

## Strategy Objective

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

**Inception Date:** January 2015  
Top-down approach since 1996

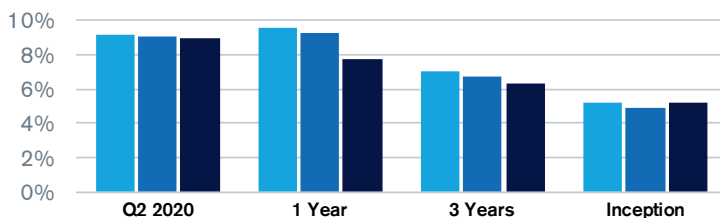
**Focus:** Global multi-asset

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

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

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

## INVESTMENT PERFORMANCE



	Q2 2020	1 Year	3 Years	Inception
Global Cons., Gross	9.15%	9.53%	7.04%	5.19%
Global Cons., Net	9.09%	9.26%	6.78%	4.93%
Blended Benchmark	9.00%	7.73%	6.29%	5.24%

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

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

## RISK AND RETURN SUMMARY\*

	Trailing 3 Years		Since Inception	
	Global Cons.	Benchmark	Global Cons.	Benchmark
Return	7.04%	6.29%	5.19%	5.24%
Standard Deviation	7.22%	7.68%	6.02%	6.28%
Alpha	1.09%	n/a	0.23%	n/a
Beta	0.93	1.00	0.93	1.00
Sharpe Ratio	0.76	0.61	0.69	0.67
R-Squared	97.9%	n/a	95.3%	n/a
Tracking Error	1.17%	n/a	1.37%	n/a
Upside Capture	100.3%	100.0%	94.2%	100.0%
Downside Capture	82.2%	100.0%	87.4%	100.0%

Source: IDC, WestEnd Advisors

## PORTFOLIO COMPOSITION\*

Number of Holdings	8 to 17 on average
Fixed Income Exposure	50% to 80%
Non-Investment Grade	0% to 15%
Equity Exposure	20% to 50%
U.S. Large-Cap	8% to 35%
U.S. Small/Mid-Cap	0% to 8%
International Equity	3% to 30%
Target Cash Position	2% to 5%
Annual Turnover Range	17% to 74%**

## MODEL PORTFOLIO WEIGHTS\*

### Equities

U.S. Large-Cap Equity	24.5%
Information Technology	4.9%
Health Care	4.3%
Financials	3.7%
Communication Services	3.7%
Consumer Discretionary	2.5%
Industrials	2.5%
Consumer Staples	2.5%
Energy	0.6%
U.S. Small/Mid-Cap Equity	1.8%
European Equity	2.7%
Asia & Other International Equity	6.0%

### Fixed Income

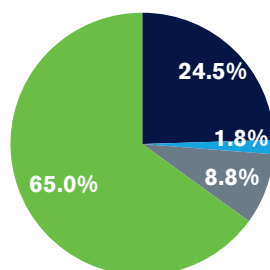
Inv. Grade Corp. Bonds	12.5%
Intermed. Treasury Bonds	22.5%
Short-Term Corp. Bonds	21.3%
Short-Term TIPS	8.8%

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

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

## CURRENT ALLOCATION\*

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



## PORTFOLIO POSITIONING as of 06/30/20

- 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 equities 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 economic strength of the U.S., opportunities we see in certain U.S. sectors, and risks abroad.
- 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

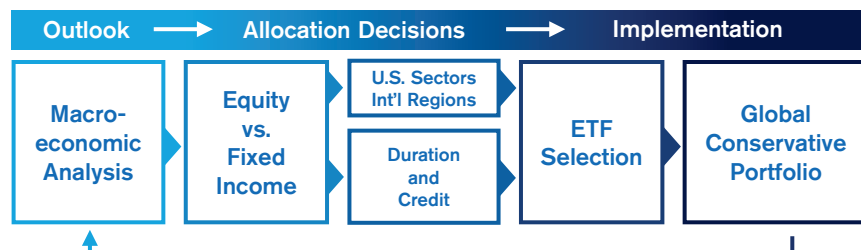
## HISTORICAL RETURNS\*

	Global Conservative Composite		Benchmark
	Gross	Net	
2020 YTD	3.98%	3.85%	2.73%
2019	14.76%	14.47%	15.63%
2018	-1.49%	-1.74%	-3.44%
2017	10.18%	9.90%	10.64%
2016	1.74%	1.47%	4.87%
2015	0.24%	0.00%	-0.51%

Source: IDC, WestEnd Advisors

## GLOBAL CONSERVATIVE INVESTMENT PROCESS

We begin the investment process by aggregating more than 200 domestic and international economic measures into a proprietary database. Then we evaluate the data to identify areas of economic strength and weakness in the U.S. fixed-income and global equity markets, and invest in typically 8 to 17 ETFs from leading providers.



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

## 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	XLF
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 iBoxx \$ Investment Grade Corporate Bond ETF	LQD
iShares 0-5 Year TIPS Bond ETF	STIP
iShares 3-7 Year Treasury Bond ETF	IEI
iShares 7-10 Year Treasury Bond ETF	IEF
SPDR Portfolio Short Term Corporate Bond ETF	SPSB
Vanguard Intern. Term Corp. Bond ETF	VCIT

## INVESTMENT MANAGEMENT TEAM

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

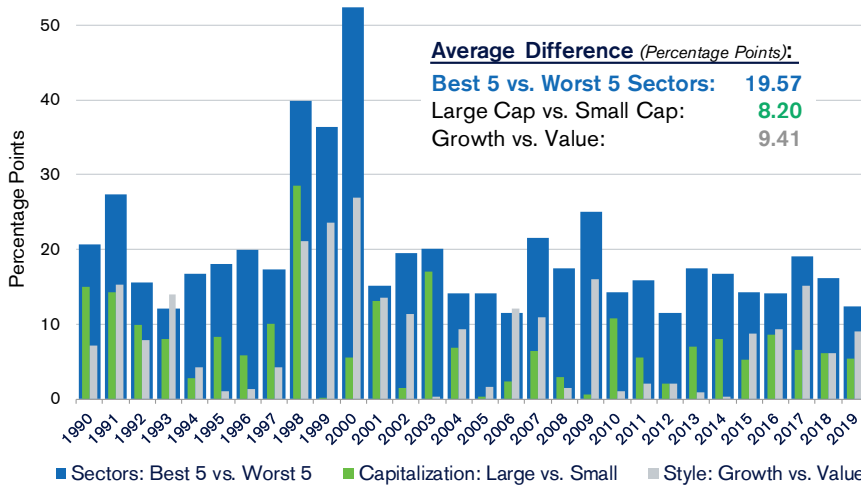
**Ned Durden** Partner, Portfolio Manager  
23 years of experience  
14 years at WestEnd Advisors

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

## THE IMPORTANCE OF SECTOR ALLOCATION

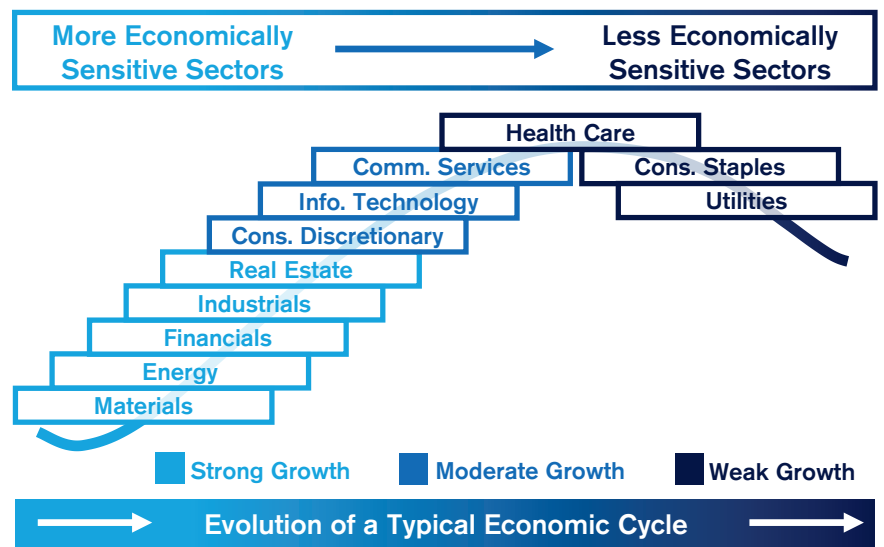
The path of economic growth is a key driver of U.S. equity sector performance. The investment team analyzes recurring cyclical trends and identifies the characteristics particular to the current economic cycle. Portfolios are typically invested in four to six large-cap U.S. sectors at any one time based 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 Conservative Composite includes all discretionary accounts invested in the Global Conservative model except for portfolios that participate in a wrap-fee program. The Global Conservative Composite creation date is December 31, 2014, and the investment strategy has been consistent since creation. WestEnd Advisors' Global Conservative 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 were 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 Conservative Composite which includes all fully discretionary accounts invested in the Global Conservative model except for Wrap-Fee (Wrap) and Unified Managed Account (UMA) accounts. While the accounts in the Global Conservative Composite are invested according to the same model as Wrap and UMA accounts, performance may differ between the Global Conservative 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.

The MSCI ACWI (Net) Index, Bloomberg Barclays U.S. Government/Credit Index, and Global Conservative 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 46 country indexes comprising 23 developed and 23 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 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 Conservative benchmark is composed of 35% of the MSCI ACWI (Net) Index and 65% of the Bloomberg Barclays U.S. Government/Credit 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 Conservative 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 Conservative 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 \$142 thousand of assets in the Global Conservative Composite. This information is included as supplemental information only.

July 2020