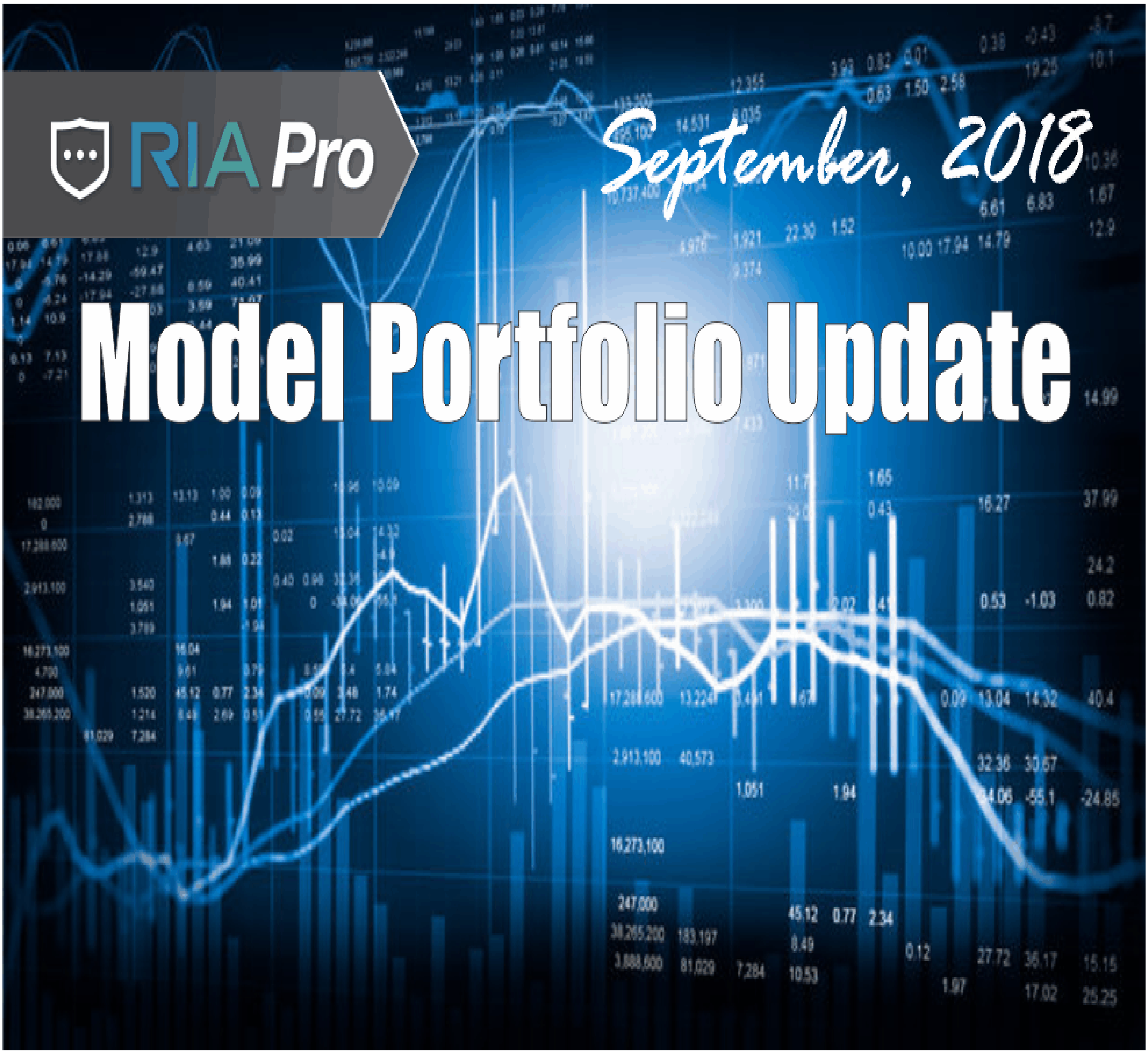
Model Portfolio Update For September 2018



Over the last couple of months, we have repeatedly discussed increasing our equity allocations in all models as we head into the seasonally strong phase of the year. While there is a high probability of some *"choppiness"* over the next 45-days, with a vast majority of hedge and mutual fund managers lagging their respective benchmarks year-to-date, we will likely see a push for performance through the end of the year. As I noted earlier this week, the trend of the market remains very positive currently. That momentum combined with high levels of investor confidence, earnings and economic growth still rising, and Central Banks still remaining accommodative globally, the likelihood of a continued advance is favorable. This past week we added equity exposure to both the Equity and the Equity-ETF portfolio. The additions were:

- *CVS Health (CVS)*

CVS HEALTH CO		CVS	NYSE	Industry:	RETAIL-DRUG STORES				
Rec Price	P/E	Mkt Cap ($mil)	Div Rate	Yield	Sales (12Mo)	Sls Gr	EPS Gr	Div Gr	Zacks Rank
$78.10	11.9	$79,510.8	$2.00	2.6%	$186,967	10%	11%	20%	Hold

- *Johnson & Johnson (JNJ)*

JOHNSON & JOH		JNJ	NYSE	Industry:	LARGE CAP PHARMA				
Rec Price	P/E	Mkt Cap ($mil)	Div Rate	Yield	Sales (12Mo)	Sls Gr	EPS Gr	Div Gr	Zacks Rank
$139.96	17.9	$375,499.0	$3.60	2.6%	$80,684	1%	7%	6%	Hold

- *Duke Energy (DUK)*

DUKE ENERGY C		DUK	NYSE	Industry:	UTILITY-ELECTRIC POWER				
Rec Price	P/E	Mkt Cap ($mil)	Div Rate	Yield	Sales (12Mo)	Sls Gr	EPS Gr	Div Gr	Zacks Rank
$82.08	17.3	$58,470.1	$3.71	4.5%	$24,112	-1%	1%	3%	Hold

- *Federal Experess (FDX)*

FEDEX CORP		FDX	NYSE	Industry:	TRANSPORT-AIR FREIGHT				
Rec Price	P/E	Mkt Cap ($mil)	Div Rate	Yield	Sales (12Mo)	Sls Gr	EPS Gr	Div Gr	Zacks Rank
$255.73	15.7	$67,625.0	$2.60	1.0%	$67,205	9%	19%	35%	Hold

- *Pepsi (PEP)*

PEPSICO INC		PEP	NSDQ	Industry:	BEVERAGES-SOFT DRINKS				
Rec Price	P/E	Mkt Cap ($mil)	Div Rate	Yield	Sales (12Mo)	Sls Gr	EPS Gr	Div Gr	Zacks Rank
$115.40	21.5	$163,212.7	$3.71	3.2%	$64,418	-1%	4%	9%	Buy

- *Nike (NKE)*

NIKE INC-B		NKE	NYSE	Industry:	SHOES & REL APPAREL				
Rec Price	P/E	Mkt Cap ($mil)	Div Rate	Yield	Sales (12Mo)	Sls Gr	EPS Gr	Div Gr	Zacks Rank
$83.26	34.7	$133,262.0	$0.80	1.0%	$36,397	7%	13%	14%	Hold

- *Walmart (WMT)*

WALMART INC		WMT	NYSE	Industry:	RETAIL-SUPERMARKETS				
Rec Price	P/E	Mkt Cap ($mil)	Div Rate	Yield	Sales (12Mo)	Sls Gr	EPS Gr	Div Gr	Zacks Rank
$94.82	19.9	$280,893.1	$2.08	2.2%	$510,164	1%	-4%	2%	Hold

Portfolio Assumptions

All three portfolios were launched on the website on May 11, 2018. Each portfolio has the same following parameters:

- *$1 million starting value*
- *Capital appreciation only (we will add total return in the future)*
- *All cost basis includes a transaction fee of $4.95.*
- A 60/40 model allocation *(our client portfolios use actual bonds but for tracking purposes, we are using funds/etfs only on the website due to pricing issues and availability.)*

__Important Note:__&#2013266080;The models found under the RIA PRO tab are a direct reflection of what we are doing for our clients at Clarity Financial.&#2013266080;

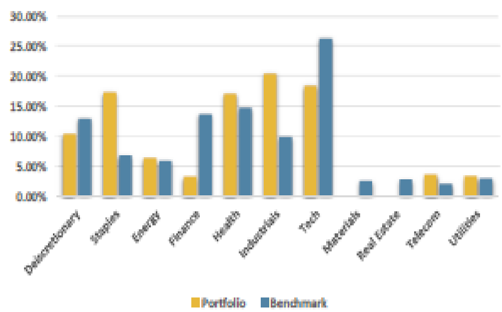
Therefore, all model changes are posted a couple of days post-execution but the actual execution date and cost basis is listed.

Equity Portfolio The Equity portfolio has a maximum number of 30-equity holdings at a target weight of 2% each. The focus is primarily on dividend-yielding equities to increase total returns in portfolios but is not a strict requirement. Stop losses are trailed behind each position. If a position triggers a stop-loss it goes on *"alert"* status and is sold on a bounce which does not negate the stop-loss level. During a market decline, equities are liquidated down to the core as trailing stop loss levels are triggered. If the decline changes the overall trend of the market from bullish to bearish, then the portfolio become net-short depending on the severity of the decline and the overall trend.

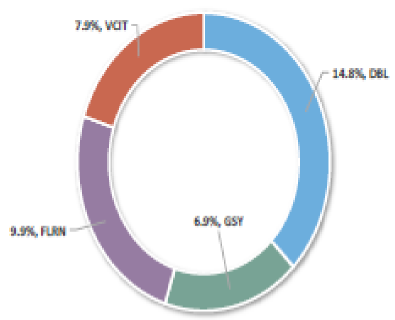
RIA Pro

Equity Portfolio

Portfolio Vs. Benchmark



Fixed Income ETF's

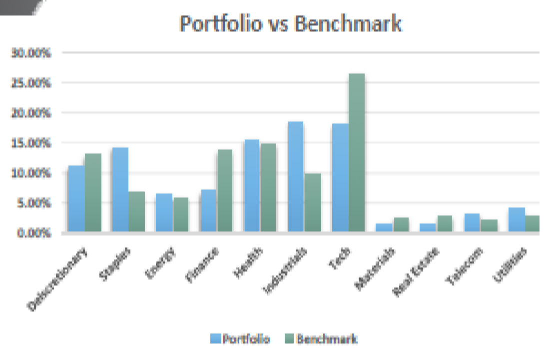


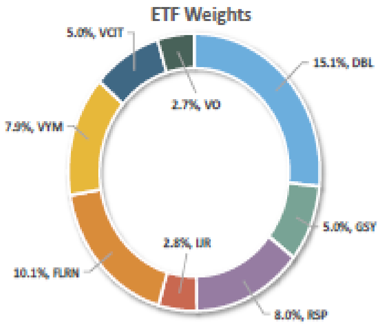
Company	Ticker	Last Price Close	Cost Basis / Share	Portfolio Value	Gain / Loss ($)	Gain / Loss (%)	% of Port Value	% of Benchmark	Div Yld % Indicated	Zacks Rank
CONSUMER DISCRETIONARY										
Equity				**$63,624.22**	**$6,762.76**	**11.9%**	**6.3%**	**1.6%**	**2.0%**	**3**
HOME DEPOT INC	HD	$209.07	$189.78	$20,907.00	$1,929.00	10.2%	2.1%	1.0%	2.0%	3
NIKE INC	NKE	$83.49	$82.61	$20,204.58	$212.96	1.1%	2.0%	0.4%	1.0%	3
TARGET CORP	TGT	$87.94	$69.89	$22,512.64	$4,620.80	25.8%	2.2%	0.2%	2.9%	2
Portfolio Equity							**10.4%**		**2.0%**	**3**
Benchmark Equity							**12.9%**		**1.2%**	**3**
CONSUMER STAPLES										
Equity				**$105,913.58**	**$9,309.06**	**9.6%**	**10.5%**	**2.5%**	**2.3%**	**3**
COSTCO WHOLESALE CORP	COST	$235.38	$195.59	$22,831.86	$3,859.63	20.3%	2.3%	0.4%	1.0%	3
HORMEL FOODS CORP	HRL	$41.90	$36.13	$21,662.30	$2,983.09	16.0%	2.1%	0.0%	1.8%	3
PEPSICO INC	PEP	$114.57	$113.23	$20,278.89	$237.18	1.2%	2.0%	0.7%	3.2%	2
PROCTER & GAMBLE CO	PG	$83.61	$73.15	$21,654.99	$2,709.14	14.3%	2.1%	0.9%	3.4%	3
WALMART INC	WMT	$94.59	$96.92	$19,485.54	($479.98)	-2.4%	1.9%	0.6%	2.2%	3
Portfolio Equity							**17.3%**		**2.3%**	**3**
Benchmark Equity							**6.8%**		**3.0%**	**3**
ENERGY										
Equity				**$38,898.48**	**($995.52)**	**-2.5%**	**3.8%**	**1.4%**	**3.4%**	**3**
EXXON MOBIL CORP	XOM	$82.92	$81.44	$20,232.48	$361.12	1.8%	2.0%	1.4%	4.0%	3
SUNCOR ENERGY INC	SU	$38.25	$41.03	$18,666.00	($1,356.64)	-6.8%	1.8%		2.9%	3
Portfolio Equity							**6.3%**		**3.4%**	**3**
Benchmark Equity							**5.8%**		**2.9%**	**3**
FINANCIALS										
Equity				**$19,862.50**	**($80.50)**	**-0.4%**	**2.0%**	**1.6%**	**2.0%**	**3**
JPMORGAN CHASE & CO	JPM	$113.50	$113.96	$19,862.50	($80.50)	-0.4%	2.0%	1.6%	2.0%	3
Portfolio Equity							**3.2%**		**2.0%**	**3**
Benchmark Equity							**13.7%**		**1.9%**	**3**
HEALTH CARE										
Equity				**$104,644.68**	**$6,768.86**	**6.9%**	**10.3%**	**3.5%**	**1.6%**	**3**
ABBOTT LABORATORIES	ABT	$68.42	$60.92	$21,483.88	$2,355.00	12.3%	2.1%	0.5%	1.6%	3
CVS HEALTH CORP	CVS	$76.91	$75.83	$20,304.24	$285.12	1.4%	2.0%	0.3%	2.6%	3
EDWARDS LIFESCIENCES CORP	EW	$147.99	$137.31	$21,014.58	$1,516.56	7.8%	2.1%	0.1%	0.0%	3
JOHNSON & JOHNSON	JNJ	$139.49	$138.53	$20,086.56	$138.24	0.7%	2.0%	1.5%	2.6%	3
UNITEDHEALTH GROUP INC	UNH	$265.31	$235.14	$21,755.42	$2,473.94	12.8%	2.1%	1.0%	1.4%	2
Portfolio Equity							**17.1%**		**1.6%**	**3**
Benchmark Equity							**14.7%**		**1.6%**	**3**
INDUSTRIALS										
Equity				**$125,084.92**	**$12,661.94**	**11.3%**	**12.3%**	**1.7%**	**1.7%**	**3**
BOEING CO	BA	$359.80	$342.18	$20,868.40	$1,021.96	5.1%	2.1%	0.8%	1.9%	3
DOVER CORP	DOV	$88.48	$76.82	$21,589.12	$2,845.04	15.2%	2.1%	0.1%	2.2%	3
FEDEX CORP	FDX	$255.44	$249.15	$20,435.20	$503.20	2.5%	2.0%	0.3%	1.0%	3
NORFOLK SOUTHERN CORP	NSC	$179.40	$154.90	$21,707.40	$2,964.50	15.8%	2.1%	0.2%	1.8%	2
RAVEN INDUSTRIES INC	RAVN	$48.05	$38.62	$22,295.20	$4,375.52	24.4%	2.2%		1.1%	3
UNITED TECHNOLOGIES CORP	UTX	$137.80	$130.59	$18,189.60	$951.72	5.5%	1.8%	0.4%	2.0%	3
Portfolio Equity							**20.4%**		**1.7%**	**3**
Benchmark Equity							**9.8%**		**1.9%**	**3**
INFO TECHNOLOGY										
Equity				**$112,814.52**	**$6,964.76**	**6.6%**	**11.1%**	**10.0%**	**0.9%**	**2**
APPLE INC	AAPL	$223.84	$188.71	$21,936.32	$3,442.74	18.6%	2.2%	4.5%	1.3%	1
KLA-TENCOR CORP	KLAC	$104.47	$112.92	$9,297.83	($752.05)	-7.5%	0.9%	0.1%	2.9%	1
MICRON TECHNOLOGY INC	MU	$44.30	$52.00	$16,258.10	($2,825.90)	-14.8%	1.6%	0.2%	0.0%	3
MICROSOFT CORP	MSFT	$113.37	$97.28	$21,880.41	$3,105.37	16.5%	2.2%	3.5%	1.5%	1
NVIDIA CORP	NVDA	$276.43	$256.43	$21,561.54	$1,560.00	7.8%	2.1%	0.7%	0.2%	3
VISA INC	V	$147.84	$131.39	$21,880.32	$2,434.60	12.5%	2.2%	1.1%	0.6%	3
Portfolio Equity							**18.4%**		**0.9%**	**2**
Benchmark Equity							**26.2%**		**1.2%**	**2**
MATERIALS										

Equity-ETF Portfolio The Equity-ETF portfolio uses the same 30-equity holdings as the equity model but target weights are reduced to 1.33% each. The remaining portion of the equity holdings are held in a *"core"* of index-based ETF's. This core allows us to overweight/underweight sectors to provide a better return over time relative to the underlying 60/40 benchmark. Again, stop losses are trailed behind each position. If a position triggers a stop-loss it goes on *"alert"* status and is sold on a bounce which does not negate the stop-loss level. During a market decline, equities are liquidated down to the core as trailing stop loss levels are triggered. If the decline changes the overall trend of the market from bullish to bearish, then the core is shorted against to take the portfolio to market neutral. The portfolio can also become net-short depending on the severity of the decline and the overall trend.

RIA Pro

Equity-ETF Portfolio

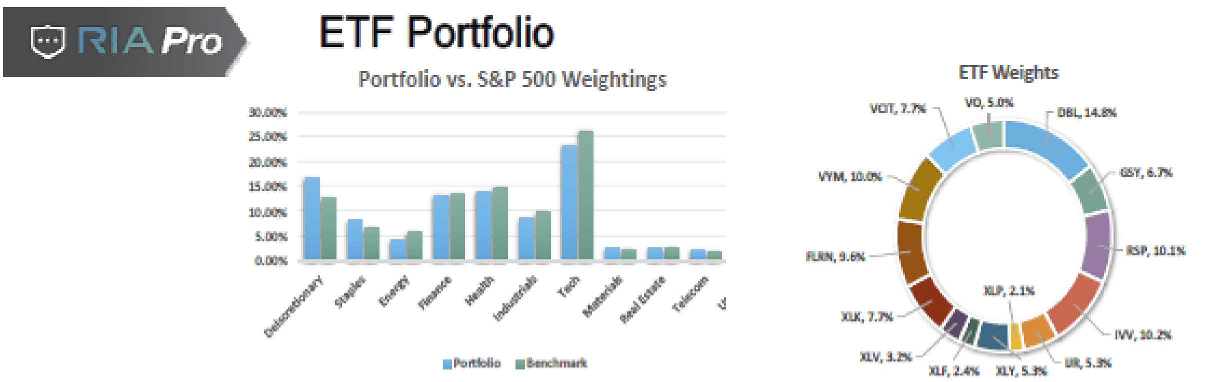




Company	Ticker	Last Price Close	Cost Basis / Share	Portfolio Value	Gain / Loss ($)	Gain / Loss (%)	% of Port Value	% of Benchmark	Div Yld % Indicated	Zacks Rank
CONSUMER DISCRETIONARY										
Equity				**$44,873.33**	**$4,939.53**	**12.4%**	**4.5%**	**1.6%**	**2.0%**	**3**
HOME DEPOT INC	HD	$209.07	$189.78	$14,634.90	$1,350.30	10.2%	1.5%	1.0%	2.0%	3
NIKE INC	NKE	$83.49	$82.61	$13,441.89	$141.68	1.1%	1.4%	0.4%	1.0%	3
TARGET CORP	TGT	$87.94	$69.89	$16,796.54	$3,447.55	25.8%	1.7%	0.2%	2.9%	2
Exchange-Traded Fund Equity							**2.6%**			
GUGGENHEIM S	RSP						1.2%			
ISHARES CORE S&P SMALL-CAP ETF	IJR						0.4%			
VANGUARD HIGH DIVIDEND YIELD ET	VYM						0.6%			
VANGUARD MID-CAP ETF - DNQ	VO						0.4%			
Portfolio Equity							**11.0%**		**2.0%**	**3**
Benchmark Equity							**12.9%**		**1.2%**	**3**
CONSUMER STAPLES										
Equity				**$73,256.64**	**$6,575.15**	**9.9%**	**7.4%**	**2.5%**	**2.3%**	**3**
COSTCO WHOLESALE CORP	COST	$235.38	$195.59	$16,005.84	$2,705.72	20.3%	1.6%	0.4%	1.0%	3
HORMEL FOODS CORP	HRL	$41.90	$36.13	$15,461.10	$2,129.13	16.0%	1.6%	0.0%	1.8%	3
PEPSICO INC	PEP	$114.57	$113.23	$13,519.26	$158.12	1.2%	1.4%	0.7%	3.2%	2
PROCTER & GAMBLE CO	PG	$83.61	$73.15	$15,217.02	$1,903.72	14.3%	1.5%	0.9%	3.4%	3
WALMART INC	WMT	$94.59	$96.92	$13,053.42	($321.54)	-2.4%	1.3%	0.6%	2.2%	3
Exchange-Traded Fund Equity							**1.8%**			
GUGGENHEIM S	RSP						0.5%			
ISHARES CORE S&P SMALL-CAP ETF	IJR						0.1%			
VANGUARD HIGH DIVIDEND YIELD ET	VYM						1.0%			
VANGUARD MID-CAP ETF - DNQ	VO						0.1%			
Portfolio Equity							**14.1%**		**2.3%**	**3**
Benchmark Equity							**6.8%**		**3.0%**	**3**
ENERGY										
Equity				**$26,030.13**	**($660.78)**	**-2.5%**	**2.6%**	**1.4%**	**3.4%**	**3**
EXXON MOBIL CORP	XOM	$82.92	$81.44	$13,598.88	$242.72	1.8%	1.4%	1.4%	4.0%	3
SUNCOR ENERGY INC	SU	$38.25	$41.03	$12,431.25	($903.50)	-6.8%	1.3%		2.9%	3
Exchange-Traded Fund Equity							**1.5%**			
GUGGENHEIM S	RSP						0.5%			
ISHARES CORE S&P SMALL-CAP ETF	IJR						0.1%			
VANGUARD HIGH DIVIDEND YIELD ET	VYM						0.8%			
VANGUARD MID-CAP ETF - DNQ	VO						0.2%			
Portfolio Equity							**6.4%**		**3.4%**	**3**
Benchmark Equity							**5.8%**		**2.9%**	**3**
FINANCIALS										
Equity				**$13,279.50**	**($53.82)**	**-0.4%**	**1.3%**	**1.6%**	**2.0%**	**3**
JPMORGAN CHASE & CO	JPM	$113.50	$113.96	$13,279.50	($53.82)	-0.4%	1.3%	1.6%	2.0%	3
Exchange-Traded Fund Equity							**3.1%**			
GUGGENHEIM S	RSP						1.0%			
ISHARES CORE S&P SMALL-CAP ETF	IJR						0.5%			
VANGUARD HIGH DIVIDEND YIELD ET	VYM						1.3%			
VANGUARD MID-CAP ETF - DNQ	VO						0.4%			
Portfolio Equity							**6.9%**		**2.0%**	**3**
Benchmark Equity							**13.7%**		**1.9%**	**3**
HEALTH CARE										
Equity				**$71,388.88**	**$4,680.39**	**7.0%**	**7.2%**	**3.5%**	**1.6%**	**3**
ABBOTT LABORATORIES	ABT	$68.42	$60.92	$14,983.98	$1,642.50	12.3%	1.5%	0.5%	1.6%	3
CVS HEALTH CORP	CVS	$76.91	$75.83	$13,536.16	$190.08	1.4%	1.4%	0.3%	2.6%	3
EDWARDS LIFESCIENCES CORP	EW	$147.99	$137.31	$14,355.03	$1,035.96	7.8%	1.4%	0.1%	0.0%	3
JOHNSON & JOHNSON	JNJ	$139.49	$138.53	$13,391.04	$92.16	0.7%	1.3%	1.5%	2.6%	3
UNITEDHEALTH GROUP INC	UNH	$265.31	$235.14	$15,122.67	$1,719.69	12.8%	1.5%	1.0%	1.4%	2
Exchange-Traded Fund Equity							**2.8%**			
GUGGENHEIM S	RSP						1.1%			
ISHARES CORE S&P SMALL-CAP ETF	IJR						0.3%			
VANGUARD HIGH DIVIDEND YIELD ET	VYM						1.1%			

Portfolio Equity							1.5%			
Benchmark Equity							2.5%		2.0%	3
REAL ESTATE										
Exchange-Traded Fund Equity							0.9%			
GUGGENHEIM S	RSP						0.5%			
ISHARES CORE S&P SMALL-CAP ETF	IJR						0.2%			
VANGUARD HIGH DIVIDEND YIELD ET	VYM						0.0%			
VANGUARD MID-CAP ETF - DNQ	VO						0.2%			
Portfolio Equity							1.3%			
Benchmark Equity							2.7%		3.4%	3
TELECOMM SERVICES										
Equity				$14,946.70	$1,608.38	12.1%	1.5%	0.9%	4.3%	3
VERIZON COMMUNICATIONS INC	VZ	$54.55	$48.68	$14,946.70	$1,608.38	12.1%	1.5%	0.9%	4.3%	3
Exchange-Traded Fund Equity							0.5%			
GUGGENHEIM S	RSP						0.1%			
ISHARES CORE S&P SMALL-CAP ETF	IJR						0.0%			
VANGUARD HIGH DIVIDEND YIELD ET	VYM						0.4%			
VANGUARD MID-CAP ETF - DNQ	VO						0.0%			
Portfolio Equity							3.1%		4.3%	3
Benchmark Equity							2.0%		5.4%	3
UTILITIES										
Equity				$13,398.80	$47.56	0.4%	1.3%	0.2%	4.5%	3
DUKE ENERGY CORP	DUK	$81.70	$81.41	$13,398.80	$47.56	0.4%	1.3%	0.2%	4.5%	3
Exchange-Traded Fund Equity							1.3%			
GUGGENHEIM S	RSP						0.5%			
ISHARES CORE S&P SMALL-CAP ETF	IJR						0.1%			
VANGUARD HIGH DIVIDEND YIELD ET	VYM						0.6%			
VANGUARD MID-CAP ETF - DNQ	VO						0.1%			
Portfolio Equity							4.1%		4.5%	3
Benchmark Equity							2.9%		3.5%	3
EXCHANGE-TRADED FUND										
DOUBLELINE OPPORTUNISTIC CREDIT FUND	DBL	$20.90	$20.97	$149,915.70	($502.11)	-0.3%	15.1%		8.8%	
GUGGENHEIM ENHANCED SHORT DURAT	GSY	$50.30	$50.19	$50,098.80	$109.56	0.2%	5.0%		2.2%	
GUGGENHEIM S	RSP	$107.74	$101.33	$79,727.60	$4,743.40	6.3%	8.0%		1.6%	3
ISHARES CORE S&P SMALL-CAP ETF	IJR	$89.47	$80.89	$27,646.23	$2,651.22	10.6%	2.8%		1.1%	2
SPDR BARCLAYS INV	FLRN	$30.75	$30.75	$99,999.00	$0.00	0.0%	10.1%		2.1%	
VANGUARD HIGH DIVIDEND YIELD ET	VYM	$88.04	$83.65	$78,971.88	$3,937.83	5.2%	7.9%		2.8%	2
VANGUARD INTERMEDIATE-TERM CORP	VCIT	$83.58	$83.33	$50,148.00	$150.00	0.3%	5.0%		3.5%	4
VANGUARD MID-CAP ETF - DNQ	VO	$166.40	$157.15	$26,457.60	$1,470.75	5.9%	2.7%		1.3%	2
Portfolio				$562,964.81	$12,560.65	2.8%	56.6%		4.0%	1
Portfolio Avg/Total				$993,820.31	$43,280.22	5.1%	100.0%	23.6%	3.1%	2
Benchmark Avg/Total							100.0%		1.9%	3

ETF Portfolio The ETF portfolio uses a *"core"* and *"tactical"* approach to the overall portfolio structure. The tactical portion of the portfolio can have weights up to 5% each. The "core," which is essentially a bench against the S&P 500 index, can have weights up to 12%. If a position in the model has a current weighting below its target allocation level, AND the portfolio is targeted to have 100% equity exposure, the difference is swept into an S&P index ETF. The core allows us to overweight/underweight sectors to provide a better return over time relative to the underlying 60/40 benchmark. Again, stop losses are trailed behind each position. If a position triggers a stop-loss it goes on *"alert"* status and is sold on a bounce which does not negate the stop-loss level. During a market decline, tactical ETF's are liquidated down to the core as trailing stop loss levels are triggered. If the decline changes the overall trend of the market from bullish to bearish, then the core is shorted against to take the portfolio to market neutral. The portfolio can also become net-short depending on the severity of the decline and the overall trend.



Company	Ticker	Last Price Close	Cost Basis / Share	Portfolio Value	Gain / Loss ($)	Gain / Loss (%)	% of Port Value	% of Benchmark	Div Yld % Indicated	Zacks Rank
CONSUMER DISCRETIONARY										
Exchange-Traded Fund Equity							10.3%			
Portfolio Equity							16.9%			
Benchmark Equity							12.9%		1.2%	3
CONSUMER STAPLES										
Exchange-Traded Fund Equity							5.1%			

SECTOR - FINANCIAL	XLF	$28.23	$28.14	$25,068.24	$79.92	0.3%	2.4%		1.6%	2
SECTOR - HEALTH CARE	XLV	$93.53	$82.72	$33,951.39	$3,924.03	13.1%	3.2%		1.3%	2
SECTOR - TECHNOLOGY	XLK	$74.94	$69.63	$80,710.38	$5,718.87	7.6%	7.7%		1.2%	2
SPDR BARCLAYS INV	FLRN	$30.75	$30.57	$100,583.25	$588.78	0.6%	9.6%		2.1%	
VANGUARD HIGH DIVIDEND YIELD ET	VYM	$88.04	$83.65	$105,207.80	$5,246.05	5.2%	10.0%		2.8%	2
VANGUARD INTERMEDIATE-TERM CORP	VCIT	$83.58	$82.74	$80,821.86	$812.28	1.0%	7.7%		3.5%	4
VANGUARD MID-CAP ETF - DNQ	VO	$166.40	$157.15	$52,915.20	$2,941.50	5.9%	5.0%		1.3%	2
Portfolio				$1,052,291.30	$52,347.60	5.2%	100.0%		2.9%	2
Portfolio Avg/Total				$1,052,291.30	$52,347.60	5.2%	100.0%		2.9%	2
Benchmark Avg/Total							100.0%		1.9%	3

If you have any questions relating to the portfolios feel free to contact me. I will be happy to include my answer in the next update or add relevant data. With the portfolios fully built, we will now provide specific reports on transactions occurring within each portfolio to keep you informed on why we are making changes.&#2013266080;While the goal of the portfolio is long-term growth, it is also carefully managed against the risk of catastrophic loss. If you are interested in our portfolio management services - click here.