

# MORAN

## WEALTH MANAGEMENT

### Natural Resources - Risk

Time Period: 7/1/2018 to 6/30/2021

Calculation Benchmark: 50% Bloomberg Commodity 50% SP500 Energy

	NATR	Custom Blend*
Std Dev	24.87	25.96
Alpha	4.09	0.00
Beta	0.91	1.00
R2	90.38	100.00
Sharpe Ratio	0.13	-0.04
Max Drawdown	-36.83	-43.24
Down Capture Ratio	88.75	100.00
Max Gain	80.91	76.83
Up Capture Ratio	101.92	100.00

Footer: Time period = 3 year statistics

#### Benchmark Description

\*Custom Blend - 50% S&P500 Energy / 50% Bloomberg Commodity

S&P 500 Energy Sector Index - The Index comprises those companies included in the S&P 500 that are classified as members of the Global Industry Classification Standards (GICS) energy sector.

The Bloomberg Commodity Index is a broadly diversified index that allows investors to track commodity futures through a single, simple measure. The index is composed of futures contracts on physical commodities and is designed to minimize concentration in any one commodity or sector. It currently has 22 commodity futures in seven sectors. No one commodity can compose less than 2% or more than 15% of the index and no sector can represent more than 33% of the index.

Past Performance is No Guarantee of Future Results

#### Moran Wealth Management

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**Standard Deviation** - A statistical measurement of dispersion about an average which depicts how widely the returns varied over a certain period of time. Morningstar computes standard deviation using the trailing monthly total returns for the appropriate time period. All of the monthly standard deviations are then annualized.

**Alpha** - A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta.

**Beta** - Beta is a measure of systematic risk with respect to a benchmark. Systematic risk is the tendency of the value of the fund and the value of benchmark to move together. Beta measures the sensitivity of the fund's excess return (total return minus the risk free return) with respect to the benchmark's excess return that results from their systematic comovement.

**R-Squared** - Reflects the percentage of a portfolio's movements that can be explained by movements in its benchmark.

**Sharpe Ratio** - A risk adjusted measure calculated by using standard deviation and excess return to determine reward per unit of risk.

**Max Drawdown** - The peak to trough decline during a specific record period of an investment or fund. It is usually quoted as the percentage between the peak to the trough.

**Downside Capture Ratio** - Downside Capture Ratio measures manager's performance in down markets. A down market is defined as those periods (months or quarters) in which market return is less than 0. In essence, it tells you what percentage of the down market was captured by the manager.

**Max Gain** - The peak to trough incline during a specific record period of an investment or fund. It is usually quoted as the percentage between the peak to the trough.

**Upside Capture Ratio** - Upside Capture Ratio measures a manager's performance in up markets relative to the market (benchmark) itself. It is calculated by taking the security's upside capture return and dividing it by the benchmark's upside capture return.

The benchmark for the Natural Resources Portfolio is a 50% S&P 500 Energy Sector Index/50% Bloomberg Commodity Index blend. This index became the comparison benchmark for the Natural Resources Portfolio on 12/04/2019 and was changed retroactively back to inception from the S&P 500 Energy Sector Index. The underlying stock selection and portfolio management process remain unchanged. The benchmark was changed to create a more accurate representation of the portfolio's size and style characteristics. Information regarding the comparison to the S&P 500 Energy Sector Index is available upon request. The S&P 500 Energy Sector Index comprises those companies included in the S&P 500 that are classified as members of the Global Industry Classification Standards (GICS) energy sector. The Bloomberg Commodity Index is a broadly diversified index that allows investors to track commodity futures through a single, simple measure. The index is composed of futures contracts on physical commodities and is designed to minimize concentration in any one commodity or sector. It currently has 22 commodity futures in seven sectors. No one commodity can compose less than 2% or more than 15% of the index and no sector can represent more than 33% of the index.

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