

**Financial & Tax Architects**  
**Value Discount Strategy**  
**01/31/2017 to 10/31/2022**



Year	Composite Gross Return (%)	Composite Net Return (%)	Benchmark Return (%)	Year End Portfolios	Number of Portfolios	Composite Assets (\$)	Firm Assets (\$)	Internal Dispersion (%)	Composite 3-Yr Std Dev (%)
2017 <sup>1</sup>	11.47	9.46	..	<=5		26,535	..	n/a	
2018	-11.75	-13.52	..	8	<=5	97,573	..	n/a	
2019	24.88	22.44	..	<=5	<=5	49,900	..	n/a	
2020	20.07	17.71	..	<=5	<=5	38,258	..	n/a	24.47
2021	14.47	12.22	..	6	<=5	85,575	..	n/a	22.67
2022 <sup>2</sup>	-16.69	-18.09	..	<=5	<=5	31,118	..	n/a	25.29

**Partial Years**

<sup>1</sup> Returns for 2017 are from 01/31/2017 to 12/31/2017

<sup>2</sup> Returns for 2022 are from 12/31/2021 to 10/31/2022

Period	Composite Gross Return (%)	Composite Net Return (%)	Benchmark Return (%)
1 Year	14.467	12.223	0.000
3 Year	19.729	17.386	0.000
Since Inception	11.244	9.055	0.000

## Description

The **Value Discount Strategy (VD)** is a FTAWA proprietary investment model designed to identify undervalued asset classes. The strategy uses ETFs as representations of a specific asset class. Broadly, the represented asset classes include the equity market, U.S. Treasury bonds, corporate bonds, and cash or cash equivalents. The strategy uses a proprietary model to examine and select which asset class is the most undervalued as compared to the equity risk premium for stocks, the credit risk premium for corporate bonds, and the term risk premium for U.S. Treasury bonds. If, after analysis, no asset class is considered undervalued the strategy holds cash or cash equivalents.

## Calculation Methodology

The returns presented are asset-weighted and were calculated by geometrically linking the monthly sub-periods of each year presented. Portfolios which were not included during the entirety of any month were not included in the presented strategy performance for that month. A time-weighted rate of return was used to calculate all periods presented. The presented net returns were calculated by reducing 1/12<sup>th</sup> of the annual 2% management fee from gross monthly strategy returns. Returns are further reduced by trading commissions and do not reflect the reinvestment of dividends. The 2% management fee applied does not include fees charged by FTA for services other than investment management.

## Disclosure

Performance presented reflects the returns of actual portfolios invested in the VD strategy and includes only portfolios managed by FTA which are entirely allocated to this strategy. Variances in holdings may have occurred across portfolios invested in this strategy, due to timing of cash flow additions and liquidations or other client-specific constraints, which may have resulted in performance for individual portfolios that is different than that of the returns presented. New accounts invested in this strategy may be invested similarly but not identically to the investments of the portfolios which were used to calculate the presented performance.

All investments carry with them the possibility of loss.