

## Active Tax Indexing

Global



### Our Approach:

Active Tax Indexing is the process of identifying investment losses in a client's taxable investment portfolio and selling those securities to recognize the loss. Those capital losses are utilized to offset gains. This harvesting technique is designed to reduce taxes and improve after-tax returns (i.e. create "tax alpha"). Our approach customizes the portfolio to meet the need(s) of the individual client.

### Objective:

We seek to deliver investment performance in-line with a chosen index from a pre-tax perspective while outperforming the index from an after-tax perspective.

### The Strategy Offers:

#### Individualized Tax Management:

Advisor Partners creates an ongoing tax plan with the advisor to harvest losses and/or limit gains based on investor needs.

#### Risk Management:

Advisor Partners seeks to actively manage risk, providing ongoing portfolio analysis and monitoring.

### Benchmark:

S&P 1200® Index

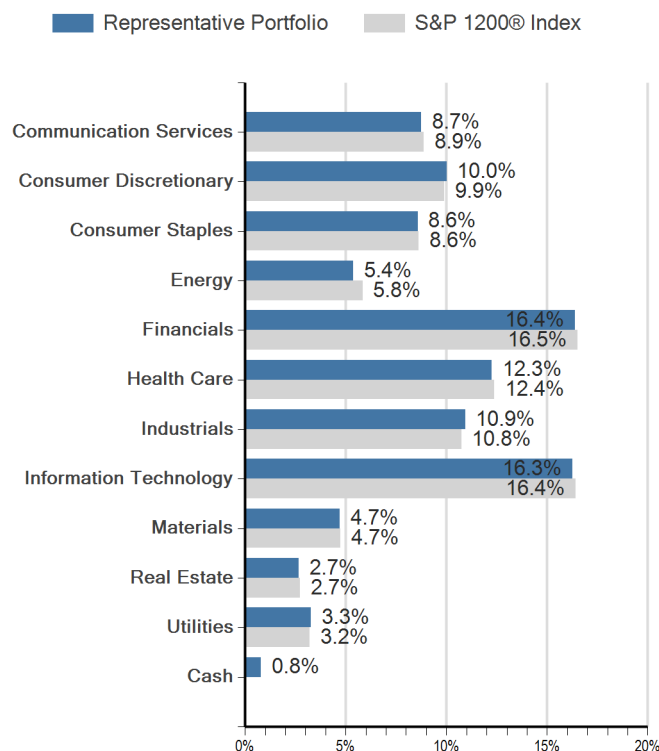
### Performance Data:

| Performance as of : 6/30/2019 | QTD   | YTD    | Annualized |        |                                       |
|-------------------------------|-------|--------|------------|--------|---------------------------------------|
|                               |       |        | 1yr        | 3yr    | Since Composite Inception (4/30/2015) |
| <b>Pre-Tax</b>                |       |        |            |        |                                       |
| Global - Gross of Fees        | 4.18% | 17.05% | 7.64%      | 12.36% | 7.23%                                 |
| Global - Net of Fees          | 4.06% | 16.80% | 7.16%      | 11.87% | 6.77%                                 |
| S&P 1200® Index               | 4.11% | 16.88% | 6.96%      | 12.55% | 7.78%                                 |
| <b>After-Tax</b>              |       |        |            |        |                                       |
| Global - Gross of Fees        | 4.08% | 16.85% | 7.95%      | 12.59% | 9.77%                                 |
| Global - Net of Fees          | 3.97% | 16.60% | 7.47%      | 12.09% | 9.30%                                 |
| S&P 1200® Net Total Return    | 3.90% | 16.48% | 6.33%      | 11.90% | 7.14%                                 |

### Top 10 Constituents:

| Company                         | Representative Portfolio (%) | S&P 1200® Index (%) |
|---------------------------------|------------------------------|---------------------|
| Apple Inc.                      | 2.0                          | 2.1                 |
| Microsoft Corporation           | 1.9                          | 2.5                 |
| Amazon.com, Inc.                | 1.9                          | 1.9                 |
| Alphabet Inc. Class C           | 1.4                          | 0.8                 |
| Mastercard Incorporated Class A | 1.1                          | 0.6                 |
| Berkshire Hathaway Inc. Class B | 1.1                          | 1.0                 |
| Facebook, Inc. Class A          | 0.9                          | 1.1                 |
| Boeing Company                  | 0.9                          | 0.5                 |
| Cisco Systems, Inc.             | 0.8                          | 0.6                 |
| JPMorgan Chase & Co.            | 0.8                          | 0.9                 |
| <b>Total</b>                    | <b>12.7</b>                  | <b>12.1</b>         |

### Sector Exposure:

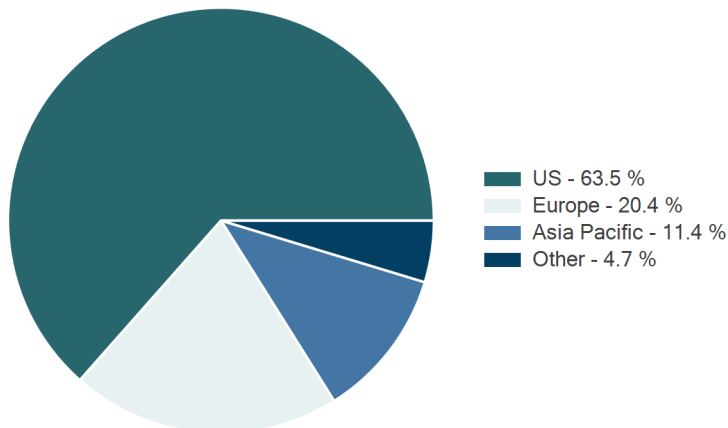


Please see important disclosures at the end of this document.

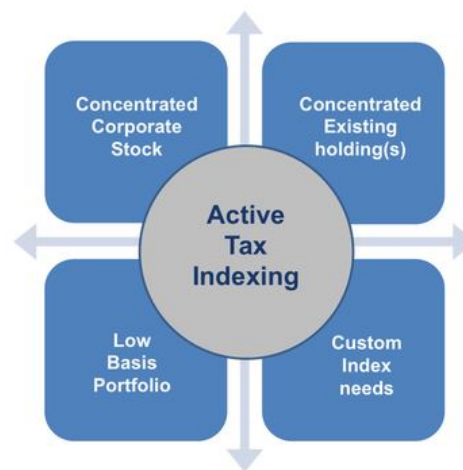
## Portfolio Characteristics:

|                                  | Representative Portfolio | S&P 1200® Index |
|----------------------------------|--------------------------|-----------------|
| Dividend Yield                   | 2.00                     | 2.40            |
| Market Capitalization (Millions) | 173,040                  | 177,804         |
| Price/Earnings                   | 18.80                    | 17.70           |
| Total Number of Securities       | 339                      | 1219            |
| Tracking Error                   | 0.70%                    | --              |

## Market Exposure:



## When it Makes Sense:



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#### IMPORTANT DISCLOSURE INFORMATION

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Advisor Partners, LLC ("AP") claims compliance with the Global Investment Performance Standards (GIPS®). AP has been independently verified for the periods from January 1, 2012 through December 31, 2018. Verification does not ensure the accuracy of any specific composite presentation.

The data shown in this presentation are for illustrative purposes only. Nothing in this presentation should be construed as tax or legal advice. Past performance is not necessarily indicative of future results. Any investment is subject to risk. AP does not make any representation that any client portfolio will or is likely to achieve returns similar to those shown in the performance results in this presentation. Under no circumstances does the information contained within represent a recommendation to buy or sell securities.

Portfolio Characteristics, Top 10 Constituents, and Sector Exposure are based on a representative account. Holdings in actual client portfolios may differ, sometimes significantly, from those shown. The basis upon which the representative portfolio was selected is that the portfolio's market value is approximately equal to the median market value across our client portfolios. Benchmark characteristics were obtained from FactSet and pertain to the S&P 1200® Index and are not representative of actual client portfolios.

Performance data presented was obtained from the AP Global Active Tax Indexing After Tax Composite, which includes all qualifying, discretionary, taxable portfolios that seek to match the risk and return characteristics of the S&P 1200® Index and illustrates how tax-loss harvesting techniques can improve after-tax returns. The composite contains the subset of portfolios from the AP Global Active Tax Indexing Composite that have been managed for less than four years, when tax-loss harvesting opportunities are most readily available. After this time period, loss-harvesting opportunities are limited because most of the losses have been harvested, leaving the portfolio mostly comprised of securities with unrealized gains. Benchmark returns are taken from published sources believed to be reliable, but no representation or warranty is made as to accuracy or completeness. Index returns reflect the reinvestment of income dividends and capital gains, if any, but do not reflect fees, brokerage commissions or other expenses of investing. Investors may not make direct investments into any index. The Composite performance is not directly correlated to the indices mentioned herein. Reference to these indices does not imply or suggest that any portfolio will achieve returns, experience volatility or have other results similar to the indices. The S&P 1200 Index is a composite of seven S&P indices representing distinct regions and captures approximately 70% of global market capitalization. The index includes the largest and most liquid stocks from around the world, and is float-adjusted market-capitalization weighted. The index's gross total return is presented as a benchmark for pre-tax performance, and net total return is presented as a benchmark for after-tax performance. Net total returns reflect reinvestment of dividends after the deduction of withholding taxes. While the withholding tax rates applied vary based on the account holder's country of domicile, Standard & Poor's applies the maximum possible tax rate.

Performance results reflect the reinvestment and dividends and other earnings and are presented in U.S. dollars after all trading commissions have been deducted. The "gross-of-fees" performance results do not reflect the deduction of advisory fees. Such advisory fees are typically deducted from an account on a quarterly basis and reduce the performance of the account. "Net-of-fees" performance is calculated by reducing gross returns by the maximum annual management fee charged by AP on accounts within this strategy, which is 0.45% annually and deducted quarterly. Net returns do not take into consideration other manager or advisory fees, which may further reduce the overall performance of the account, nor do they provide for federal or state income taxes. Since fees are deducted quarterly, the compounding effect will increase the impact of such fees by an amount related to the account's performance. For example, accounts with a 0.45% annualized fee that is deducted quarterly and a 10% gross annual return will have a net annual return of 9.5%.

AP calculates after-tax performance using a realized basis "pre-liquidation" calculation methodology (After-Tax Modified Dietz Method). The after-tax calculation methodology assumes maximum individual federal tax rates at the time income was received and capital gains were realized. State and local taxes are not considered. The accounting convention used for the treatment of realized capital gains is highest cost as of February 21st, 2019. Prior to this date, the accounting methodology was short-term gains minimization. The after-tax returns shown are subject to the limitations of the specific calculation methodology applied. After-tax performance is an estimate and varies according to time period and specific tax circumstances. AP is not a tax consultant and does not provide tax advice. Tax loss harvesting (taking losses purposely to offset current or future capital gains) is most beneficial in periods of higher than normal market volatility and declining markets. When this occurs, results may be achieved that may not be representative of future after-tax returns.

A prospective investor should refer to AP's disclosure and account opening documents for more information regarding the fees and charges that apply to an account. To request a list of composite descriptions, a presentation that complies with the GIPS standards, or Advisor Partners' Form ADV Part 2 please contact info@advisorpartners.com