



Exencial

Wealth Advisors™

FOR INTERNAL FIDELITY USE ONLY – NOT FOR CLIENT
DISTRIBUTION

INTEGRATED > FRAGMENTED

California | Connecticut | Florida | North Carolina | Ohio | Oklahoma | Texas

Financial Checklist

Ratings: (+) for confidence, (-) for concern, (N/A) for not applicable.

Financial Plan

- ☐ The plan I have in place will enable me to reach my goals.
- ☐ My plan has been updated in the last 12 months to incorporate changes in life and lifestyle.
- ☐ My plan helps me make decisions about how I spend my time, not just money.
- ☐ My recent spending and savings reflect my long-term goals.
- ☐ If something were to happen to me, I am confident my family's finances are in order.

Tax Planning

- ☐ I am maximizing opportunities to reduce my current and future tax burden.
- ☐ I locate specific investments in certain account registrations based on interest, dividends, and capital gains projections.
- ☐ I have a plan in place to manage income taxes during retirement.
- ☐ My charitable giving is done in the most tax-advantaged way.

Estate Planning

- ☐ My beneficiaries are up to date and consistent with my estate plan.
- ☐ I am actively structuring assets in a tax efficient manner to minimize the impact of estate taxes and maximize the impact of my long-term wealth.
- ☐ I have entrusted the correct people with the ability to fulfill my needs and wishes when it comes to financial and healthcare decisions should I become incapacitated.
- ☐ I have a Last Will or Revocable Living Trust to properly convey my estate.

Advanced Planning

- ☐ I have a plan for maximizing Social Security and managing Medicare costs in retirement.
- ☐ I have run projections for the suitability and benefit of Roth conversions.
- ☐ I am utilizing tax sheltered and tax advantaged strategies to enhance my after-tax returns.
- ☐ I keep up with changes in legislation and how they impact my financial plan.

Investments

- ☐ My investments are made in a risk conscious way.
- ☐ Within my portfolio, I have 3-5 years of spending needs set aside in cash and fixed income investments.
- ☐ I am a disciplined investor and do not chase the seasons top performers.
- ☐ I base my investment decisions based on facts, not feelings.

Advisor / Coach / Accountability

- ☐ I feel comfortable and confident making financial decisions.
- ☐ I look forward to keeping up with the markets and financial planning strategy in my free time.
- ☐ My schedule allows me the opportunity to spend time on my finances.
- ☐ I set financial goals and milestones and hold myself accountable.
- ☐ My family is confident we are making the right moves financially.



Craig Wezenski, MBA
Partner and Director of Business Development

Craig is a seasoned financial professional who has over 26 years of experience. He received his Masters in Business Administration in Finance from the University of New Haven in 2004. Craig received his undergraduate degree in Finance, with a minor in Psychology, from Bryant University in 1997.

Prior to joining Exencial Wealth Advisors, Craig worked for Fisher Investments, Fidelity Investments and Ameriprise. He began his career at Ameriprise, where he spent 9 years in various financial and management roles. He then joined Fidelity Investments, where he spent 8 years. His most recent role was as a Vice President, Senior Account Executive managing \$1.5 billion for over 600 families. During his tenure at Fidelity, Craig was the recipient of the Fidelity Achiever Award, awarded to him multiple years. This award is one of Fidelity's highest recognition awards.

Craig has spent much of his career helping individual clients meet their financial goals and achieve financial freedom. He will explain the Exencial Wealth Advisors approach and how it compares to other money management options currently available to you. Craig will review your current financial situation, discuss your personal investment goals and objectives, and help determine how Exencial Wealth Advisors can best benefit you.

In his spare time, Craig enjoys spending time with his wife, son, and daughter. Craig is an avid outdoorsman and loves to give back to his community. Some of his hobbies include spending valuable family time doing the following: golfing, fishing, camping, and boating.

ExencialTM
Wealth Advisors



FIRM OVERVIEW

ExencialTM

Wealth Advisors

Exencial is a nationally based firm that began in 2003 with a foundation of superior advice and execution. Since our genesis, we have crafted a team of professionals who hold designations including CPA, CFA Charterholder, CFP® professional, and CIMA® to deliver advice across the many disciplines of wealth management. These disciplines include tax preparation, individual investment management, financial planning, estate plan construction, risk management, and philanthropy.

Our clients have access to the Portfolio Management Team whose members oversee our investment strategies that include individual stocks, individual bonds, options, ETFs, and mutual funds.

We strive to remain a **servant-leader** across the wealth management industry, respected for our **wisdom, integrity, exceptional service, financial advice** and **investment expertise**.

FACTS

OFFICE LOCATIONS

Oklahoma City, OK (H)
Plano, TX
San Antonio, TX
Charlotte, NC
Old Lyme, CT
Guilford, CT

SATELLITE LOCATIONS

Tampa, FL
Newtown, PA
Stamford, CT
Cincinnati, OH
Westlake Village, CA

DIFFERENTIATORS

Referral Program – Fidelity
Open Architecture Investment Platform
Individual Stock & Bond Management

Concentrated Position Management
Trust and Estate Services
Tax Preparation and Accounting

FEE STRUCTURE based on assets under mgmt.

Portfolio Assets

First \$2,000,000
Next \$3,000,000
Balance over \$5,000,000

Annualized Rate

1.00%
0.80%
0.60%

Minimum Portfolio Account Value - \$500,000

ESTABLISHED

2003

TOTAL AUM

\$5.3B

CLIENTS

3,228

CLIENTS
PER ADVISOR

100

EMPLOYEES

111

DESIGNATIONS

52

**as of 3/31/25*

MEET THE TEAM



Craig Wezenski, MBA

Director of Business Development
(203) 298-8523
cwezenski@exencialwealth.com

Craig has spent the majority of his career helping individual clients meet their financial goals and achieve financial freedom. He will explain Exencial Wealth Advisors approach and how it compares to other money management options currently available to you. Craig will review your current financial situation, discuss your personal investment goals and objectives, and help determine how Exencial Wealth Advisors can best benefit you.



Derrick Longo, MBA

Senior Wealth Advisor
(704) 464-5983
dlongo@exencialwealth.com

Derrick is a wealth planning professional with 10+ years of experience in the financial services industry with a focus in financial planning and risk management for individuals and businesses. Prior to joining Exencial Wealth Advisors in 2020, Derrick worked for a regional retirement provider helping businesses and individuals reach their retirement goals. Derrick graduated from the Southern Connecticut State University with a Master's degree in Business Administration.



David Poudrier, CFP®

Senior Wealth Planner
(240) 997-9064
dpoudrier@exencialwealth.com

David is a wealth planning professional with over a decade of experience in the financial services industry focused on educating clients on wealth management topics and helping them avoid common pitfalls. David believes that trust and transparency are the cornerstone of the client-advisor relationship. David is a Certified Financial Planner (CFP®) and received a BA in Finance from Coastal Carolina University.

YOUR EXENCIAL TEAM - SUMMARY



Direct Team:



Derrick Longo, MBA

Partner | Senior Wealth Advisor

Phone: [914-844-1226](tel:914-844-1226)

Email: dlongo@exencialwealth.com

- 10+ years in financial planning and risk management for individuals and businesses
- MBA from Southern Connecticut State University
- Former retirement plan specialist helping clients meet long-term goals
- Collegiate Wrestling Hall of Fame inductee



Craig Wezenski, MBA

Partner | Director of
Business Development

Phone: [203-298-8523](tel:203-298-8523)

Email: cwezenski@exencialwealth.com

- 23+ years in financial services with Fidelity, Fisher Investments, and Ameriprise
- Managed \$1.5B for 400+ families as VP at Fidelity
- Multiple Fidelity Achiever Award recipient
- MBA in Finance from University of New Haven



David Poudrier, CFP®

Wealth Advisor

Phone: [240-997-9064](tel:240-997-9064)

Email: dpoudrier@exencialwealth.com

- 10+ years of experience across trading, advising, and consulting roles
- Certified Financial Planner™ (CFP®)
- Former advisor and consultant at Fidelity Investments
- BA in Finance from Coastal Carolina University



Brennan Hawkins

Senior Trader | Advisor

Phone: [704-654-6167](tel:704-654-6167)

Email: bhawkins@exencialwealth.com

- 7+ years in trading with Vanguard and Wells Fargo
- BS in Business Administration and MBA in Finance
- Focused on precision, detail, and long-term client success
- Avid golfer and global travel enthusiast

Tax Team:



Amy Sewell, CPA

Tax Manager

Phone: [860-603-3045](tel:860-603-3045)

Email: asewell@exencialwealth.com

- CPA with 10+ years in tax planning for high-net-worth families and businesses
- Leads tax services for NC and CT offices at Exencial
- Former CFO with expertise in financial reporting
- BBA in Accounting from Texas Tech University

Client Services Team:



Jamie Biddle

Relationship Manager

Phone: [854-269-8290](tel:854-269-8290)

Email: jbiddle@exencialwealth.com

- 9+ years of experience in the financial industry
- Specializes in client service, goal setting, and strong financial communication
- BS in Finance from Fordham University



Malli Smith

Relationship Manager

Phone: [704-993-6279](tel:704-993-6279)

Email: msmith@exencialwealth.com

- Experienced client service professional
- Known for a client-first mindset and excellent interpersonal communication
- Supports advisors and clients in the NC office

ExencialTM

Wealth Advisors

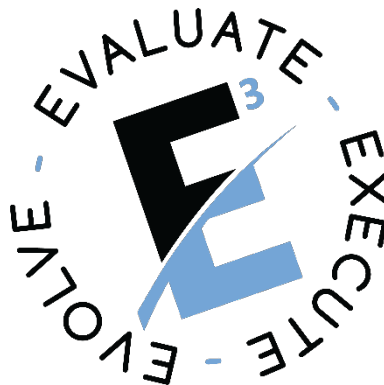
Exencial Wealth Advisors is an SEC registered investment adviser. Any references to the terms "registered investment adviser" or "registered," do not imply that Exencial or any person associated with Exencial has achieved a certain level of skill or training.

E³ FORMULA

Exencial
Wealth Advisors™

Our processes are developed, designed, and refined to cater to the busy executive. Our ultimate goal is to understand your family, occupational, and recreational goals and create a clear connection to your capital.

We evaluate, execute and evolve to stay dynamic and adaptable as your goals become realities. We are here to help guide you along the way.



WHAT IS IT ALL FOR?

Essential to great financial health is the creation of a financial plan - a detailed, goals-based map of what needs to happen to get you from where you're at to where you want to be.



FAMILY

The first “why” is typically the most important to clients. Spending time with family, providing for loved ones, and leaving a lasting legacy are often important goals for our clients.



RECREATION

Passions drive all of us. Whether that be spending time on the golf course, running marathons, or traveling the globe, everyone needs a passion. Planning for and adequately providing for these passions is important.



OCCUPATION

Your occupation is one of the main driving factors in achieving your financial goals. Understanding clients' occupational goals allows for us to better plan for retirement.



MONEY

Money is the “how” behind achieving all of your goals. Whether it be taking a family vacation, retiring early, or funding a passion project, money helps you accomplish your life's goals.



FOCUS ON WHAT MATTERS

Our commitment: never lose sight of what matters most to our clients. Whether that is their family, their occupation, or their recreation. Their money allows them to do what they love.

ESTATE PLANNING

PHILANTHROPY

RISK MANAGEMENT

RETIREMENT

**PILLARS OF
FINANCIAL
PLANNING**

INVESTMENTS

TAX



CERTIFIED FINANCIAL PLANNER™ (CFP®)

Working with a Certified Financial Planner™ ensures you're working with a highly qualified advisor who has passed the rigorous experience and education required to obtain this designation. Not only must they meet these requirements, but they are also held to the highest professional and ethical standards. This certification adds a dual layer of fiduciary standards on top of those inherently present in working with a registered investment advisor.

CERTIFIED PUBLIC ACCOUNTANT (CPA)

Utilizing the expertise of a Certified Public Accountant, you can rest easy at night knowing you have a professional with the knowledge to act as an accounting consultant, tax consultant, and business advisor. This expert knowledge is invaluable in advising you on a variety of situations which frees up your precious time to focus on what is most important to you.

CERTIFIED INVESTMENT MANAGEMENT ANALYST (CIMA)

Having a Certified Investment Management Analyst working behind the scenes to construct a portfolio tailored to you means you can worry less about your investments and more about the things that matter most. Extensive knowledge of investments, behavioral finance, technical analysis, and many other financial topics leads to being recognized as a standard for advanced investment consulting by the financial services industry.

OUR EXPERTISE

CHARTERED FINANCIAL ANALYST (CFA Charterholder)

The Chartered Financial Analyst credential is one of the most respected designations in finance related qualifications. This three-tiered charter requires over 1,000 hours of study and work experience culminating in a professional who has achieved the “gold-standard” of investment analysis. Similar to the Certified Financial Planner®, the Chartered Financial Analyst must live up to a high level of professional and ethical standards.

JURIS DOCTOR (JD)

Having team members that are legal professionals with backgrounds in multiple areas of discipline allow us to extend our ways of thinking and situational analysis to provide our clients with solutions and advice that encompass areas outside of the numbers and investments.

BRINGING IT ALL TOGETHER

Bringing together a qualified group of professionals to serve our clients has been the goal of Exencial from day one. We believe coordinating all aspects of our clients' financial pictures creates cohesiveness among the different disciplines and produces higher quality outcomes. Having an array of high quality, in-house experts allows us to guide clients in a manner that facilitates achieving the goals they've formed.

ExencialTM
Wealth Advisors

A background image showing two people in business attire. One person is pointing at a tablet displaying financial charts, while the other is writing on a document. The scene is overlaid with a semi-transparent dark blue layer. The left side of the image has a solid blue background.

PLATFORM & SERVICES

INTEGRATED SERVICE PLATFORM™ (ISP)

ADVISORY TEAM

8
CFA
Charterholders

17
CPA

19
CFP®

8
OTHER*

** Other includes JD,
PFS, CIMA®, and
CTFA*



BANKING & LENDING

Sourcing and advising
on credit providers
and ensuring optimal
account structure.



ESTATE PLANNING & TRUST SERVICES

Legal, insurance,
planning, and design.



FINANCIAL PLANNING PLATFORM

Balance sheet, cash flow
statement,
retirement planning,
strategy, and
execution.



CONSOLIDATED REPORTING

Aggregation from the
reporting on trusts and
estate flows to outside
assets with other advisors.



INVESTMENT PLATFORM

Customized portfolios
with individual stocks
and bonds, mutual
funds, or ETFs.



TAX & ACCOUNTING PLATFORM

Planning, preparation,
filing, and coordination.

ESTATE & TRUST SERVICES PLATFORM

ADVICE & EXECUTION

Estate plan documents can often read like a foreign language. We bridge this gap by our E3 process:

- **Evaluate** – review existing planning and construct a summary report highlighting areas of improvement.
- **Execute** – changes with internal and outside providers.
- **Evolve** – to stay current as your life unfolds or legislative changes occur.

Exencial
Wealth Advisors™



Plan Review

With notes and summaries highlighting key areas and risk points.



Plan Design

Goals and objectives discussion to design an optimal implementation strategy.



Family Education

Second and third generation education plans and meetings.



Estate Flow Diagrams

'Big charts' that show entity values and how assets flow through an estate plan.



Execution & Maintenance

Plan implementation internally or with outside counsel and ongoing maintenance scheduled and executed.



Corporate Trustee

Relationship in place with a national bank with low, negotiated rates.

PLANNING TEAM OVERVIEW



KYLE HAFSTAD, CFP®

Estate Planning Advisor

HIGHLIGHTS

- 14 Years Providing Estate and Trust Planning Services
- Specializes in Advanced High Net Worth Planning
- Leads our Estate and Trust Planning

PROFESSIONAL CERTIFICATIONS & EDUCATION

- B.S. Business and Finance at Purdue University

ESTATE PLANNING SERVICES FOR YOU

Our experienced team will guide you through each part of the process, whether it's your first time working with an advisor or your 50th.

Below are just a few of the estate planning services we offer:

SCOPE OF SERVICES

- Estate Design
- Charitable Giving
- Insurance Guidance
- Succession and Legacy Planning



Balance Sheet

Construction and maximization across assets and liabilities.



Cash Flow Projections

Income and expense projections with asset balances.



Retirement Planning

Income and expense analysis with a distribution strategy to mitigate lifetime taxes.



Risk Management

Policy review with insurance placement options.



Scenario Analysis

Featuring events such as stock option analysis, college planning, mortgage analysis, charitable contributions, etc.



Goal Planning

Around family, occupation, and recreation and how these goals connect up with your money.

FINANCIAL PLANNING PLATFORM

We connect your investment portfolio to the things that matter most in your life like your family, occupation, and recreation.

18
CPA

15
CFP®

Exencial
Wealth Advisors™

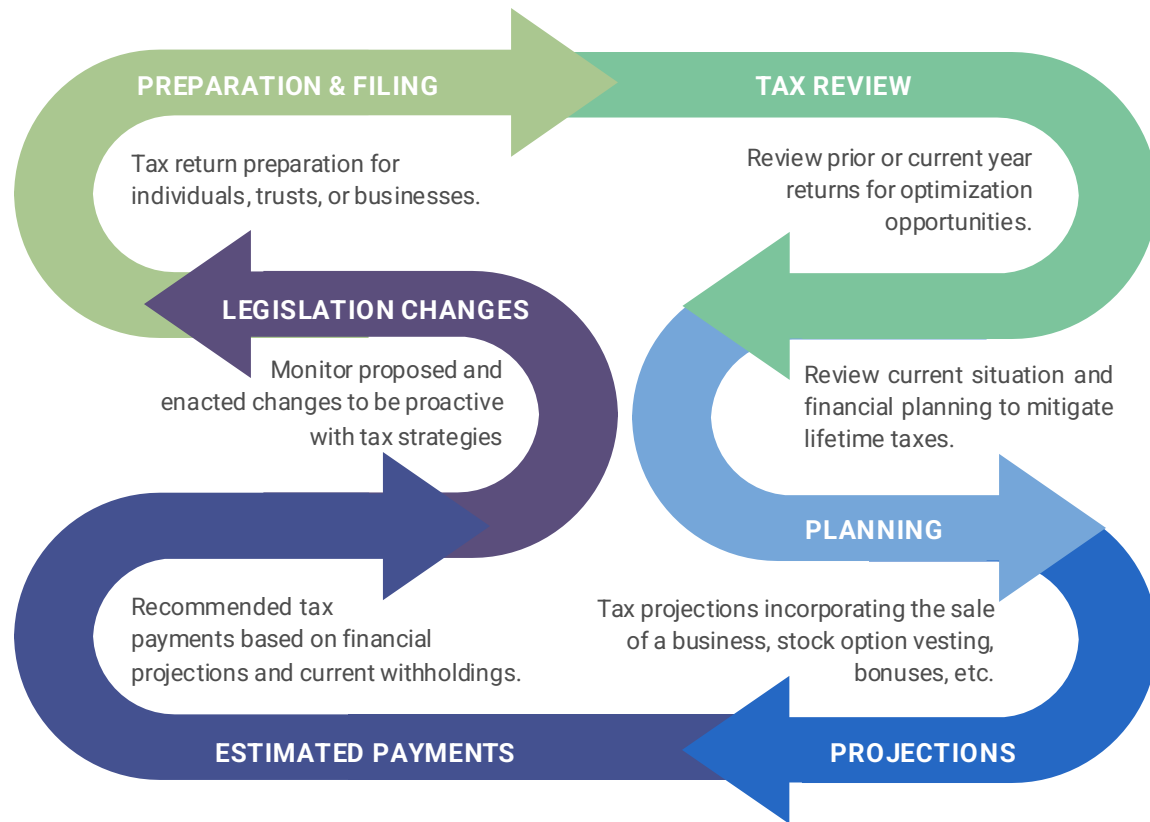
TAX & ACCOUNTING PLATFORM

Service offering spanning basic tax return preparation to more complex business services.

2000
RETURNS

17
CPA

Exencial[™]
Wealth Advisors





ADA CARTRIGHT, CPA®/PFS

Tax Director

HIGHLIGHTS

- 26+ years experience in accounting field, with 24+ years in tax at local & regional firms
- Tax compliance, planning & consulting for individuals, trusts, estates & businesses
- Experience with business entities in the real estate, legal and medical sectors

PROFESSIONAL CERTIFICATIONS & EDUCATION

- CPA®
- PFS
- Texas A&M University, BBA-Accounting



CHRIS MEEKS, CPA®

Senior Tax Manager

HIGHLIGHTS

- 17+ years experience in accounting field, with 15+ years in tax at local and national firms
- Tax compliance, planning and tax controversy at the international, federal, state & local level
- Recent years has focused on high-net worth individuals and closely held businesses

PROFESSIONAL CERTIFICATIONS & EDUCATION

- CPA®
- The University of the Incarnate Word, BBA-Accounting



AMY SEWELL, CPA®

Senior Tax Manager

HIGHLIGHTS

- 25+ years experience in accounting field, with 15+ years in tax at local, regional, & national firms
- Tax compliance, planning and advisory services for individuals, trusts & business entities
- Focus on high-net worth individuals, including closely held businesses

PROFESSIONAL CERTIFICATIONS & EDUCATION

- CPA®
- Texas Tech University, BBA-Accounting



ABRAHAM OLALDE, CPA®

Tax Manager

HIGHLIGHTS

- 14-year Military veteran – U.S. Air Force
- 6+ years in tax at local and national firms
- Tax Compliance and tax planning services for individuals, trusts and business entities
- Focus on high-net worth individuals and closely held businesses

PROFESSIONAL CERTIFICATIONS & EDUCATION

- CPA®
- The University of Texas at Dallas, BBS-Accounting & MS-Accounting
- University of North Texas at Dallas College of Law – J.D. – Law, Exp. Grad. Date 2027



MARY YOUNG, CPA®

Supervising Tax Manager

HIGHLIGHTS

- 20+ years experience in accounting field, with 15+ years experience in tax at local and regional firms
- Tax compliance, planning and consulting for individuals, trusts, estate & business
- Focus on high-net worth individuals and closely held businesses

PROFESSIONAL CERTIFICATIONS & EDUCATION

- CPA®
- Northwestern State University, BS-Accounting & BS-Business Administration

INVESTMENT PLATFORM

Open architecture platform focused on diversification, tax efficiency, and mitigating adverse investor behavior.

Customized portfolios with individual stocks and bonds, mutual funds, ETFs, or institutional quality private investments.

9
CFA
Charterholders

150+
YEARS OF
EXPERIENCE



RESEARCH METHODOLOGY

Our research methodology is built upon a time-tested, three-stage process. This process is top-down driven and has a strong emphasis on identifying quality, based on peer-to-peer analysis in each industry and sector. Importantly, we leverage this research process across all our equity portfolio strategies.

• Stage 1: Qualitative Analysis

We define quality as the sustainable competitive advantage a company enjoys over its competition. We have developed a checklist to assess competitive advantage including the following variables: product, price, service, management, cost position, market position, financial strength, strategic planning, technology, and execution. This is a dynamic process whereby different variables are given greater weight in some industries while given lesser weight in others. The key is to determine what each company may possess.

• Stage 2: Top-Down Analysis

In this stage we identify long-term market drivers, or secular trends, which determine the sectors of the market likely to outperform and those likely to underperform the overall market. Based on this analysis, we will position portfolios to hold a larger or smaller position in relation to the sector weights in the S&P 500. Actual sector weightings may vary across our different equity strategies reflecting the unique characteristics of each.

• Stage 3: Quantitative Analysis

In the third stage we utilize industry-specific valuation methodologies to determine the upside and downside potential for stocks that pass our qualitative screens. Typically, this involved approximately 200 companies. Valuation parameters include: Price/Earnings (PE), Price/Cash Flow (PCF), Price to Growth (PEG), and Price/Book Value (PBV).

• Portfolio Review

Our investment team is continually reexamining the holdings, in all of our equity portfolio strategies, in the content of our three-step investment process. We continually challenge our qualitative assessments as the competitive landscape changes in response to the economy or other market forces. Likewise, we continually retest our overall top-down strategy through the various stages of the economic cycle. Lastly, through our quantitative valuation models, we monitor the relative upside and downside of each individual stock in the portfolio.

• Sell Discipline

Our sell discipline flows from our three-step process: First, if a company loses its quality – no longer has a sustainable competitive advantage vs. its competition – it would be a candidate for sale. Second, a change in the top-down strategy may lead to increased exposure in one sector and reducing exposure in another sector. Third, if a stock becomes over-valued based on our valuation analysis, it may be a candidate for sale.

INVESTMENT TEAM OVERVIEW



TIM COURTNEY, CIMA®
Chief Investment Officer

HIGHLIGHTS

- Asset Allocation
- Investment Process Design

PROFESSIONAL CERTIFICATIONS & EDUCATION

- CIMA®
- Oklahoma State University



MICHAEL CONERLY, CFA
Charterholder
Sr. Portfolio Manager

HIGHLIGHTS

- 20+ Years of Experience
- Fixed Income Specialist
- Columbia Threadneedle

PROFESSIONAL CERTIFICATIONS & EDUCATION

- CFA Charterholder
- The Ohio State University



JEFFREY HIBBELER, CFA
Charterholder
Sr. Portfolio Manager & Director of Wealth Management

HIGHLIGHTS

- 20+ Years of Experience
- Fixed Income Specialist
- Columbia Threadneedle

PROFESSIONAL CERTIFICATIONS & EDUCATION

- CFA Charterholder
- Nebraska Wesleyan University



RANDY FARINA, CFA
Charterholder
Sr. Portfolio Manager

HIGHLIGHTS

- 20+ Years of Experience
- Putnam Investments
- Founded mentorship program for analysts

PROFESSIONAL CERTIFICATIONS & EDUCATION

- CFA Charterholder
- University of Massachusetts Lowell
- Boston College, MSF

CONTINUED INVESTMENT TEAM OVERVIEW



PETE TRONTIS, CFA
Charterholder
Sr. Portfolio Manager

HIGHLIGHTS

- Equity Analyst
- Risk Analyst for Wells Fargo

PROFESSIONAL CERTIFICATIONS & EDUCATION

- CFA Charterholder
- DePaul University
- Duke University



NICK PISELLI, CFA
Investment Analyst

HIGHLIGHTS

- Equity Analyst

PROFESSIONAL CERTIFICATIONS & EDUCATION

- Colgate University



BEN COURTNEY
Investment Analyst

HIGHLIGHTS

- Equity Analyst

PROFESSIONAL CERTIFICATIONS & EDUCATION

- Oklahoma State University

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A person in a dark suit is shown from the chest down, carefully placing a wooden block onto a stack of other blocks. The blocks are light-colored wood, and the stack is growing taller. The background is a solid blue color on the left and a dark, blurred image of the person on the right.

RISK MANAGEMENT

WHEN IS A MANAGER, FUND, OR STRATEGY REMOVED FROM YOUR PLATFORM?

Underperformance

If a manager, fund, or strategy meaningfully underperforms parameters, a reevaluation is customary, and one of the following will occur:

- **Buy more** – if the investment thesis is still in-tact and we are accumulating a normal position size, we will buy more at lower prices.
- **Hold** – if the thesis is still in-tact but confidence is lower, we will continue to hold it but will closely monitor it.
- **Sell** – if the thesis is no longer in-tact or a more attractive opportunity presents itself, the position will be reduced or removed entirely.

Manager Turnover, Strategy Changes, or Other Risk Introduced

If the manager or strategy has leadership turnover either at the portfolio manager or ownership level, it will trigger a reevaluation and may be removed from the platform. Other considerations are investment style changes, fee changes, or tax policy changes.

Outperformance

If a manager, fund, or strategy meaningfully outperforms, a similar reevaluation is triggered and one of the following will occur:

- **Buy more** – this mainly applies to individual securities but if our thesis is accomplished and is building momentum, in some cases it makes sense to increase the position size.
- **Hold** – if our thesis is accomplished and there aren't more attractive alternatives, the position will be maintained with increased expectations.
- **Sell** – if a company or even secular trend has run its course or there are more attractive alternatives, the position will be reduced or removed to invest in the alternatives (*i.e. acquired high yield bonds in 2000, sold them to invest in equities*).

PROCESS FOR MEASURING INVESTMENT PERFORMANCE

Portfolio Performance:

We analyze family needs through our E3 Process to determine required returns for the portfolio. This expected return determines the portfolio allocation and is compared against actual performance in regular review meetings. Other portfolio expectations may concern taxes, avoiding exposure in particular areas (ESG responsible), etc.

Investment Performance:

Focusing on the actual investments of the manager or a strategy level, performance is compared against its closest, main-stream industry benchmark. In this comparison the actual internal rate of return (IRR) is used for comparison unless capital was dollar cost averaged in; in that case, the time weighted return (TWR) is used.

Another area of performance we analyze within the actual strategies is the attribution of industry over and under-weightings. This is analyzed from a return opportunity aspect as well as a risk mitigation aspect.

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Wealth Advisors

A woman with dark hair is smiling and looking down at a desk. She is wearing a white t-shirt. On the desk, there is a laptop, some papers, and a pen. The background is slightly blurred, showing a home office environment.

INCOME
& EQUITY

PUBLIC MARKETS STRATEGIES: RISK - RETURN



CUSTOMIZED PORTFOLIOS TO CONTROL RISK & RETURN PROFILES.

Diversified but not over diversified.

Tax sensitive portfolio management.

Seeks to **mitigate adverse investor behaviors**, such as chasing market returns or making knee-jerk reactions to news releases.

LEGEND:

OFFENSE

DEFENSE

INCOME

Fixed Income

Our focus in selecting fixed income securities is primarily based on credit quality and cash flow, while also providing yield generation. We believe that fixed income provides a strong foundation to a balanced portfolio; therefore, we reduce risk by investing in companies with low default risk. Taxable bond portfolios are constructed using US Treasury, US Agency, or investment grade corporate bonds. We currently favor Agencies and corporate bonds due to the low returns offered by US Treasuries. Tax-free bond portfolios are constructed using high-quality municipal bonds from the state in which the client resides. Interest rates rise and fall; however, high-quality bonds mature at par. Our preference is to defensively position portfolios in high-quality bonds with average duration of 5 years and shorter or structured bonds that have coupons that will step up if rates rise.

Equity Income

Generating steady income from traditional fixed income investments is currently a challenge due to the low-interest rate environment. The Equity Income Strategy attempts to overcome this by building a diversified portfolio of income-generating securities across asset classes and sectors. While this strategy does contain more risk than traditional high-quality bonds, we believe the long-term risk is lower compared to a strategy of holding long-dated or lower-quality bonds.

Covered Call

A covered call strategy consists of two parts: owning one or more stocks or stock funds and selling a call option tied to those stocks or funds. When you sell a call option, you immediately receive income which increases the return of your portfolio. However, you also relinquish claim to the stocks or funds' appreciation above a certain price. The goal a covered call strategy is to generate income and partially hedge the risk that the stocks or funds may have low or negative returns in the future.

While certain option strategies can be high risk, a covered call strategy usually lowers the overall risk of a stock portfolio. The income received from selling call options dampens the volatility of a portfolio, which generally means the portfolio loses less money when stock prices fall but also makes less money when stock prices are rising rapidly. A covered call strategy is ideal in a relatively flat or slightly positive market environment. In these scenarios, the owner of a covered call portfolio receives income from selling calls, dividend income from the underlying stocks, and modest appreciation potential of the underlying shares.

U.S. EQUITY

Defensive Equity

This strategy is invested in most major economic sectors as defined by the S&P 500. We focus on 25-30 high-quality companies that have delivered stable and consistent returns through the business cycle. This strategy seeks a balance of income and growth with competitive returns. The goal of the strategy is to have lower volatility than the S&P 500, as measured by beta. The historical beta to the S&P is .69 since inception.

Core Equity Strategy

This strategy is typically comprised of 35-40 high-quality, industry-leading growth stocks. This strategy is predominately large-cap, but may also include small-cap, mid-cap, and international stocks. From a quantitative perspective, we strive to have an overall strategy with a PE ratio close to the market, but with an average earnings growth significantly greater than the overall market.

Value Strategy

The Value Strategy is typically comprised of 35-40 stocks. The market's short-term focus routinely underestimates characteristics like durability and sustainability and consequently the intrinsic value of these businesses. We have found that paying a reasonable price for a business with the above characteristics will lead to above-average stock price performance over time.

INTERNATIONAL EQUITY

International Equity Strategy

The International Equity Strategy will focus on high-quality, industry-leading companies that are domiciled outside of the US. International Equity Strategy focuses largely on identifying investment trends and opportunities in developed international markets but may invest directly in emerging markets provided the companies in question meet Exencial's quality criteria. Emerging markets can offer superior growth prospects due to favorable demographic and per-capita income trends.

Thematic ETF Strategy

The Thematic ETF portfolio focuses on identifying sustainable, game-changing secular trends, and building a diversified portfolio of ETFs which are directly exposed to these themes. Importantly, our research process distinguishes short-term fads from sustainable, long-term trends. To accomplish this important filtering process, we leverage our existing research and portfolio management methodology for the Core Equity strategy. Some good examples of secular trends are the build-out of the Internet in the mid to late 90s, social networking, the move to mobile devices, and the increasing role and importance of "Big Data". This portfolio is relatively concentrated, holding 10-15 ETFs. At the same time, the overall philosophy of this portfolio lends itself to significant exposure to technology-related sectors. Both factors are likely to make this portfolio more volatile than the overall market.

PERFORMANCE REPORTING

Website



Client Portal



Client Reports



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The S&P 500 is a stock market index tracking the performance of 500 large companies listed on stock exchanges in the United States. It is one of the most commonly followed equity indices.

“Beta is a statistical measure of the volatility of a stock versus the overall market. It’s generally used as both a measure of systematic risk and a performance measure. The market is described as having a beta of 1. The beta for a stock describes how much the stock’s price moves compared to the market”