Capital Appreciation Model Portfolio Disclosures

- ## What is a Model Portfolio?
  - For Investment Style A (i.e comprising primarily individual securities and cash) type, it is an **actual** client portfolio (s) with a particular objective (Capital Appreciation, in this case) managed using this style by Ceera Investments, LLC (CEERA). For Investment Style B (i.e. comprising primarily individual securities, funds, and cash), it is a **hypothetical** portfolio that tracks the investments made in this style by CEERA.
  - The holdings in a Model portfolio tend to mirror the holdings of our clients with a similar objective (Style A, Style B and so on). As a result, we expect the performance of this Model Portfolio to mirror the performance of a typical client's portfolio using a particular Style, especially over longer periods of time—in other words, the Model Portfolio serves as a proxy for the investments (with a similar objective and Style) picked by CEERA.

- ## What is the S&P500 Index and why is this an appropriate benchmark?
  - Widely regarded as the best single gauge of the U.S. equities market, this world-renowned index includes 500 leading companies in leading industries of the U.S. economy. Although the S&P 500 Index focuses on the large cap segment of the market, with approximately 75% coverage of U.S. equities, it is also an ideal proxy for the total market.
  - There is no guarantee that the assets of the Model will be similar to those which comprise any of the Benchmark (s), and the Model may have substantial investments in relatively illiquid securities at any time when compared to the securities comprising the Benchmark (s). Similarly, the Benchmark (s) are representative groupings of stocks and do not intrinsically have expenses. It would be nearly impossible for an investor to replicate the portfolio of a particular index without incurring fees. The Benchmark (s)/ Indices are presented for comparison purposes only
  - Historical performance results for Benchmark (s)/ indexes and/or categories generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment-management fee, the incurrence of which would have [the] effect of decreasing historical performance results.

- ## Why use a Model Portfolio?
  - An advantage of using a Model Portfolio as a proxy for our investment performance (with a similar objective/Style) is that it shows how a client would have been expected to perform had the client been with CEERA since the inception of a Model Portfolio. We do expect that, over the long term, the performance of the Model Portfolio is more likely than not to be similar to that of a client portfolio subject to several conditions, some of which have been discussed here.

- ## Limitations of using a Model Portfolio to represent performance
  - Although a Model Portfolio can serve as a handy proxy to study the performance of our investments, the actual performance of our clients with similar objectives to the Model can have different performance figures depending on several factors, including some of the following:
    - The inception date of a client's portfolio that can determine whether an investment that looked attractive prior to the inception date continues to be so. For example, we may have purchased an attractive investment into the Model Portfolio and several of our clients with a similar objective at the time of purchase, but if this investment sees a significant upward price change after purchase but prior to the inception date of a client's portfolio, then we are unlikely to purchase the same investment into this new client's portfolio unless we continue to find the investment compelling enough. Such situations typically arise during conditions of rising asset prices.
    - Several client-specific restrictions, likes and dislikes, client requested holdings that are not part of the Model, and tax considerations (that can prevent sales of existing legacy holdings that are different from the Model) can lead to performance figures that diverge from the Model Portfolio's performance figures
    - Availability of funds/cash for investments in a client portfolio when the opportunities arise in the marketplace
    - The actual size of a client portfolio that can determine the suitability and levels of some investment selections in such a portfolio relative to the Model

- ## Important Points To Note
  - **Performance figures shown for Style A Model are net of all transaction-related fees and expenses, and the impact of CEERA's investment advisory fees, calculated at the typical 1% of AUM p.a rate structure.**
  - **Performance figures shown for Style B Model are net of transaction-related fees and expenses, and any mutual-fund or investment fund fees and expenses, but exclude the impact of CEERA's investment advisory fees.**
    - Representative Example: An example that shows the effect an investment advisory fee, compounded over a period of years, could have on the total value of a client's portfolio is as follows. A 1.00% (100 basis points) investment management fee deducted from a portfolio quarterly (0.25%/Qtr) would result in the following cumulative compounded reduction in the portfolio time-weighted rate or return: After 1 year (-1.0037563% on a cumulative basis); After 2 years (-2.0175878% on a cumulative basis); After 3 years (-3.0415957% on a cumulative basis); After 4 years (-4.07588% on a cumulative basis); After 5 years (-5.1205503% on a cumulative basis); After 6 years (-6.1757044% on a cumulative basis); After 7 years (-7.2414497% on a cumulative basis); After 8 years (-8.3178925% on a cumulative basis); After 9 years (-9.4051401% on a cumulative basis); and After 10 years (-10.503301% on a cumulative basis).
  - All performance-related data represents past performance and is no guarantee of future results.
  - Investment results are subject to several risks (including market and economic conditions) and the possibility of investment-related losses are real
  - Any dividends and interests paid out by holdings within the Model Portfolio goes into the portfolio as cash and is appropriately invested by Ceera Investments per the Model's objectives
  - Different types of investment involve varying degrees of risk, and there can be no assurance that any specific investment will either be suitable or profitable for a client's investment portfolio. No client or prospective client should assume that any information presented serves as the receipt of, or a substitute for, personalized individual advice from the adviser or any other investment professional

CEERA INVESTMENTS, LLC