Aggressive Growth Portfolio

Portfolio Objective: The primary objective of the Aggressive Growth portfolio is capital appreciation with higher risk tolerance. The profile of this portfolio is similar to that of an aggressively positioned, all-equity portfolio.

Portfolio Overview

The Aggressive Growth portfolio is focused on capital appreciation and can tolerate high levels of risk. The allocation may include domestic and foreign equity asset classes, as well as commodities, real estate and occasionally fixed income investments. At times, the portfolio may be more concentrated in asset classes with higher return potential, including those with higher levels of volatility. The profile is that of an aggressively positioned, all-equity portfolio.

Investment Process

Asset allocation is a portfolio management process where various asset classes are combined in one portfolio. Properly implemented, asset allocation is a time-tested approach that addresses risk through diversification. The Confluence approach to asset allocation is different than traditional asset allocation approaches which rely on long-term historical averages for strategic capital market assumptions. Confluence recognizes that risk levels and return potential rise and fall over market and economic cycles. Therefore, we apply a dynamic process in which the Confluence team estimates the performance of 12 different asset classes in terms of risk, return and yield looking forward 3 years. This cyclical approach is not market *timing*. Rather, the intention is to remain within an acceptable risk profile, while changing the asset class mix to optimize return potential. We may adjust allocations in much shorter time frames, depending upon changing views of the marketplace and economy. Alternately, we may abstain from making significant allocation adjustments if we believe the existing posture remains optimal. The process may involve somewhat higher turnover than a more static strategic program, but usually involves less trading relative to tactical approaches.

The asset allocation portfolios are comprised of exchange-traded funds (ETFs). We may use ETFs that allow us to focus on or avoid particular industry sectors, bond maturities, commodities or countries.

Portfolio Characteristics[1]

	Portfolio
Dividend Yield (as of 3/31/18)	1.6%
Number of Securities	22-26
Annual Turnover	50-80%

Five Largest Holdings[1] (as of 4/17/18)

Vanguard FTSE Emerging Markets - VWO
iShares S&P SmallCap 600 Growth - IJT
iShares S&P 600 Value - IJS
iShares S&P MidCap 400 Growth - IJK
iShares S&P MidCap 400 Value - IJJ

The listing of "Five Largest Holdings" is not a complete list of all securities in the portfolio or which Confluence may be currently recommending. Furthermore, application of the investment strategy as of a later date will likely result in changes to the listing. Please contact Confluence for a complete list of holdings.

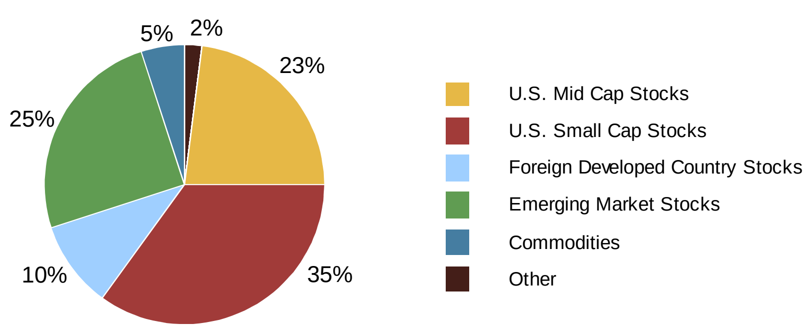
[1]This information is presented as supplemental information to the disclosures required by the GIPS® standards. Information presented reflects wrap account composites with "Plus" strategies & taxable income (if applicable).

Second Quarter 2018 Aggressive Growth Market Observations

We introduce a 5% allocation to gold, resulting in minor reductions to U.S. mid-cap and foreign developed equities. The gold exposure stems from its attractive price relative to our analysis of fair value as well as the hedge it affords for portfolio risk. U.S. equity exposures remain in mid-cap and small cap, both of which retain a 60% tilt toward growth due to our expectations of continued economic growth and the merit of growth-oriented equities at this stage of the economic cycle. The significant small cap allocation is due to attractive valuations and potential for increased M&A activity.

The exposure to non-U.S. equities is dominated by emerging markets. Their continued attractive relative fundamentals combined with our expectation of higher currency valuations relative to the dollar encouraged the continuation of this exposure. We maintain the allocation to emerging market small caps owing to their differentiated returns. The foreign developed exposure remains oriented toward Europe, where economic conditions continue to be supportive.

Sector Allocation[1] (as of 4/17/18)



[1]Note: The asset allocation shown represents the allocation of assets in the Aggressive Growth model portfolio as of the second quarter of 2018 and does not represent the allocation of assets in an actual client account. Asset allocation in client accounts may vary based on individual client considerations and market fluctuations. The allocation of assets in the model portfolio may be changed from time to time due to market conditions and economic factors. The investments held by the portfolio are not guaranteed and do carry a risk of loss of principal. Each asset class has specific risks associated with it and no specific asset class can prevent a loss of capital in market downturns. ETFs trade like a stock but charge internal management fees; there will be brokerage commissions associated with buying and selling exchange traded funds unless trading occurs in a fee-based account. This information is presented as supplemental information to the disclosures required by the GIPS® standards.

Aggressive Growth Portfolio

as of 3/31/18

Aggressive Growth – Plus Composite Returns

For Periods Ending 3/31/18

	Pure Gross-of-Fees[1]	Net-of-Fees[2]	S&P 500	Inflation
QTD	0.3%	(0.5%)	(0.8%)	0.5%
YTD	0.3%	(0.5%)	(0.8%)	0.5%
1-year	12.1%	8.7%	14.0%	1.8%
3-year	7.9%	4.7%	10.8%	1.6%
5-year	10.4%	7.1%	13.3%	1.7%
Since Inception* Annualized	7.5%	4.3%	10.2%	1.6%

	Pure Gross-of-Fees[1]	Net-of-Fees[2]	S&P 500	Inflation
2017	13.9%	10.5%	21.8%	1.8%
2016	16.1%	12.6%	12.0%	1.5%
2015	(2.2)%	(5.1)%	1.4%	1.4%
2014	9.6%	6.4%	13.7%	1.8%
2013	23.7%	20.0%	32.4%	2.0%
2012	10.4%	7.2%	16.0%	2.0%
2011	(4.3)%	(7.2)%	2.1%	1.9%
2010	17.1%	13.6%	15.1%	1.6%
2009	30.9%	27.0%	26.5%	1.1%
2008**	(29.1)%	(30.0)%	(27.9)%	0.1%

*Inception is 8/1/08

**Results for 2008 represent partial period performance from 8/1/2008 through 12/31/2008.

The benchmark is the S&P 500 index.

Inflation is provided as additional information and is represented by the US 5-year TIP breakeven spread (Bloomberg: USGGBE05 Index), which had 3-year standard deviation as follows: 0.1% 2011, 0.1% 2012, 0.1% 2013, 0.1% 2014, 0.1% 2015, 0.1% 2016, 0.1% 2017.

The benchmark was changed retroactively on 7/1/13 to be more simplified. The custom benchmark prior to 7/1/13 (calculated monthly) consisted of: S&P 500 38%, S&P 400 20%, Russell 2000 20%, MSCI EAFE (gross) 15%, MSCI Emerging Markets (gross) 5%, and ML T-Bill 2%.

Confluence claims compliance with the Global Investment Performance Standards (GIPS®).

[1] Pure gross-of-fees returns are shown as supplemental information to the disclosures required by GIPS® standards. The Aggressive Growth strategy was incepted on August 1, 2008 and the current Aggressive Growth—Plus Composite was created on April 1, 2009. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results. The U.S. dollar is the currency used to express performance. Returns are presented gross-of-fees and net-of-fees and include the reinvestment of all income.

[2] Net-of-fees performance was calculated using the highest applicable annual bundled fee of 3.00% applied quarterly. This fee includes brokerage commissions, portfolio management, consulting services and custodial services. The Confluence fee schedule for this composite is as follows: 0.40% on the first $500,000; 0.35% on the next $500,000; and 0.30% over $1,000,000. There are no incentive fees. Clients pay an all-inclusive fee based on a percentage of assets under management. The collection of fees produces a compounding effect on the total rate of return net-of-fees. Bundled fee accounts make up 100% of the composite for all periods. Actual investment advisory fees incurred by clients may vary. Wrap fee schedules are provided by independent wrap sponsors and are available upon request from the respective wrap sponsor. Performance prior to April 1, 2009 is based on the Aggressive Growth-Foundation-Direct Composite which was created on August 1, 2008. This composite includes accounts that pursue the Aggressive Growth strategy, but have a different fee structure and have a smaller balance so they forgo the sector specific breakout of equity market allocations. Gross returns from the Aggressive Growth-Foundation-Direct composite include transaction costs and net-of-fee performance was calculated using the highest applicable annual bundled fee of 3.00% applied quarterly.

The Aggressive Growth - Plus Composite contains fully discretionary Aggressive Growth - Plus wrap accounts. The Aggressive Growth strategy is implemented using ETFs and the investment objective is the pursuit of nominal returns (yield and growth) in excess of inflation, subject to the limitations of the risk constraint for the Aggressive Growth strategy. The allocation is implemented using ETFs and may include domestic and international equity asset classes, as well as commodities, real estate and, occasionally, fixed income investments. This portfolio may be appropriate for equity-oriented investors with a higher risk tolerance. A GIPS-compliant presentation and/or the firm's list of composite descriptions can be requested by contacting Confluence. Yield data source: FactSet. Weighted average dividend yield of holdings in the portfolio, calculated based on annualized current dividends.

Firm Overview

The Confluence Team

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The Confluence Mission

Our mission is to provide our clients with superior investment solutions and exceptional client service with the highest standards of ethics and integrity. Our team of investment professionals is committed to delivering innovative products and sound, practical advice to enable investors to achieve their investment objectives.

About Confluence Investment Management LLC

Confluence Investment Management LLC is an independent Registered Investment Advisor located in St. Louis, Missouri that was founded in 2007. Confluence provides professional portfolio management and advisory services to institutional and individual clients. The firm's investment philosophy is based upon independent, fundamental research that integrates our evaluation of market cycles, macroeconomics and geopolitical analysis with our value-driven, fundamental company-specific approach. Confluence's portfolio management philosophy begins by assessing risk, and follows through by positioning clients to achieve their income and growth objectives. The Confluence team has more than 400 years of combined financial experience and 200 years of portfolio management experience.

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