



**DuCharme Wealth Advisors LLC**

INVESTMENT MANAGEMENT & FINANCIAL PLANNING

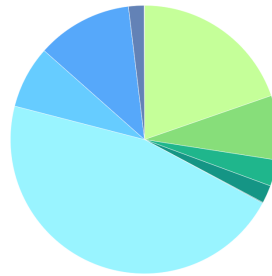
## **Income - 15% Loss Tolerance**

Prepared for

**Educational Reference**

David DuCharme  
DuCharme Wealth Advisors, LLC  
610 Old York Road, Suite 400  
Jenkintown, PA 19046  
david@ducharmewealthadvisors.com  
(717) 609-6311

# Allocation



4 Income - 15% Loss Tolerance  
Weight (%)

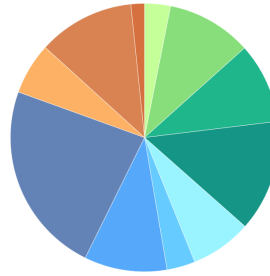
◇ US stocks large cap	19.7
◇ US stocks mid cap	7.8
◇ US stocks small cap	3.2
◇ Non US stocks	2.2
◇ Unclassified stocks	0.1
<hr/>	
◇ US bonds investment grade	46.2
◇ US bonds high yield	7.5
◇ US bonds inflation protected	11.5
◇ Non US bonds	-
◇ Unclassified bonds	1.9
<hr/>	
◇ Alternative	-
◇ Cash & equivalents	-
◇ Other	-
	<hr/>
	100

Stocks	32.9
Bonds	67.1
Cash & equivalents	-
Other	-
	<hr/>
	100

Cash & equivalents comprises money market holdings, and fixed-income securities with maturity of less than 90 days.  
Alternative comprises commodity, precious metals and alternative funds.

# Stocks Analysis

## Sectors



4 Income - 15% Loss Tolerance  
Weight (%)

	Weight (%)
<i>Cyclical</i>	
Basic Materials	3.1
Consumer Cyclical	10.2
Financial Services	9.7
Real Estate	13.5
<i>Sensitive</i>	
Communication Services	7.4
Energy	3.4
Industrials	10
Technology	23.2
<i>Defensive</i>	
Consumer Defensive	6.2
Healthcare	11.6
Utilities	1.6
	100
Percentage of portfolio analyzed	32.9
<hr/>	
Cyclical	36.5
Sensitive	44
Defensive	19.5
	100

Values are based on the percentage of portfolio analyzed.

# Stocks Analysis

## Style

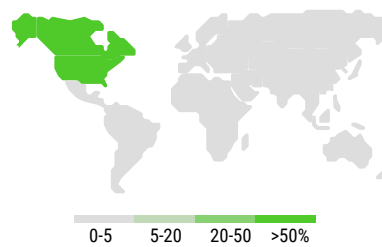
	% Value	Blend	Growth
Large	18	22	25
Mid	7	13	5
Small	3	5	2

### 4 Income - 15% Loss Tolerance

Average style	
Percentage of portfolio analyzed	32.9

Values are based on the percentage of portfolio analyzed.

## Regions



### 4 Income - 15% Loss Tolerance

North America	93.8
Latin America	0.1
Europe Developed	3.6
Europe Emerging	-
Africa/Middle east	-
Japan	1.3
Australasia	0.4
Asia Developed	0.5
Asia Emerging	0.1
	100
Percentage of portfolio analyzed	32.9

Values are based on the percentage of portfolio analyzed.

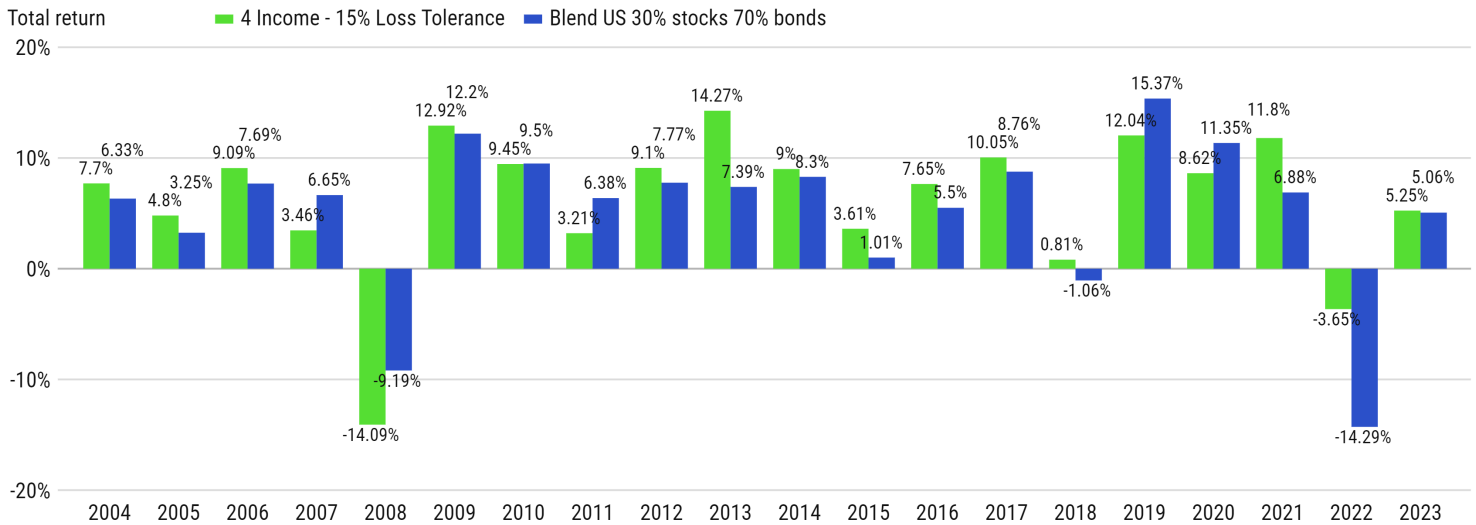
# Bonds Analysis

## Style

	4 Income - 15% Loss Tolerance
Bonds allocation (%)	67.1
Average credit quality	A
% of bonds rated	86
Average effective duration	3.00
% of bonds measured	86

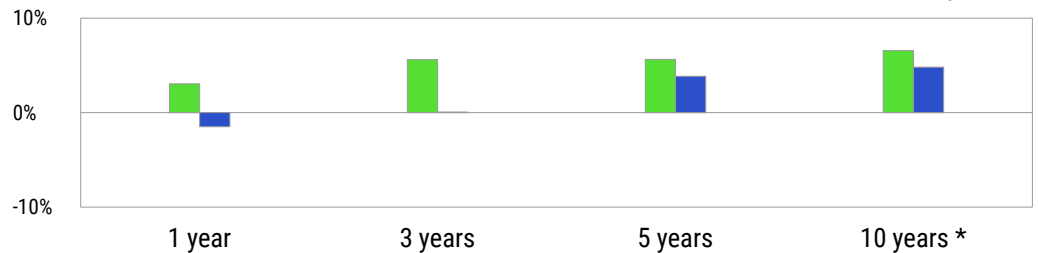
# Performance

## Periodic returns 20y



## Periodic Returns

As of Aug 15, 2023



Legend: 4 Income - 15% Loss Tolerance (Green), Blend US 30% stocks 70% bonds (Blue)

Periodic returns for periods longer than one year are annualized. (\*) Performance for some assets was extended before inception using an older share class or best fit index. Refer to the 'Asset extended performance' disclosure below for details.

## Assumptions

	Advisory fee	Rebalancing
4 Income - 15% Loss Tolerance	1.25%	Trigger 100%

## Key Stats

	Current yield
	4.38%

These results are hypothetical. The performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

# Performance

## Risk metrics

As of Aug 15, 2023

	1 year	3 years	5 years	10 years
Risk (standard deviation)				
■ 4 Income - 15% Loss Tolerance	<b>6.2%</b>	<b>6.5%</b>	<b>6.8%</b>	<b>5.4%</b>
■ Blend US 30% stocks 70% bonds	10.5%	8.8%	8%	6.1%
Alpha				
■ 4 Income - 15% Loss Tolerance	-1.7%	0.5%	0.3%	1.3%
■ Blend US 30% stocks 70% bonds	-5.6%	-5.6%	-1.5%	-0.3%
Beta				
■ 4 Income - 15% Loss Tolerance	0.32	0.36	0.35	0.36
■ Blend US 30% stocks 70% bonds	0.50	0.45	0.38	0.36
Sharpe ratio				
■ 4 Income - 15% Loss Tolerance	<b>0.50</b>	<b>0.67</b>	<b>0.63</b>	<b>1.05</b>
■ Blend US 30% stocks 70% bonds	0.13	-0.10	0.35	0.68
Maximum drawdown				
■ 4 Income - 15% Loss Tolerance	<b>-5.3%</b>	<b>-8.5%</b>	<b>-12.2%</b>	<b>-11.3%</b>
■ Blend US 30% stocks 70% bonds	-10.5%	-18.3%	-18.3%	-18.3%

The benchmark used to calculate alpha, beta is: S&P 500 Index TR

## Asset extended performance

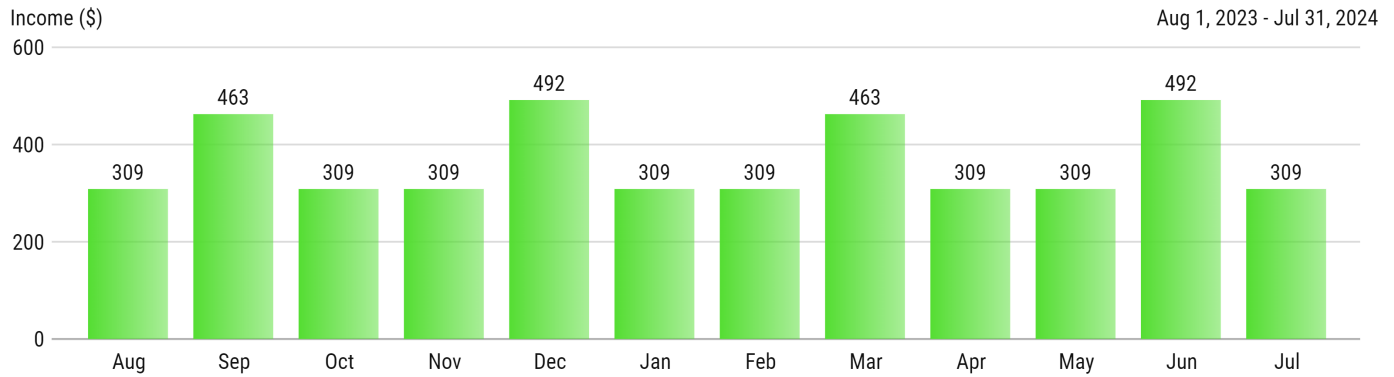
Some assets do not have a track record that extend to the entire portfolio performance period. For these assets, the pre-inception performance by an older share class or best-fit index may be appended to investment returns in order to provide hypothetical portfolio performance for the entire period, as shown below. The resulting rates of returns are an approximation for illustrative purposes only. These returns do not reflect actual investment results and are not a guarantee of future results.

Asset	Start date	End date
Invesco Dow Jones Industrial Avg Div ETF	12/16/2015	08/15/2023
» S&P 500 Index TR	08/15/2013	12/15/2015

# Estimated Income

Next 12 months (\$100,000 portfolio):

4 Income - 15% Loss Tolerance: \$4,377. Distribution rate = 4.38%

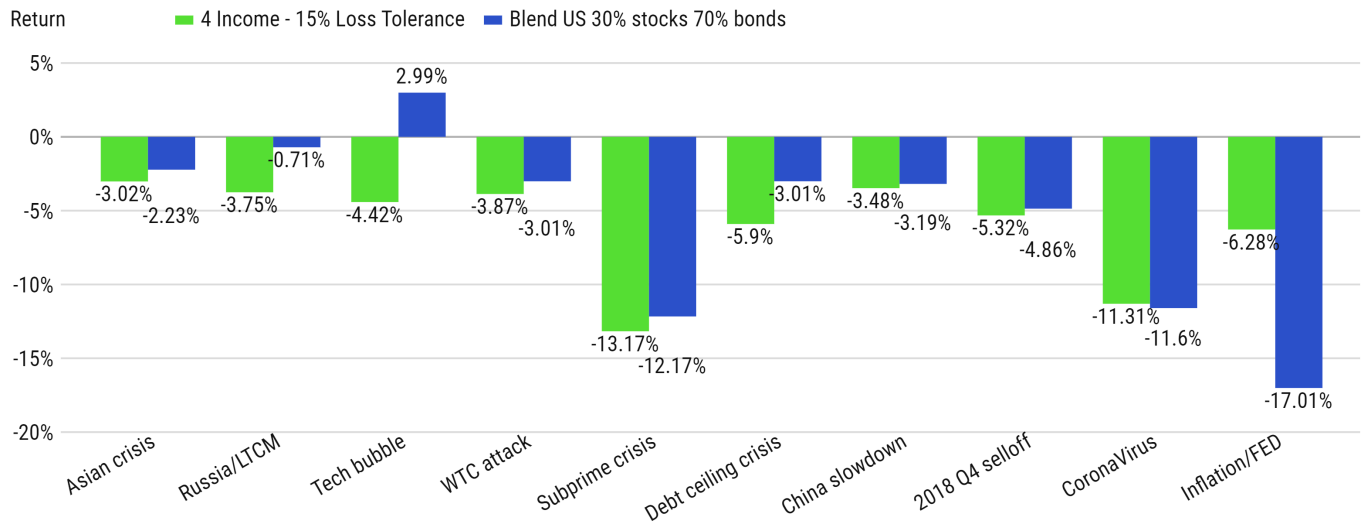


The values shown are an estimate based on the 12 month trailing yield, multiplied by the number of shares owned. The actual distributions may vary depending on the security issuer's approval. There is no guarantee that the actual distributions will be equal to the values shown. Past performance is not an indication of future results.



# Stress Test

## Past performance for historical scenarios



**Asian crisis (10/21/97-10/27/97):** Currency crisis originated in Thailand and spread to Asian countries. Global markets experienced drops on fear of worldwide contagion.

**Russia/LTCM (07/15/98-10/15/98):** After Russia defaulted on its bonds, Long Term Capital Management's collapse threatened to cause a chain reaction of losses.

**Tech bubble (03/10/00-04/04/01):** Deflating of the dot-com bubble caused a prolonged decrease in equity prices.

**WTC attack (09/11/01-09/21/01):** Terrorist attack disrupted trading in the US markets and triggered a sell-off.

**Subprime crisis (09/30/08-03/09/09):** A rise in subprime mortgage delinquencies led to a financial crisis and recession.

**Debt ceiling crisis (07/07/11-10/03/11):** Political deadlock in Congress prevents budget decisions and raises the possibility of US debt default. The US is downgraded by rating agency S&P.

**China slowdown (07/17/15-08/25/15):** Concerns about a slowdown of Chinese economy and devaluation of the Yuan triggered losses in world markets.

**2018 Q4 selloff (09/20/18-12/24/18):** Volatility due to raising interest rates, trade disputes and the possibility of recession lead to a global selloff.

**CoronaVirus (02/20/20-03/23/20):** Virus infection spreads worldwide, threatening to slow down the global economy

**Inflation/FED (01/03/22-09/30/22):** Inflation surges in 2022 due to supply shortages, Ukraine invasion and strong customer demand. FED raises its fund rate from 0.25% to 3%.

*This analysis is an estimate of the performance of the current portfolio under historical events. These results are hypothetical. The calculation is based on historical returns, volatility and correlations of the underlying investments at the time of the events. The results incorporate the effect of advisory fees.*

*The performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.*

---

## IMPORTANT DISCLOSURES

This report is being provided by your financial professional as a courtesy and is not intended to be used as or in lieu of an account statement.

This report presents past performance, which does not guarantee future results. The investment return and principal value will fluctuate thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than return data quoted herein.

The portfolio performance presented in this report is hypothetical and based on simulated investments. Unlike the results shown in an actual performance record, these results do not represent actual trading. Also, because these trades have not actually been executed, these results may have under- or over-compensated for the impact, if any, of certain market factors, such as lack of liquidity. Simulated or hypothetical trading programs in general are also subject to the fact that they are designed with the benefit of hindsight. No representation is being made that any account will or is likely to achieve profits or losses similar to these being shown.

Returns in this report are time-weighted returns (TWR). Returns include distribution income such as dividends. The simulation of model portfolios does not take into account trading costs and tax implications.

The projections or other information generated by Kwanti Analytics regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.

Performance is presented net of advisory fees. Other fees borne by investors and not included in this report are: commissions, custodial charges and sales loads. If applicable, these fees will have a compounding effect on performance that can be material.

Advisory services offered through DuCharme Wealth Advisors, LLC, a Registered Investment Adviser.

## INDEXES AND BENCHMARKS

References to indexes and benchmarks are hypothetical illustrations of aggregate returns and do not reflect the performance of any actual investment. Investors cannot invest in an index.

S&P 500 Index TR: Measures the performance of 500 widely held, large-capitalization US stocks.

Barclays US Aggregate Bond Index: Measures the U.S. bond market and covers all major types of bonds, including taxable corporate bonds, treasury bonds, and municipal bonds.

Blend US 30% stocks 70% bonds: Measures the performance of a blend of 30% US Stocks (as measured by the S&P500 Index) and 70% US Bonds (as measured by the Bloomberg US Aggregate Bond Index). This blend is updated monthly.

## DEFINITIONS

Alpha: the excess return of the investment over the benchmark, after adjusting for risk. A positive value implies that the investment has performed better than expected, relatively to its risk. The benchmark used for alpha calculation in this report is the S&P500 Index Total Return.

Backfill: for investments with an inception date that is later than the beginning of the reporting period, the returns of a similar investment are used to fill the missing data, when indicated. For example, a mutual fund class with long history may be used to backfill the history of another class with a more recent inception date.

Beta: the volatility of the investment compared to the volatility of the benchmark. A value lower than 1 indicates that the investment is less volatile than the benchmark. A value greater than 1 indicates a higher volatility. The benchmark used for beta calculation in this report is the S&P500 Index Total Return.

Current yield: the total distributions paid from the portfolio positions over 12 trailing months, divided by the total market price of the portfolio positions.

Fund expense ratio: for investment funds, the expense ratio as reported in the fund's prospectus.

Maximum drawdown: the largest percent retrenchment from an investment's peak value to the investment's valley value for a given period.

Risk (Standard Deviation): a measure of dispersion of returns around their historical average. The higher the standard deviation, the more widely the investment's returns vary over time.

Sharpe ratio: compares the investment return against the risk-free return (US Treasury Bill), after adjusting for risk. The greater the Sharpe ratio, the better its risk-adjusted performance.

Yield 12-month: the sum of distributions from the asset(s) over 12 trailing months, divided by the current market price of the asset(s).

Yield SEC: the annualized yield based on the 30-day period ending on the last day of previous month.

The information and analysis contained herein does not constitute investment advice offered by Kwanti and Morningstar, and is not warranted to be correct, complete or accurate. Kwanti and Morningstar are not responsible for any damages or losses arising from use of this information and analysis. Asset allocation data ©2023 Morningstar. All rights reserved. The asset allocation data contained herein is proprietary to Morningstar and/or its content providers.