

GLOSSARY and DISCLOSURES

This report is not intended to be used when filing your taxes. You will receive all tax related forms from your custodian.

IRR

Performance Report

Internal Rate of Return of the account. It is a dollar weighted rate of return.

TOTAL COST

Portfolio Appraisal, Realized Gains and Losses

If the security was transferred in the cost basis will not be correct. Please inform *Wealth by Design, LLC* if you would like to add your original cost basis.

If the security was bought by *Wealth by Design, LLC* the cost basis will be reflected correctly.

The amount in the total cost/cost basis column is the original purchase plus the dividends if they are reinvested.

CUMULATIVE TWR

Performance History (graph), Performance History

Cumulative Time Weighted Return. TWR gives the same weight to time periods regardless of the amount of money invested. It minimizes the effect of cash flows on a portfolio. TWR's comply with AIMR Performance Presentations Standards.

BENCHMARK DEFINITIONS

AGGRESSIVE GROWTH - 100% EQUITY

15% S&P 500/Citigroup Growth Index
15% S&P 500/Citigroup Value Index
40% Russell 2000 Index (small companies)
20% MSCI Developed EAFE (international stocks)
10% Morgan Stanley Emerging Markets Free

GROWTH -80% EQUITY 20% FIXED INCOME

20% S&P 500/Citigroup Growth Index
20% S&P 500/Citigroup Value Index
20% Russell 2000 Index (small companies)
15% MSCI Developed EAFE (international stocks)
5% Morgan Stanley Emerging Markets Free
10% Barclays Aggregate Composite Bond Index
10% Citi World Government Bond Index

CONSERVATIVE GROWTH -60% EQUITY 40% FIXED INCOME

20% S&P 500/Citigroup Growth Index
15% S&P 500/Citigroup Value Index
15% Russell 2000 Index (small companies)
10% MSCI Developed EAFE (international stocks)
30% Barclays Aggregate Composite Bond Index
10% Citi World Government Bond Index

INCOME - 30% EQUITY 70% FIXED INCOME

20% S&P 500/Citigroup Value Index
10% MSCI Developed EAFE (international stocks)
60% Barclays Aggregate Composite Bond Index
10% Citi World Government Bond Index

CONSERVATIVE INCOME -10% EQUITY 80% FIXED INCOME 10% CASH

10% S&P 500/Citigroup Value Index
70% Barclays Aggregate Composite Bond Index
10% Citi World Government Bond Index
10% Citi 3-Month T-bill Index