

## Strategy Objective

The Global Balanced Strategy primarily seeks capital appreciation over time, but also maintains an objective of capital preservation through asset class diversification. The multi-asset class strategy combines high-conviction active management with the diversification of low-cost, passive ETFs.

**Inception Date:** January 2005  
Top-down approach since 1996

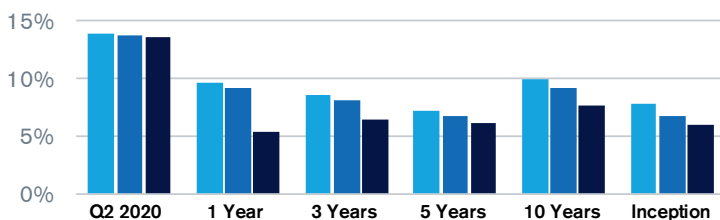
**Focus:** Global multi-asset

**Investments:** Long-only, equity and fixed income ETFs from leading U.S. providers; no leverage or derivatives

**Risk Mitigation:** Manage downside protection through regional equity allocation, U.S. sector avoidance, and fixed income allocation

**Tax efficiency:** Low average annual turnover/long-term holding periods

## INVESTMENT PERFORMANCE



	Q2 2020	1 Year	3 Years	5 Years	10 Years	Inception
Global Bal., Gross	13.82%	9.67%	8.54%	7.22%	9.96%	7.79%
Global Bal., Net	13.74%	9.24%	8.05%	6.69%	9.11%	6.76%
Benchmark	13.65%	5.35%	6.38%	6.12%	7.63%	5.92%

Source: IDC, WestEnd Advisors. Returns for periods greater than one year are annualized. The blended benchmark for the Global Balanced strategy is 65% MSCI ACWI (Net) and 35% Bloomberg Barclays U.S. Government/Credit Bond Index.

## RISK AND RETURN SUMMARY\*

	Trailing 5 Years		Trailing 10 Years	
	Global Balanced	Benchmark	Global Balanced	Benchmark
Return	7.22%	6.12%	9.96%	7.63%
Standard Deviation	10.48%	11.21%	10.41%	9.94%
Alpha	1.48%	n/a	2.19%	n/a
Beta	0.92	1.00	1.02	1.00
Sharpe Ratio	0.58	0.45	0.90	0.71
R-Squared	97.9%	n/a	94.5%	n/a
Tracking Error	1.74%	n/a	2.44%	n/a
Upside Capture	102.7%	100.0%	114.6%	100.0%
Downside Capture	88.9%	100.0%	89.2%	100.0%

Source: IDC, WestEnd Advisors

## SHORT-TERM VARIABILITY, LONG-TERM CONSISTENCY\*

### Rolling 1-Year Returns

Periods of Outperformance	41 out of 59 periods, or 69%
Average Annualized Outperformance	1.79 percentage points

### Rolling 3-Year Returns

Periods of Outperformance	46 out of 51 periods, or 90%
Average Annualized Outperformance	2.05 percentage points

### Rolling 5-Year Returns

Periods of Outperformance	43 out of 43 periods, or 100%
Average Annualized Outperformance	2.36 percentage points

Source: IDC, WestEnd Advisors

## PORTFOLIO COMPOSITION\*

Number of Holdings	8 to 15 on average
Equity Exposure	50% to 80%
U.S. Large-Cap	20% to 55%
U.S. Small/Mid-Cap	0% to 12%
International Equity	10% to 50%
Fixed Income Exposure	20% to 50%
Target Cash Position	2% to 5%
Annual Turnover Range	13% to 50%**

## MODEL PORTFOLIO WEIGHTS\*

### Equities

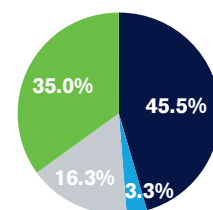
U.S. Info. Tech. (Lg. Cap)	9%
U.S. Health Care (Lg. Cap)	8%
U.S. Comm. Svcs. (Lg. Cap)	7%
U.S. Financials (Lg. Cap)	7%
U.S. Cons. Disc. (Lg. Cap)	5%
U.S. Cons. Staples (Lg. Cap)	5%
U.S. Industrials (Lg. Cap)	5%
U.S. Energy (Lg. Cap)	1%
U.S. Small/Mid-Cap Equities	3%
European Equity	5%
Asia & Other International Equity	11%

### Fixed Income

Investment Grade Corporate Bonds	15%
Short-Term Bonds	10%
Short-Term TIPS	5%
Intermediate Treasury Bonds	5%

## CURRENT ALLOCATION\*

- U.S. Large-Cap Equity
- U.S. Small/Mid-Cap Equity
- International Equity
- Fixed Income



\* Supplemental information based on Global Balanced Composite, gross-of-fees.

\*\*Based on 5 years ended 12/31/19.

## PORTFOLIO POSITIONING as of 6/30/20

- We have continued to shift away from the defensive portfolio positioning we had in place at the start of the COVID-19 crisis, while seeking to balance opportunity against ongoing medical, political, and economic risks.
- We increased economically-sensitive U.S. Financials and Industrials equity allocations, while reducing U.S. Health Care exposure and eliminating a U.S. large-cap Utilities allocation, but we believe continued economic uncertainty still warrants exposure to defensive sectors.
- We continue to underweight international equities, given the relative opportunities we see in the U.S. and risks abroad, with emphasis on Emerging Asia within the international allocation.
- Within the fixed-income allocation, we retain an overweight to investment-grade corporate bonds and a shorter average duration than the benchmark to manage interest rate risk.

## Q2 2020 ATTRIBUTION\*

### Positive Contributors

<b>Overweight</b>	Investment Grade Corporate Bonds U.S. Communication Services Equities
<b>Underweight</b>	U.S. Treasury Securities

### Negative Contributors

<b>Overweight</b>	U.S. Health Care Equities U.S. Consumer Staples Equities
<b>Underweight</b>	U.S. Information Technology Equities

## HISTORICAL RETURNS\*

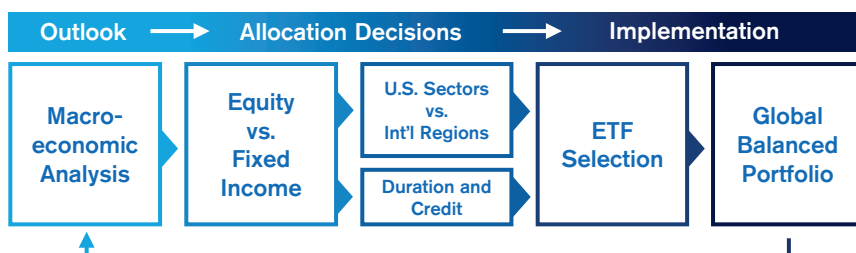
	Global Balanced Composite		Benchmark
	Gross	Net	
2020 YTD	1.78%	1.63%	-1.31%
2019	20.59%	20.00%	20.70%
2018	-3.03%	-3.51%	-6.14%
2017	17.44%	16.83%	16.63%
2016	3.17%	2.58%	6.31%
2015	1.37%	0.77%	-1.26%
2014	7.17%	6.24%	4.88%
2013	19.89%	18.56%	13.46%
2012	15.85%	14.47%	12.31%
2011	-0.91%	-2.08%	-1.60%
2010	15.79%	14.41%	11.08%
2009	30.49%	28.82%	23.88%
2008	-24.25%	-25.22%	-27.88%
2007	6.07%	4.74%	10.24%
2006	13.53%	12.05%	14.75%
2005	7.60%	6.13%	7.92%

Source: IDC, WestEnd Advisors

WestEnd Advisors claims compliance with the Global Investment Performance Standards (GIPS®)

## GLOBAL BALANCED INVESTMENT PROCESS

We begin the investment process by aggregating more than 200 domestic and international economic measures into a proprietary database. We then evaluate the data to identify areas of economic strength and weakness in the global equity and U.S. fixed income markets and invest in 8 to 15 ETFs from leading providers.



\* Supplemental information based on Global Balanced Composite, gross-of-fees as of 6/30/20.

## CURRENT HOLDINGS\*

### U.S. Equities

Communication Services Select Sector SPDR Fund	XLC
Consumer Discretionary Select Sector SPDR Fund	XLY
Consumer Staples Select Sector SPDR Fund	XLP
Energy Select Sector SPDR Fund	XLE
Financial Select Sector SPDR Fund	XLFX
Health Care Select Sector SPDR Fund	XLV
Industrial Select Sector SPDR Fund	XLI
iShares Russell 2000 Index Fund	IWM
Technology Select Sector SPDR Fund	XLK

### International Equities

iShares MSCI All Country Asia Ex-Japan ETF	AAXJ
Vanguard FTSE All-World Ex-US Index Fund ETF Shares	VEU
Vanguard FTSE Pacific Index Fund ETF Shares	VPL

### Fixed Income

iShares Barclays 3-7 Yr Treasury Bond ETF	IEI
iShares iBoxx \$ Investment Grade Corporate Bond ETF	LQD
iShares 0-5 Year TIPS Bond ETF	STIP
SPDR Portfolio Short Term Corporate Bond ETF	SPSB
Vanguard Intermediate-Term Corporate Bond Index Fund ETF Shares	VCIT

## INVESTMENT MANAGEMENT TEAM

**Fritz Porter, CFA** Partner, CIO, Portfolio Manager  
21 years of experience  
12 years at WestEnd Advisors

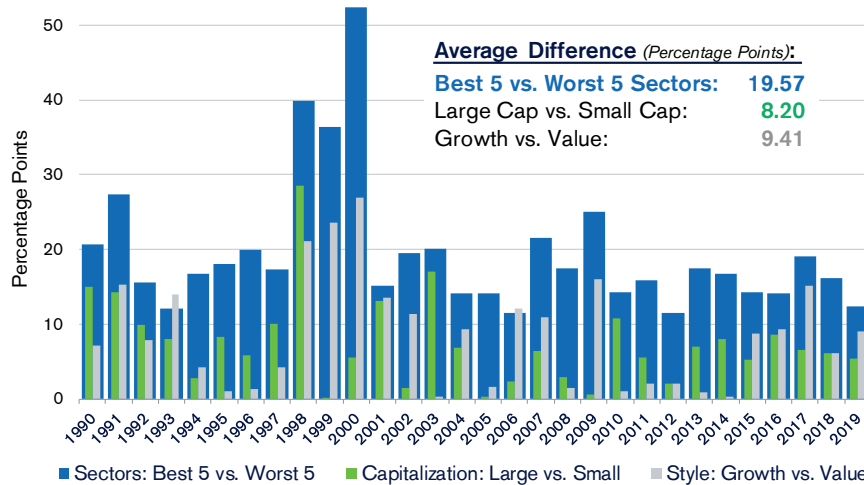
**Ned Durden** Partner, Portfolio Manager  
23 years of experience  
14 years at WestEnd Advisors

**Ty Peebles, CFA, CPA** Partner, Portfolio Manager  
10 years of experience  
6 years at WestEnd Advisors

## THE IMPORTANCE OF SECTOR ALLOCATION

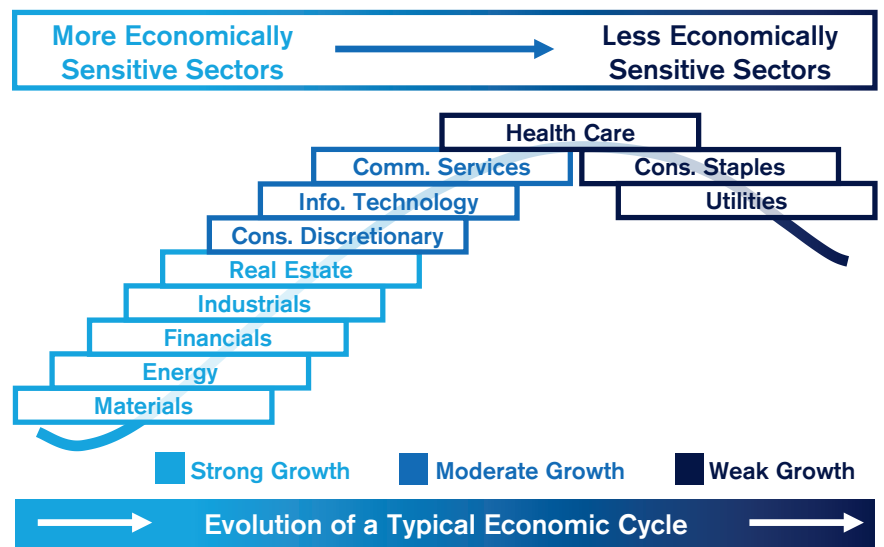
The path of economic growth is a key driver of U.S. equity sector performance. The investment team analyzes recurring cyclical trends and identifies the characteristics particular to the current economic cycle. Portfolios are typically invested in four to six large-cap U.S. sectors at any one time based on our macroeconomic outlook, but may be invested in more or fewer sectors as conditions warrant.

### RANGE OF RETURNS BY SECTOR, CAPITALIZATION, AND STYLE\*



Owning the right sectors at the right time and avoiding those not in their ideal economic environment offers significantly more opportunity for outperformance, in our view, than allocating to the right equity style or market capitalization range.

WestEnd actively positions client portfolios in more economically sensitive sectors when it expects strong growth, and transitions to less economically sensitive sectors as growth expectations wane.



For illustrative purposes only.

Source: Thomson Reuters, Bloomberg, WestEnd Advisors

\* Sector performance is represented by sectors of the S&P 500® Index. "Large Cap" is represented by the S&P 500® Index. "Small Cap" is represented by the Russell 2000® Index. "Growth" is represented by the Russell 1000® Growth Index. "Value" is represented by the Russell 1000® Value Index. Data for 2016 excludes Real Estate as a stand-alone sector, which was included in Financials until September 16, 2016. Data for 2018 replaces the Telecommunication Services Sector with the new Communication Services Sector after September 21, 2018, using geometrically-linked total returns to produce a single full-year return, and treats the linked returns as a single sector, due to changes in GICS sector classifications and index rebalancing that occurred as of market close on September 21, 2018.

## FOOTNOTES AND DISCLOSURES

WestEnd Advisors is an SEC-registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The firm is an independent investment management firm, 100% owned by its active principals. WestEnd manages equity securities for individuals and institutional clients.

WestEnd Advisors' Global Balanced Composite includes all discretionary accounts invested in the Global Balanced model except for portfolios managed by WestEnd Advisors in a wrap-fee program. The Global Balanced Composite creation date is December 31, 2004. WestEnd Advisors' Global Balanced Composite is invested in large-, mid-, and small-cap U.S. equities, international equities, U.S. fixed-income, and other assets, all through the use of exchange-traded funds, and/or high-grade money market instruments. Returns are achieved without the use of options, derivatives, or leverage of any kind. Results are calculated daily using the aggregate method, use trade date valuations, and include cash as well as the reinvestment of dividends, interest income, and other earnings, if applicable. Portfolio returns are weighted using beginning of period values plus weighted cash flows. Portfolios and composites are valued daily and are denominated in U.S. dollars only.

The performance shown is based on WestEnd Advisors' Global Balanced Composite which includes all fully discretionary accounts invested in the Global Balanced model except for Wrap-Fee (Wrap) and Unified Managed Account (UMA) accounts. While the accounts in the Global Balanced Composite are invested according to the same model as Wrap and UMA accounts, performance may differ between the Global Balanced Composite and Wrap and UMA accounts due to a variety of factors, including but not limited to: fees assessed by Wrap and UMA sponsors (e.g. wrap fees), Wrap and UMA sponsor- and client-imposed investment restrictions, and WestEnd Advisors' lack of trading discretion over UMA accounts.

Net-of-fee performance results are presented after investment management fees paid to WestEnd Advisors, as well as after brokerage or other commissions actually paid by clients in the management of their investment advisory account, but exclude any deductions for custodial fees. The current management fee schedule, as described in WestEnd Advisors' SEC Form ADV Part 2, is as follows: 1.00% for accounts valued at \$100,000 to \$4,999,999; 0.90% for accounts valued at \$5,000,000 to \$9,999,999; 0.75% for accounts valued at \$10,000,000 to \$24,999,999; 0.65% for accounts valued at \$25,000,000 to \$49,999,999; and 0.50% for accounts valued over \$50,000,000. Fees are negotiable where circumstances warrant.

Past performance is not indicative of future results. It should not be assumed that recommendations made in the future will be profitable. The information contained herein is not intended to be an offer to provide investment advisory services. Such an offer may only be made if accompanied by WestEnd Advisors' SEC Form ADV Part 2.

Effective January 1, 2017, the equity portion of the Global Balanced benchmark was changed retroactive to December 31, 2004 from the MSCI World (Gross) Index to the MSCI ACWI (Net) Index. WestEnd Advisors believes that the MSCI ACWI (Net) more accurately reflects the emerging markets equity component of the Global Balanced investment strategy and better represents the tax withholding on foreign dividends paid on the underlying holdings within the strategy's ETFs. Portfolio management processes, including underlying security selection, are unchanged as the strategy has always had exposure to emerging market securities through ETFs. Further information about the change is available upon request.

The MSCI ACWI (Net) Index, Bloomberg Barclays U.S. Government/Credit Bond Index, and Global Balanced benchmark are used for comparative purposes only. The MSCI ACWI (Net) Index is a free float-adjusted market

capitalization-weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 47 country indexes comprising 23 developed and 24 emerging market country indexes. The total return of the MSCI ACWI (Net) Index is calculated using net dividends. Net total return reflects the reinvestment of dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. The Bloomberg Barclays U.S. Government/Credit Bond Index measures performance of U.S. dollar-denominated U.S. Treasuries, government-related, and investment-grade U.S. corporate securities that have a remaining maturity of greater than or equal to 1 year. In addition, the securities have \$250 million or more of outstanding face value, must be fixed-rate, and non-convertible. The Global Balanced benchmark is composed of 65% of the MSCI ACWI (Net) Index and 35% of the Bloomberg Barclays U.S. Government/Credit Bond Index; is shown to reflect the investments in equity and fixed-income securities; and is rebalanced monthly. Benchmark returns are not covered by the report of independent verifiers.

The dispersion of annual returns is measured by the standard deviation of the asset-weighted portfolio returns represented within the composite for the full year. Dispersion is calculated based on gross returns and is not shown when there are five or fewer portfolios, as the calculation is not statistically meaningful.

A complete list and description of all WestEnd Advisors' composites, as well as a presentation that complies with the requirements of Global Investment Performance Standards (GIPS®), may be obtained by phone (888-500-9025) or email (info@westendadvisors.com). Additional information regarding policies for valuing portfolios, calculating performance, and preparing compliant presentations is available upon request.

Attribution Analysis is relative to the Global Balanced benchmark and was current as of the quarter specified in this presentation. A complete attribution report is available upon request.

Any portfolio characteristics, including position sizes and sector allocations, among others, are generally averages and are for illustrative purposes only and do not reflect the investments of an actual portfolio unless otherwise noted. The investment guidelines of an actual portfolio may permit or restrict investments that are materially different in size, nature, and risk from those shown. The investment processes, research processes, or risk processes shown herein are for informational purposes to demonstrate an overview of the process. Such processes may differ by product, client mandate, or market conditions. Portfolios that are concentrated in a specific sector or industry may be subject to a higher degree of market risk than a portfolio whose investments are more diversified.

Holdings, Sector Weightings, and Portfolio Characteristics were current as of the date specified in this presentation. The listing of particular securities should not be considered a recommendation to purchase or sell these securities. While these securities were among WestEnd Advisors' Global Balanced holdings at the time this material was assembled, holdings will change over time. There can be no assurance that the securities remain in the portfolio or that other securities have not been purchased. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities presently in the portfolio. Individual clients' portfolios may vary. Upon request, WestEnd Advisors will provide a list of all recommendations for the prior year. As of June 30, 2020, WestEnd Advisors had \$36.6 million of assets in the Global Balanced Composite. This information is included as supplemental information only.

July 2020