Evidence-Driven Investing™

Navigating Your Investment Journey

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Your investments are an integral part of a broader financial journey. Portfolio strategies and investment decisions can have a significant impact on your long-term success. Using an evidence-driven approach can increase the probability of a successful journey.

What is Evidence-Driven Investing™?

Portfolios are designed to help you achieve your financial goals. Risky practices like trying to time the market, anticipate trends or identify mispriced investments may be highly unreliable ways to build wealth.

Instead, the **Evidence-Driven Investing** approach is fueled by data and over 50 years of research[1], and rooted in diversification and tax-aware investments.

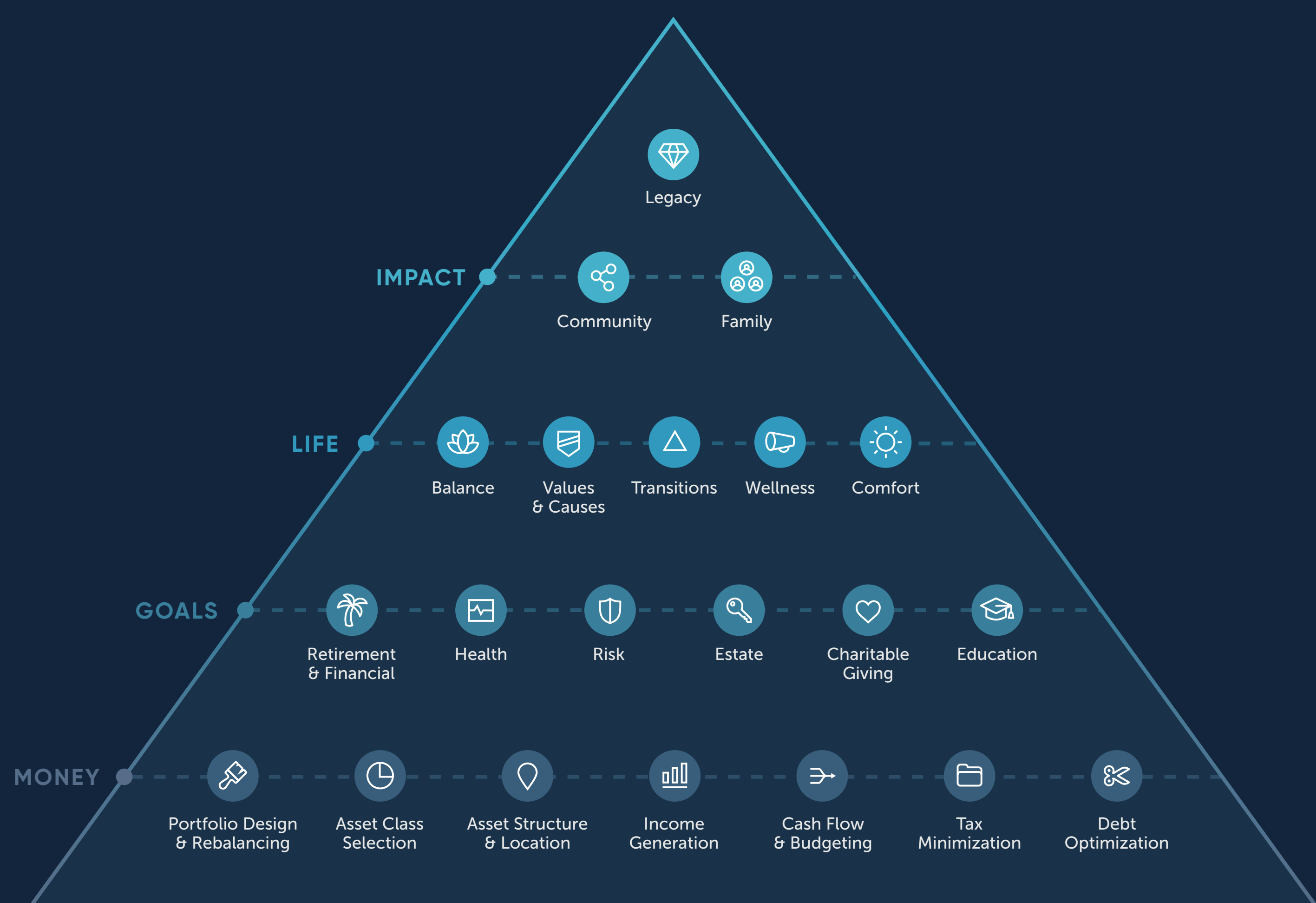
Use an approach rooted in evidence

Evidence-Driven Portfolios Are Built on Five Pillars

- **Markets are highly efficient.** Billions of dollars are traded daily where buyers and sellers come together and agree on a price. Given so much competition, Evidence-Driven Investing believes the current price reflects both the latest news and the latest outlook for the investment and the economy. This approach presumes the investment's price is the best estimate of the current value and doesn't try to outsmart the market.
- **Risk and expected reward are related.** If you want the potential for more returns, you'll need to accept more risk and likely greater fluctuations in value. Sometimes these risks pay off with more return, but sometimes they result in losses. Although adding more unique sources of risk and return can create a portfolio with steadier growth, you shouldn't take more risk than you're comfortable with.
- **Diversification is essential.** Diversification has been called the only free lunch in investing. This is because using a single stock, strategy or investment type is riskier than mixing lots of different types of investments. Holding multiple investments reduces the risk that any single investment will cause a drag on portfolio performance.
- **Pursue factors of returns.** Research has shown that allocating more of your portfolio to companies that share certain characteristics can increase your potential for return. Although these investments typically bring more risk, Evidence-Driven Investing portfolios are built to most efficiently allocate across multiple sources of risk—even if it means performing differently from headline indexes.
- **Focus on what you can control.** Don't try to predict interest rates, anticipate the impact of government actions or outsmart other traders. Instead, focus on the areas that can be controlled—such as setting a thoughtful investment strategy and following a disciplined review process.

[1] One of the earliest, most well-known papers was by William Sharpe in 1964. His paper, "Capital Asset Prices" in the Journal of Finance, described the relationship between risk and expected reward in financial markets.

DESIGN | BUILD | PROTECT™ WEALTH PLANNING ELEMENTS



Harmonizing Your Life and Financial Plan

Focus on What Matters

Although your portfolio is undoubtedly a key piece of your overall financial plan, it doesn't exist in isolation. Your money powers a broader set of objectives that ultimately helps you live the life you aspire to—both today and in the future.

Through a truly comprehensive and integrated approach, Evidence-Driven Investing takes a proactive look at your whole life picture, exploring your impact, money and life goals, including financial considerations, resources and existing strategies.

Life isn't linear. Your plan shouldn't be either.

Partnering with an advisor means having someone to guide you through both opportunities and challenges. You've worked hard to get where you are, and that should be celebrated. Now, as you look to the future, you can feel more confident that an evidence-driven approach will help you navigate life's inevitable transitions. This approach is called **Design | Build | Protect™**.

An evidence-driven approach integrates your life and financial plan

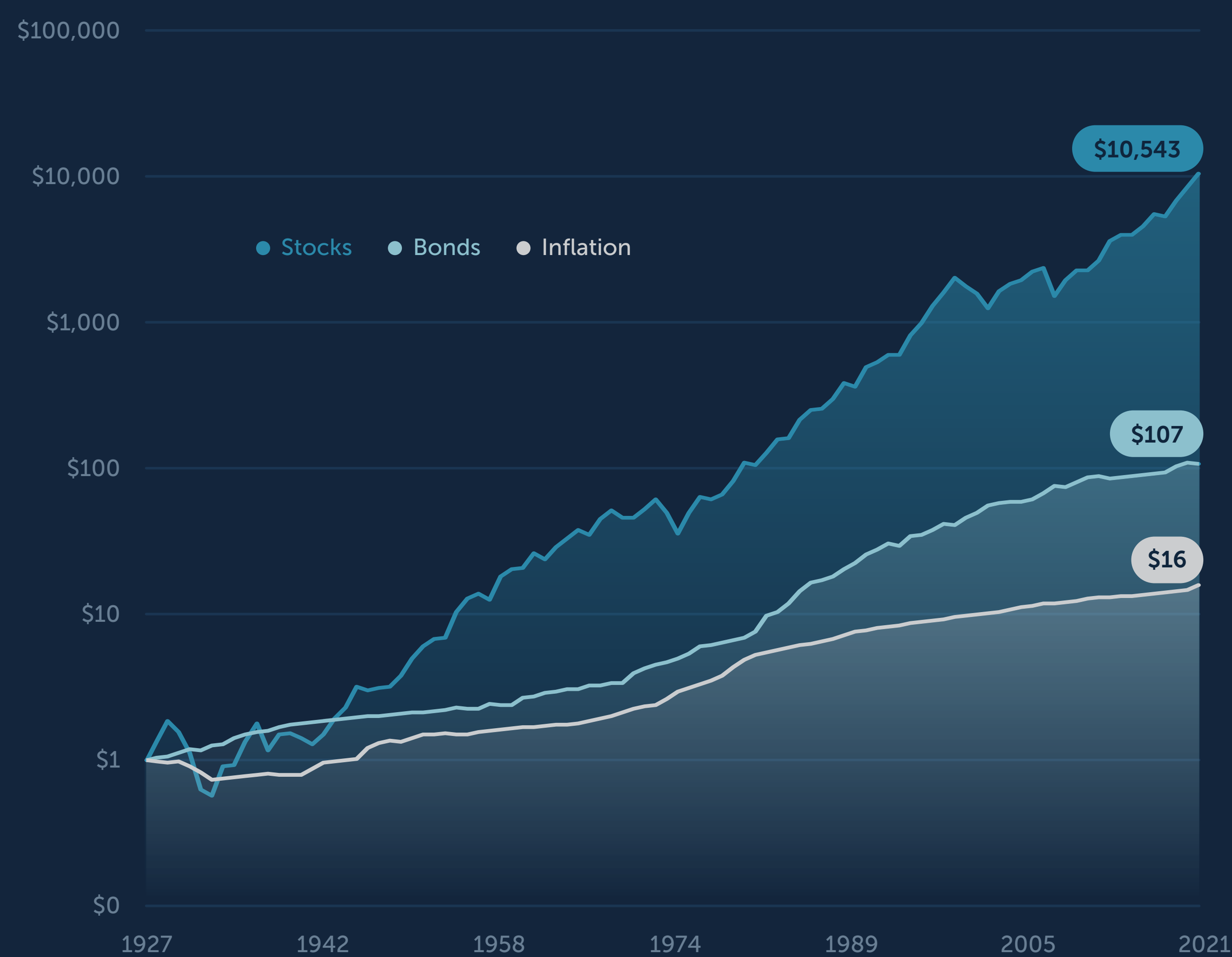
Design — A process of personal discovery helps to uncover what's important to you, so that a plan can be designed and customized to balance your wants and needs. This plan serves as an ever-changing compass that will help navigate the journey ahead.

Build — With academic research and financial science as the foundation, build your plan with distinct objectives and attainable action items. Not a rigid, solitary plan; but a fluid, ever-evolving process to help you stay on track and meet your goals.

Protect — Life happens. Inevitably there will be a number of factors, both personal and global, that impact your plan. Protecting your plan means providing insights and education to help you focus on those areas that an be controlled.

TIME HAS PROVEN THE VALUE OF INVESTING

Hypothetical Growth of $1 — 1927 to 2021



For illustrative purposes only and not indicative of an actual investment.
Source: Ken French Data Library, Dimensional. Hypothetical value of $1 invested at the end of 1927 and kept invested through Dec. 31, 2021. Assumes reinvestment of income and no transaction costs or taxes. Total returns in U.S. dollars. Past performance is no guarantee of future results. Stocks are represented by the Fama/French Total US Market Research Index Portfolio, which is an unmanaged index of stocks of all U.S. companies operating on the NYSE, AMEX, or NASDAQ.
Bonds are represented by Five-Year U.S. Treasury bonds, from Dimensional. Inflation is represented by the Consumer Price Index (CPI). The CPI reflects monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services, not seasonally adjusted. The Fama/French Total U.S. Market Research Index Portfolio Index and the Five-Year Treasury Bond Index are unmanaged baskets of securities that investors cannot directly invest in. Index performance does not reflect the fees or expenses associated with the management of an actual portfolio. Risks associated with investing in stocks potentially include increased volatility (up and down movement in the value of your assets) and loss of principal. Treasury bonds are backed by the U.S. government and guaranteed as to the timely payment of principal and interest. Treasury bonds are subject to interest rate and inflation risk and their values will decline as interest rates rise. These charts illustrate a graphical representation of the hypothetical growth of a dollar invested in the indexes mentioned above. Time period chosen for comparison purposes only. Information from sources deemed reliable, but its accuracy cannot be guaranteed. This information should not be considered as a demonstration of actual performance results or actual trading using client assets and should not be interpreted as such. The results may not reflect the impact that material economic and market factors may have had on the advisor's decision-making in managing actual client accounts.

Fundamentals of Investing

The investment universe is bigger than you might expect, and you have quite a few choices when it comes to putting a financial and investment plan into action. In the end, saving and investing are the fundamental means towards achieving your financial goals—and freeing up your time to focus on the areas of life you value most.

The Foundation of Every Portfolio

Before building a portfolio to help you achieve your plan, you'll want to understand the choices you have. The basic levers in portfolio design are stocks and bonds. They are the two main investment options available to investors, as well as the primary methods through which public companies raise money to invest in their operations.

Stocks: Also referred to as equities, stocks are considered a purchase of ownership in, and in turn, a share of a company. Since future cash flows and profits are highly uncertain, stocks tend to be a riskier and potentially a more lucrative investment option.

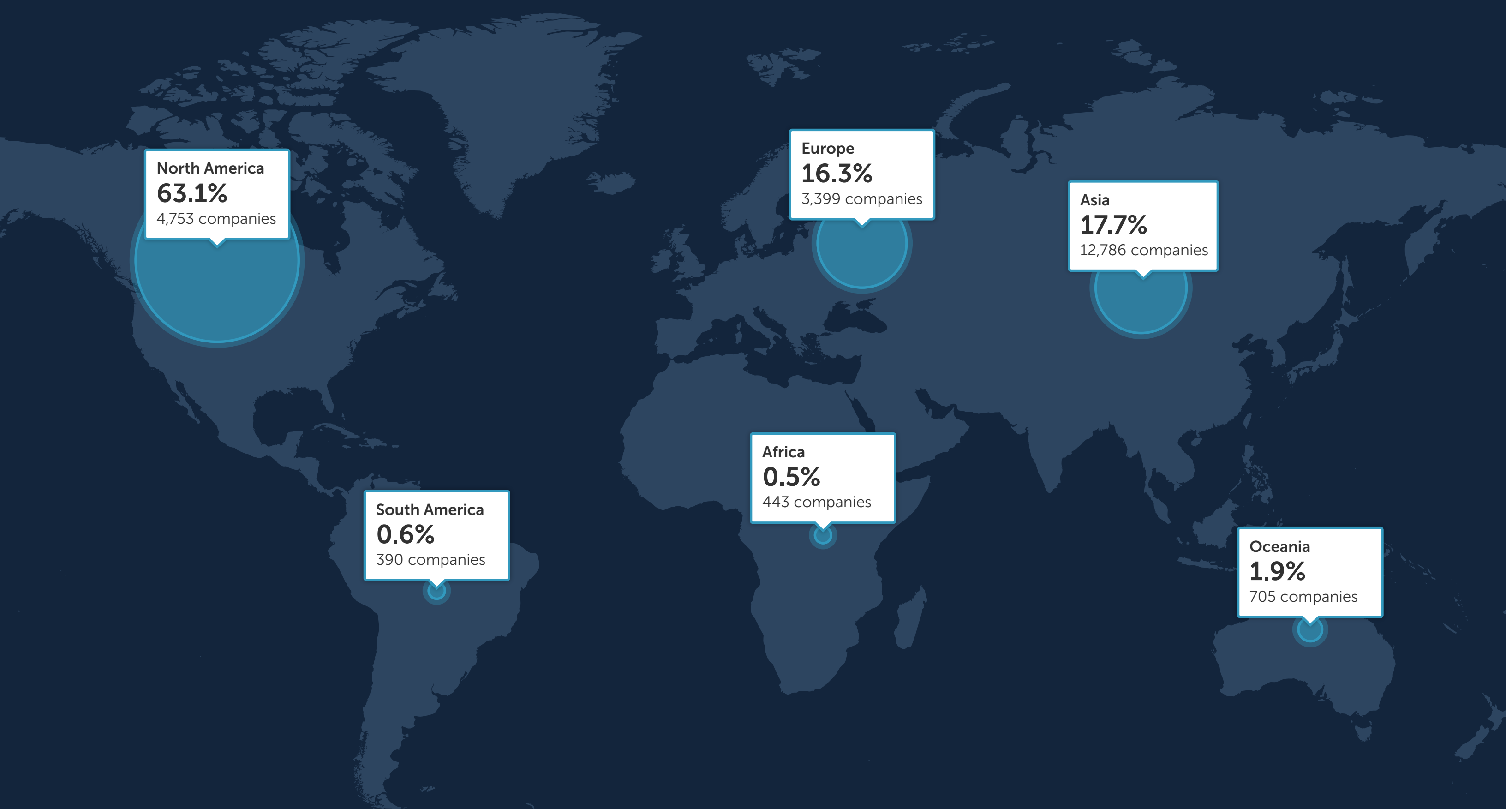
Bonds: Also called fixed income, bonds can be considered loans to governments or a company in exchange for interest payments or additional income. Since most bonds have defined cash flows, they tend to be less risky than many other investments.

Time Has Proven the Value of Investing

When investing, your primary goal is to grow your accounts to fund your financial goals. Historically, both bond and stock investments have outpaced inflation. As you can see in the graph, given the higher level of risk, stocks delivered significantly more growth over the long term.

OWN GREAT COMPANIES AROUND THE WORLD

Number of Publicly Traded Companies and Percent of Global Market Cap - 2021



18,500 companies (outside of the U.S.) comprise **40%** of $88 trillion of the Global Stock Market

Dimensional Fund Advisors, World Equity Market Capitalization, Dec. 31, 2021

Breaking Down the Indexes

The financial news typically reports on the Dow Jones Industrial Average (DJIA), the S&P 500 or the NASDAQ. These are key indexes, or proxies for the overall "market." The DJIA comprises only 30 stocks that are considered core to the U.S. market activity while the S&P 500 consists of the largest 500 companies in the U.S. The NASDAQ tends to focus on more technology-focused companies.

These well-known indexes generally only track larger companies. For example, the top five names in the S&P 500 account for over 20% of the overall index (as of Sept. 30, 2022). Most of those large companies have done relatively well over recent periods meaning they're more expensive than other companies that you can buy. However, did you know that in addition to the roughly 500 largest stocks in the U.S., there are over 2,000 other companies you can invest in? The characteristics by which you select your investments is a concept called investment style and is a key component in your overall strategy.

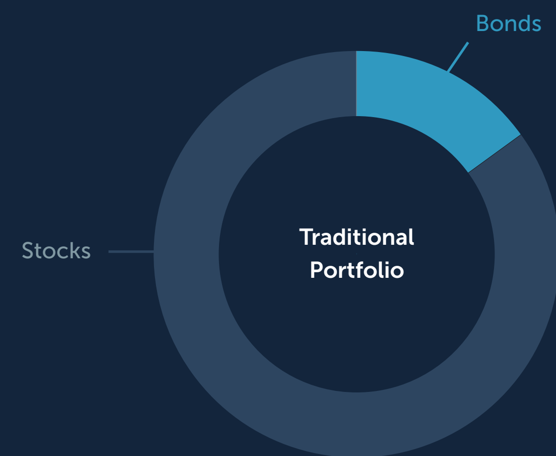
Seeing the Whole Investment World

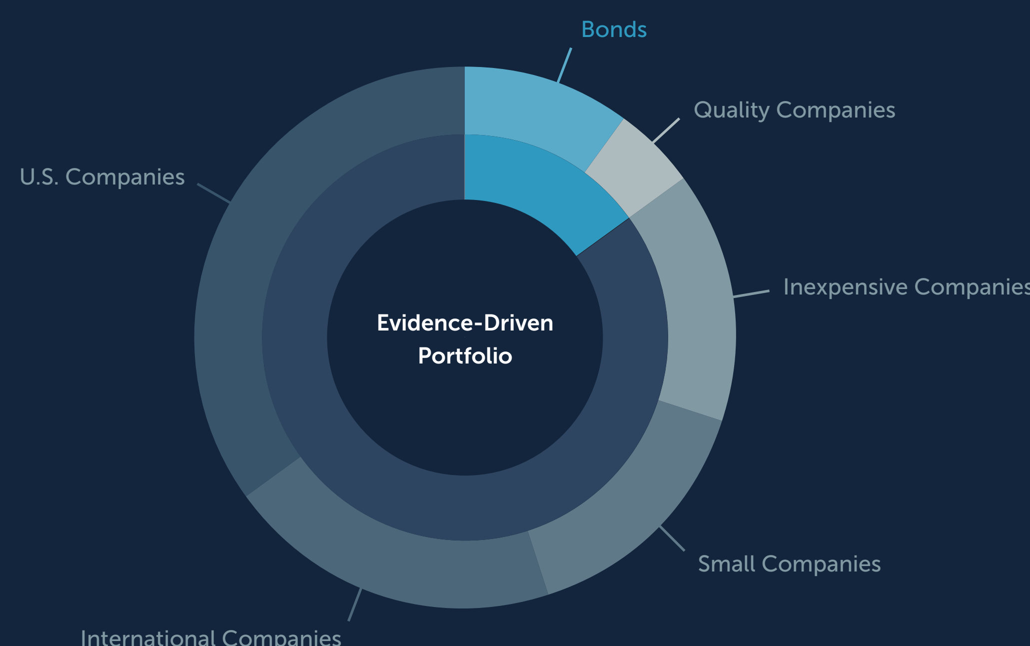
While the U.S. boasts the largest stock market, overlooking other global markets may present missed opportunity. The graphic shows that 18,500 companies outside of the U.S. comprise 40% of the Global Stock Market. That's a world of opportunity beyond those large companies in the S&P 500. And it's hard to predict which types of stocks will have the best returns, especially over the next year.

The Evidence-Driven Investing approach emphasizes owning companies throughout the world—beyond the S&P 500

WHAT DRIVES PORTFOLIO RETURNS

Traditional Portfolio vs. Evidence-Driven Portfolio





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The Research Behind Portfolio Strategy

Whether you need help growing your wealth or protecting it, the evidence-driven approach involves designing your portfolio so that each investment has unique characteristics and will react differently to economic, political and societal influences. This is part of the diversification process, and it's one way to use science rather than guesswork.

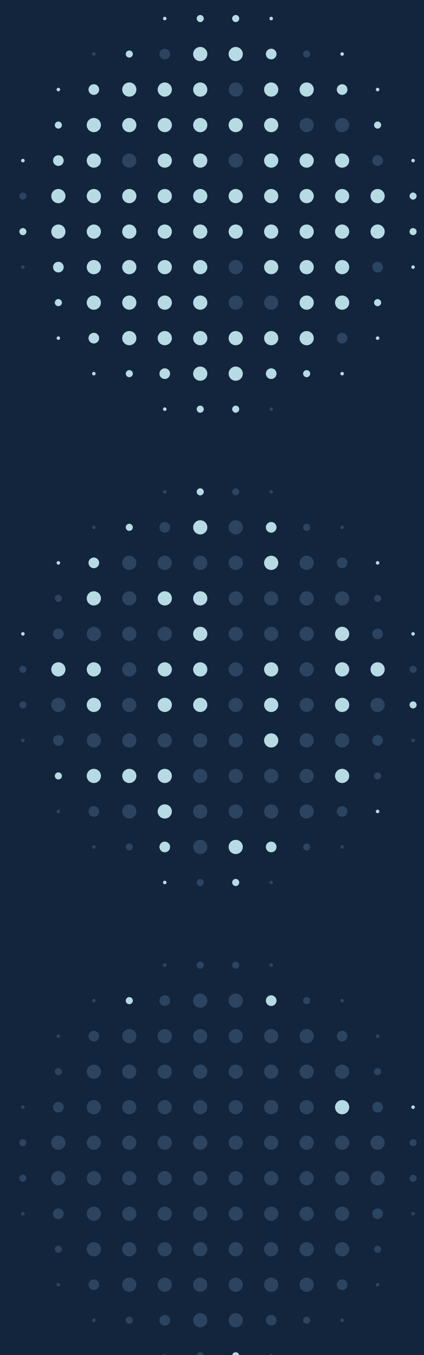
An Evidence-Driven Approach

While many professionally designed portfolios will use a combination of stocks and bonds, the evidence-driven approach uses financial research to look beyond asset classes to better understand both the risks that drive performance and how to effectively capture those risks—all with the goal of providing true diversification to help improve your investment journey.

Look beyond traditional investment approaches and design a portfolio with multiple sources of risk and return

- **Tilt stocks to improve your outcome.** Use stocks to grow the portfolio. Every portfolio designed with this approach starts by investing in companies, both big and small, around the globe. In addition, research has shown that investing more in companies that share certain characteristics, such as being smaller, of higher quality, and less expensive, can change the risks of your portfolio, also increasing your potential for higher returns. This is called tilting the portfolio.
- **Pinpoint bonds that offset stock market risk.** The main purpose of bonds is to protect the wealth you've worked hard to accumulate. The evidence-driven approach focuses on only the most secure and creditworthy bonds, like those backed by the U.S. government. Including bonds that will be repaid (or mature) within the next one to 10 years helps insulate the portfolio from the larger price swings that stocks often endure. The impact of including high-quality bonds in your portfolio can be significant, leading to a smoother ride and providing the cushion your portfolio needs to endure poor stock market performance.
- **Add Alternatives to Improve Your Portfolio.** Alternatives are simply investments that have unique sets of risk compared to traditional stocks or bonds. Those who practice the evidence-driven approach remain skeptical of most alternative strategies, but a small collection of alternatives can offer truly unique sources of risk and return. Adding alternatives can cushion your portfolio from stock market fluctuations while offering a greater chance for growth compared to high-quality bonds. Even a small allocation to alternatives can soften the portfolio from stock market declines.

AN EVIDENCE-DRIVEN SELECTION PROCESS



Step 1

Eliminate any funds with hidden fees, loads or kickbacks to advisors.

Step 2

Include only funds that are broadly diversified across stock sectors and geographic regions.

Step 3

Look for funds that implement academically sound investment strategies.

Step 4

Engage the fund managers in extensive conversations to develop a deep understanding of their teams, best practices and processes.

Step 5

Look for funds that are most effective and consistent at capturing their targeted exposures relative to the costs they charge.

Step 6

Evaluate the tradability of the mutual fund or ETF to ensure resilience in volatile markets.

The Optimal Mix of Investments

Filtering Your Investment Universe

We utilize Buckingham Strategic Partners' Investment Policy Committee (IPC) to help us filter the investment universe. The IPC applies a series of stringent evidence-driven checks to narrow the investment landscape—choosing only managers with systematic, rules-based and transparent practices. The graphic shows how the IPC's Evidence-Driven Selection Process filters the investment universe.

Bond Implementation: Efficient Access to Bonds

When approaching fixed income, the IPC recommends using high-quality, short-to-intermediate-term bonds to preserve wealth and balance other risks in the portfolio. These selections are implemented carefully, and may include bond funds, ETFs or custom bond portfolios to deliver cost-effective exposure.

Implementing The Right Alternatives

With alternatives, the IPC applies stringent sets of criteria, searching for strategies that are transparent, unique from other markets and capture a favorable risk premia to deliver better results than high-quality bonds.

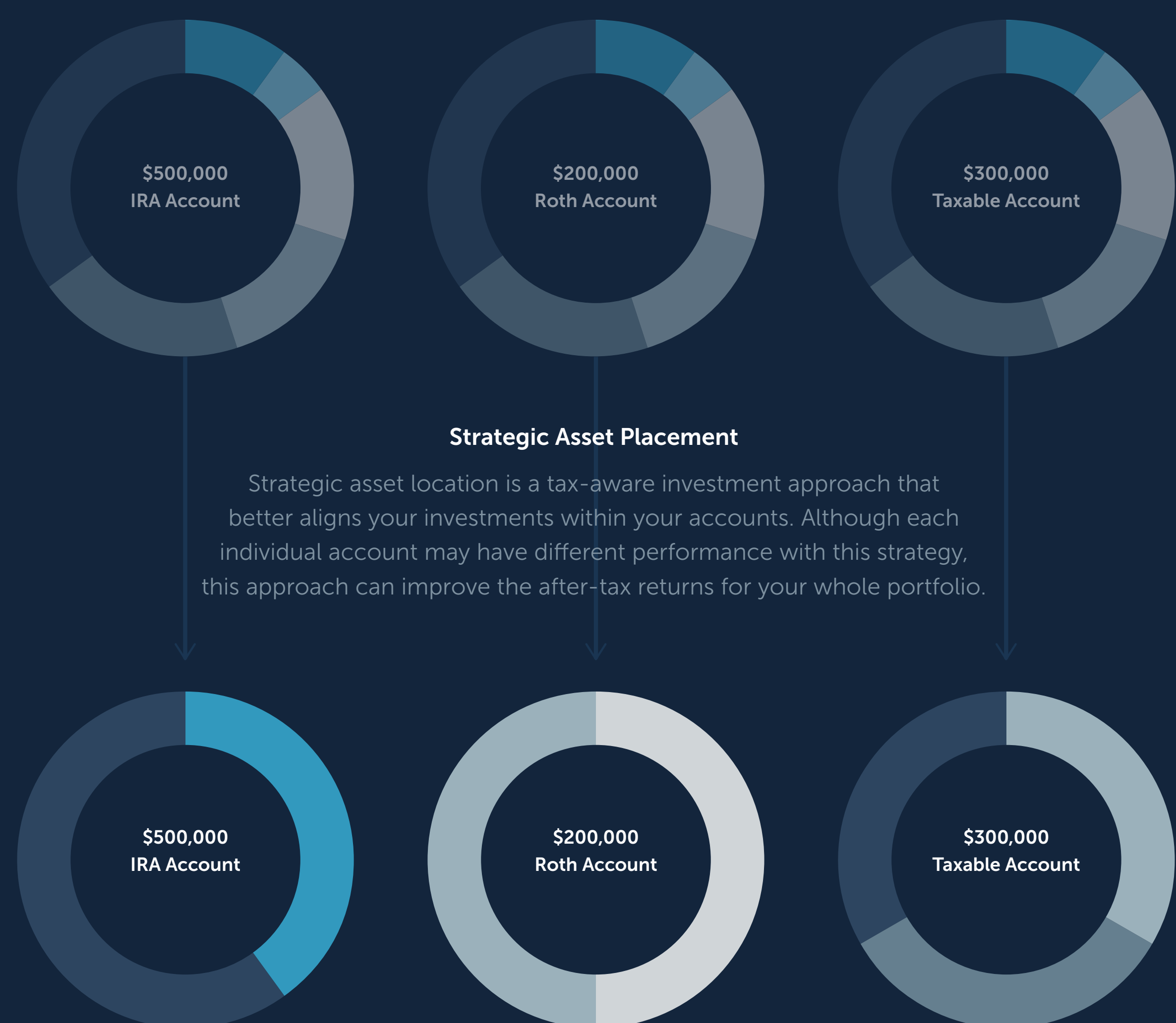
The IPC remains skeptical of most alternative strategies, but has found a few approaches—like real estate, private lending and reinsurance—that may benefit a well-constructed portfolios.

*Subject to certain minimums

Implement Asset Location to Better Manage Taxes

Traditional Placement

Traditional asset location uses the same single allocation across all accounts.



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Your Path to Personalization

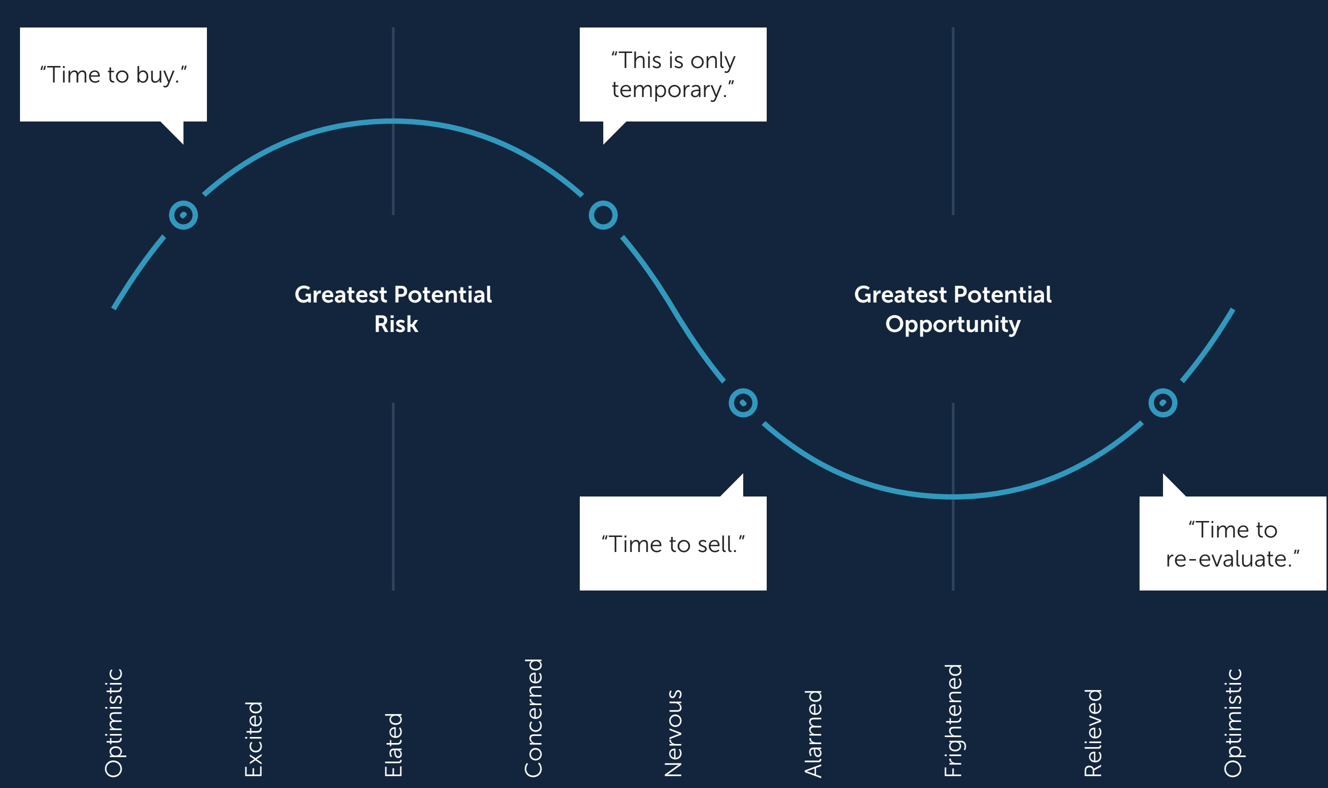
A Strategy That Begins with You

It is important to consider your entire financial situation by identifying your objectives, income requirements, and existing investments and account types. The next step is to work to understand your ability, willingness and need to take risks, in order to tailor your plan to your current and long-term needs.

Asset location can potentially reduce your tax burden

- **Existing Accounts.** Design a plan optimized around your existing account types including taxable, tax-deferred, tax-free, annuity, bank, 401(k), college savings, executive compensation and RSUs/stock options.
- **Existing Holdings.** If you have concentrated stock, low tax-basis positions or other holdings that cannot or should not be sold, a plan can be developed that complements those existing assets.
- **Income Sources.** For those approaching retirement, it's important to design a portfolio to account for income from other sources such as pension, rental property and other income-producing assets.
- **Tilt.** Financial science suggests that tilting to companies with certain characteristics such as size, style and quality may enhance returns. For those comfortable with a stock portfolio that performs differently from headline indexes, such as the S&P 500, increasing the amount invested in these companies may improve your potential for higher returns.
- **Alternatives.** Alternatives may add another source of risk and return to a portfolio. Although these strategies are accretive to the portfolio's steadiness and return, each strategy is subject to substantial declines and, in some cases, limits to how much and how often you can withdrawal your money.
- **Values.** Environmental, Social, & Governance (ESG) or faith-based investment approaches allow you to further tailor your portfolio design towards your personal values.
- **Investment Type.** Whether using mutual funds, ETFs or separately managed accounts (SMAs), different investment vehicles can impact your taxes and strategy. An advisor can help you figure out which approach is most appropriate for your circumstances.
- **Asset Location.** Different investments have different tax treatments, and withdrawals from different investment accounts are taxed differently as well. By putting tax-inefficient investments, such as bonds and alternatives, into more tax-efficient accounts, such as an IRA, you may potentially reduce your tax burden.

THE ROLLER COASTER OF INVESTOR EMOTIONS



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Managing Your Portfolio

Managing Your Portfolio with Discipline

Some managers prefer to add flair by taking unnecessary risks such as making tactical speculative adjustments based on hunches—not science. Evidence-driven portfolio management is decidedly different. The process is driven by strict discipline focused on areas we can control such as rebalancing and tax management. Rather than guessing what investment implications may arise out of market, economic or political news, a rules-based approach results in fewer surprises and potentially better outcomes.

Your advisor can help you through the emotional ups & downs in your investment journey

Managing the Emotions of Investing

As you start your investment journey with your advisor, you'll likely feel excited for the future. As markets oscillate, however, many investors experience emotional cycles. Even the best investment strategy is moot without the discipline and conviction to stay invested through rough market patches. But positive investment outcomes come from marrying a good strategy with predictable behavior. This is done to anticipate some of the inherent emotions—from excitement to fear to relief—coming from market cycles that can otherwise affect better decisions.

Preparing for the Rough Patches

A good start to the investment journey may involve establishing an Investment Policy Statement that will guide how to respond to different market environments. Because, as history shows us, market declines are not uncommon. Despite the frequency of market hiccups, a long-term perspective highlights the potential benefit of staying invested. Plan for market declines, because on average:

- One in every three months, stock markets lose value.
- Stock markets will decline by 10% or more once every two years.
- Stock markets will decline by 20% or more once every four years.

Source: Ken French Data Library. Past performance is no guarantee of future results. Stocks are represented by the Fama/French Total US Market Research Index Portfolio, which is an unmanaged index of stocks of all U.S. companies operating on the NYSE, AMEX, or NASDAQ. Over the 95-year period from January 1927 through December 2021, U.S. stocks had an intra-year decline of 10% or more 54 times (roughly once every 1.8 years), and they had an intra-year decline of 20% or more 28 times, which is roughly once every 3.4 years. U.S. stocks were down 421 of the 1,140 months in that time frame, or slightly more than once every 3 months.

THE PROCESS OF REBALANCING

For illustrative purposes only.

Keeping Your Portfolio in Balance—So You Can Focus on What Matters

Markets move every day—that's expected. Your advisor will monitor your portfolio year-round to ensure it stays in line with your tolerance for risk. As your portfolio moves out of balance, your portfolio management team should sell some of what's done well and buy some of what's done poorly. This is called **rebalancing**, and it enforces a discipline of buying low and selling high.

Keep your portfolio in line with your tolerance for risk with rebalancing

Turning Losses into Tax Breaks

Sometimes investments go down in value. In fact, some may be worth less than what you bought them for. Yet, these can be used to help offset gains and better manage taxes. This is known as **tax-loss harvesting** and the benefits are key to an ongoing strategy that includes:

- Identifying and replacing assets that have gone down in value
- Locking in losses to offset taxable gains
- Keeping the portfolio in line with target allocation
- Reducing overall tax burden

Use tax-loss harvesting to offset gains and better manage taxes

Changing Your Portfolio as Your Life Changes

Life isn't linear. That's why an evidence-driven approach combines monitoring your portfolio with reviewing your plan and financial goals. Based on your circumstances, the likelihood you will be able to meet and exceed your goals may change. As a result, an advisor may recommend adjustments, such as saving and spending changes, to maintain a healthy probability of future success.

YOUR ADVISOR IS YOUR STEWARD. AND THEY'RE BACKED BY A TEAM OF LIKE-MINDED PROFESSIONALS

Your Advisory Team

An advisor's focus is collaborating with you on designing a strategic plan, working with you during life's inevitable transitions, and educating you along the way. They are available to provide support and guidance along your journey.

The Buckingham Community

A network of innovative specialists share investment and planning insights with your advisor so you always benefit from the latest knowledge.

Other Professionals

Your advisor may collaborate with other industry leaders and strategic partners to incorporate their insights into your plan. They may work closely with your other professional advisors, such as attorneys and CPAs, to ensure your tax, investment and estate strategies are cohesive.

Your Financial Team

Your Success is a Team Effort

When you partner with an advisor, you gain the strength of a community of professionals with the support of a diverse team of financial planning leaders, tax professionals, investment researchers and portfolio managers. Your advisor will orchestrate a bespoke plan, tailored to your situation.

This team of dedicated professionals is constantly exploring and assessing the ever-changing landscape of investments, tax code, markets and planning strategies—with a singular focus on maintaining an evidence-driven approach that puts your interests first.

Your relationship with your advisor includes the strength of a nationwide community

A Community Empowers Your Advisor

The team working with your advisor is focused on learning and evolving through research, and actively collaborating to solve complex problems for clients. These colleagues focus on a variety of investment areas and you can rest assured that your advisor is supported by a community of financial and investment professionals focused on supporting you on your investment journey.

SAMPLE LIST OF AREAS TO CONTINUOUSLY EXPLORE

		Monetary Policy	Tax Policy
Financial Planning Strategies	New Asset Classes	Rebalancing Methodologies	Retirement Income
Optimizing Debt	Enhanced Cash Management	Income Guarantees	Cryptocurrency
Private Equity	Enhanced Personalization	ESG Strategies	

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Evidence-Driven Investing is Continually Evolving

Our investment approach is informed by both Buckingham's Investment Policy Committee and Evidence-Driven Planning™ Committee (EDPC). This collaboration results in a strategy combining strong convictions and a passion to progress.

Buckingham's committees, in conjunction with your advisor, scour academic and other research in pursuit of better outcomes for clients. Evidence-driven recommendations are not based on the opinion of your advisor or any individual within their network. Rather, the recommendations are based on decades of academic and practitioner research and as the evidence evolves, so should the recommendations.

Relying on peer-reviewed research to guide investment decisions might slow down the implementation of new strategies. But that is OK. Your financial well-being deserves a careful, thoughtful approach.

Your advisor partners with thought leaders committed to understanding how the latest academic and practitioner research can improve outcomes

How Your Advisor Can Add Value

The value of working with a professional team extends well beyond the returns you earn on your investments. According to a Vanguard study, professional support across implementation, rebalancing, behavioral coaching, tax management and spending strategies has the potential to add about 3% in total net returns each year!

Typical Value Added for Client

0% Suitable asset allocation using broadly diversified funds/ETFs	**0.34%** Cost-effective implementation (lower expenses)	**0.26%** Rebalancing	**1.50%** Behavioral coaching
0-0.75% Asset location	**0-1.10%** Spending strategy (withdrawal order)	**>0%*** Total-return versus income investing	**~3%** Total potential value added in net returns

*Value is significant but too unique to each investor to quantify.

Source: Vanguard, July 2022

Pursuing Better Outcomes

Unlike some in the financial industry, we approach your investment experience with care and dedication. Our partnership and your success is important to us. Working with an advisor means having a sage guide through both opportunities and challenges for years to come. Through our community and the Evidence-Driven Investing philosophy, we will work tirelessly to find ways of potentially improving the outcomes along your financial journey.