ELC Advisors, LLC

Efficient Low Cost
Wealth Management

ELC Advisors, LLC

Our principles

Clients come first

- As an RIA, ELC Advisors adheres to the fiduciary standard
- No misaligned incentives, as with broker dealers

Data-driven philosophy: invest in passive management for better, sustained results

- Passive management consistently outperforms active management by all measures

Low fees deliver value to clients

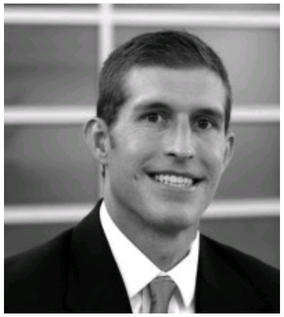
- ELC Advisors charges 0.25% - 0.40% vs. >1% from most wealth managers
- Low fees drive greater client returns

Customized asset allocation

- Truly understand the needs and goals of our clients
- Build transparent, liquid and simple portfolios that meet client objectives
- Maintain capital discipline through turbulent markets

ELC Advisors, LLC

Introductions



Erik Cooper, Principal and Founder

Erik works with individuals, families and private foundations on constructing custom tailored, low-cost portfolio solutions

Erik's prior professional experience includes

- Private Wealth Advisor in Goldman Sachs & Co. Investment Management Division
- Institutional Sales at Tudor Pickering Holt & Co
- Risk management at Franklin American Mortgage Company where he was Assistant Vice President of Secondary Marketing
- Professional basketball player in Buenos Aires, Argentina

Erik received his Bachelor of Arts in Economics from Rice University. Erik was a Division I basketball player at Rice where he finished his college career as team captain.

ELC Advisors Structure

How we work with you

You

TD Ameritrade, Inc

- Custodian of assets
- Monthly statements
- 24/7 online access

About TD Ameritrade, Inc

- 4000 fee-based RIAs
- $225B+ Assets in Custody
- Advanced operations and technology
- Low or no-cost trades

ELC Advisors

- Investment strategy
- Risk tolerance
- Asset allocation
- Portfolio monitoring according to IPS
- Quarterly Performance

About ELC Advisors

- Held to fiduciary standard
- Some of the lowest fees in the business
- Fee-only RIA with no conflicts of interest

Your Support team

- Attorney
- Accountant
- Family office
- Agent

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RIA vs. Wall Street

Why are you better off in the hands of an RIA?

RIA: Registered Investment Advisory	Wall Street: Broker/Dealer
Fiduciary standard → Clients' interests first	**Suitability standard** → Firm's interests first
Fiduciary standard better *protects* individual and institutional investors	**The suitability standard *can end up causing conflicts* between a broker-dealer and underlying client**
***Interests aligned with clients* through asset-based pricing**	**Incentive to sell *high fee, high commission* product**
Advocates passive management	**Pushes active management**

RIAs are required by law to put *your* best interests above all else

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Passive vs. Active Debate

Passive Management

Low-cost indexing

Accept market returns by buying broadly diversified funds

Rebalance (sell high, buy low) back to Investment Policy Statement (IPS)

Adhere to Efficient Market Hypothesis

- One cannot consistently achieve returns in excess of average market returns on a risk-adjusted basis given the information available. Prices reflect all information.

Active Management

Expensive fund managers

Try to outperform the market by picking individual stocks/bonds

Shift asset classes based on market conditions

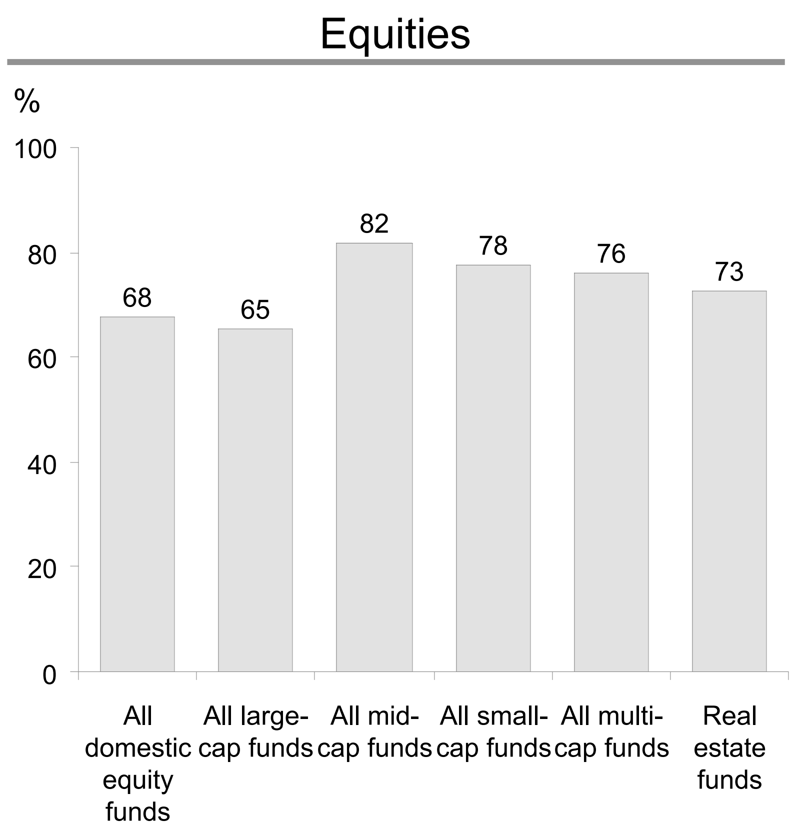
Belief that they can outsmart the market

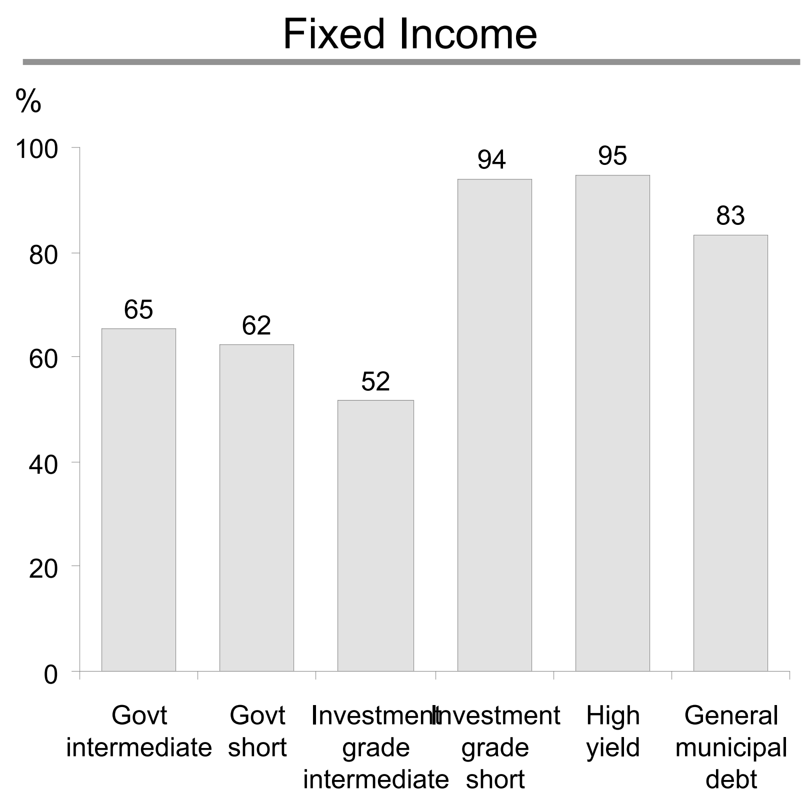
- Market timing
- Sector rotation

Passive vs. Active Results

Odds are in favor of passive management; few active funds beat the market

% of actively managed funds that underperform index funds over past five year period

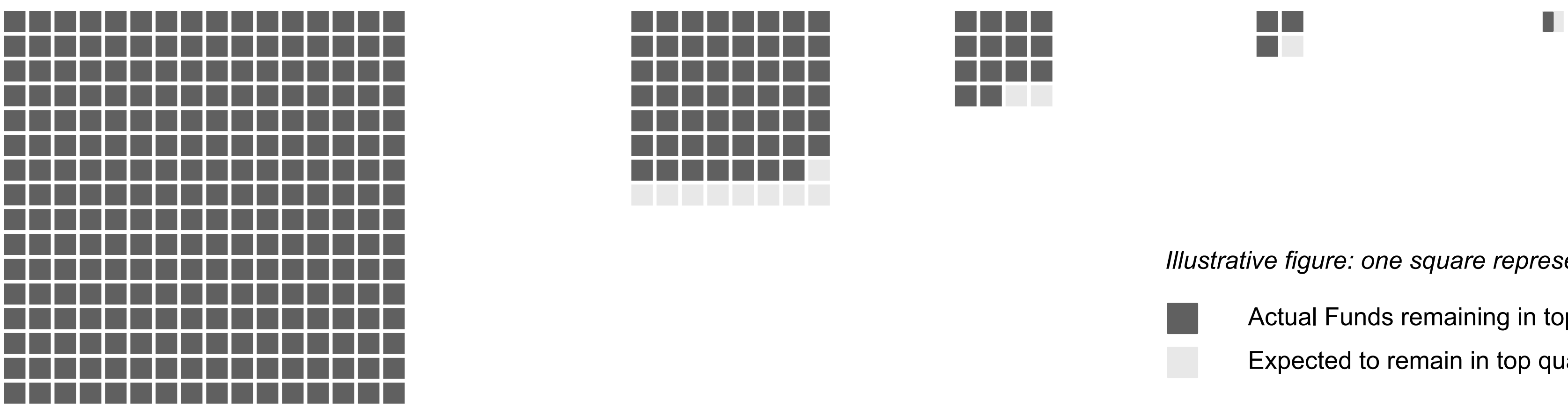




Source: S&P Indices, CRSP. For periods ending June 30, 2012. Outperformance is based upon equal weighted fund counts. All index returns used are total returns. Charts are provided for illustrative purposes. Past performance is not a guarantee of future results.

Number of actively managed funds sustaining top quartile performance ***worse than*** random chance

Sept 2008		Sept 2009	Sept 2010	Sept 2011	Sept 2012
550 Top quartile funds after one year...	Actual funds remaining in top quartile	119 (21.6%)	30 (5.45%)	6 (1.09%)	1 (0.18%)
	Expected by random chance	138 (25%)	34 (6.25%)	9 (1.56%)	2 (0.39%)



Illustrative figure: one square represents 2.15 funds

Actual Funds remaining in top quartile

Expected to remain in top quartile

Past performance is not an indicator of future performance; top quartile funds rarely persist over time

Source: S&P Dow Jones Indices, Persistence Scorecard, December 2012. Data as of September 30, 2012.

Passive vs. Active Commentary

"The only consistent data point we have observed over a five-year horizon is that a majority of active equity and bond managers in most categories lag comparable benchmark indices."[1]

"When is the market likely to be inefficient or to misprice securities?" Fama: When it's closed..."[2]

Most investors, both institutional and individual, will find that the best way to own common stocks is through an index fund that charges minimal fees. Those following this path are sure to beat the net results (after fees and expenses) of the great majority of investment professionals.[3]

"Because active and passive returns are equal before cost, and because active managers bear greater costs, it follows that the after-cost return from active management must be lower than that from passive management."[4]

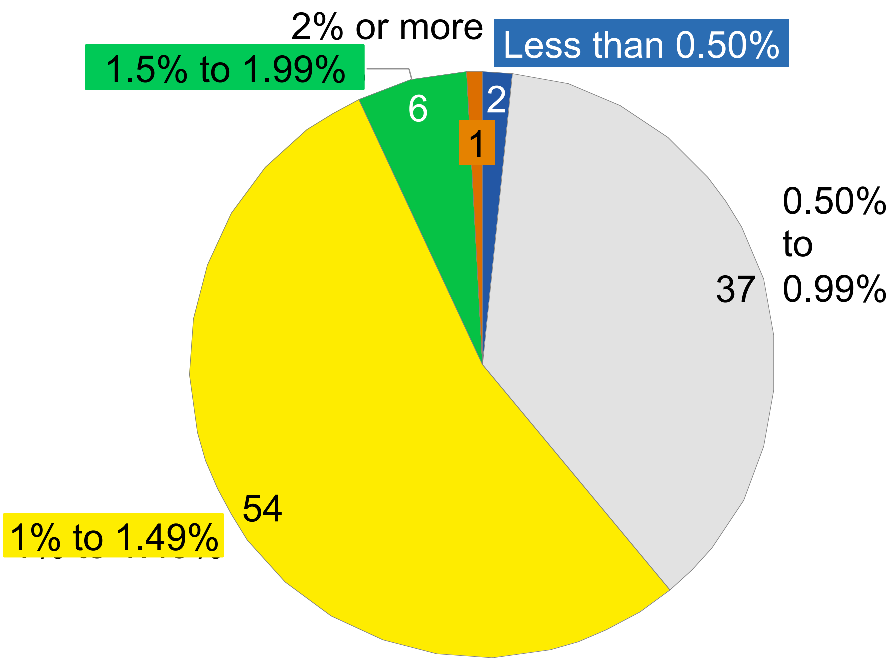
"Persistence in mutual fund performance does not reflect superior stock-picking skill, rather common factors in stock returns and persistent differences in mutual fund expenses and transaction costs explain almost all predictability in mutual fund returns."[5]

1. 2011 S&P Scorecard; 2. Eugene Fama interview 2006 3. Warren Buffet, 1996 Berkshire Hathaway Annual Report; 4. William Sharpe - Finance Professor at Stanford and 1990 Nobel Prize winner in Economics; 5. Mark Carhart - PhD in Finance, University of Chicago and Former Goldman Sachs MD

Low Fee Advantage

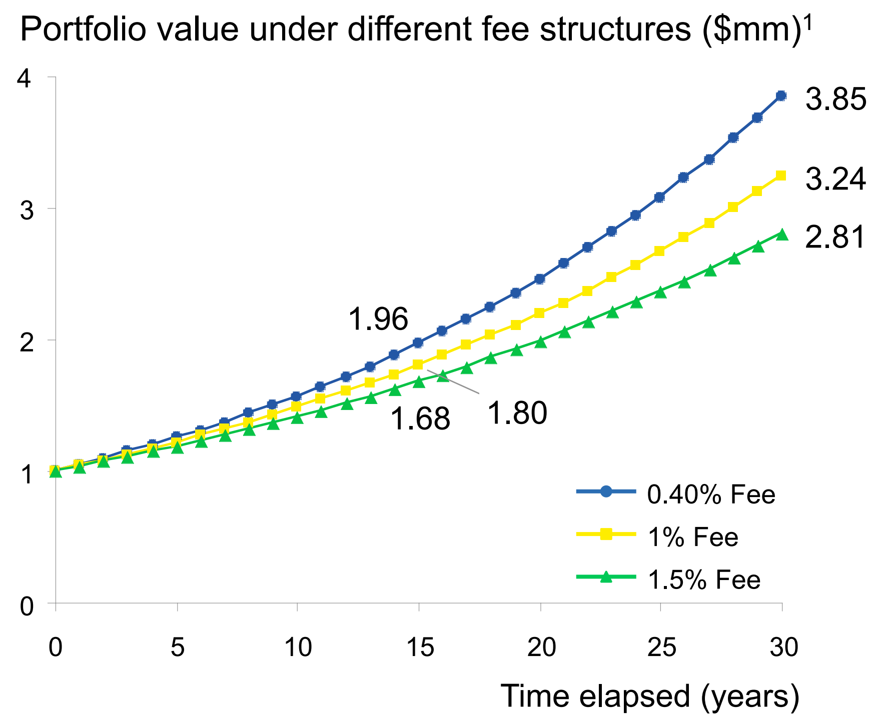
ELC Advisors' fees are less than half of most investment managers'

Most wealth management firms charge fees greater than 1%



ELC Advisors only charges 0.40% up to $4mm of assets and 0.25% on assets above $4mm

Difference in fee structure compounds over time



After 15 years, returns can be 20% - 40% higher under low fee investment

1. Assumes 5% annual return; for illustrative purposes only
Source: Financial Planning Association, Research 2011

Our investment process

Form investment strategy and plan	Determine strategic asset allocation	Implement asset allocation / portfolio construction	Rebalance back to IPS
Evaluate life needs and preferences by defining: • Spending and lifestyle requirement • Large capital expenditures • Desire for generational wealth transfer and philanthropy	**Create asset allocation solution to balance risk and investment return potential** **Develop Investment Policy Statement (IPS)**	**Develop thoughtful plan for portfolio implementation** **Place assets in a tax-efficient location** **Use low-cost, broadly diversified ETFs**	**Rebalance quarterly to get in-line with Investment Policy Statement (IPS)** **Sell high, buy low discipline**

Strategic Asset Allocation

Investment Policy Statement (IPS) developed by identifying appropriate broader mix of assets (cash, fixed income, domestic equities, international equities) that provide highest return for any level of risk that is suitable for a specific long-term investor

To help mitigate risk exposure to individual asset classes, investors should diversify their investments

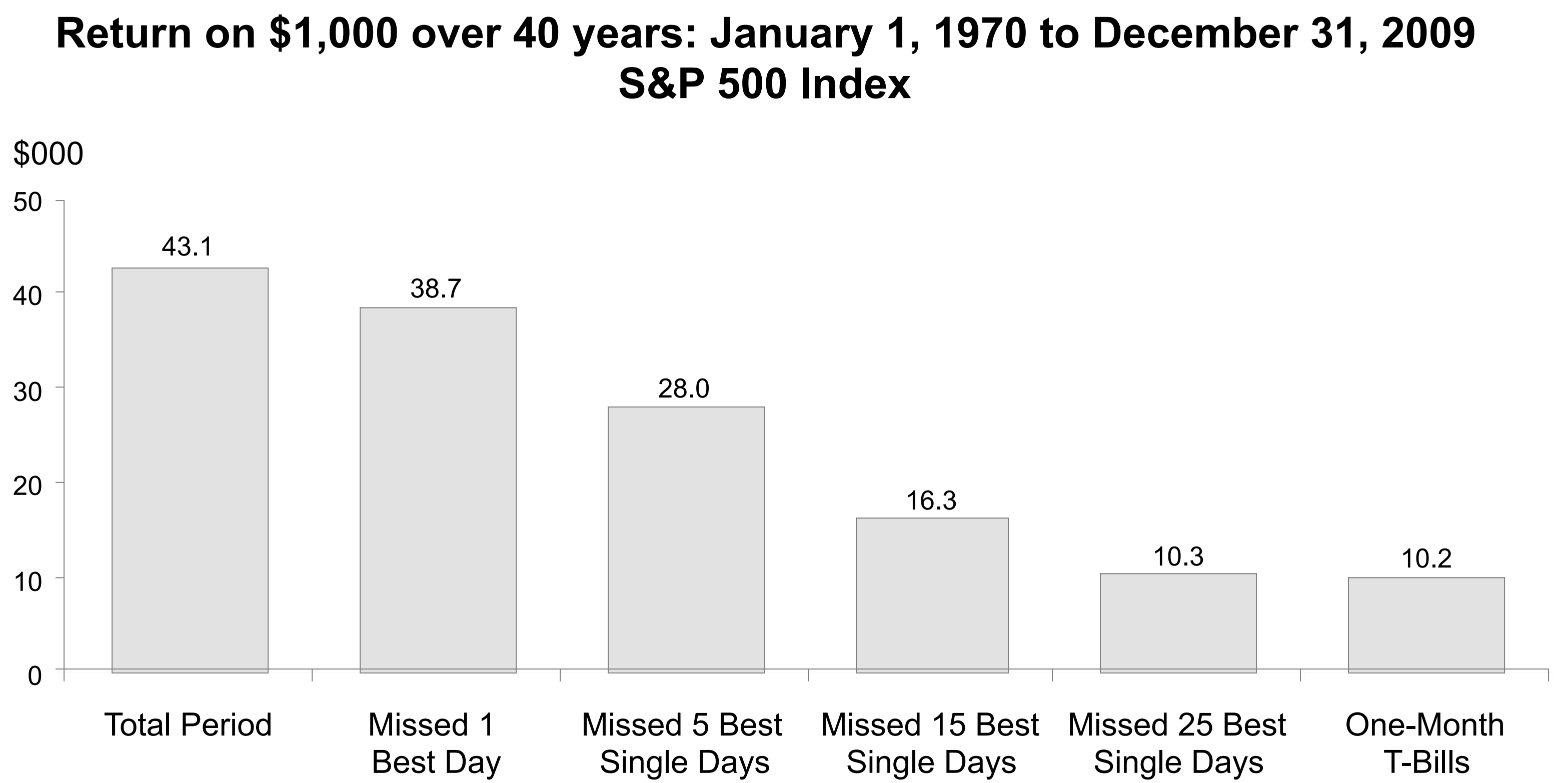
- No one asset class tends to outperform others consistently, therefore it is critical to broadly diversify one's portfolio

Investors should use low-cost, broadly diversified ETFs and mutual funds

Client Specific Factors:

- Short and long term return objectives
- Downside risk tolerance
- Income requirements
- Investment horizon
- Tax status
- Appropriate level of diversification

Measurable risk in trying to time the market



Annualized compound return	9.87%	9.57%	8.69%	7.22%	6.01%	5.70%

Source: Data for January 1970-August 2009 provided by CRSP. Data for September 2008-December 2009 provided by Bloomberg. S&P data provided by Standard & Poors Index Services Group. CRSP data provided by the Center for Research in Security Prices, University of Chicago. Treasury bills data, Stocks, Bonds, Bills and Inflation Yearbook, Ibbotson Associates, Chicago. Indices are not available for direct investment. Performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results. There is always a risk an investor will lose money.

Asset Classes

Asset class	Role	Risks
Bonds	"Safe haven" money. Cash Flow. Deflation hedge. Dampens volatility. Diversification benefit.	Interest rate risk, inflation risk, credit risk
Equities	Exposure to economic growth. Long-term appreciation potential. Inflation hedge over longer periods. International diversification.	Equities are highly volatile, markets can and do fall 25% or more in a year. Market movements driven by sentiment and fundamentals. Equities sensitive to economy.
Real Estate	Real asset exposure-inflation hedge. Diversification benefit. Liquid REIT market. Source of income.	Direct investment is illiquid. Ability to employ leverage can magnify losses.
Commodities	Diversification benefit- low correlation with other asset classes. Inflation hedge.	Extremely volatile. Prices can move in unexpected ways. Differences in commodity spot prices and movement of futures prices.
Hedge Funds	Potential to make money in up or down markets	Fat tail risk-lose way more money that volatility suggests. Poor liquidity. High Fees. Little transparency.
Private Equity	Return potential using financial engineering. More tax efficient. Exposure to entrepreneurial ventures.	Highly illiquid- up to 10 year lock-ups. Fees very high. Sensitivity to public markets. Infrequent mark to market-value unknown.

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Asset Class Location

Placement of assets in the appropriate account is important for tax efficiency[1]

Most Tax Efficient / Place Anywhere

Least Tax Efficient / Place in Tax Deferred

Very Efficient
- Large-cap and total-market index funds

Efficient
- Small-cap or mid-cap index funds
- Value index funds
- Low-yielding bonds or cash

Moderately inefficient
- Balanced funds
- Most bonds

Very inefficient
- Real estate or REIT funds
- High-yield bonds

1. ELC Advisors does not provide tax advice

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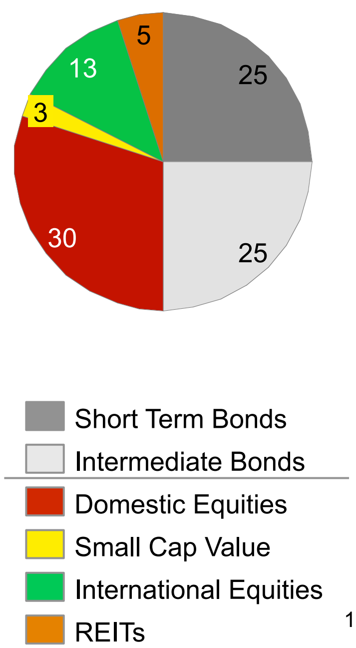
Example Portfolio: Moderate Asset Allocation

For illustrative purposes only



	Asset Class	Product	Percent of total portfolio	Percent of bonds/ equities	Fee	Yield[1]
Bonds	Short Term Bonds	BSV	25%	50%	0.100%	1.01%
	Intermediate Bonds	AGG	25%	50%	0.080%	2.03%
	Total Bonds		**50%**	**100%**	**0.090%**	**1.52%**
Equities	Domestic Equities	VTI	30%	60%	0.050%	1.85%
	Small Cap Value	VBR	2.5%	5%	0.100%	1.92%
	International Equities	VEU	12.5%	25%	0.150%	3.37%
	REITs	VNQ	5%	10%	0.100%	3.51%
	Total Equities		**50%**	**100%**	**0.083%**	**2.40%**
	TOTAL		**100%**		**0.086%**	**1.96%**

1. As of October 3, 2014. SEC yield used when available. 30 day yield used for VEU and VNQ
Note: All subtotals and totals for fees and yields are weighted averages

Appendix

IRS Circular 230 disclosure: ELC Advisors (ELC) does not provide legal, tax or accounting advice. Any statement contained in this communication (including any attachments) concerning U.S. tax matters is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties imposed on the relevant taxpayer. Clients of ELC should obtain their own independent tax advice based on their particular circumstances.

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The price or value of any strategy identified directly in this asset allocation may fall or rise against your interests.

Fee Disclosures:

The analytics used in determining estimated returns are based upon indices. Some indices take into consideration fees whereas others do not. The estimated returns may reflect a portion of investment advisory fees, they do not reflect a deduction of transaction costs and other expenses a client would have paid, which would reduce return. For a complete description of all charges and fees, please see the ELC Form ADV Part II.

Product Materials:

Particular products, such as mutual funds, are not mentioned in this presentation. References to strategy allocations are intended to illustrate particular security products that your ELC Advisor may discuss with you. .

Assets Held Outside of ELC:

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