Asset Allocation Strategies

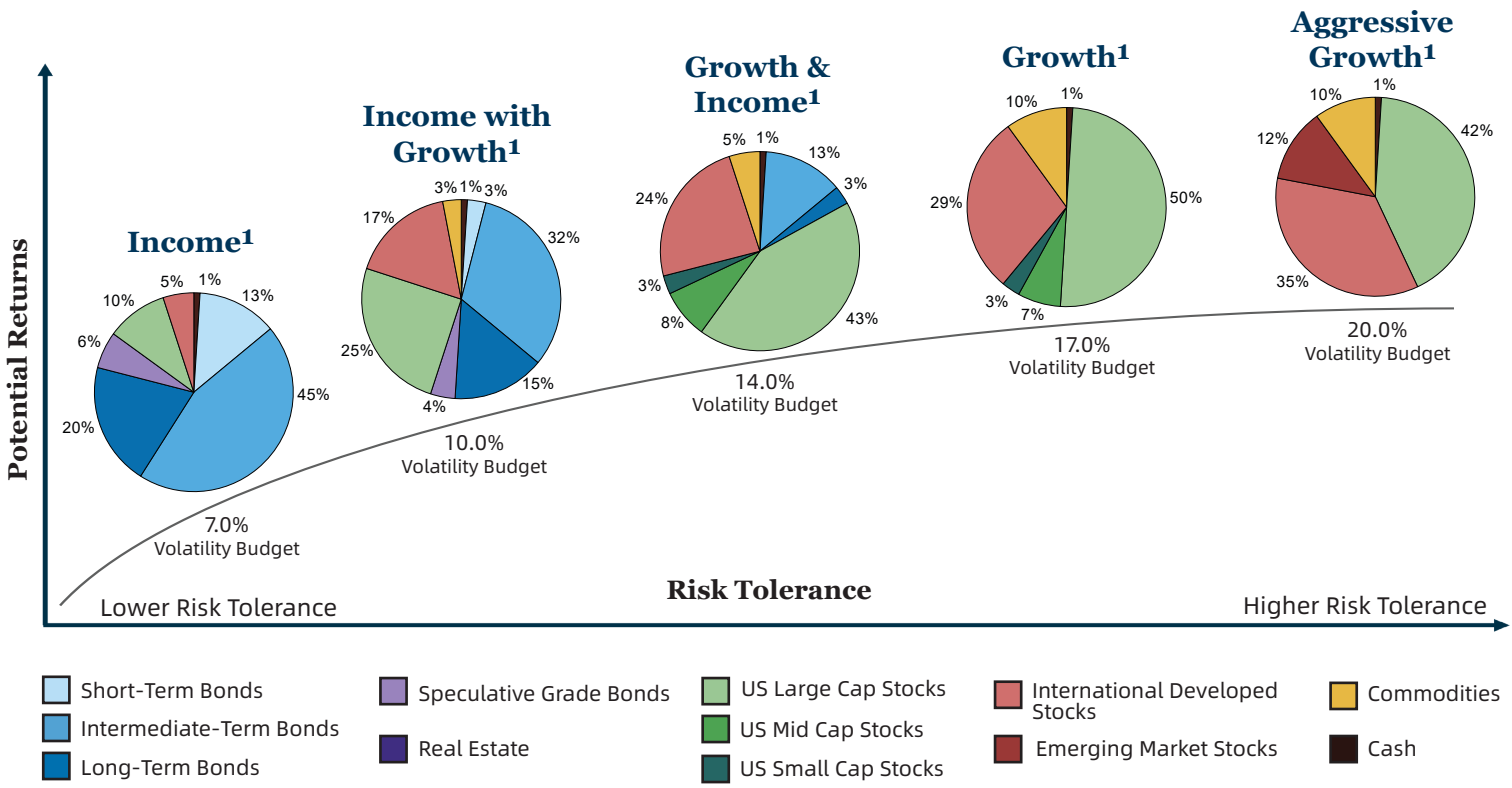
Confluence INVESTMENT MANAGEMENT

Fourth Quarter 2026

Investment Philosophy

Asset allocation is a time-tested approach that addresses risk through diversification, while positioning portfolios to achieve growth, income, and other client-specific objectives. Confluence employs an *adaptive* approach to asset allocation that evaluates the investing landscape against the backdrop of the pending business cycle, as we recognize that risk levels and return potential rise and fall over market and economic cycles.

Through a disciplined, consensus-driven process, the Confluence team estimates the performance of 12 different asset classes in terms of risk, return, and yield looking forward three years. The intention is to remain within an acceptable risk profile, while changing the asset class mix to optimize return potential. Allocations are adjusted depending upon the investment committee's changing views of the marketplace and economy, utilizing over/underweights to focus on particular industry sectors, maturities, commodities, or countries. Confluence's Asset Allocation portfolios offer a broad spectrum of risk profiles and are implemented using exchange-traded funds (ETFs).



Strategy	Income	Income with Growth	Growth & Income	Growth	Aggressive Growth
Investment Objective	Income, along with preservation of capital & low volatility	Reliable income with a secondary focus on growth	Combines growth & income objectives, with more emphasis on growth	Capital appreciation	Capital appreciation with a high tolerance for risk
Profile	Similar to diversified bond portfolio alongside limited exposure to other asset classes	Similar to diversified bond portfolio alongside equity allocation	Similar to portfolio with blend of stocks & bonds	Similar to diversified all-equity portfolio	Similar to aggressively positioned all-equity portfolio
Portfolio Allocations *may include:*	Majority allocation in fixed income asset classes	Fixed income, usually with emphasis on US investment-grade; US & international equities; real estate; commodities	US & international equities; commodities; real estate; fixed income	Any asset classes, but typically weighted toward equities, usually with emphasis on US large caps	Any asset classes, but typically weighted toward equities, sometimes in concentrated allocations
Benchmark	20% equity / 80% bond	40% equity / 60% bond	70% equity / 30% bond	100% equity	100% equity
Yield Target	Intermediate-Term Bond Forecast	Cash Forecast	3%	N/A	N/A

[1] *Allocations represent the individual ETFs used in the model portfolios as of 10/22/2026 and do not represent the precise allocation of assets in actual client accounts.*

See GIPS Reports on pages 2-5

Performance Composite Returns[2] (For periods ending September 30, 2026)

Aggressive Growth	Since Inception**	15-Year*	10-Year*	5-Year*	3-Year*	1-Year	YTD	QTD
Pure Gross-of-Fees[3]	8.5%	10.8%	10.1%	7.2%	13.8%	13.3%	8.4%	1.8%
Max Net-of-Fees[4]	5.3%	7.5%	6.9%	4.0%	10.4%	9.9%	6.0%	1.0%
S&P 500	12.5%	15.7%	15.3%	13.8%	22.9%	15.7%	12.7%	2.3%

Calendar Year	Pure Gross-of-Fees[3]	Max Net-of-Fees[4]	Benchmark (S&P 500)	Difference (Gross-Benchmark)	# of Portfolios	Composite Assets (000s)	Total Firm Assets (000s)	Composite 3yr Std Dev	S&P 500 3yr Std Dev	Composite Dispersion
2011**	(4.3%)	(7.1%)	2.1%	(6.4%)	19	$2,613	$937,487	19.0%	18.7%	0.1%
2012	10.4%	7.2%	16.0%	(5.6%)	23	$3,654	$1,272,265	15.8%	15.1%	0.1%
2013	23.7%	20.0%	32.4%	(8.7%)	21	$4,949	$1,955,915	12.7%	11.9%	0.1%
2014	9.6%	6.4%	13.7%	(4.1%)	22	$5,808	$2,589,024	10.0%	9.0%	0.1%
2015	(2.2%)	(5.1%)	1.4%	(3.6%)	24	$5,925	$3,175,419	10.8%	10.5%	0.2%
2016	16.1%	12.6%	12.0%	4.1%	21	$5,737	$4,413,659	11.9%	10.6%	0.2%
2017	13.9%	10.5%	21.8%	(7.9%)	22	$6,967	$5,944,479	10.9%	9.9%	0.0%
2018	(11.1%)	(13.7%)	(4.4%)	(6.7%)	22	$6,083	$5,486,737	11.9%	10.8%	0.3%
2019	22.5%	18.8%	31.5%	(9.0%)	20	$6,594	$7,044,708	12.6%	11.9%	0.2%
2020	30.8%	27.0%	18.4%	12.4%	18	$8,049	$6,889,798	17.7%	18.5%	0.2%
2021	14.4%	11.0%	28.7%	(14.3%)	20	$9,325	$7,761,687	15.9%	17.2%	0.2%
2022	(12.0%)	(14.6%)	(18.1%)	6.1%	17	$6,949	$6,931,635	17.5%	20.9%	0.4%
2023	16.6%	13.2%	26.3%	(9.6%)	21	$9,823	$7,200,019	15.2%	17.3%	0.3%
2024	9.7%	6.4%	25.0%	(15.3%)	26	$12,111	$7,280,773	16.7%	17.2%	0.1%
2025	10.9%	7.7%	17.9%	(6.9%)	23	$11,685	$6,769,052	14.0%	11.8%	0.1%

Average annualized returns* ***Inception is 8/1/2008. Additional years of performance available on our website.* ***Benchmark:* S&P 500 Index®

Growth	Since Inception**	15-Year*	10-Year*	5-Year*	3-Year*	1-Year	YTD	QTD
Pure Gross-of-Fees[3]	9.3%	11.8%	11.5%	8.5%	14.9%	11.1%	7.1%	1.0%
Max Net-of-Fees[4]	6.0%	8.5%	8.2%	5.3%	11.5%	7.8%	4.7%	0.2%
S&P 500	12.5%	15.7%	15.3%	13.8%	22.9%	15.7%	12.7%	2.3%

Calendar Year	Pure Gross-of-Fees[3]	Max Net-of-Fees[4]	Benchmark (S&P 500)	Difference (Gross-Benchmark)	# of Portfolios	Composite Assets (000s)	Total Firm Assets (000s)	Composite 3yr Std Dev	S&P 500 3yr Std Dev	Composite Dispersion
2011**	(1.5%)	(4.5%)	2.1%	(3.7%)	155	$32,263	$937,487	17.8%	18.7%	0.2%
2012	11.0%	7.7%	16.0%	(5.0%)	152	$36,374	$1,272,265	14.0%	15.1%	0.2%
2013	17.7%	14.2%	32.4%	(14.7%)	119	$35,195	$1,955,915	11.2%	11.9%	0.2%
2014	14.6%	11.2%	13.7%	0.9%	115	$38,771	$2,589,024	8.5%	9.0%	0.3%
2015	(0.4%)	(3.3%)	1.4%	(1.8%)	133	$35,486	$3,175,419	9.5%	10.5%	0.1%
2016	13.1%	9.7%	12.0%	1.1%	70	$24,178	$4,413,659	10.1%	10.6%	0.2%
2017	16.0%	12.5%	21.8%	(5.8%)	76	$15,068	$5,944,479	9.2%	9.9%	0.1%
2018	(10.1%)	(12.7%)	(4.4%)	(5.7%)	65	$11,109	$5,486,737	10.5%	10.8%	0.2%
2019	23.9%	20.2%	31.5%	(7.6%)	60	$15,524	$7,044,708	11.7%	11.9%	0.2%
2020	33.1%	29.1%	18.4%	14.7%	48	$16,186	$6,889,798	16.9%	18.5%	0.6%
2021	18.8%	15.3%	28.7%	(9.9%)	54	$14,434	$7,761,687	15.3%	17.2%	0.1%
2022	(11.1%)	(13.7%)	(18.1%)	7.1%	66	$18,216	$6,931,635	17.2%	20.9%	0.2%
2023	15.2%	11.8%	26.3%	(11.0%)	105	$27,484	$7,200,019	14.7%	17.3%	0.2%
2024	13.3%	10.0%	25.0%	(11.7%)	137	$38,279	$7,280,773	15.6%	17.2%	0.1%
2025	13.6%	10.2%	17.9%	(4.3%)	137	$37,773	$6,769,052	12.3%	11.8%	0.1%

Average annualized returns* ***Inception is 9/1/2008. Additional years of performance available on our website.* ***Benchmark:* S&P 500 Index®

Performance Composite Returns[2] (For periods ending September 30, 2026)

Growth & Income (Taxable)	Since Inception**	15-Year*	10-Year*	5-Year*	3-Year*	1-Year	YTD	QTD
Pure Gross-of-Fees[3]	8.3%	10.0%	9.4%	6.8%	11.8%	8.0%	4.7%	(0.2%)
Max Net-of-Fees[4]	5.1%	6.8%	6.2%	3.6%	8.4%	4.8%	2.4%	(1.0%)
70% Stock / 30% Bond	9.7%	11.5%	11.1%	9.4%	17.1%	10.3%	8.0%	0.5%

Calendar Year	Pure Gross-of-Fees[3]	Max Net-of-Fees[4]	Benchmark (70stock/30bond)	Difference (Gross-Benchmark)	# of Portfolios	Composite Assets (000s)	Total Firm Assets (000s)	Composite 3yr Std Dev	Benchmark 3yr Std Dev	Composite Dispersion
2011**	1.3%	(1.7%)	4.1%	(2.7%)	473	$76,475	$937,487	15.7%	13.1%	0.2%
2012	11.4%	8.1%	12.5%	(1.0%)	483	$88,475	$1,272,265	11.8%	10.2%	0.2%
2013	11.7%	8.4%	21.1%	(9.4%)	483	$99,018	$1,955,915	9.7%	8.2%	0.1%
2014	13.6%	10.3%	11.4%	2.3%	331	$71,109	$2,589,024	7.2%	6.3%	0.2%
2015	(0.9%)	(3.8%)	1.3%	(2.2%)	442	$85,189	$3,175,419	7.8%	7.4%	0.1%
2016	12.2%	8.9%	9.2%	3.0%	187	$34,169	$4,413,659	8.5%	7.4%	0.2%
2017	15.5%	12.1%	16.1%	(0.5%)	259	$63,074	$5,944,479	7.7%	6.8%	0.1%
2018	(8.1%)	(10.8%)	(2.8%)	(5.2%)	289	$60,638	$5,486,737	8.9%	7.5%	0.1%
2019	21.9%	18.3%	24.5%	(2.6%)	292	$74,376	$7,044,708	9.8%	8.3%	0.2%
2020	22.9%	19.3%	15.7%	7.2%	295	$94,100	$6,889,798	14.6%	13.1%	0.6%
2021	17.0%	13.5%	19.0%	(2.0%)	354	$123,621	$7,761,687	13.4%	12.1%	0.2%
2022	(9.7%)	(12.4%)	(16.4%)	6.6%	466	$133,491	$6,931,635	14.5%	15.5%	0.1%
2023	14.5%	11.1%	19.8%	(5.2%)	640	$174,843	$7,200,019	11.9%	13.7%	0.2%
2024	9.2%	6.0%	17.5%	(8.2%)	774	$226,642	$7,280,773	12.5%	13.8%	0.2%
2025	11.4%	8.1%	14.7%	(3.3%)	784	$231,619	$6,769,052	10.1%	9.5%	0.1%

**Average annualized returns*

***Inception is 9/1/2008. Additional years of performance available on our website.*

***Benchmark**:* (calculated monthly) custom blend of 70% S&P 500® and 30% Bloomberg US Aggregate Bond Index

Income with Growth (Taxable)	Since Inception**	15-Year*	10-Year*	5-Year*	3-Year*	1-Year	YTD	QTD
Pure Gross-of-Fees[3]	9.5%	8.8%	8.4%	5.5%	10.3%	5.0%	2.4%	(1.8%)
Max Net-of-Fees[4]	6.3%	5.6%	5.2%	2.4%	7.1%	1.9%	0.1%	(2.6%)
40% Stock / 60% Bond	7.7%	7.4%	6.9%	5.1%	11.4%	5.0%	3.3%	(1.2%)

Calendar Year	Pure Gross-of-Fees[3]	Max Net-of-Fees[4]	Benchmark (40stock/60bond)	Difference (Gross-Benchmark)	# of Portfolios	Composite Assets (000s)	Total Firm Assets (000s)	Composite 3yr Std Dev	Benchmark 3yr Std Dev	Composite Dispersion
2011**	4.9%	1.8%	5.8%	(0.9%)	43	$14,679	$937,487	11.8%	7.7%	0.2%
2012	10.1%	6.9%	8.9%	1.2%	53	$20,940	$1,272,265	7.7%	5.5%	0.2%
2013	7.8%	4.6%	10.7%	(2.9%)	50	$20,925	$1,955,915	7.0%	4.7%	0.2%
2014	13.1%	9.8%	9.1%	4.0%	54	$19,985	$2,589,024	5.5%	3.9%	0.1%
2015	(0.8%)	(3.7%)	1.1%	(1.9%)	70	$27,222	$3,175,419	6.1%	4.5%	0.1%
2016	10.0%	6.7%	6.4%	3.5%	27	$5,776	$4,413,659	7.0%	4.4%	0.1%
2017	10.5%	7.3%	10.6%	(0.0%)	47	$11,956	$5,944,479	6.4%	4.0%	0.1%
2018	(3.8%)	(6.6%)	(1.5%)	(2.3%)	52	$10,840	$5,486,737	6.3%	4.4%	0.1%
2019	20.7%	17.1%	17.6%	3.1%	61	$13,757	$7,044,708	6.2%	4.8%	0.1%
2020	25.8%	22.1%	12.5%	13.3%	94	$24,340	$6,889,798	10.0%	7.8%	0.2%
2021	11.6%	8.3%	9.8%	1.7%	115	$30,151	$7,761,687	9.6%	7.3%	0.1%
2022	(9.4%)	(12.1%)	(14.8%)	5.3%	144	$32,049	$6,931,635	10.8%	10.5%	0.1%
2023	12.4%	9.0%	13.5%	(1.1%)	163	$45,699	$7,200,019	8.7%	10.3%	0.1%
2024	7.5%	4.4%	10.3%	(2.7%)	179	$51,824	$7,280,773	8.9%	10.7%	0.1%
2025	12.8%	9.5%	11.6%	1.2%	189	$58,765	$6,769,052	6.9%	7.5%	0.2%

**Average annualized returns*

***Inception is 12/1/2008. Additional years of performance available on our website.*

***Benchmark**:* (calculated monthly) custom blend of 40% S&P 500® and 60% Bloomberg US Aggregate Bond Index

Performance Composite Returns[2] (For periods ending September 30, 2026)

Income (Taxable)	Since Inception**	5-Year*	3-Year*	1-Year	YTD	QTD
Pure Gross-of-Fees[3]	5.6%	2.4%	6.4%	0.4%	(1.0%)	(3.3%)
Max Net-of-Fees[4]	2.4%	(0.6%)	3.3%	(2.6%)	(3.2%)	(4.0%)
20% Stock / 80% Bond	4.0%	2.2%	7.7%	1.6%	0.2%	(2.4%)

Calendar Year	Pure Gross-of-Fees[3]	Max Net-of-Fees[4]	Benchmark (20stock/80bond)	Difference (Gross-Benchmark)	# of Portfolios	Composite Assets (000s)	Total Firm Assets (000s)	Composite 3yr Std Dev	Benchmark 3yr Std Dev	Composite Dispersion
2018	(2.6%)	(5.5%)	(0.7%)	(1.9%)	1	$448	$5,486,737	N/A	N/A	N/A
2019	15.0%	11.6%	13.1%	1.9%	1	$210	$7,044,708	N/A	N/A	N/A
2020	19.6%	16.1%	10.1%	9.5%	1	$242	$6,889,798	6.9%	4.7%	N/A
2021	9.4%	6.2%	4.0%	5.4%	1	$247	$7,761,687	6.5%	4.5%	N/A
2022	(11.7%)	(14.4%)	(13.8%)	2.1%	1	$201	$6,931,635	8.5%	7.6%	N/A
2023	9.5%	6.3%	9.5%	0.0%	4	$740	$7,200,019	7.9%	8.5%	0.0%
2024	4.6%	1.5%	5.7%	(1.1%)	8	$1,488	$7,280,773	7.9%	9.0%	0.0%
2025	9.4%	6.1%	9.4%	(0.1%)	6	$1,228	$6,769,052	5.6%	6.5%	0.1%

**Average annualized returns* ***Inception is 1/1/2018*

Benchmark: (calculated monthly) custom blend of 20% S&P 500® and 80% Bloomberg US Aggregate Bond Index

Confluence Asset Allocation Committee

Mark Keller, CFA	Bill O'Grady	Patty Dahl	Sean Long	Patrick Fearon-Hernandez, CFA
Greg Ellston	David Miyazaki, CFA	Kaisa Stucke, CFA	Thomas Wash	

For more information, contact a member of our Sales Team:

(314) 530-6729 or sales@confluenceim.com

See Territory Map on the Confluence website for sales coverage

Disclosures (continued on next page)

[1] **Asset Allocations**—Asset allocations shown represent the individual ETFs used in the model portfolios as of 10/22/26 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 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.

[2] **Performance Composite Returns—Confluence Investment Management LLC claims compliance with the Global investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Confluence Investment Management LLC has been independently verified for the periods August 1, 2008, through December 31, 2025. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards.**

Verification provides assurance on whether the firm's policies and procedures related to composite maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

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The Aggressive Growth strategy was incepted on August 1, 2008, and the current Aggressive Growth–Plus Composite was created on April 1, 2009. The Growth strategy was incepted on September 1, 2008, and the Growth–Plus Composite was created on September 1, 2008. The Growth and Taxable Income–Plus strategy was incepted on September 1, 2008, and the Growth and Taxable Income–Plus Composite was created on September 1, 2008. The Income Taxable with Growth–Plus strategy was incepted on December 1, 2008, and the Income Taxable with Growth–Plus Composite was created on December 1, 2008. The Income Taxable strategy was incepted on January 1, 2018, and the current Income Taxable–Plus Composite was created on July 1, 2019. 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 US Dollar is the currency used to express performance. Returns are presented gross and net of all fees and include the reinvestment of all income.

[3] Pure gross returns are shown as supplemental information to the disclosures required by the GIPS® standards.

[4] 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 for Aggressive Growth, Growth, Growth and Taxable Income, and Income Taxable with Growth (Income Taxable: Subsequent to July 1, 2019, bundled fee accounts make up 100% of the composite). 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.

Disclosures (continued from previous page)

Aggressive Growth: 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.

Growth: The Growth–Plus Composite contains fully discretionary Growth–Plus wrap accounts. The 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 Growth strategy. The allocation may include equity asset classes ranging from small cap to large cap. International allocations may include both developed and emerging markets, while commodities, real estate and fixed income may be utilized for total return and diversification. This portfolio may be appropriate for equity-oriented investors with an average risk tolerance.

Growth and Taxable Income: The Growth & Taxable Income–Plus Composite contains fully discretionary Growth & Taxable Income–Plus wrap accounts. The Growth & Income Taxable 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 Growth & Income Taxable strategy. The growth allocation may include equity asset classes ranging from small cap to large cap, with both domestic and international equities. Commodities may be utilized for total return as well as diversification benefits. Fixed income and real estate allocations will normally form the foundation to pursue taxable income objectives. This portfolio may be appropriate for investors with a moderate risk tolerance.

Income Taxable with Growth: The Income Taxable with Growth–Plus Composite contains fully discretionary Income Taxable with Growth–Plus wrap accounts. The Income Taxable with 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 Income Taxable with Growth strategy. Although the portfolio typically favors an allocation to taxable fixed income asset classes, a smaller portion of the portfolio may include real estate, equities, commodities or other asset classes. These allocations provide an aspect of growth potential, along with diversification benefits. This portfolio may be appropriate for investors with a conservative risk tolerance.

Income Taxable: Performance prior to July 1, 2019, is based on the Income Taxable–Direct Composite which was created on January 1, 2018. This composite includes accounts that pursue the Income strategy, but have a different fee structure. Gross returns from the Income Taxable–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 Income Taxable–Plus Composite contains fully discretionary Income Taxable–Plus wrap accounts. The Income Taxable 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 Income Taxable strategy. Although the portfolio typically has the majority of its allocation in taxable fixed income asset classes, a smaller portion of the portfolio may include real estate, equities, commodities or other asset classes. This minority allocation provides an aspect of growth potential, along with diversification benefits. This portfolio may be appropriate for investors with a conservative risk tolerance. The Income Taxable—Plus composite report includes a correction of the information: the composite dispersion for the Income Taxable—Plus Composite for 2024 was originally presented as 5.3%, while it should have been 0.0%.

A complete list of composite descriptions and policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. The annual composite dispersion is an equal-weighted standard deviation, using gross-of-fee returns, calculated for the accounts in the composite for the entire year. The three-year annualized standard deviation measures the variability of the composite gross returns over the preceding 36-month period.

**Results shown for the year 2008 represent partial period performance from strategy inception date 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.