of two strategies.

First, a List Strategy uses big data to identify an initial ETF List using a proprietary market momentum algorithm. A macro analysis, or context, is derived principally from the stock market. Second, the Manager reduces the ETF List into the BOC Portfolio using a Filter Strategy. The Filter Strategy is qualitative, searching for fundamental value and momentum within the context. The BOC Portfolio may be substantially different from the initial ETF List.

The BOC Portfolio seeks to beat a benchmark, yet with moderate monthly correlation.

The BOC Portfolio seeks moderate monthly correlation to a benchmark. The BOC Portfolio may be less correlated to Dow Jones US Total Market Index Fund (symbol IYY) than to Vanguard Total World Stock ETF (symbol VT). Correlation of 1.0 means that a portfolio is 100% correlated to a benchmark. Low correlation is less than 0.5. The BOC Portfolio seeks moderate correlation (between 0.5 and 0.7) over for example a 12 year period to be considered as an alternative investment.

In spite of best efforts, losses may occur.
- In some cases the List Strategy may offer insufficient ETFs to provide greater diversification than the underlying securities of any particular ETF.
- Proprietary market risk analysis identifies changing markets, but the Manager has full discretion to select funds for the portfolio. Strategy exceptions may be documented by a Report.

BOC Fees and Benchmarks

BOCX Portfolio – The BOCX Portfolio benchmark is IYY. Period base fees are 2.20%. The BOCX Portfolio uses investments identical to BOCI.

BOCI Portfolio – The BOCI Portfolio benchmark is Vanguard Total World Stock ETF (symbol VT) with dividends. For a "qualified client, purchaser, or institutional buyer" as defined under respective Acts of securities law, period base fees are 0.70% (always paid) plus up to a maximum 2.00% performance fee. For example if the Manager beats the benchmark in 8 out of 12 years, the average fee might be about 1.9% [(2.5% x 8 years + 0.7% x 4 years)/12]. If the benchmark is not beaten, there is no performance fee.

BOC Long Term Strategy

BOC Portfolio seeks opportunities worldwide. When its systematic, computer-powered List Strategy identifies a lack of momentum, it uses benchmark-like investments; when its algorithms indicate momentum, momentum-based investments are used. Adding an element of conservatism in a portfolio is as important to the Manager as considering upside potential. Quantified triggers employ risk mitigating strategies in down markets. The macro analysis is the context.

Underlying the BOC Portfolio is a belief that there may be less risk actively investing in the growing tip of world-wide securities markets than passively investing in under performing asset allocations; in rising markets it seeks to recommend investments in categories of securities with accelerating demand and rising value preferably at the start of their investment life cycles; in falling markets it seeks to preserve capital.

Management

Jeffrey Liautaud (MBA, BS Mathematics) began his career on Wall Street in investment banking. Later he purchased and operated the Sherpa Snowshoe Company. When the snowshoe markets changed, Jeff nearly went bankrupt, and in 1998 he sold the business. This near bankruptcy experience forever changed him to add an element of conservatism in all that he did. That same year he became a financial planner and wealth manager. In 2001, he founded Business Owners Charter, Inc. ("BOC") for ownership of proprietary investment management algorithms. Jeff founded Tree Fort Financial in 2003. In 2017, Jeff became the BOC Portfolio Director for Tree Fort Financial.

In 2014, Jeff's daughter, **Jacki Liautaud**, purchased Tree Fort Financial ("TFF") from Jeff. For over 15 years she worked as a business consultant in marketing, sales and business development. With a double major in college, she graduated number one in her class in Sociology. At Tree Fort Financial, Jacki has integrated research findings and detailed fundamental analysis into investment recommendations across all risk tolerances. For over two years BOC applied a rigorous, scientific method-based approach to historically quantify the most promising algorithms and completed a detailed research study. In 2017 TFF became the exclusive distributor of the BOC Portfolio. Past performance – whether actual or back-tested – is no indication or guarantee of future performance. There are frequently material differences between back-tested performance and actual results.

Dan Wagner is responsible for maintaining and updating the multiple SQL databases used for research and investing and providing automated solutions to support research.

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