

## Growth and Income Taxable – Plus

Investment Performance as of 9/30/2020



|                  | Pure Gross<br>(Before Fees) | Net*<br>(After Fees) | Benchmark<br>(70stock/30bond) | Inflation |
|------------------|-----------------------------|----------------------|-------------------------------|-----------|
| <b>Inception</b> | 7.6%                        | 4.4%                 | 9.0%                          | 1.6%      |
| <b>10-year</b>   | 9.1%                        | 5.9%                 | 10.9%                         | 1.7%      |
| <b>5-year</b>    | 10.1%                       | 6.8%                 | 11.4%                         | 1.6%      |
| <b>3-year</b>    | 8.1%                        | 4.9%                 | 10.5%                         | 1.6%      |
| <b>1-year</b>    | 13.0%                       | 9.6%                 | 13.3%                         | 1.3%      |
| <b>YTD</b>       | 8.1%                        | 5.7%                 | 6.5%                          | 0.9%      |
| <b>QTD</b>       | 5.7%                        | 4.9%                 | 6.5%                          | 0.4%      |

| Calendar<br>Year | Pure Gross<br>(Before Fees) | Net*<br>(After Fees) | Benchmark<br>(70stock/30bond) | Inflation | Difference<br>(Gross-Bchmk) | No. of<br>Portfolios | Composite<br>Assets (000s) | Total Firm<br>Assets (000s) | Composite<br>3yr Std Dev | Benchmark<br>3yr Std Dev | Composite<br>Dispersion |
|------------------|-----------------------------|----------------------|-------------------------------|-----------|-----------------------------|----------------------|----------------------------|-----------------------------|--------------------------|--------------------------|-------------------------|
| <b>2008**</b>    | (24.1%)                     | (24.9%)              | (19.9%)                       | (0.0%)    | (4.2%)                      | 17                   | \$2,070                    | \$291,644                   | N/A                      | N/A                      | N/A                     |
| <b>2009</b>      | 26.4%                       | 22.7%                | 20.2%                         | 1.1%      | 6.2%                        | 274                  | \$40,177                   | \$533,832                   | N/A                      | N/A                      | 0.1%                    |
| <b>2010</b>      | 13.1%                       | 9.8%                 | 12.9%                         | 1.6%      | 0.3%                        | 474                  | \$69,570                   | \$751,909                   | N/A                      | N/A                      | 0.2%                    |
| <b>2011</b>      | 1.3%                        | (1.7%)               | 4.1%                          | 1.9%      | (2.8%)                      | 473                  | \$76,475                   | \$937,487                   | 15.7%                    | 13.1%                    | 0.2%                    |
| <b>2012</b>      | 11.4%                       | 8.1%                 | 12.6%                         | 2.0%      | (1.1%)                      | 483                  | \$88,475                   | \$1,272,265                 | 11.8%                    | 10.2%                    | 0.2%                    |
| <b>2013</b>      | 11.7%                       | 8.4%                 | 21.0%                         | 2.0%      | (9.3%)                      | 483                  | \$99,018                   | \$1,955,915                 | 9.7%                     | 8.2%                     | 0.1%                    |
| <b>2014</b>      | 13.6%                       | 10.3%                | 11.5%                         | 1.8%      | 2.1%                        | 331                  | \$71,109                   | \$2,589,024                 | 7.2%                     | 6.3%                     | 0.2%                    |
| <b>2015</b>      | (0.9%)                      | (3.8%)               | 1.3%                          | 1.4%      | (2.2%)                      | 442                  | \$85,189                   | \$3,175,419                 | 7.8%                     | 7.4%                     | 0.1%                    |
| <b>2016</b>      | 12.2%                       | 8.9%                 | 9.2%                          | 1.5%      | 3.0%                        | 187                  | \$34,169                   | \$4,413,659                 | 8.5%                     | 7.4%                     | 0.2%                    |
| <b>2017</b>      | 15.5%                       | 12.1%                | 16.1%                         | 1.8%      | (0.6%)                      | 259                  | \$63,074                   | \$5,944,479                 | 7.7%                     | 6.8%                     | 0.1%                    |
| <b>2018</b>      | (8.1%)                      | (10.8%)              | (2.8%)                        | 2.0%      | (5.2%)                      | 289                  | \$60,638                   | \$5,486,737                 | 8.9%                     | 7.5%                     | 0.1%                    |
| <b>2019</b>      | 21.9%                       | 18.3%                | 24.6%                         | 1.6%      | (2.7%)                      | 292                  | \$74,376                   | \$7,044,708                 | 9.8%                     | 8.3%                     | 0.2%                    |

See disclosures on next page

## Growth and Income Taxable – Plus

### Investment Performance as of 9/30/2020

**Confluence claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards.**

**Confluence has been independently verified for the periods of 8/1/2008 through 12/31/2019. A copy of the verification report is available upon request.**

Verification assesses whether: 1. the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis, and 2. the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

The Growth and Taxable Income–Plus Composite was created on September 1, 2008. 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. Gross returns are shown as supplemental information.

\*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.

A complete list of composite descriptions is available upon request. Additional information regarding policies for valuing portfolios, calculating performance, and preparing compliant presentations 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 Growth and Taxable Income–Plus Composite contains fully discretionary Growth and 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.

The benchmark is calculated monthly and consists of a blend of 70% S&P 500 and 30% ICE BofA U.S. Corporate, Government, and Mortgage Bond Index (Source: Bloomberg). 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: ML U.S. Corporate, Government, and Mortgage 38%, S&P 500 30%, S&P 400 15%, Russell 2000 10%, MSCI EAFE (gross) 5%, and ML T-Bill 2%. Inflation is provided as additional information and is represented by the U.S. 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, 0.1% 2018, 0.1% 2019.

\*\*Results shown for the year 2008 represent partial period performance from September 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.