Follow On Questions from Nicolas Adiba

1. **For the data showing portfolio performance for the last 5 years, are you starting with 2007-2008 or 2008-2009 ?**

The five year period runs from Aug. 1, 2009 to July 31, 2014. Please keep in mind that we produce this investment performance information on a regular basis and that the five year period for this report is from August 1, 2009 to July 31, 2014. We calculate portfolio performance on a rolling 5 year period and hence an upcoming report will be from September 1, 2009 – August 31, 2014.

2. **You are showing the arithmetic average annualized return, i.e. (total_return_over_5_year/5) and not the CAGR ?**

The returns are calculated use compounded average annual returns, also known as the geometric total return. They are **not** the arithmetic average.

Compound average annual returns (a/k/a geometric total returns) - the average rate per period on an investment that is compounded over multiple periods. The calculation correctly reflects the impact of investment losses on the ultimate value of a portfolio.

Arithmetic average annual returns - the sum of a series of returns divided by the count of that series of numbers. The arithmetic average return is always higher than the compound average annual return, except where all individual returns are the same for all periods. This calculation does not correctly reflect the negative impact of investment losses on the ultimate value of a portfolio.

3. **Do you have the 'insights' editions (or the equivalent then) from 2007, 2008, 2009 ?**

    - This page starts with 2008 and goes back to 1994 http://aspiriant.com/news-intel/library/insight/insight-archive/
    - This page starts with our current issue and goes back to 2009 http://aspiriant.com/news-intel/library/insight/

4. **I'm confused by:**
"The above returns reflect Aspirant's currently recommended model portfolio results hypothetically applied to periods prior to the implementation of these current models. The current models were implemented in June 2014 with no material changes subsequent to that date. The calculation of these returns are appended to predecessor models including the December 2013 model, June 2011 model and the January 2009 Model."

Our apologies that the disclosure language can be tricky to interpret! Aspiriant developed model portfolios in 2009, 2011, 2013 and 2014. The longest return series on display begin with the 2009 model portfolio. Its constituent parts move along until the 2011 model portfolio was released, at which time the portfolio was rebalanced to the new mix. Similarly, in 2013 and 2014, our updated assessments of market risks and opportunities was introduced into the hypothetical portfolio by rebalancing to the new targets.

5. **I read the first sentence as saying "we applied the current portfolio to the previous 5 years" but the next sentences seem to indicate that you used the portfolios as defined for that time period but with a little bit of back testing:**
   - Jan 2009 model applied from Jan 2009 to December 2010 (1 month of back testing)
   - June 2011 model applied from Jan 2011 to December 2013 (6 months of back testing)
   - December 2013 model applied from January 2014 to June 2014 (no back testing)
   - June 2014 model applied from July 2014 until now

The updated model portfolios, based on our periodically updated capital market expectations, were finalized, and the calculations used for the numbers contained in the attachment were then updated, as follows:

2009	7/31/2009
2011 update	9/30/2011
2013 update	12/1/2013
2014 update	6/1/2014

These calculations are updated when a new version of the attachment is created, these are done weekly. The time period will always be a rolling 5 yr period ending with the date of the calculation.

We have the client presentations from each of these updates if you're curious to see how we talked about each of these in real time. A review of our Insights library (your question 3, above) would also be on point.

6. **To be clear about what I'm looking for: I'm interested to see how your proactive portfolio strategies have helped with reducing risks while providing reasonably close to market returns (looking at returns/stddev/sharpe ratios). I think the value you would add is about better risk management**.

We agree with you that a significant component of our value-add is in risk management. In fact the Aspiriant investment team has been developing powerful risk management strategies since the Great Recession. The rollout of these strategies and the development of additional ones is an ongoing process that John can discuss. Note that Aspiriant is one of the few Registered Investment Advisors with a full time risk manager (Rajeev Sharan http://aspiriant.com/our-exceptional-people-bios/rajeev-sharan/?c=investment-team) on the team.

Another source of value falls into the category of "discipline and paying attention." Not only do we refresh our model portfolios over time, we rebalance client portfolios back to their targets in very thoughtful way – not too often as to frustrate the momentum factor in the markets or to generate excessive taxes and transaction costs, but when individual markets have moved sufficiently that a mean reversion is more likely. This requires selling one's winners and buying one's losers – not an easy habit for most people to adopt, and too labor-intensive to do properly for most advisors.

We also systematically comb the portfolios for tax loss harvesting opportunities. When the circumstances are right, we capture the loss and purchase a replacement security so we don't lose exposure to the market while we wait out the IRS-mandated 30 day wash sale period. When the circumstances are right, we return to our preferred investment vehicle. The result? Market returns and capital losses, which equates to higher after-tax returns.

We work in a highly regulated field and with that it may seem as though we are verbose in an attempt to achieve absolute clarity which we understand is difficult to achieve. Please do reach out to us to have a conversation about your questions and our capabilities. We're here to help.

Please be sure to review our SEC Form ADV found at

http://aspiriant.com/wp/wp-content/uploads/Form_ADV_Part_2A_Aspiriant.pdf