

Sample Scatter Graph Illustration

Risk of Loss vs. Returns Scatter Graph For the Period Ended on XXX XX, 20XX

17

**REMOVE UNCOMPENSATED RISK
FROM YOUR PORTFOLIO OR
BE IN BREACH OF YOUR
FIDUCIARY DUTIES!**

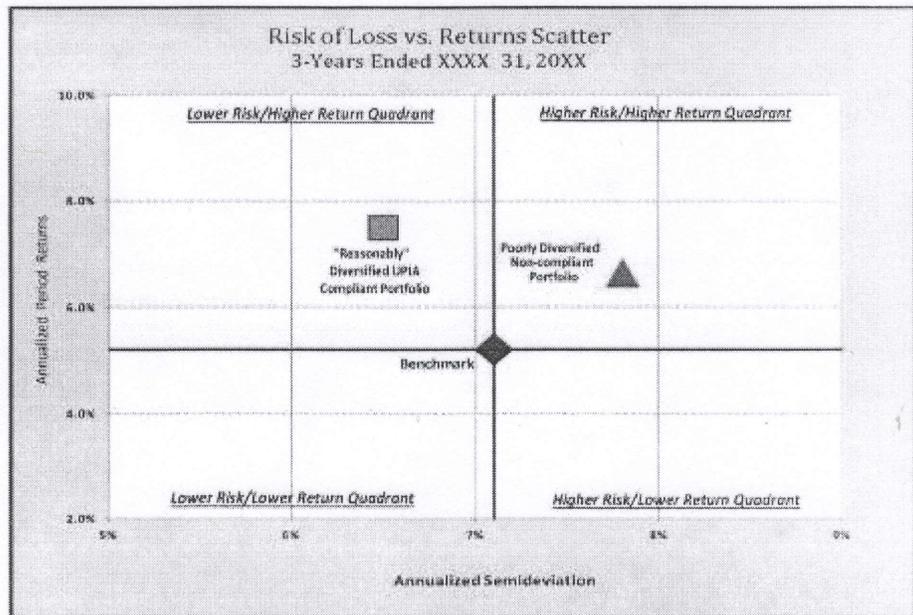
Risk that can be eliminated by adding unlike investments is uncompensated risk and the objective of diversification is to minimize uncompensated risk.*

Scatter charts are a tool that can greatly facilitate the management of fiduciary accounts in accordance with the mandates of Uniform Prudent Investors Act (UPIA) which is based on the 3rd Restatement of Trusts 1992. The simplicity of oversight made possible by scatter charts is demonstrated by a mere glimpse.

However, before anything can be managed, it must first be identified. The Scatter Graph is a useful tool that easily identifies portfolios that contain more uncompensated risk than their portfolio's benchmark and allows all observers (including stakeholders, fiduciaries, attorneys, jurors, and judges) to simultaneously see the historical risk of loss assumed by a given portfolios when compared to the benchmark and achieved return.

In the above Scatter Graph, the data point of the "appropriate" benchmark is represented by the purple diamond. The red triangle sits on the data point of an "improperly" diversified portfolio while the green square sits on the data point of a "reasonably" diversified portfolio. The crosshairs centered on the purple diamond mark the risk and return of the "benchmark."

The further right a portfolio's risk point is located anywhere on the graph, the greater is its risk of incurring loss. The crosshairs break the scatter plot into four convenient quadrants. The upper-left quadrant can appropriately be called the "prudent quadrant" since portfolios falling into that quadrant have exhibited higher returns yet they have exposed investors to less risk of loss than the benchmark.



The "Poorly Diversified Portfolio" is deeply into the upper-right (high-risk, high-return) quadrant. Occasionally, one finds a portfolio in the lower right-hand corner which is even worse.

Finally, even more rewarding performance risk reduction can be achieved by removing the uncompensated risk that may still remain in a portfolio. We often find results further north and west of a 'compliant' portfolio when the portfolio is designed to eliminate a majority of the uncompensated risk.

* RESTATEMENT OF TRUSTS 3rd VOL. 8 1992

"In understanding a trustee's duties with respect to the management of risk, it is useful to distinguish between diversifiable (or "uncompensated") risk and market (or non-diversifiable) risk that is, in effect, compensated through pricing in the marketplace. Failure to diversify on a reasonable basis in order to reduce uncompensated risk is ordinarily a violation of both the duty of caution and duties of care and skill." www.precisionfiduciary.com/restatement/

Take the Diversification Challenge

Where Does Your Portfolio Reside
On The Scatter Chart?

www.precisionfiduciary.com/challenge/

Assistance by email ben@benvcpa.com
Ben Vernazza CPA/PFA TEP emeritus
831-688-6000

B

COMPARATIVE RISK - RETURN ANALYSIS BY COUNTY
ACTUAL PORTFOLIO (COLUMNS B) & "REASONABLE" PORTFOLIO (COLUMNS C)
TRAILING 1-YEAR ENDED, SEPT 30, 2016

Portfolio	FRESNO CERA 60/40		IMPERIAL CERA 64/36		MENDOCINO CERA 77/23		MERCED CERA 73/27		TULARE CERA 71/29	
	Actual Portfolio	Arbitrarily Reasonably Conservative Portfolio	Actual Portfolio	Arbitrarily Reasonably Conservative Portfolio	Actual Portfolio	Arbitrarily Reasonably Conservative Portfolio	Actual Portfolio	Arbitrarily Reasonably Conservative Portfolio	Actual Portfolio	Arbitrarily Reasonably Conservative Portfolio
Asset Allocation Data										
Domestic Equity	20.4%	46.8%	31.9%	49.9%	38.2%	59.8%	30.2%	57.0%	25.5%	57.8%
International Equity	18.9%	8.9%	25.2%	9.5%	28.3%	11.4%	24.6%	10.9%	25.6%	7.9%
Real Estate	8.1%	4.5%	4.7%	4.8%	10.5%	5.7%	8.3%	5.4%	6.2%	5.26%
Alternatives	12.7%	-	2.4%	-	-	-	10.2%	-	13.7%	-
Fixed Income & Cash	39.8%	39.8%	35.8%	35.8%	23.1%	23.1%	26.7%	26.7%	29.1%	29.1%
TOTALS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Risk/Return Data										
ROR **	10.28%	11.76%	10.58%	12.45%	8.87%	13.86%	9.21%	13.49%	7.87%	13.25%
Standard Deviation	9.83%	9.11%	9.79%	9.71%	11.83%	11.61%	10.12%	11.07%	9.33%	10.72%
Sharpe Ratio	0.8585	1.1569	0.9831	1.1863	0.7441	1.1437	0.7555	1.1558	0.9264	1.1785
Maximum Drawdown	-10.35%	-10.26%	-9.72%	-9.51%	-13.83%	-11.52%	-10.46%	-10.94%	-10.30%	-10.58%
Largest 1-Day Loss	-3.51%	-2.10%	-3.12%	-2.25%	-4.50%	-2.79%	-3.59%	-2.63%	-3.22%	-2.54%
Portfolio Metrics										
Correlation	0.98	0.97	0.99	0.97	0.97	0.98	0.99	0.97	0.99	0.96
R-Squared	0.96	0.95	0.99	0.95	0.95	0.95	0.98	0.95	0.97	0.92
Portfolio Beta to Risk Assets	*0.71	0.64	0.62	0.59	0.76	0.72	0.69	0.68	*0.59	0.66
Portfolio Beta to Asset Allocation Portfolio	*1.19	1.06	1.01	0.96	1.00	0.97	0.96	1.02	*0.86	0.96
Uncompensated Risk Measurements										
Tracking Error to Asset Allocation Portfolio	0.16%	0.14%	0.16%	0.15%	0.17%	0.17%	0.16%	0.16%	0.15%	0.19%
Active Risk (stated as % of Variance)	4.50%	5.29%	1.15%	5.73%	5.17%	5.28%	2.25%	5.47%	3.67%	7.97%
Weighted Cross Correlation %	58%	62%	64%	64%	70%	66%	70%	67%	68%	65%
Cross Correlation %	69%	69%	66%	69%	77%	69%	73%	69%	68%	69%
Total Number of Holdings	26	65	17	65	24	65	26	65	28	65
Concentration Coefficient (CC)	21	49	5	54	16	56	17	56	18	59
Fama-Booth Total Diversification Return	0.32%	0.51%	0.21%	0.57%	0.34%	0.70%	0.27%	0.69%	0.21%	0.65%
Fama-Booth UCR Diversification Return	0.10%	0.30%	0.01%	0.37%	0.14%	0.49%	0.05%	0.47%	-0.04%	0.39%

* Two beta calculations of each portfolio were performed, the beta of the entire Asset Allocation Portfolio and the beta of the risk portion only. The results from each of the calculations are expected to resemble 1.00 and a value close to the portfolio's asset allocation, respectively. The beta results for 3 portfolios were exactly as anticipated, however, results for 2 portfolios, Fresno and Tulare were not. The causes for the beta disruptions appear to be portfolio tilts in favor of investment factors, other than beta, and had little or no impact on UCR outcomes or conclusions.

** Annual rates of return will not agree with those reported in quarterly investment Performance Reporting. Please see page 3, item number 6 above, for a complete explanation of the differences.

CALPERS PRESUMED COMPARATIVE POSITION BASED ON

BENCH MARK RETURN, REASONABLE PORTFOLIO RETURN, AND CALPERS REPORTED RETURN with

Maximum Uncompensated Risk (UCR) Reduction Portfolio Comparison

12 Months Ending September 30, 2012

ASSET ALLOCATION	Equity/Fixed Income		Presumed Actual Portfolio				70/30
	60/40	FRESNO	64/36	77/23	73/27	71/29	Maximum UCR
Domestic Equity	20.4%	31.9%	38.2%	30.2%	25.5%	23.9%	40.6
Internat'l Equity	18.9	25.2	28.3	24.6	25.6	23.6	26.7
Real Estate	8.1	4.7	10.5	8.3	6.2	10.9	2.7
Alternative	12.7	2.4	--	10.2	13.7	12.4	---
Fixed Inc/Cash	39.9	35.8	23.0	26.7	29.0	29.2	30.0
TOTAL	100%	100%	100%	100%	100%	100%	100%
Reported ROR 5	8.7%	9.8%	9.2%	9.6%	8.1%	9.7%	not applicable 6
Bench Mark ROR 1	8.5%	10.2%	11.6%	10.8%	10.8%	10.9%	11.4%
(e) Actual Portfolio 5cty ROR 2	10.3%	10.6%	8.9%	8.2%	7.9%	9-10.5?	17.0%
(f) Reasonable Portfolio ROR 3&8	11.8%	12.5%	13.9%	13.5%	13.3%	13.3%	13.3%

FAMA DIVERSIFICATION RETURN (bps) 4

a) ASSET ALLOCATION	22	20	20	22	25	25	21
b) ACTUAL PORTFOLIO	32	21	34	27	21	25?	140
c) REASONABLE PORTFOLIO	51	57	70	69	65	65	64
d) bps left on table (c-b) 8	19	36	36	42	44	40	119 (b-a) 7
\$\$\$LEFT ON TABLE [aum X d]	\$7.8 mill.	\$2.6 mill.	\$1.6 mill.	\$2.9 mill.	\$5.2 mill.	?\$1.2 BILL.+?	see footnote 7

1 Computed from asset allocation at 9/30/16 and assumed to be held from 10/1/15

2 Computed from actual portfolio at 9/30/16 and assumed to be held from 10/1/15 except for footnote 6 for Max UCR Reduction Portfolio.

3 Reasonable Portfolio aka "Monkey" Portfolio: take total equity portion and divide by 54; apply to 54 ETFs in 11 Sectors. Portfolio held for entire year ending 9/30/16.

4 Definitions on pages 3-6 of the 5 county report www.precisionfiduciary.com/5county.

5 See bottom of page 4 of report as to why "6) ACTUAL ONE YEAR RETURN WILL NOT COMPARE WITH 5 COUNTY CALCULATED RETURN."

6 This portfolio was built using our patented algorithm and based only on statistics available on October 1, 2015, so portfolio is as of 10/1/15 evaluated in real time.

7 This will not be possible for public or private pension plans due to unfunded liabilities and prudent "compensated risk" asset allocation constraints. We use an overlay ...with our algorithms to take these constraints into consideration which gives a comparison with MAX UCR. MAX UCR is used by our hedge fund/family office clients.

8 Our algorithm can assist staff/consultants by suggesting sectors to place funds generated by reduction of UCR assets. This may possibly result in additional compensated ...risk (CR) to increase ROR to the Reasonable Portfolio return: e.g. Mendocino: CRbps=f-(e+d) = 1390-(890+36)=464; AND \$\$ gained = 444 million X 4.64% = \$20,600,000.

NOTE: We currently have a Prudent Person Opinion Proposal at CalPERS to assess uncompensated risk, determine root causes, recommend remediation steps, and document procedural prudence. PRUDENT PERSON OPINION from CalPERS Specific Glossary of Terms - "An opinion from a consultant or external resource subject to the Fiduciary Standard of Care that the proposed investment is a prudent investment consistent with Article XVI, Section 17(c) of the California Constitution and Section 20151 (c) of the California Government Code, i.e., made with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims."

ROBO PORTFOLIO CORRELATIONS

Attachment D

1	1.00	0.96	0.62	0.62	0.38	0.19	0.79	0.79	0.75	0.80	0.68	0.76	0.70	0.72	0.10	-0.10	0.63	-0.01	-0.02	0.05	-0.01
2	0.96	1.00	0.64	0.63	0.42	0.16	0.78	0.79	0.80	0.81	0.63	0.79	0.71	0.75	0.07	-0.11	0.61	-0.02	-0.03	0.04	0.03
3	0.62	0.64	1.00	0.99	0.43	-0.13	0.72	0.67	0.58	0.72	0.31	0.70	0.88	-0.21	-0.35	0.65	-0.28	-0.21	-0.03	0.04	-0.19
4	0.62	0.63	0.99	1.00	0.46	-0.11	0.70	0.66	0.58	0.70	0.31	0.68	0.88	-0.20	-0.35	0.65	-0.28	-0.21	-0.03	0.04	-0.19
5	0.38	0.42	0.43	0.46	1.00	0.11	0.37	0.38	0.52	0.39	0.27	0.41	0.48	0.21	0.15	0.06	0.06	-0.28	0.65	0.10	0.25
6	0.19	0.16	-0.13	-0.11	0.11	1.00	0.11	0.37	0.25	0.13	0.48	0.16	-0.09	0.21	0.15	-0.35	-0.33	0.80	-0.11	0.04	0.10
7	0.79	0.78	0.72	0.70	0.37	0.11	1.00	0.92	0.77	0.98	0.54	0.93	0.81	0.82	-0.04	0.06	0.66	-0.13	0.01	0.13	0.13
8	0.79	0.79	0.67	0.66	0.38	0.23	0.92	1.00	0.83	0.94	0.59	0.97	0.74	0.77	0.06	0.06	0.66	-0.13	0.01	0.13	0.13
9	0.75	0.80	0.58	0.58	0.52	0.25	0.77	0.83	1.00	0.82	0.55	0.82	0.67	0.72	0.14	0.03	0.66	-0.13	0.01	0.13	0.13
10	0.80	0.81	0.72	0.70	0.39	0.13	0.98	0.94	0.82	1.00	0.56	0.95	0.81	0.84	-0.01	-0.17	0.62	-0.08	0.10	0.28	0.28
11	0.68	0.63	0.31	0.31	0.27	0.48	0.54	0.59	0.55	0.56	1.00	0.52	0.35	0.36	0.30	0.20	0.42	0.26	0.06	0.10	0.10
12	0.76	0.79	0.70	0.68	0.41	0.16	0.93	0.97	0.82	0.95	0.52	1.00	0.78	0.81	0.02	-0.15	0.60	-0.06	0.10	0.28	0.28
13	0.70	0.71	0.88	0.88	0.48	-0.09	0.81	0.74	0.67	0.81	0.35	0.78	1.00	0.97	-0.18	-0.35	0.66	-0.25	0.06	0.10	0.10
14	0.72	0.75	0.86	0.84	0.48	-0.09	0.82	0.77	0.72	0.84	0.36	0.81	0.97	1.00	-0.18	-0.33	0.66	-0.22	0.06	0.10	0.10
15	0.10	0.07	-0.21	-0.20	0.21	0.58	-0.04	0.06	0.14	-0.01	0.30	0.02	-0.18	-0.18	1.00	0.80	0.80	0.79	0.06	0.10	0.10
16	-0.10	-0.11	-0.35	-0.35	0.15	0.56	-0.21	-0.12	0.03	-0.17	0.20	-0.15	-0.35	-0.33	0.80	1.00	1.00	0.87	-0.11	0.10	0.10
17	0.63	0.61	0.65	0.65	0.39	0.01	0.61	0.60	0.55	0.62	0.42	0.60	0.66	0.66	0.06	-0.11	1.00	-0.01	0.05	0.10	0.10
18	-0.01	-0.02	-0.28	-0.28	0.19	0.52	-0.13	-0.02	0.11	-0.08	0.26	-0.06	-0.25	-0.22	0.79	0.87	0.87	1.00	0.05	0.10	0.10
19	-0.02	-0.03	-0.21	-0.21	0.17	0.31	-0.14	-0.06	0.06	-0.09	0.15	-0.07	-0.17	-0.15	0.58	0.59	0.59	0.58	1.00	0.61	0.61
20	0.05	0.04	-0.19	-0.19	0.25	0.51	-0.07	0.05	0.17	-0.02	0.22	0.03	-0.17	-0.14	0.75	0.84	0.84	0.81	0.10	1.00	1.00
21	-0.01	0.03	-0.11	-0.12	0.10	0.13	-0.07	-0.05	0.02	-0.06	0.10	-0.08	-0.16	-0.12	0.32	0.27	0.27	0.31	0.04	0.28	1.00

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MAX UCR REDUCTION PORTFOLIO CORRELATIONS

Attachment E

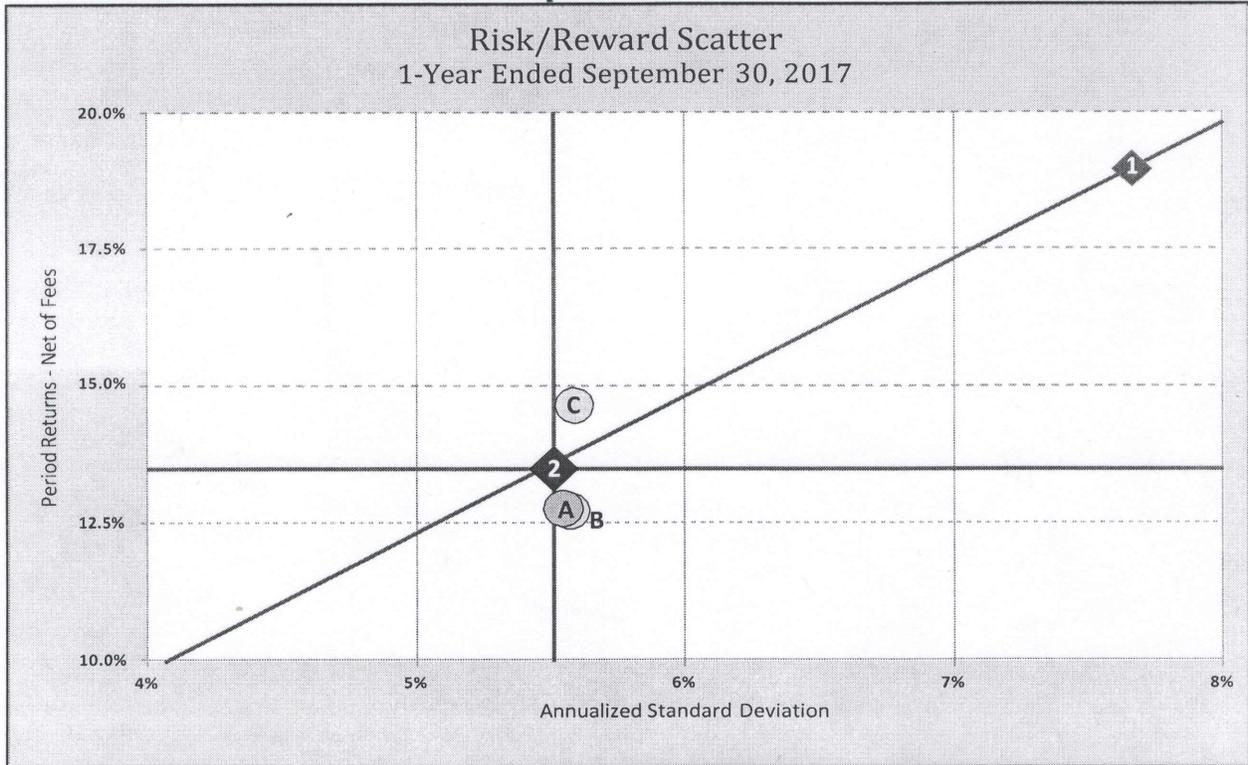
1	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1	0.51	0.55	0.41	0.52	0.40	0.45	0.41	0.10	0.12	0.46	0.30	0.43	0.28	0.50	0.50	0.65	
2	0.51	1	0.79	0.45	0.54	0.50	0.47	0.37	0.16	0.44	0.33	0.63	0.29	0.50	0.40	0.69	
3	0.55	0.79	1	0.44	0.62	0.50	0.55	0.54	0.30	0.50	0.43	0.59	0.33	0.55	0.46	0.72	
4	0.41	0.45	0.44	1	0.30	0.38	0.22	0.24	0.15	0.35	0.32	0.40	0.28	0.23	0.26	0.49	
5	0.52	0.54	0.62	0.30	1	0.43	0.73	0.53	0.18	0.55	0.36	0.51	0.42	0.60	0.43	0.51	
6	0.40	0.50	0.50	0.38	0.43	1	0.30	0.31	0.16	0.37	0.36	0.49	0.34	0.30	0.35	0.46	
7	0.45	0.47	0.55	0.22	0.73	0.30	1	0.55	0.20	0.48	0.36	0.57	0.41	0.63	0.36	0.45	
8	0.41	0.37	0.54	0.24	0.53	0.31	0.55	1	0.43	0.30	0.49	0.37	0.36	0.37	0.37	0.50	
9	0.10	0.16	0.30	0.15	0.18	0.16	0.20	0.43	1	0.08	0.61	0.13	0.24	0.07	0.19	0.31	
10	0.12	0.20	0.17	0.06	0.14	0.15	0.14	0.10	-0.01	1	0.06	0.11	0.18	0.15	0.10	0.05	
11	0.46	0.44	0.50	0.35	0.55	0.37	0.48	0.30	0.08	0.06	1	0.22	0.45	0.33	0.51	0.44	
12	0.30	0.33	0.43	0.32	0.36	0.36	0.36	0.49	0.61	0.11	0.22	1	0.35	0.49	0.31	0.27	
13	0.43	0.63	0.59	0.40	0.51	0.49	0.57	0.37	0.13	0.18	0.45	0.35	1	0.47	0.45	0.38	
14	0.28	0.29	0.33	0.28	0.42	0.34	0.41	0.36	0.24	0.15	0.33	0.49	0.47	1	0.36	0.26	
15	0.50	0.50	0.55	0.23	0.60	0.30	0.63	0.37	0.07	0.10	0.51	0.31	0.45	0.36	1	0.36	
16	0.50	0.40	0.46	0.26	0.43	0.35	0.36	0.37	0.19	0.05	0.44	0.27	0.38	0.26	0.36	1	
17	0.65	0.69	0.72	0.49	0.51	0.46	0.45	0.50	0.31	0.16	0.44	0.51	0.52	0.40	0.48	0.46	
18	0.47	0.42	0.48	0.21	0.77	0.34	0.67	0.39	-0.05	0.12	0.53	0.21	0.46	0.34	0.53	0.37	
19	0.50	0.56	0.60	0.34	0.60	0.35	0.59	0.34	0.11	0.09	0.68	0.26	0.48	0.31	0.66	0.40	
20	0.38	0.38	0.38	0.20	0.44	0.21	0.45	0.20	-0.02	0.07	0.47	0.22	0.29	0.26	0.53	0.20	
21	0.54	0.64	0.64	0.53	0.58	0.53	0.46	0.40	0.13	0.15	0.52	0.37	0.60	0.38	0.44	0.40	
22	0.63	0.64	0.64	0.47	0.51	0.66	0.45	0.40	0.13	0.16	0.52	0.35	0.56	0.38	0.52	0.54	
23	0.51	0.53	0.59	0.35	0.65	0.39	0.64	0.38	0.09	0.13	0.57	0.36	0.49	0.38	0.69	0.37	
24	0.51	0.50	0.60	0.27	0.66	0.39	0.57	0.52	0.22	0.06	0.55	0.38	0.40	0.35	0.60	0.38	
25	0.49	0.65	0.74	0.33	0.64	0.39	0.59	0.48	0.22	0.24	0.46	0.40	0.51	0.34	0.57	0.45	
26	0.56	0.53	0.60	0.30	0.75	0.43	0.72	0.52	0.13	0.08	0.57	0.38	0.50	0.38	0.64	0.43	
27	0.55	0.56	0.61	0.30	0.80	0.46	0.63	0.50	0.16	0.15	0.57	0.38	0.58	0.42	0.58	0.48	

CODE: XRY



Comparative Risk / Return Analysis

For the 1-Year Period Ended on September 30, 2017



Indices & Portfolios:	1 FTSE All Cap Global Index	2 MACRO Allocation Index	A XRY Sector Condensed AA Portfolio	B XRY Actual Portfolio	C Sample + Alpha Portfoli
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Asset Allocation Data					
Risk Assets	100.0%	72.0%	72.4%	72.4%	72.4%
Risk Reduction Assets	-	28.0%	27.6%	27.6%	27.6%
TOTALS	100.0%	100.0%	100.0%	100.0%	100.0%

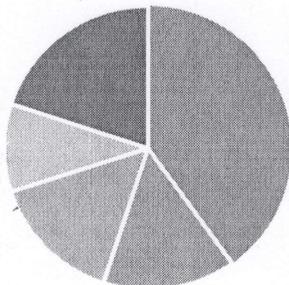
Portfolio Metrics					
Correlation	1.00	1.00	0.97	0.97	0.87
R-Squared	1.00	1.00	0.94	0.94	0.76
Portfolio Beta to Risk Assets	1.00	0.70	0.69	0.69	0.62
Portfolio Beta to MACRO Allocation Portfolio	N/A	N/A	0.99	0.99	0.89
Portfolio Alpha to MACRO Portfolio	N/A	N/A	-0.21%	-0.21%	1.90%

Risk/Return Data (Compensated Risk Measurements)					
Period Return - Gross of Fees	18.95%	13.48%	13.25%	14.01%	15.14%
Advisor's Management Fees (Assumed)	N/A	N/A	-0.50%	-1.30%	-0.50%
Period Return - Net of Fees	18.59%	13.30%	12.75%	12.71%	14.64%
Standard Deviation	7.66%	5.51%	5.55%	5.57%	5.59%
Sharpe Ratio	2.2594	2.4098	2.2730	2.4092	2.8249
Maximum Drawdown	4.13%	2.80%	3.29%	3.29%	2.76%
Largest 1-Day Loss	-1.55%	-1.10%	-1.10%	-1.10%	-1.08%

The Question:

Are You Looking at "Reasonable Diversification", or a Potential Law Suit?

Attachment G



40% Corporate Bonds?
20% Large Cap Stocks?
15% Mid Cap Stocks?
15% Foreign Stocks?
10% Small Cap Stocks?

HAVE YOU REDUCED UNCOMPENSATED RISK?
DOES IT ADD UP? ARE YOU TRULY DIVERSIFIED?

Why It's Important to Know:

If you or a client serves as a fiduciary responsible for overseeing, directly or indirectly, an investment portfolio, you can't afford not to know. Failure to meet fiduciary standards for "prudent and reasonable diversification" could result in the fiduciaries being held financially accountable.*

We provide solutions for compliance to also achieve diversification alpha benefits of higher returns with less volatility.

Take the "Diversification Challenge"

We invite you to take the "Diversification Challenge". With just a few minutes of your time to complete a simple worksheet, we'll analyze your portfolio and provide you with a report that will tell you whether your portfolio meets the fiduciary standards for diversification. Finding out couldn't be easier, and there's no obligation or cost to you.

→Note: We don't need the total dollar value of the portfolio; we only need each symbol and the % of total portfolio it represents.←

What to Do:

1. Go to www.precisionfiduciary.com/challenge-worksheet
2. Download the Excel worksheet
3. Follow the instructions
4. Expect results in 2-3 days
5. It's that easy.

*"In understanding a trustee's duties with respect to the management of risk, it is useful to distinguish between diversifiable (or "uncompensated") risk and market (or non-diversifiable) risk that is, in effect, compensated through pricing in the marketplace. Failure to diversify on a reasonable basis in order to reduce uncompensated risk is ordinarily a violation of both the duty of caution and duties of care and skill." RESTATEMENT OF TRUSTS 3rd VOL. 8 1992

H

Fiduciary Liability Exposure Check-up

Questionnaire for Trustees, Fiduciaries, Non-Profits, Retirement Plans, Family Investments

Report ID (for internal use): _____ Date: _____

Investment Policy Statement

Do you have a written investment policy statement? (IPS) Yes No

If "Yes", when was the IPS last reviewed/updated? Date: _____

Are written policies/guidelines in place for the following?:

Investment Management

Initial vetting of financial advisor(s) Yes No Don't Know

Investment objective(s) Yes No Don't Know

Return objectives/target return Yes No Don't Know

Target asset allocation (with upper/lower thresholds) Yes No Don't Know

Risk policy (metrics for measuring risk) Yes No Don't Know

Diversification strategy (in accordance with risk policy) Yes No Don't Know

Investment constraints (if applicable) Yes No Don't Know

Periodic investigation into other investment options Yes No Don't Know

Tax implications of trust investments Yes No Don't Know

Rebalancing to target asset allocation Yes No Don't Know

Monitoring

Performance reporting and benchmarking returns Yes No Don't Know

Schedule to review investment objectives, time horizon asset allocation, risk policy and diversification strategy Yes No Don't Know

Annual due diligence on investment advisor(s) Yes No Don't Know

Total fees/commissions and underlying expenses associated with trust brokerage/advisory accounts Yes No Don't Know

Distributions from trust broker/advisory account(s) Yes No Don't Know

Take the Diversification Challenge – Receive Your Complementary Preliminary Assessment

Assistance is available by email ben@benvcpa.com or call Ben Vernazza CPA/PFS TEP emeritus 831-688-6000 www.precisionfiduciary.com/challenge-worksheet/