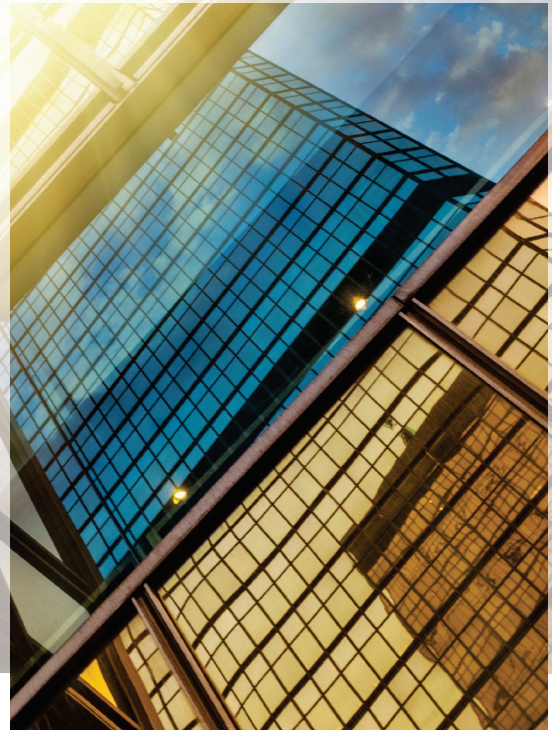


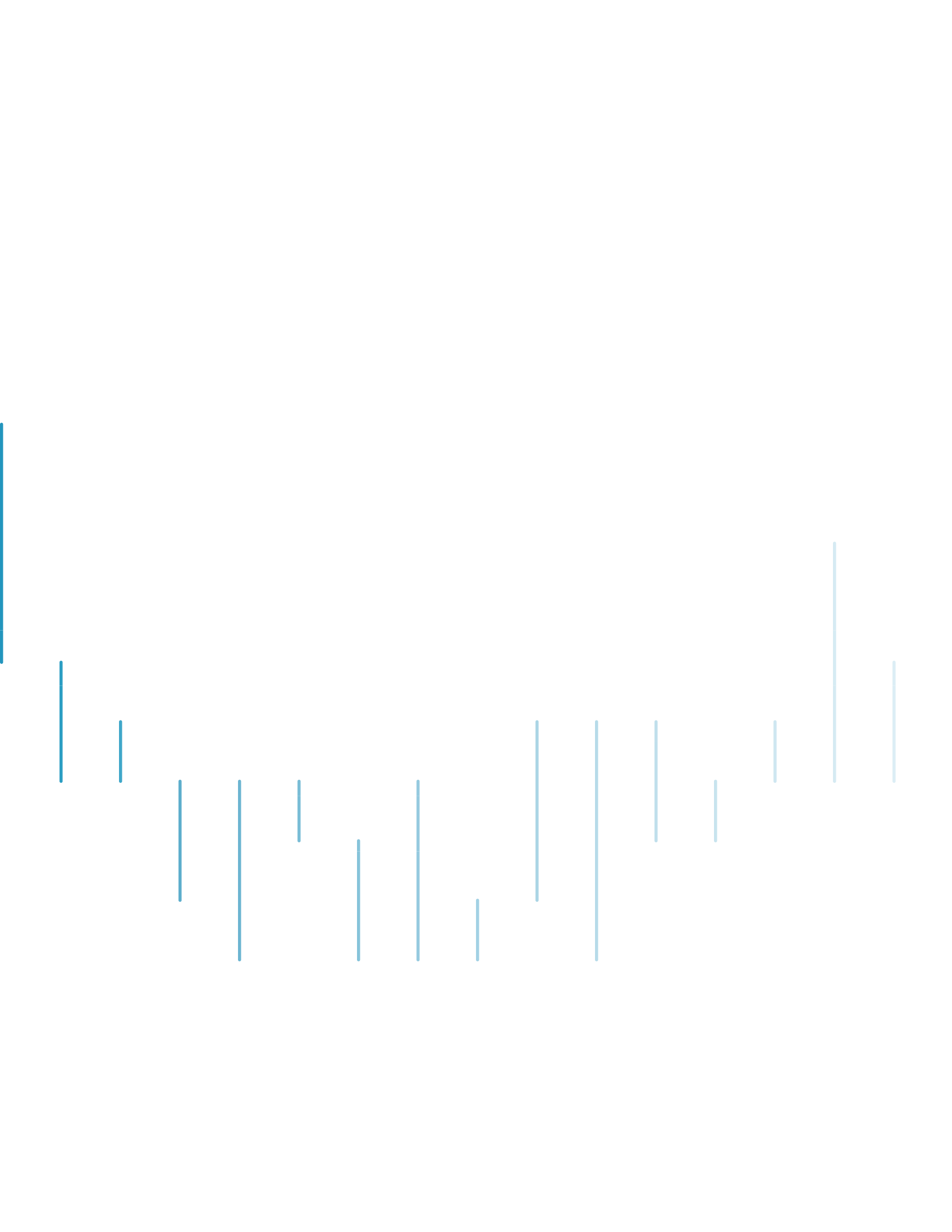


Systematic Investment Methodology

Grounded in fiduciary responsibility. Executed with discipline.
Designed for long-term outcomes.

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Systematic Investment Process

Our fiduciary responsibility to clients is foundational. Every investment decision we make is guided by a commitment to act in our clients' best interests. We seek to apply the same discipline and care we would use when managing our own capital.

This document describes our Systematic Investment Methodology, which is the structured framework we use to design, implement, and maintain client portfolios. Rather than rely on market forecasts or short-term views, our approach emphasizes asset allocation, diversification, risk management, and long-term discipline.

Markets evolve, economic conditions change, and life circumstances shift. While outcomes can never be guaranteed, we believe a systematic, research-informed process provides a durable foundation for navigating uncertainty and pursuing long-term financial goals.

Our investment process begins with a simple principle: portfolios should be built to serve client goals. While every client's situation is unique, the way investment decisions are made follows a consistent, disciplined structure.

This systematic process integrates financial planning insights with portfolio construction and ongoing oversight. It is designed to balance growth and risk over time while remaining flexible as client needs and market conditions evolve. The broad process consists of five steps:

Step One: Understanding your goals and circumstances.

Your goals define the purpose of your portfolio. We begin by developing a clear understanding of your financial objectives, time horizons, assets, account types, and personal priorities. This context informs every aspect of portfolio design and is revisited regularly as life evolves.

Our investment process begins with a simple principle: portfolios should be built to serve client goals.

Step Two: Risk assessment.

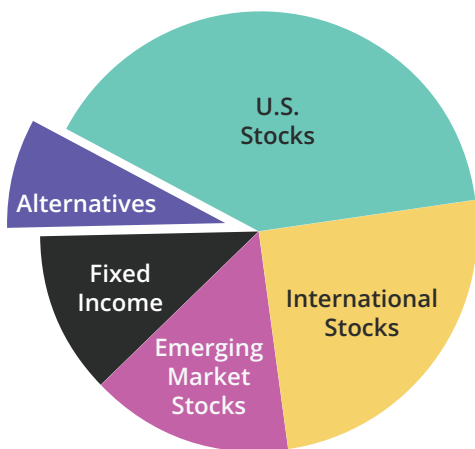
Before recommending a particular portfolio strategy, we help you assess your ability, willingness, and need to take risk as well as your comfort owning a portfolio that will behave differently from the U.S. stock market.

Step Three: Understanding the investment strategy.

We want you to understand the investment philosophy which we will discuss in greater detail in this white paper.

Step Four: Building your portfolio.

Once we have completed the discovery process, helped you assess various aspects of risk, and explained our approach to investing, we will work together to implement your portfolio. Portfolios are typically composed



For illustrative purposes only.

of U.S., international, and emerging markets stock funds; high-quality bonds held individually or through bond funds; and, in some cases, alternative investment strategies, which we will discuss in more detail. As part of implementation, we will focus on proper asset location, which is the process of locating tax-inefficient investments in tax-advantaged accounts, like IRAs, Roth IRAs, and 401(k) accounts.

Step Five: Ongoing maintenance.

After the portfolio is implemented, to ensure the portfolio's asset allocation remains close to the the one agreed upon, periodic balancing will occur. In addition, through periodic meetings we will make sure that we continue to understand all aspects of your life, in particular being sensitive to whether your investment goals and objectives have changed since the original implementation of the portfolio.

Step One:

Understanding Your Goals and Circumstances

Long-term investment success means different things to different people. The best investment plan for you depends on your specific circumstances and objectives. That is why we begin the investment planning process with a conversation about your values, goals, relationships, assets, types of accounts, advisors, preferred processes, and interests.

While everyone's situation is unique, certain factors should be considered in creating any investment plan. These factors include the purpose of the portfolio, its size, specific funding sources, how and when you plan to use the funds, and the degree of uncertainty or risk you are willing to accept in pursuit of your objectives. As we establish a clear vision of your goals and circumstances, together we can build the foundation of an investment plan that best matches your needs as well as the realities of the financial markets.



Step Two:

Risk Assessment

Achieving long-term investment success requires more than generating returns. It requires thoughtful risk management aligned with your goals, timeline, and comfort with uncertainty. Risk is not a single concept, and it cannot be managed effectively by focusing on volatility alone. Our approach evaluates multiple dimensions of risk to ensure portfolios are designed not only for expected returns, but also for resilience across a range of market environments.

Part One: Ability to Take Risk

Your ability to take risk depends on factors such as time horizon, income stability, and employment status. Longer time horizons and stable income generally allow portfolios to tolerate more short-term volatility in pursuit of long-term growth.

Part Two: Willingness to Take Risk

Willingness to take risk reflects how comfortable you are experiencing temporary portfolio declines. This is a critical consideration, as abandoning a strategy during market stress can be more damaging than volatility itself. Portfolio design must reflect behavioral realities, not just theoretical outcomes.

Part Three: Need to Take Risk

Need to take risk is driven by the return required to achieve your goals. Higher return objectives often require greater exposure to growth assets, which may increase variability in outcomes. When return needs conflict with ability or willingness to take risk, tradeoffs must be addressed thoughtfully.

Risk is best understood in the context of your objectives. Rather than focusing solely on short-term performance, our priority is managing the risk that matters most: failing to meet your long-term goals. This perspective guides asset allocation decisions and ongoing portfolio oversight.

Part Four: Benchmark Relative Risk

Some investors evaluate success relative to familiar benchmarks, such as the Dow Jones Industrial Average or the S&P 500. While frequent comparisons can be misleading, we recognize their importance. Our portfolios are designed with awareness of tracking variation resulting from global diversification and systematic tilts, and these implications are discussed openly during portfolio construction.

Step Three: Understanding the Investment Strategy

While the strategy evolves over time, several core principles guide how portfolios are designed and managed.

We believe that informed clients make better long-term investors. Understanding how and why portfolios are constructed increases the likelihood of maintaining discipline during both favorable and challenging market conditions.

What we mean by “Systematic”

A systematic investment methodology applies consistent rules and research-based principles to asset allocation, portfolio construction, rebalancing, and risk management. Judgment is applied at the framework level, not through short-term market calls or reactive decision-making.

Our investment approach reflects decades of academic and practitioner research and is overseen by our Investment Committee. While the strategy evolves over time, several core principles guide how portfolios are designed and managed.

1. Asset allocation is the foundation of portfolio outcomes.

Strategic allocation across asset classes is the primary driver of long-term returns and risk. Thoughtful diversification helps balance growth and stability as markets and economic conditions change.

2. Global diversification reduces reliance on any single

outcome. The academic evidence shows that investors should own U.S., international, and emerging markets stocks rather than concentrating solely on U.S. companies.¹ This research shows that diversification across countries makes sense in the same way that diversification across companies does.

Approximately half of the world's stock market value comprises non-U.S. companies. There is no way of knowing which country will generate the highest long-term returns, so diversification is the optimal strategy.

3. Systematic factor exposure can enhance expected returns.

Research shows companies that share certain characteristics—such as being smaller in size, of higher quality, less expensive, and whose stock has performed well recently—have outperformed the overall market.²

4. Fixed income plays a risk management role. High-quality bonds are used primarily to reduce portfolio volatility and support stability, not to speculate on interest rates or credit cycles.

5. Academic evidence supports modest use of alternative investment strategies. In some portfolios, modest allocations to alternative strategies may enhance diversification or manage risk, with careful attention to liquidity, cost, and tax considerations.

6. The methodology evolves as evidence evolves. Markets change, research advances, and client needs shift. Our process adapts deliberately through governance and research, not in reaction to short-term investments.

We cannot cover all aspects of the investment strategy in this white paper and will supplement with additional education over time, but understanding these six concepts will go a long way toward helping you understand the portfolio recommendations that we make.

This step concludes with the development of an Investment Policy Statement (IPS). The IPS documents target allocations, rebalancing guidelines, and key portfolio parameters, providing a disciplined framework for long-term decision-making.

¹Asness, Israelov, Liew, "International Diversification Works (Eventually)," *Financial Analysts Journal* (2011)

²Fama, French, "A five-factor asset pricing model," *Journal of Financial Economics*, Volume 116, Issue 1 (April 2015), 1-22.

Alternative investments may not be suitable for all clients.

Step Four: Building Your Portfolio

A common question is whether the portfolio should be implemented all at once or implemented over time through dollar-cost averaging (DCA). Research shows that DCA is generally counterproductive since markets tend to go up over time, and delaying investment through DCA will therefore typically reduce the returns you earn.³ Yet another question is whether investments in certain portions of the portfolio (e.g., emerging markets stocks) should be delayed as a result of current events or past performance. We are big believers in the notion that short-term performance results are virtually unpredictable. The Asset Class Returns chart below makes this point.

We are big believers in the notion that short-term performance results are virtually unpredictable. The Asset Class Returns chart below makes this point.

Asset Class Returns

2006–2025

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	20-Year Annualized Returns	Best Year	Worst Year
Real Estate	Emerging Markets	U.S. IG Bonds	Emerging Markets	Real Estate	Real Estate	Int'l Small Value	U.S. Small Value	Real Estate	Real Estate	U.S. Small Value	Emerging Markets	Global Short Bonds	S&P 500	S&P 500	Real Estate	Cash	S&P 500	S&P 500	Int'l Large Value	S&P 500	32.4%	-37.0%
36.0%	39.8%	10.4%	82.4%	28.1%	9.4%	19.5%	34.5%	32.0%	4.5%	31.7%	36.8%	2.1%	31.5%	18.4%	45.9%	1.5%	26.3%	25.0%	42.2%	11.0%	32.4%	-37.0%
Emerging Markets	Int'l Large Neutral	Global Short Bonds	Int'l Small Value	U.S. Small Value	U.S. IG Bonds	Emerging Markets	U.S. Large Value	S&P 500	S&P 500	U.S. Large Value	Int'l Small Value	Cash	U.S. Large Value	Emerging Markets	S&P 500	Global Short Bonds	Int'l Large Value	U.S. Large Value	Int'l Small Value	U.S. Large Value Stocks	32.5%	-36.8%
31.7%	12.4%	6.6%	52.6%	24.5%	6.1%	18.7%	32.5%	13.7%	1.4%	17.3%	27.9%	1.9%	26.5%	18.4%	28.7%	-4.5%	18.5%	14.4%	38.6%	8.3%	32.5%	-36.8%
Int'l Large Value	U.S. IG Bonds	Cash	Int'l Large Value	Int'l Small Value	Global Short Bonds	U.S. Small Value	S&P 500	U.S. Large Value	U.S. IG Bonds	S&P 500	Int'l Large Neutral	U.S. IG Bonds	Real Estate	Int'l Large Neutral	U.S. Small Value	Int'l Large Value	Int'l Large Neutral	U.S. Small Value	Int'l Large Neutral	U.S. Small Value Stocks	34.5%	-28.9%
29.3%	8.5%	2.1%	36.7%	20.7%	2.3%	18.1%	32.4%	13.5%	1.2%	12.0%	24.2%	1.4%	23.1%	7.6%	28.3%	-5.6%	17.9%	8.1%	31.9%	7.4%	34.5%	-28.9%
Int'l Small Value	Int'l Large Value	U.S. Small Value	Int'l Large Neutral	Emerging Markets	S&P 500	U.S. Large Value	Int'l Small Value	U.S. Small Value	Int'l Small Value	Emerging Markets	S&P 500	Real Estate	Int'l Small Value	U.S. IG Bonds	U.S. Large Value	U.S. Large Value	Int'l Small Value	Real Estate	Emerging Markets	International Small Value Stocks	52.6%	-45.9%
27.4%	6.9%	-28.9%	33.7%	19.9%	2.1%	17.5%	27.7%	4.2%	1.1%	9.9%	21.8%	-4.2%	22.8%	5.7%	25.2%	-7.5%	14.7%	8.1%	31.4%	6.5%	52.6%	-45.9%
Int'l Large Neutral	Global Short Bonds	Real Estate	Real Estate	U.S. Large Value	U.S. Large Value	Int'l Large Value	U.S. IG Bonds	Global Short Bonds	Int'l Small Value	U.S. Large Value	S&P 500	Int'l Large Value	S&P 500	U.S. Small Value	Int'l Small Value	U.S. IG Bonds	U.S. Small Value	Emerging Markets	S&P 500	Emerging Markets Total Stock Market	82.4%	-53.8%
25.7%	6.3%	-36.8%	28.5%	15.5%	0.4%	17.3%	21.5%	2.5%	1.0%	7.9%	21.0%	-4.4%	22.5%	4.6%	13.3%	-7.7%	14.6%	7.1%	17.9%	6.1%	82.4%	-53.8%
U.S. Small Value	S&P 500	S&P 500	S&P 500	S&P 500	Cash	Real Estate	Int'l Large Neutral	Global Short Bonds	Cash	Int'l Large Value	U.S. Large Value	U.S. Large Value	U.S. Small Value	Global Short Bonds	Int'l Large Value	Int'l Small Value	Real Estate	Int'l Large Value	U.S. Large Value	Real Estate	45.9%	-39.2%
23.5%	5.5%	-37.0%	26.5%	15.1%	0.1%	17.1%	21.0%	1.9%	0.1%	7.4%	13.7%	-8.3%	22.4%	3.2%	13.3%	-14.0%	14.0%	6.6%	15.9%	6.0%	45.9%	-39.2%
U.S. Large Value	Cash	Real Estate	U.S. Small Value	Int'l Large Neutral	U.S. Small Value	Int'l Large Neutral	Real Estate	Cash	Int'l Large Neutral	Real Estate	U.S. Small Value	U.S. Small Value	Emerging Markets	U.S. Large Value	Int'l Large Neutral	Int'l Large Neutral	Emerging Markets	Cash	U.S. Small Value	International Large Neutral Stocks	33.7%	-43.6%
22.2%	5.0%	-39.2%	20.6%	8.9%	-5.5%	16.4%	1.2%	0.0%	-3.0%	6.7%	7.8%	-12.9%	17.7%	2.8%	12.6%	-14.3%	11.7%	5.3%	12.6%	5.7%	33.7%	-43.6%
S&P 500	Int'l Small Value	Int'l Large Neutral	U.S. Large Value	U.S. IG Bonds	Int'l Large Value	S&P 500	Global Short Bonds	Emerging Markets	U.S. Large Value	Int'l Large Neutral	Real Estate	Int'l Large Neutral	Int'l Large Value	Int'l Small Value	Cash	U.S. Small Value	U.S. Large Value	Int'l Large Value	U.S. IG Bonds	International Large Value Stocks	42.2%	-44.3%
15.8%	2.0%	-43.6%	19.7%	5.0%	-11.7%	16.0%	0.6%	-1.8%	-3.8%	2.7%	3.8%	-14.1%	17.0%	2.6%	0.0%	-14.5%	11.5%	4.7%	6.5%	5.5%	42.2%	-44.3%
Cash	U.S. Large Value	Int'l Large Value	Global Short Bonds	Int'l Large Value	Int'l Large Neutral	Global Short Bonds	Cash	Int'l Large Value	U.S. Small Value	Global Short Bonds	U.S. IG Bonds	Emerging Markets	U.S. IG Bonds	Cash	Emerging Markets	S&P 500	Global Short Bonds	Global Short Bonds	Global Short Bonds	U.S. Intermediate Government Bonds	10.4%	-7.7%
4.9%	-0.2%	-44.3%	2.3%	4.8%	-12.2%	2.1%	0.1%	-4.3%	-7.5%	1.5%	1.1%	-15.0%	5.2%	0.7%	-0.3%	-18.1%	5.3%	4.3%	5.1%	2.7%	10.4%	-7.7%
Global Short Bonds	U.S. Small Value	Int'l Small Value	Cash	Global Short Bonds	Int'l Small Value	U.S. IG Bonds	U.S. IG Bonds	Int'l Large Value	Int'l Large Value	U.S. IG Bonds	Global Short Bonds	Int'l Large Value	Global Short Bonds	Int'l Large Value	Global Short Bonds	Int'l Large Value	Global Short Bonds	Cash	Int'l Small Value	Global Short Bonds	6.6%	-4.5%
4.1%	-9.8%	-45.9%	0.2%	2.0%	-16.8%	1.7%	-1.2%	-5.4%	-7.7%	1.1%	1.1%	-15.1%	3.9%	-3.2%	-0.8%	-19.8%	5.0%	3.0%	4.2%	2.5%	6.6%	-4.5%
U.S. IG Bonds	Real Estate	Emerging Markets	U.S. IG Bonds	Cash	Emerging Markets	Cash	Emerging Markets	Int'l Small Value	Emerging Markets	Cash	Cash	Int'l Small Value	Cash	Real Estate	U.S. IG Bonds	Real Estate	U.S. IG Bonds	U.S. IG Bonds	Real Estate	Cash & Cash Alternatives	5.3%	0.0%
3.8%	-17.6%	-53.8%	-0.3%	0.1%	-19.5%	0.1%	-2.2%	-5.9%	-13.9%	0.3%	0.9%	-18.4%	2.3%	-11.2%	-1.7%	-26.0%	4.3%	2.4%	3.7%	1.7%	5.3%	0.0%

Source: Morningstar. Index representation as follows: S&P 500 (S&P 500), U.S. Large Value Stocks (Russell 1000 Value), U.S. Small Value Stocks (Russell 2000 Value), Emerging Markets Total Stock Market (MSCI Emerging Markets IMI NR), Real Estate (DJ US Select REIT), International Small Value Stocks (MSCI World Ex USA Small Value NR), International Large Neutral Stocks (MSCI World ex USA NR), U.S. Intermediate Government Bonds (Bloomberg Barclays US Government Intermediate Index), International Large Value Stocks (MSCI World Ex USA Value NR), Global Short Bonds (FTSE WGBI 1-5 Yr Hdg USD), Cash & Cash Alternatives (ICE BofAML US 3M Trsy Bill).

The indices and assets classes are shown for comparative purposes to establish market conditions. The returns displayed are unmanaged and do not reflect the deduction of any fees or expenses and assumes the reinvestment of dividends and other income. You cannot invest directly in an index. Please see disclosures at the end of this overview.

³Constantinides, "A Note on the Suboptimality of Dollar-Cost Averaging as an Investment Policy," Journal of Financial and Quantitative Analysis 14 (June 1979), 443-449.

This chart shows the year-by-year returns of various asset classes like U.S. large-cap stocks (S&P 500 index), U.S. small-cap value stocks, and real estate investment trusts (REITs). As you can see, it is hard to see any pattern in the year-by-year results. Performance is difficult to predict, and we think that once we have identified an overall portfolio that helps achieve your goals, implementing all the asset classes in that portfolio is the right approach.* Beyond these two points, here are five other things to understand about our general approach to building your portfolio.

1. Low-cost, systematic funds are preferred when implementing the stock allocation of your portfolio.

We are big believers that costs matter and that investors should avoid using actively managed funds by which an individual or management team is attempting to outperform the market. Instead, low-cost funds are used to try and capture the dimensions of return identified by decades of academic research.⁴ These funds are rules based and not reliant on an individual's or management team's beliefs about the overall market or individual stocks.

2. When implementing the fixed income allocation of your portfolio, low-cost bond funds or individual bonds are utilized.

We believe the primary role of fixed income within a portfolio is to reduce overall portfolio risk; its ability to provide an ongoing, stable income source is also important but secondary. To accomplish this vital role, the approach to fixed income investing is entirely systematic regardless of the vehicles used. We do not believe in selecting mispriced securities, timing the market, guessing either the direction of interest rates or future shape of the yield curve, or making similar attempts to beat the market.

3. In some portfolios, alternative strategies are used for a modest portion of the overall portfolio.

As previously mentioned, academic research has uncovered the benefits that some alternative strategies can add by either enhancing portfolio diversification or improving expected return.⁵ The alternative investment strategies the Investment Policy Committee recommends are held in mutual fund form. Modest allocations are recommended because these strategies may have higher expenses, are typically less tax efficient, and potentially less liquid.

⁴Fama, French, "A five-factor asset pricing model," *Journal of Financial Economics*, Volume 116, Issue 1 (April 2015), 1-22

⁵Asness, Moskowitz, Pedersen, "Value and Momentum Everywhere," *The Journal of Finance*, Volume 68, Issue 3 (June 2013).



4. The use of asset location to improve after-tax returns is strategic. Less tax-efficient asset classes like alternatives and fixed income are held in tax-advantaged accounts. Over time, this may help reduce your tax burden and consequently improve after-tax return. It also means that each account will not be allocated the same since some asset classes may be held in one account but not in others. Focusing on achieving the overall allocation in a tax-efficient manner is the reason for this approach.

5. Tax-managed mutual funds, exchange-traded funds (ETFs), and municipal bonds, when appropriate, are used to improve the tax-efficiency of your portfolio. Tax-managed funds are mutual funds that explicitly look to harvest capital losses and defer gains to improve tax efficiency. ETFs offer similar tax benefits by not passing through capital gains to investors until the fund is sold.

The result of the overall process is a low-cost, tax-efficient, and globally diversified portfolio that takes your goals and risk tolerance into consideration.

Step Five:

Ongoing Maintenance

A disciplined investment approach requires ongoing oversight. Portfolio maintenance includes systematic rebalancing, tax-aware management, and periodic review to ensure portfolios remain aligned with client goals and risk parameters.

Importantly, there are “tolerance bands” around the target allocation for each asset class to ensure the weight must move by a significant amount before re-balancing is needed. This helps reduce trading costs—and potentially taxes—while ensuring that rebalancing will occur when weights deviate significantly from the targets.

Ongoing maintenance also includes tax-efficient management of the portfolio. One strategy is to harvest capital losses when investments decline in taxable accounts so that these capital losses can be used to offset future capital gains. Federal and state tax rates may change over time, which can influence the investment strategies that are used in taxable accounts. In particular, municipal bonds may be the best fixed income option at relatively high federal income tax rates but may not make sense at lower federal income tax rates. For clients in the withdrawal phase, we also help with a tax-efficient approach to spending out of the portfolio because withdrawals from various account types can have significantly different tax implications.

Discovery continues for the length of our relationship with a client. As life progresses, your financial goals, health, and values will likely change. These changes can have implications for what asset allocation strategy makes the most sense, the size of withdrawals needed from your portfolio, and other aspects of your financial well-being. As we meet, we strive to stay on top of these changes and help you understand the impact of these changes from a financial perspective.

A relationship grounded in fiduciary obligation, while effectively incorporating academic evidence on how markets can be used to pursue your financial independence, is vital in adopting a systematic approach. Just as asset allocation is often among the first steps toward building a long-term portfolio, selecting an advisor who follows a systematic approach can be among the first steps toward building a long-term trusted advisor relationship.

Discovery continues for the length of our relationship with a client. As life progresses, your financial goals, health, and values will likely change.

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