Asset Allocation

Income with Growth

(Tax-Exempt)

Confluence INVESTMENT MANAGEMENT

Fourth Quarter 2026

Objective

Primarily focused on reliable income exempt from federal taxation with a secondary focus on growth.

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).

Overview

- Focus is oriented toward reliable income, moderate volatility, long-term growth, and principal preservation
- Allocation in municipal bond fixed income asset classes, usually with an emphasis on US investment-grade fixed income
- Portfolio may include real estate, equities, commodities, or other asset classes that contribute growth potential and diversification benefits
- Profile similar to that of a diversified municipal bond portfolio alongside an equity allocation
- Appropriate for investors with a conservative risk tolerance
- Strategy assets: $38.2 million[1]

[1] *Strategy assets = $5.7 million assets under management (AUM) + $32.5 million assets under advisement (AUA); as of 6/30/26.*

Current Holdings[2]

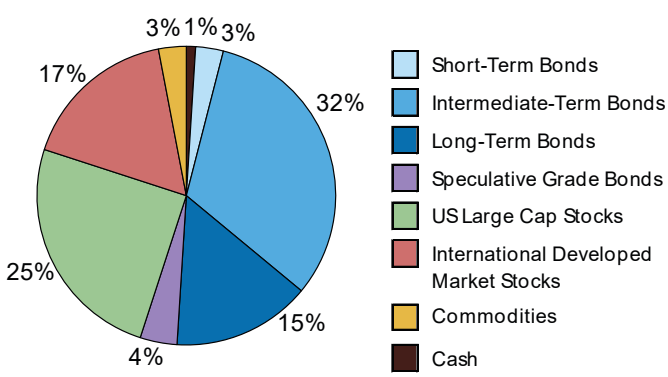
(As of 10/22/2026 rebalance)

See GIPS Report on pages 2-3

Characteristics	
Weighted SEC Yield	2.9%
Volatility Ceiling	10.0%
Number of Securities	18
Annual Turnover *(3-Yr Rolling as of 12/31/25)*	100%

5 Largest Holdings	
iShares National Muni Bond ETF - MUB	18.0%
SPDR® Portfolio S&P 500 Value ETF - SPYV	12.2%
SPDR® Developed World ex-US ETF - SPDW	11.7%
Dimensional National Municipal Bond ETF - DFNM	9.8%
iShares iBonds Dec 2028 Term Muni Bond ETF - IBMQ	8.5%

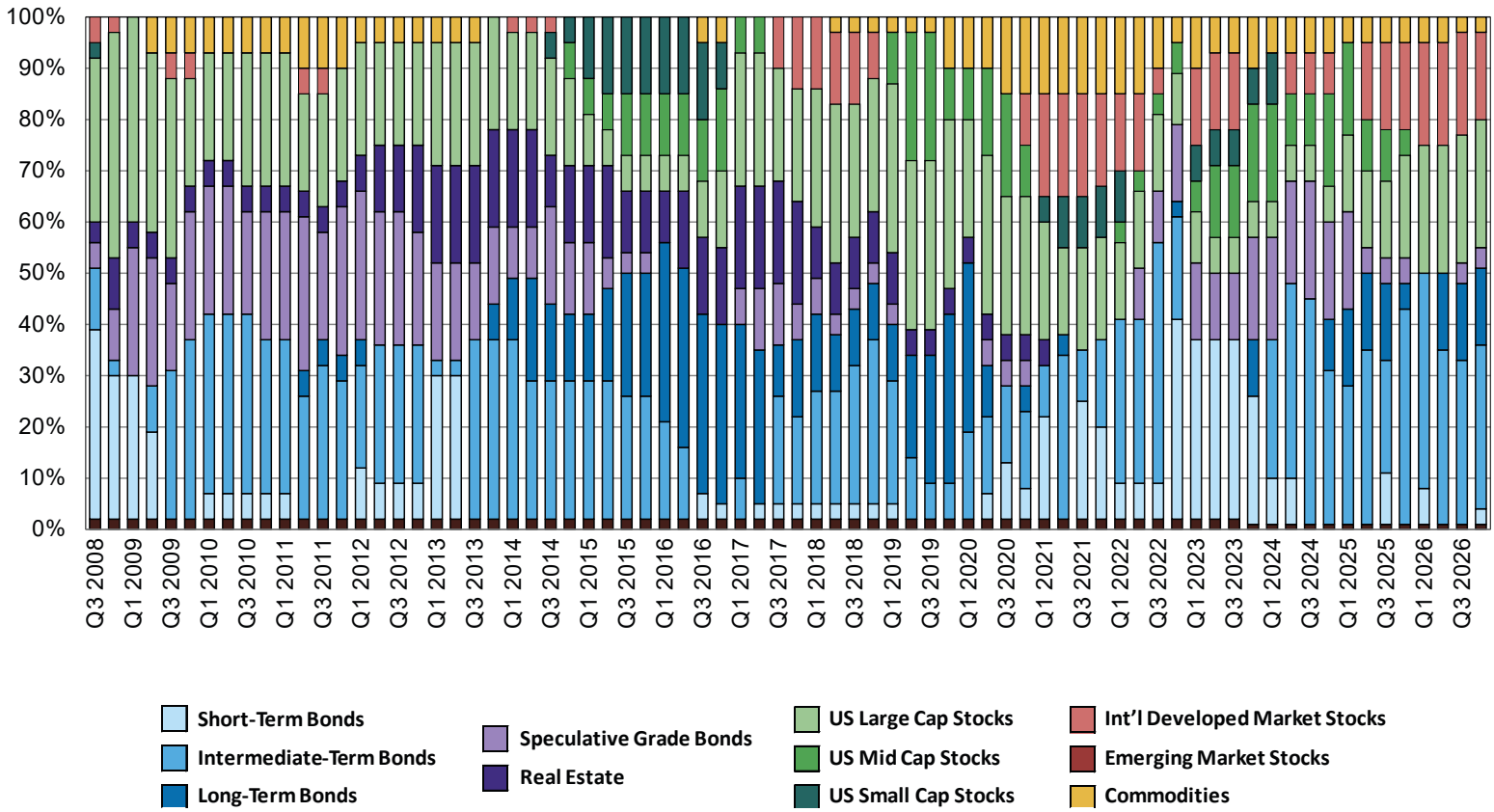
Asset Allocation



Recent Portfolio Changes[3]

The Income Tax-Exempt with Growth strategy combines a foundation of tax-exempt fixed income with selective equity exposure to support current income and future growth. This quarter, we added to short-term municipal bonds while retaining a concentration in intermediate maturities and high yield exposure for its attractive yield. Equities remain primarily in US large caps with a value tilt, rounded out by dividend-oriented, energy, and defense holdings. Within the international developed allocation, we reduced the Europe overweight while maintaining the broad-based, mining, Asia-Pacific, and international small cap value positions. A small gold allocation complements these holdings by providing an additional source of diversification.

Historical Model Allocation[2]



Performance Composite Returns[4] (For periods ending September 30, 2026)

	Since Inception**	10-Year*	5-Year*	3-Year*	1-Year	YTD	QTD
Income with Growth (Tax-Exempt) *Pure Gross-of-Fees*[5]	7.1%	7.4%	5.3%	9.5%	5.8%	3.2%	(1.4%)
Max Net-of-Fees[6]	3.9%	4.2%	2.2%	6.3%	2.7%	0.9%	(2.1%)
Benchmark (40stock/60muni)	6.8%	7.1%	5.4%	10.6%	4.5%	2.4%	(2.9%)

Calendar Year	Pure Gross-of-Fees[5]	Max Net-of-Fees[6]	Benchmark (40stock/60muni)	Difference (Gross-Benchmark)	# of Portfolios	Composite Assets (000s)	Total Firm Assets (000s)	Composite 3yr Std Dev	Benchmark 3yr Std Dev	Composite Dispersion
2015**	(0.7%)	(2.9%)	1.7%	(2.4%)	1	$111	$3,175,419	N/A	N/A	N/A
2016	7.1%	3.9%	5.0%	2.1%	6	$771	$4,413,659	N/A	N/A	N/A
2017	10.0%	6.8%	11.8%	(1.7%)	21	$3,894	$5,944,479	N/A	N/A	0.1%
2018	(3.0%)	(5.9%)	(0.7%)	(2.3%)	22	$3,400	$5,486,737	5.3%	4.5%	0.1%
2019	17.3%	13.9%	16.8%	0.5%	22	$3,804	$7,044,708	5.9%	4.8%	0.1%
2020	18.8%	15.3%	11.0%	7.7%	23	$4,516	$6,889,798	10.3%	8.2%	0.2%
2021	11.4%	8.1%	11.8%	(0.5%)	31	$6,421	$7,761,687	10.0%	7.7%	0.1%
2022	(7.0%)	(9.8%)	(12.1%)	5.1%	21	$3,529	$6,931,635	10.9%	10.7%	0.1%
2023	10.2%	6.9%	14.0%	(3.8%)	21	$3,772	$7,200,019	8.6%	10.4%	0.1%
2024	6.9%	3.8%	10.2%	(3.2%)	21	$4,403	$7,280,773	8.6%	10.6%	0.1%
2025	10.4%	7.1%	9.6%	0.8%	17	$3,693	$6,769,052	7.0%	7.7%	0.1%

**Average annualized returns* ***Inception is 4/1/2015* *See performance disclosures on last page.*

Confluence Asset Allocation Committee

Mark Keller, CFA	Bill O'Grady	Patty Dahl	Sean Long	Patrick Fearon-Hernandez, CFA
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See Territory Map on the Confluence website for sales coverage

Disclosures

[2] **Current Portfolio**—Information presented reflects wrap account composites with taxable income (if applicable). 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 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. Individual client portfolios may differ, sometimes significantly, from these listings. Yield data source: Morningstar. 30-day SEC yield of the model portfolio as of 10/22/26. Annual turnover 3-year rolling calculated from sample accounts for periods ending 12/31/2025.

[3] **Recent Portfolio Changes**—The investment or strategy discussed may not be suitable for all investors. Investors must make their own decisions based on their specific investment objectives and financial circumstances.

Benchmark: 40% stock / 60% muni - custom benchmark is calculated monthly and consists of a blend of 40% S&P 500 and 60% Bloomberg Municipal Bond Index. (*Source: Bloomberg*)

[4] **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 Income Tax-Exempt with Growth strategy was incepted on December 1, 2008, and the current Income Tax-Exempt with Growth–Plus Composite was created on April 1, 2015. 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.

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

[6] 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. 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.

A complete list of composite descriptions is available upon request. 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. The Income Tax-Exempt with Growth–Plus Composite contains fully discretionary Income Tax-Exempt with Growth–Plus wrap accounts. The Income Tax-Exempt 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 Tax-Exempt with Growth strategy. Although the portfolio typically favors an allocation to tax-exempt 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 and diversification benefits. This portfolio may be appropriate for investors with a conservative risk tolerance.

**Results shown for the year 2015 represent partial period performance from April 1, 2015, through December 31, 2015. 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.