PERSONALIZED INVESTMENT MANAGEMENT SERVICES

Dattilio & Ash Capital Management, LLC
David Dattilio, CPA
Tony Ash, MBA, CFA
Main phone: (603) 448-6047
www.DattilioAsh.com

Welcome to
Dattilio & Ash Capital Management (“D&A”)

We are a registered investment adviser (“RIA”) based in Lebanon, NH serving New Hampshire, Vermont and Massachusetts clients.

We provide customized investment planning and portfolio management to high net worth individuals, individuals, families, trusts, businesses, and charitable and other institutions.

We are a fee-only investment advisory firm serving as a fiduciary offering a broad range of investment services for all of your saving and investment needs

The “D&A” Advantages

- ✓ We serve as a “fiduciary” working only in the best interest of you, our client. We are a fee-only adviser and accept no commissions in any form that could pose a conflict of interest.
- ✓ We are a low-cost provider eliminating the high cost of active mutual funds with associated sales loads and fees. We use low-cost, passive index-based ETFs and mutual funds and manage investments directly within the firm customized to your needs.
- ✓ We avoid historical underperformance of active mutual funds and managers. According to S&P Dow Jones Indices, over a five-year period ended June 2018, 76% of large-cap, 82% of mid-cap, and 93% of small-cap managers have underperformed their respective benchmarks.
- ✓ Our firm includes investment and tax advice all under one roof from David and Tony with decades of professional experience to help provide a holistic investment management experience.
- ✓ We believe that our mission is not only to provide you with superior investment and planning services, but also to educate you on how we are managing your investments.

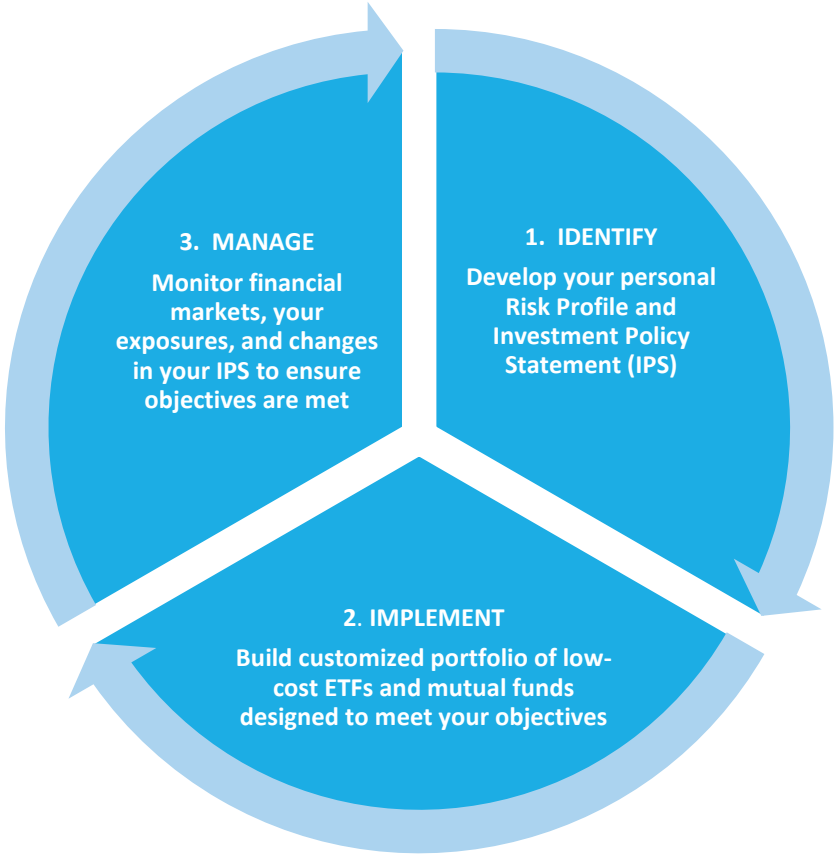
Investment Philosophy

We believe in long-term strategic asset allocation as the main driver of portfolio returns and diversification amongst asset classes as the primary means of managing risk. We seek to determine and manage the most appropriate portfolio asset allocations for a client given their goals, constraints and stated risk tolerance.

- We believe in an economics-based approach to investment management utilizing macro asset classes delivered through low-cost ETFs or mutual funds.
- We don't believe in "stock-picking."
- We think that desired outcomes are more important than performance relative to benchmarks.

Investment Process

- **IDENTIFY**
  - Identify and analyze your situation to develop your Risk Profile and build your Investment Policy Statement identifying your objectives, cash flow goals, liquidity, tax, legal, socially responsive or unique needs or circumstances
- **IMPLEMENT**
  - Make use of low-cost ETFs and mutual funds to build your portfolio(s) designed holistically for taxable, tax-deferred, trust, etc. accounts
  - Access to innovative risk-managed ETFs to assist in portfolio management
- **MANAGE**
  - Monitor financial markets and positions to ensure progress is on track
  - Deliver Quarterly Investment Report recapping your progress towards goals
  - Available by meeting/telephone as needed



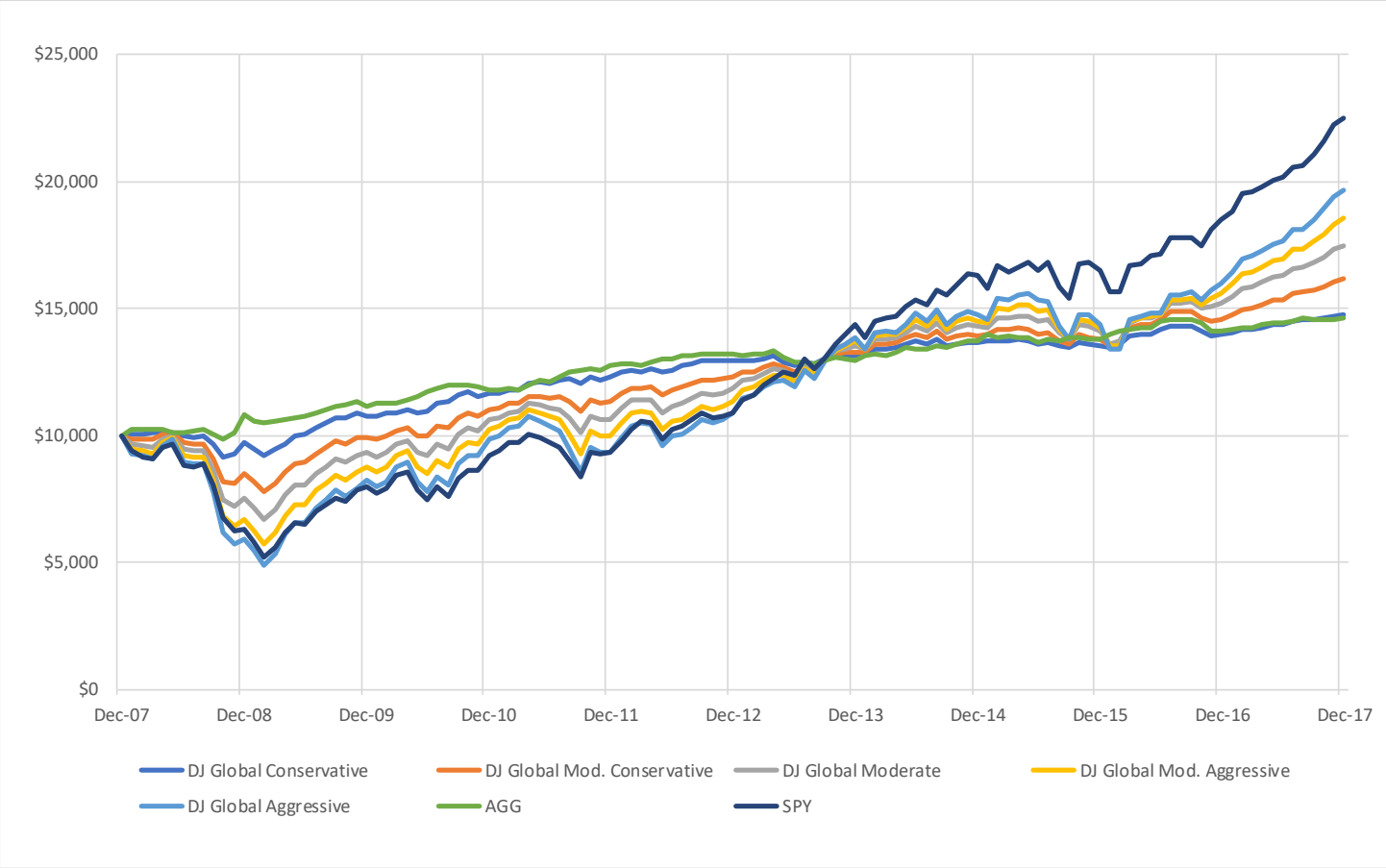
Typical Client Management Approach

- A client Risk Profile and Investment Policy Statement ("IPS") is developed and approved. It is designed holistically including all of your investable assets, both tax-deferred and taxable accounts.
- Cash flow modeling with a budget and target investment portfolio can be used to obtain a better understanding of your risks and probabilities of goal success.
- We make use of a core-satellite approach where a portion of your portfolio will be invested in "core" holdings with the remainder invested into a customized investment mix suited to your unique needs.
- Satellite holdings can focus on the following asset classes:
  - To support an income tilt and depending on your risk profile, we can acquire ETFs focused on: high dividend stocks (U.S. and/or international), U.S. REITs, corporate bonds, high yield bonds, emerging market bonds, or other.
  - To support an aggressive tilt and depending upon your risk profile, we can acquire ETFs focused on: small cap stocks, emerging market stocks, a wide variety of alternative asset class ETFs, or managed accounts with other investment advisers.
  - To support tax-sensitive clients and depending on your risk profile, we can acquire ETFs focused on municipal bonds.
  - To support special or highly focused needs, we can develop a customized portfolio from the broad universe of available ETFs.

Your Investment "Path" is driven by your risk profile and asset allocation

Long-Term Strategic Index and Portfolio Performance

10-year Horizon from Dec. 31, 2007 – Dec. 31, 2017 (Cumulative Value of $10,000



10-yr (2007-2017)	Total Return (Annualized)	Standard Deviation (Annual)	Return/Risk
AGG	3.88%	3.84%	1.01
DJ Global Conservative	3.96%	4.35%	0.91
DJ Global Mod. Conservative	4.91%	7.26%	0.68
DJ Global Moderate	5.75%	10.35%	0.56
DJ Global Mod. Aggressive	6.37%	13.66%	0.47
DJ Global Aggressive	7.00%	17.00%	0.41
SPY	8.45%	15.00%	0.56

Note: SPY and AGG is investable ETF for S&P 500 Index and Bloomberg Barclays U.S. Aggregate Bond Index, respectively. DJ Global Indices with asset allocations to produce portfolios from Conservative to Aggressive risk profiles.

Correlation Matrix

Major Asset Class ETFs (Dec. 31, 2007 – Dec. 31, 2017)

- Diversification is improved by combining asset classes with low and/or negative correlation

Asset ETF	SPY	IWM	EFA	VWO	VNQ	GLD	DJP	JNK	AGG	TIP	IEF	SHV
SPY	1.00											
IWM	0.91	1.00										
EFA	0.90	0.80	1.00									
VWO	0.81	0.74	0.89	1.00								
VNQ	0.74	0.74	0.71	0.65	1.00							
GLD	0.02	0.00	0.11	0.26	0.08	1.00						
DJP	0.50	0.44	0.56	0.64	0.31	0.44	1.00					
JNK	0.76	0.74	0.81	0.78	0.79	0.18	0.51	1.00				
AGG	0.07	-0.02	0.20	0.19	0.35	0.40	0.02	0.40	1.00			
TIP	0.21	0.14	0.30	0.38	0.35	0.52	0.32	0.48	0.76	1.00		
IEF	-0.29	-0.36	-0.19	-0.18	-0.01	0.36	-0.20	-0.06	0.83	0.62	1.00	
SHV	-0.33	-0.27	-0.26	-0.27	-0.16	0.18	-0.07	-0.24	0.20	0.07	0.32	1.00

Notes: SPY, SPDR® S&P 500 ETF; IWM, iShares Russell 2000; EFA, iShares MSCI EAFE; VWO, Vanguard FTSE Emerging Markets; VNQ, Vanguard REIT Index; GLD, SPDR® Gold Shares; DJP, iPath® Bloomberg Cmdty Trust; JNK, SPDR® Bloomberg Barclays High Yield Bond; AGG, iShares Core U.S. Aggregate Bond; TIP, iShares TIPS Bond; IEF, iShares 7-10 Year Treasury Bond; SHV, iShares Short Treasury Bond

Management

David Dattilio, CPA

David A. Dattilio, CPA has provided accounting, tax and management advisory services to businesses and individuals in the New England area for over twenty-five years. David's years of service have allowed him to develop an intimate familiarity with client needs while acquiring the professional acumen to develop programs that achieve financial and organizational objectives.

Through his career, David has specialized in strategic planning for individuals and small businesses including not for profit organizations. Specific areas of planning include taxation, financial, retirement, college savings, management consulting, business succession, family wealth, estate, business valuation and small business start-ups. David focuses on proactive and personal services and is committed to the financial success of his clients.

David received his BS in Accounting and AS in Computer Information Systems both from Castleton University. David is a member of the Vermont, New Hampshire and Florida Society of Certified Public Accountants and the American Institute of Certified Public Accountants.

Tony Ash, MBA, CFA

Tony Ash, CFA has 30+ years of broad experience in investment risk management, asset allocation, and investment operations. Most recently, he was co-founder and served as Managing Director and Chief Operating and Compliance Officer at Julex Capital Management, a start-up SEC-registered ETF strategist registered investment advisory firm.

Previously, he was Managing Director and Head of US Portfolio Management at Sun Life Financial. In that role he developed and implemented investment policies, strategies, and mandates for $37 billion in all asset classes backing the insurance general account.

Tony received his BA in Economics and his MBA in Investments both from Boston College. He currently serves as trustee for a town investment commission and provides pro bono investment advice to a charitable organization. He also was an investment instructor for Compass Working Capital, a Boston-based non-profit firm helping lower-income families build and manage their assets. Additionally, Mr. Ash is a member of the Westborough Lions Club, Westborough MA since 2011 and is Treasurer from 2015 to the present.