

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.

INVESTMENT PHILOSOPHY

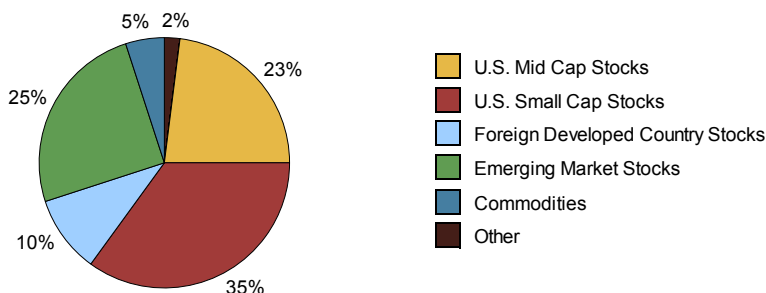
Asset allocation is a portfolio management process where various asset classes are combined in one portfolio. Properly implemented, asset allocation is a time-tested approach that addresses risk through diversification. The Confluence approach to asset allocation is different than traditional asset allocation 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 utilize 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 OVERVIEW

- ◆ Portfolio is focused on capital appreciation and can tolerate high levels of risk
- ◆ 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
- ◆ Profile is similar to that of an aggressively positioned, all-equity portfolio
- ◆ Suitable for equity-oriented investors with a higher risk tolerance

ASSET ALLOCATION¹



CHARACTERISTICS¹ (AS OF JUNE 30, 2018)

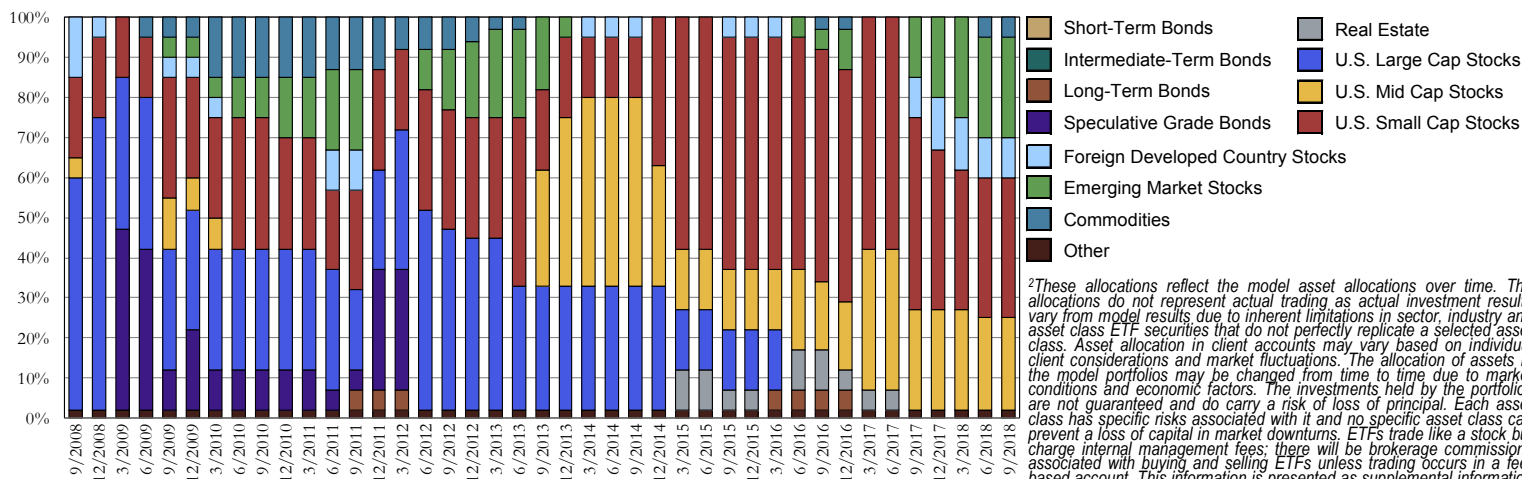
Dividend Yield	1.5%
Number of Securities	22-26
Annual Turnover	50-80%

TOP 5 HOLDINGS¹

Vanguard FTSE Emerging Markets - VWO	18.0%
iShares S&P SmallCap 600 Growth - IJT	16.4%
iShares S&P SmallCap 600 Value - IJS	14.0%
iShares S&P MidCap 400 Growth - IJK	13.3%
iShares S&P MidCap 400 Value - IJJ	9.7%

¹This 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). Asset allocations shown represent the individual ETFs used in the model portfolios as of 7/18/18 and do not represent the precise 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. The listing of "Top 5 Holdings" is not a complete list of all ETFs 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. Contact Confluence for a complete list of holdings. Yield data source: Morningstar. Model portfolio 30-day SEC yield.

HISTORICAL MODEL ALLOCATIONS²



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 evaluation of market cycles, macroeconomics and geopolitical analysis with the firm's 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.

THIRD QUARTER 2018 AGGRESSIVE GROWTH MARKET OBSERVATIONS

- ◆ We expect that Fed policy will continue tightening through year-end, with as many as two additional increases in the fed funds rate in tandem with a measured reduction in the size of the Fed's balance sheet, but the prospect for a recession is not included in our cyclical forecast.
- ◆ Our expectations are for continued GDP growth throughout the balance of this year and into 2019. Accordingly, equity exposures remain elevated across all strategies relative to our historic allocations, with a 60% growth style bias among U.S. equities.
- ◆ The outlook for the U.S. dollar is path dependent upon the durability of both trade conflicts and Fed posture into and through next year.
- ◆ We retain a modest allocation to gold given the combination of the potential for global political instability and its current price well below our estimate of fair value.

There were no changes to the allocations or sub-asset class exposures in the Aggressive Growth strategy this quarter. The U.S. equity exposure is still exclusively mid-caps and small caps, with a tilt toward growth. This is reflective of our positive economic outlook and expectations for further earnings growth, along with the prospect that M&A activity will continue to increase. We retain the 5% allocation to gold introduced last quarter, stemming not only from its attractive price relative to our analysis of its fair value but also due to the hedge it can provide against geopolitical and currency risk.

The Aggressive Growth portfolio's allocation to non-U.S. equities has a majority of its exposure in emerging markets, where there is a sizable exposure to small caps due to their differentiated returns. The developed non-U.S. exposure retains a concentration in Europe, where relative valuations remain attractive.

Confluence Asset Allocation Committee

Mark Keller, CFA David Miyazaki, CFA
William O'Grady Patty Dahl
Gregory Ellston Kaisa Stucke, CFA

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.

PERFORMANCE COMPOSITE RETURNS (FOR PERIODS ENDING JUNE 30, 2018)

	Pure Gross-of-Fees ¹	Net-of-Fees ²	Benchmark (S&P 500)	Inflation	Confluence claims compliance with the Global Investment Performance Standards (GIPS®).
QTD	0.9%	0.1%	3.4%	0.5%	The Aggressive Growth Strategy was inceptioned on August 1, 2008 and the current Aggressive Growth - Plus Composite was created on April 1, 2009. Confluence Investment Management LLC is an independent registered investment adviser. Confluence Investment Management LLC is an independent registered investment adviser. 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 and net of all fees and include the reinvestment of all income. ¹ Pure gross returns are shown as supplemental information to the disclosures required by the GIPS® standards. ² Net of fee 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. A complete list of composite descriptions and/or fully compliant GIPS® presentations are available upon request. Additional information regarding policies for calculating and reporting performance are available upon request. The annual composite dispersion is an equal weighted standard deviation calculated for accounts in the composite for the entire year. 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.
YTD	1.1%	(0.4%)	2.6%	1.0%	
1-Year	11.1%	7.8%	14.4%	1.9%	
3-Year*	8.4%	5.2%	11.9%	1.7%	
5-Year*	10.7%	7.4%	13.4%	1.7%	
Since Inception**	7.4%	4.2%	10.3%	1.6%	

*Average annualized returns
**Inception is 8/1/2008

	Pure Gross-of-Fees ¹	Net-of-Fees ²	Benchmark (S&P 500)	Inflation	Difference (Gross-Bchmk)	# of Portfolios	Composite Assets (000s)	Total Firm Assets (000s)	Composite 3yr Std Dev	Benchmark 3yr Std Dev	Composite Dispersion
2017	13.9%	10.5%	21.8%	1.8%	(7.9%)	22	\$6,967	\$5,944,479	10.9%	9.9%	0.0%
2016	16.1%	12.6%	12.0%	1.5%	4.1%	21	\$5,737	\$4,413,659	11.9%	10.6%	0.2%
2015	(2.2%)	(5.1%)	1.4%	1.4%	(3.6%)	24	\$5,925	\$3,175,419	10.8%	10.5%	0.2%
2014	9.6%	6.4%	13.7%	1.8%	(4.1%)	22	\$5,808	\$2,589,024	10.0%	9.0%	0.1%
2013	23.7%	20.0%	32.4%	2.0%	(8.7%)	21	\$4,949	\$1,955,915	12.7%	11.9%	0.1%
2012	10.4%	7.2%	16.0%	2.0%	(5.6%)	23	\$3,654	\$1,272,265	15.8%	15.1%	0.1%
2011	(4.3%)	(7.2%)	2.1%	1.9%	(6.4%)	19	\$2,613	\$937,487	19.0%	18.7%	0.1%
2010	17.1%	13.6%	15.1%	1.6%	2.0%	23	\$2,744	\$751,909	N/A	N/A	0.3%
2009	30.9%	27.0%	26.5%	1.1%	4.4%	12	\$1,040	\$533,832	N/A	N/A	N/A
2008**	(29.1%)	(30.0%)	(27.9%)	0.1%	(1.3%)	1	\$18	\$291,644	N/A	N/A	N/A

**Results shown for the year 2008 represent partial period performance from August 1, 2008 through December 31, 2008. N/A- Composite Dispersion: Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year. N/A- 3yr Std Dev: Composite does not have 3 years of monthly performance history.

Portfolio Benchmark

The benchmark is the S&P 500 index. The benchmark was changed retroactively on 7/1/13 to be more simplified. The custom benchmark prior to 7/1/13 was calculated monthly and 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%. Inflation is provided as additional information and is represented by the US 5 year TIP breakeven spread (Bloomberg: USGGBE05 Index), which had 3yr 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.

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