

Remick Capital Performance Disclosure (Last Update 10/6/2018)

Results are not audited

The performance results displayed on the website have *not* been audited by an independent accountant. The expenses associated with performance auditing run are expensive and I do not have current plans to pay for an audit of my performance results.

Basis of composite performance data

The Remick Capital composite performance data (and individual client data) listed on the website is after actual fees and commissions *but before tax* and includes all dividends. Client accounts, beginning in June of 2012 were allowed to use margin borrowing and short sales to generate return. Prior to that, client accounts did not use margin, or shorting, but Ben Hacker's personal account did at times.

The Association for Investment Research Management (AIMR) has created a set of global investment standards for performance (GIPS) reporting to make sure that Investment Advisors reported returns are comparable. The returns listed on the Remick Capital website deviate from the AIMR/GIPS standards in the following ways:

- AIMR requires that annual and quarterly returns be reported on a Time-Weighted basis by using geometrically linked 1-month periods (or smaller). At this time, Remick Capital results are calculated by Time-Weighted geometrically linked 3-month periods. This is best described as an enhanced Modified Dietz measurement.
- AIMR requires that dividends and interest be recorded on an accrued basis in the time period they are charged. At this time Remick Capital results are compiled using a cash basis accounting in which dividends are recognized on the day that the money comes into the account. This has the effect of delaying the gain from some dividends until the following time period.
- AIMR requires foreign dividends that have withholdings for tax reasons to be "grossed up" when reported. Remick performance results assume the tax withholdings is a real loss and is not counted in the performance calculations even though clients should often be able to reclaim this loss on their taxes.

In the future, Remick Capital hopes to update internal software used for performance reporting to fully comply with AIMR/GIPS standards. However, the current reporting should not bias results up or down and should be very close to AIMR compliant performance figures.

Benchmark Data

Data for market indices is derived from the Vanguard Total Stock Market ETF (Ticker: VTI), MSCI World (ex-US (Ticker: EFA), and Baclays Aggregate US Bond (Ticker: AGG) returns provided by [Morningstar](#) from the (total) returns of the VTI/EFA/AGG ETFs. These returns are based on Net Asset Value (NAV) returns of the ETF that may vary by a small amount over short periods from market-based returns.

Inflation data is taken directly from the Bureau of Labor and Statistics (BLS) website (<http://www.bls.gov/cpi/data.htm>). Due to the delayed nature of BLS inflation data, the inflation calculation on the site may use inflation data that is one month old at the time of posting.

Note that there is no ideal benchmark for Remick Capital accounts because of idiosyncratic nature of a global individual equity account that can use leverage, shorting, options, and can span the entire market size (from tiny to massive corporations) when search for good risk-adjusted bargains. For that reasons, clients and potential clients should be aware that the composition of broad indices will almost always vary dramatically from an specific index, and much more so for a fixed index.

Since inception of Remick Capital, the above ETFs have been used as benchmarks because they are broad, well known, and cover a vast swath of what I believe are potential alternatives that clients will choose from if not selecting an advisor who manages individual securities.

Individual Client Performance Data

Individual clients are shown performance data that applies to their personal accounts and they see the same Wilshire 5000 index benchmark. One difference however is that clients are shown two rates of return:

- 1) Time Weighted Returns (using geometrically linked 3 month period returns) – these show returns that mostly eliminate the effect of when clients add (or remove) money from their account.
- 2) Dollar Weighted Returns (IRR) - these show returns that take contribution / withdrawal timing into the account into the calculation and show the effective (annual) rate of return you made on your contributions.
 - a. Since inception results shown to clients are dollar weighted only due to the starting contribution not being (for vast majority of clients) on the end of quarter date.

The above means that clients who do not add or remove money from their account will show the same time weighted and dollar-weighted returns, but if any money is contributed to the account the numbers will be different (perhaps drastically if inflows / outflows into the account were large or at times of market volatility).

A simple example is if trailing returns for 3 years are: +20%, +20%, and +0%. In this case, \$1 invested at the beginning would grow to approximately \$1.40 or so, which is approximately 12% annualized. But if a client added a lot of money to their account for the 3rd year, their effective annualized returns would be much lower under the dollar weighted measurement because more money earned the lower (0%) return. If the higher return years occurred more recently, then a client adding money later would generally see a better dollar weighted return than the equivalent time weighted return.

Account Summary and Discretionary Assets Under Management (AUM)

The compilation performance summary includes Benjamin Hacker’s personal self-directed investment accounts (both IRA and taxable) but only includes Mr. Hacker’s 401(k) from 2014 onward (as prior to that it was at a company plan which could not be invested alongside Remick Capital clients). Mr. Hacker’s savings accounts are also not included in compilation performance results, and starting in 2016 they are accounted for as one of the income accounts listed below. The composite is a summary of all Remick Capital accounts managed for long term growth and which includes all accounts managed by Remick Capital / Ben Hacker except for the income accounts listed below.

AUM and Discretionary Composite	YE 2007	YE 2008	YE 2009	YE 2010	YE 2011	YE 2012	YE 2013	YE 2014	YE 2015	YE 2016	YE 2017	Q3 2018
Accounts Managed in the Core Style	11	15	19	30	34	39	55	68	71	69	71	70
AUM for Remick Capital Core Style	\$0.31m	\$0.31m	\$1.06m	\$2.42m	\$3.25m	\$3.8m	\$6.0m	\$7.3m	\$7.7m	\$9.1m	\$10.5m	\$11.1m
Account Managed for Income / Low Volatility	0	0	0	1	1	1	1	1	1	2	3	3
AUM for Remick Capital Income / Retirement	\$0m	\$0m	\$0m	\$0.10m	\$0.23m	\$0.26m	\$0.29m	\$0.21m	\$0.20m	\$0.36m	\$0.47m	\$0.50m

Inception results (both annualized and cumulative) are taken from 3/31/2007; prior to that the Remick Capital managed only two outside accounts for a complete quarter. The performance results displayed on Remick Capital website encompass Core portfolio returns only, and not the income account returns.

Performance results provided by Remick Capital are not meant to be a replacement for your individual statements from your broker.

Past performance is NEVER a guarantee of future results. Investing in securities involves the potential loss of principal.