Confluence Wealth Services, Inc.

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This Brochure provides information about the qualifications and business practices of Confluence Wealth Services, Inc. d/b/a Confluence Financial Partners ("Confluence"). If you have any questions about the contents of this brochure, please contact us at (412-391-0377). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Registration with the SEC does not imply a certain level of skill or training.

Additional information about Confluence is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

Effective January 1, 2024, the firm had a change to the organization when it created the affiliated entity: Confluence Insurance Services.

Effective February 27, 2024, the firm changed its organizational structure. James Wilding was named Vice Chair and Gregory Weimer II was named President.

Since the last annual updated of our Form ADV Part 2A Brochure dated March 25, 2024, the following material updates have been made:

Item 4: Advisory Services – updated to expand upon the description of our Wealth Management Services, including Confluence's Financial Planning Services, Investment Management Services (including Separately Managed Account Services and Compass Services), as well as Insurance Services provided through Confluence Insurance Services.

Item 5: Fees and Compensation – updated to clarify the fees assessed for Separately Managed Accounts, Compass Services, additional fees and expenses as well as mutual fund and ETF fees.

Item 5: Custodians- The firm entered into an agreement with a custodian: SEI Private Trust Company. This agreement was signed to accommodate clients that are already established on the SEI Platform.

Item 10: Other Financial Industry Activities and Affiliations – expanded upon to reflect conflicts of interest of certain confluence employees serving as licensed insurance agents.

Item 12: Brokerage Practices – updated to reflect trade aggregation practices, and fund share class selection considerations.

Item 17: Proxy Voting – updated to expand upon Adviser's policy to not vote proxies on behalf of client accounts.

Confluence encourages each client to read this Brochure carefully and to contact their investment advisor representative with any questions you may have.

Pursuant to SEC rules, Confluence will ensure that clients will receive a summary of any material changes to this Brochure within 120 days of the close of our fiscal year, along with a copy of this Brochure or an offer to provide the Brochure. Additionally, as we experience material changes in the future, we will send you a copy of this Brochure or a summary of our "Material Changes" along with an offer to provide the Brochure under separate cover. For more information about Confluence, please contact us at 412-391-0377.

Item 3: Table of Contents

Item 4: Advisory Business

Confluence History

Confluence Wealth Services, Inc. d/b/a Confluence Financial Partners ("Confluence") was established in 2021 and is principally owned by Confluence Financial Partners, Inc. (the "holding company"). The owners of the holding company are Gregory J. Weimer, James A. Wilding, and Gregory J. Weimer II. As a wealth management firm, Confluence is on a mission to help people plan for a brighter future by focusing on what matters most. The firm builds long-lasting, trusted relationships with clients by going all in, dedicating the team's resources, energy, and passion into delivering value to every client. Confluence has been providing comprehensive wealth management services (as further described below) to individuals, professionals, business owners, corporate executives, retirement plans and businesses since 2013.

As a registered investment adviser subject to Section 206 of the Advisers Act, Confluence acts as a fiduciary to its clients and must act in the client's best interest when providing wealth management services. As such, Confluence is guided by the core fiduciary duties of loyalty and care. The firm works closely with its clients to define each client's unique financial, life, and legacy goals, and then formulates a financial plan and investment management strategy carefully designed to achieve them. To support this, Confluence is focused on building a team of associates who share an uncommon passion, commitment, willingness to collaborate, and belief that improvement is always possible.

Confluence Financial Partners is here to help clients maximize their lives and legacies through thoughtful financial planning, intelligent investing, continual improvement, and exceptional service. Our wealth management approach, which includes financial planning, investment management and insurance services, is more fully described in detail below.

Our Wealth Management Services

Financial Planning Services
Confluence's Financial Planning Services are designed to provide the client with an analysis of steps the client may wish to consider within their investment portfolio to help achieve their long-term needs. To begin this process, we will interview the Client to gather certain necessary information and request pertinent documentation in order to assess the Client's current financial situation.

Considering the Client's goals, risk tolerance and long-term objectives, the Firm will then analyze and recommend appropriate investment strategies and allocation of assets as necessary to achieve optimum overall results for the long-term.

As part of Confluence's Financial Planning Services, the Adviser also provides consulting services related to general retirement readiness planning, tax planning, estate planning, and educational savings. Typically, this will include general tax and estate planning, retirement income needs analysis and/or college savings advisement; liaising with Client's CPA, tax preparer or estate planning attorney (as needed); and hosting family meetings to discuss Confluence's analysis.

The Client acknowledges that he/she/it is under no obligation to implement any recommendations provided as part of Confluence's Financial Planning Services. Should Client decide to implement Confluence's recommendations, Investment Management Services are offered and available through the Firm. Clients should realize that such recommendations could represent a potential conflict of interest since Confluence's representatives may receive fees, compensation or other concessions for these services.

Investment Management Services

The first stage of the Adviser's investment management services typically involves the completion of client profile information ("Client Profile"). The Client Profile sets forth the Client's overall investment objective, risk tolerance, investment guidelines, time horizons and other important and necessary information relating to the Client's assets to be managed by the Firm under this Agreement. Once the necessary information is gathered, Adviser will commence performing its investment management services which are provided on a discretionary or non-discretionary basis.

Confluence manages client accounts on an individualized basis in accordance with the Client's investment guidelines, including any reasonable restrictions requested by the client in accordance with normal industry practice. Based on the needs of the client and the size of the client's account(s), we generally offer either the Confluence Separately Managed Account Services or the Confluence Compass Services, as further described below.

We encourage clients to inform us in the event of any significant life changes, such as setting a retirement date, having a child, etc., so that we can perform an assessment to determine the proper investment strategy from that point forward. Typically, we review accounts internally and no less than annually with our clients, which should be sufficient given our long-term strategic approach to money management. While generally Confluence's investment strategies are primarily long-term focused, we may buy, sell, or reallocate positions that have been held less than one year to meet the objectives of a particular strategy or due to market conditions.

1. Confluence Separately Managed Account Services

Generally, for clients with larger accounts who desire more personalized services, Adviser makes available three (3) Separately Managed Account Services. Confluence will actively manage the Client's portfolios and typically incorporate both active and passive investment vehicles which consist of stocks, bonds, mutual funds, ETFs, options, allocation models and other securities, including short-term money market instruments. Portfolios are generally reviewed and rebalanced annually, with Client meetings generally occurring on an annual basis. For its Separately Managed Account Services, Confluence offers the following:

a. *Target Allocation and Individually Managed Portfolios* - Confluence offers proprietary investment strategies and/or an individually designed, custom portfolio based on the client's needs.

b. *Managed Stock Portfolios* - Confluence offers internally managed stock portfolios that are overseen by the firm's Investment Advisory Committee. The strategies are actively managed through quantitative analysis of historical fundamental factors, with a focus on large-cap and mid-cap securities domiciled in the United Sates. The strategies do not have a material cash allocation. The firm requires a $100,000 account minimum.

c. *Third-Party Managers* - Confluence offers asset management services involving unaffiliated third-party money managers (collectively hereinafter, "Third-Party Managers" or "TPMs"). Through these services, Confluence can provide access to third-party money managers that can manage a portion or all of the client's assets.

2. Confluence Compass Services

Generally, for those clients with smaller account sizes who wish to have more systematic services, Confluence offers a basic financial planning service and discretionary model portfolio solution. Each Client will be designated with a Wealth Manager and Client Service Associate who can provide general planning guidance, access to the managed stock portfolios and objective based portfolios, annual rebalancing and more. Client meetings will be offered on an annual basis, and there is no required account minimum.

Insurance Services

Through its affiliated entity, Confluence Insurance Services ("CIS"), the Adviser makes available to its advisory clients an insurance review. If it is determined that an insurance policy would be suitable for the Client, the Confluence IAR will refer insurance business to CIS or an outside insurance broker. To the extent a Confluence IAR who is insurance licensed refers insurance business to CIS's Insurance Specialist or to an outside insurance broker, and the Client elects to purchase an insurance product through CIS, that IAR will share in the insurance commissions to the extent permissible in accordance with applicable insurance regulations. This creates a conflict of interest due to the fact that remuneration is received for such referral. These conflicts of interest are mitigated by Confluence IARs making recommendations to insurance providers only if they believe that to be in the client's best interest. Fees associated with Insurance Services will be provided through a separate engagement agreement with CIS or the outside broker.

Any referral by a Confluence IAR to CIS or an outside broker, however, is a conflict of interest to the extent that the IAR is receiving remuneration should the Client elect to purchase the insurance policy. Clients are under no obligation to purchase an insurance policy through CIS. Please see Adviser's Form ADV Part 2A for additional information

Other Services - Retirement Plan Consulting Services

Confluence provides retirement plan consulting services to sponsors of qualified retirement plans as defined by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The services provided by Confluence vary from client to client and will be tailored to the specific needs of the plan sponsor. Although not intended to be all inclusive, the retirement plan services provided may include plan design consulting, fiduciary best practices assessment, basic compliance reviews, investment policy development, fund menu design, fund manager search and selection, fund replacements, asset allocation modeling, investment monitoring and review, plan committee meetings, provider fee and service reviews, provider management, provider search and selection, transition services to a new provider, Section 404(c) consulting, education program strategy, and employee meetings.

Confluence offers Wealth Management services to the participants in the ERISA plans it manages. Each ERISA plan sponsor has the option to agree that this service be offered to its participants.

IRA Rollovers – Prohibited Transaction Exemption 2020-02 Disclosure

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

Clients considering rolling over assets from a qualified employer-sponsored retirement plan ("Employer Plan") to an Individual Retirement Account ("IRA") should review and consider the advantages and disadvantages of an IRA rollover from their Employer Plan. A plan participant leaving an employer typically has four options (and can engage in a combination of these options):

(1) Leave the money in the former employer's plan, if permitted;
(2) Rollover the assets to a new employer's plan (if available and rollovers are permitted);
(3) Rollover Employer Plan assets to an IRA; or,
(4) Cash out the Employer Plan assets and pay the required taxes on the distribution.

At a minimum, clients should consider fees and expenses, investment options, services, penalty-free withdrawals, protection from creditors and legal judgments, required minimum distributions, and employer stock. Confluence encourages you to discuss your options and review the above listed considerations with an accountant, third-party administrator, investment adviser to your Employer Plan (if available), or legal counsel, to the extent you consider necessary.

By recommending that you rollover your Employer Plan assets to an IRA advised by Confluence, we will earn fees as a result. In contrast, leaving assets in your Employer Plan or rolling the assets to a plan sponsored by your new employer likely results in little or no compensation to Confluence, with the exception of circumstances in which Confluence is the investment advisor to the plan that you are enrolled in, or if you hire Confluence to provide advice on your individual Employer Plan assets. Confluence has an economic incentive to encourage investors to rollover Employer Plan assets into an IRA managed by Confluence. Investors can face increased fees when they move retirement assets from an Employer Plan to a Rollover IRA account. Even if there are no costs associated with the IRA rollover itself, there will be costs associated with account administration, investment management, or both. In addition to the fees charged by Confluence, the underlying investment (mutual fund, ETF, annuity, or other investment) can also include fees. Custodial and trading fees also apply. Investing in an IRA with Confluence will typically be more expensive than an Employer Plan.

As of June 30, 2024, Confluence had approximately $3.37 billion in discretionary regulatory assets under management and $210 million of non-discretionary assets under management.

Item 5: Fees and Compensation

Wealth Management Fees

For Confluence's Wealth Management Services, we charge a quarterly fee in advance.

1. Separately Managed Accounts

For our Separately Managed Accounts, fees are assessed based on the value of the client's accounts (including cash and equivalent).

Adviser's Separately Managed Account Fees range between .20% and 1.50% on an annualized basis. This annualized fee rate includes financial planning services, unless otherwise noted in the Client's Agreement. Generally, annualized rates will be based on the aggregated value of all Accounts as described in the Confluence Wealth Management Agreement.

In addition, our separately managed account clients will be assessed the following additional fees:

a. **Managed Stock Portfolios** - The fee for Managed Stock Portfolios equals the Annualized Fee Rate, *plus* an active management fee of 0.25%.
b. **Third-Party Managers** - The fee for accounts with Third-Party Managers equals the Annualized Fee Rate, plus an additional management fee that ranges from 0.45%-0.65%.
c. **Confluence Minimum Fee** – If the annualized fee for the entire household is less than $1,000, Confluence will charge a minimum fee of $1,000 for the year. This is not in addition to the Confluence Separately Managed Account fee schedule listed on Exhibit B (a.) in your Wealth Management Agreement. It applies to new clients only and it applies to households held on the Raymond James platform.

2. Confluence Compass Service Fees

Confluence's Compass Service fee is 1.00% annually based on the client's non-aggregated assets under management.

Unless otherwise noted in the client's Wealth Management Agreement, fees are invoiced to the Custodian of record on a quarterly basis and debited from the Client's Account(s). Clients are billed in advance. Advisory fees are prorated based on the number of days that the Account(s) are open during the quarter. The first payment is due upon the end of the calendar quarter in which the account is fully invested and will be prorated and calculated based upon the value of the Client's account at the end of that quarter. This payment will be in addition the quarterly payment in advance, which will be debited from Client's account at the same time. Additional deposits of cash and/or any securities made during a calendar quarter will not be invoiced until the next billing cycle. In the event client terminates their engagement with Confluence mid-quarter, the client's investment management fees will be prorated through the date of termination and timely refunded to the client.

Adviser may, but is not obligated to, negotiate fees at any time with Client in its sole discretion.

Insurance Services
Insurance services are offered through an affiliated entity in accordance with a separate engagement agreement which outlines the fees associated with this service.

Fixed Fees for Financial Plan Reviews
Confluence offers Financial Plan Reviews on a fixed fee basis for those clients who desire financial planning as a standalone service. The standard fee associated with the preparation and review of a client's plan starts at $5,000 but will vary per agreement. Fees are based on the complexity and scope of the plan. Client will pay half of the stated fee upfront and the remaining half at the time of delivery of the financial plan to the client, which will occur within six (6) months from the first date of service. If the financial plan review client chooses to become a Wealth Management client of Adviser within 14 days after receiving and reviewing their financial plan, the Financial Plan Review fees will be waived.

Fee Discretion
As described above, Confluence, in its sole discretion, will negotiate to charge a lesser fee. We base this upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, employer-employee relationship, account retention and pro bono activities. Fees are negotiable at the discretion of the Firm. In addition, for certain family and friends of the Firm, the Firm has, and can do so again in the future, negotiated reduced fees and in some cases waived fees in their entirety. Lower fees for comparable services may be available from other sources.

Additional Fees and Expenses
In addition to Confluence's advisory fees, Clients will also incur certain charges or fees imposed by third parties other than Confluence, such as Raymond James and SEI. Such charges generally include but are not limited to: mutual fund 12b-1 fees, certain deferred sales charges on previously purchased mutual funds transferred into the Account(s), transactions on certain products within your investment accounts (which generally ranges from $5 - to $25 as assessed by the Client's qualified broker-dealer/custodian for trades in non-NTF mutual funds, bonds & fixed income, options, prime brokerage accounts, equity orders, TF funds and orders requiring special handling), IRA and qualified retirement plan fees, interest charged on margin borrowing, bank service fees, interest charged on debit balanced, "spreads" imposed by brokers and dealers representing implicit transaction costs, commissions and transfer taxes, small account fee, wire fees, overnight fees, stop pay fee, special asset services fee, etc. Information regarding fees or charges assessed by any mutual funds held in client accounts is available in the appropriate prospectus. They are listed in the "Costs and Fees" section or at RaymondJames.com/client fees and also in the "SEI Wealth Platform Fee Schedule" section of the Account Application. The Firm's brokerage practices are described at length in Item 12, below.

Mutual Fund and ETF Fees

Confluence invests in mutual funds, including open-end funds, closed-end funds (mainly interval funds) and ETFs in client portfolios. Each mutual fund charges fees to shareholders, which are described in their respective prospectus and usually include a management fee, administrative and operations fees, and certain distribution (e.g., 12b-1 fees) and/or redemption fees. These fees are generally referred to as a fund's "expense ratio" and the fees are deducted at the mutual fund level when calculating the fund's net asset value ("NAV") and have a direct bearing on the fund's performance. Certain open-ended mutual funds also charge an up-front or back-end sales charge. In addition, some open-end mutual funds offer different share classes of the same fund and one share-class can have a higher expense ratio than another share class. The most economical share class will depend on certain factors, including the amount of time the shares are held by a client and the amount a client will be investing. Also, closed-end interval funds usually don't have 12b-1 distribution fees, but they do charge redemption fees for each redemption made by a shareholder. ETFs do not have 12b-1 distribution fees or redemption fees but charge certain expenses including an operating expense ratio described as the annual rate the fund charges on the total assets it holds to pay for administration and other costs. ETFs are also subject to the bid-ask spread.

NOTE: Mutual fund expense ratios vary by mutual fund, so it is important to read the mutual fund prospectus to fully understand all the fees charged. The fees charged by mutual funds and ETFs, as well as transaction fees charged by your broker of record (if any) are in addition to the advisory fees charged by Confluence.

Confluence will strive to invest our clients in the lowest cost mutual fund share class for clients. Confluence monitors clients' investments on an ongoing basis and reviews share class availability for lower cost shares periodically throughout the year.

For new clients that hold any mutual funds upon account opening, Confluence will determine whether such mutual funds remain suitable for the client's current investment objective. Should Confluence believe the mutual funds remain suitable, we then will check to see if a lower cost share class of a particular mutual fund is available. If a lower cost share class of that mutual fund is available, Confluence will analyze and determine whether it is in the client's best interest to transfer, based on cost, transaction fees and other factors as discussed below.

There have been times in the past, and can be in the future, when Confluence does not have access to lower costs share classes for the mutual funds the Firm is investing in for clients. As an example, this typically occurs when the investment amount at the time of purchase does not meet the minimum investment requirement for the lower share class – such as for an I-share class. There are times, when based on certain facts and circumstances, that Confluence believes it would not be in the best interests of a client to purchase or transfer into (as applicable) the lowest share class available. For example, transaction fees play a role in the overall costs when investing in mutual funds. Some custodians offer certain higher cost mutual fund share classes for purchase at no transaction cost. Other times the client is transferring an account into Confluence and has a CDSC attached, and it would be cost prohibitive to sell. Therefore, Confluence will have a client remain in a more expensive share class if we've determined, based on facts and circumstances, that such transaction would be the most economical for a client at the time of transfer.

Please note that neither Confluence nor any Confluence IAR receives any compensation, including 12b-1 fees, from any mutual funds invested in by Confluence advisory clients in their managed accounts.

Fees charged to a client's account lower the overall performance of the account. Therefore, clients should review all applicable direct and indirect fees charged, including but not limited to custodian fees, transaction fees, fees associated with investments (e.g., mutual funds and ETFs), and advisory fees to fully understand the total amount of fees to be paid by you.

Certain Confluence Employees are Licensed Insurance Agents

Confluence Investment Advisor Representatives (IARs), each in his/her individual capacity holds a PA insurance license and is eligible to receive/or share in insurance commissions. Confluence IARs generally refer insurance business to the firm's Insurance Specialist or outside brokers who are responsible for fulfilling all suitability, disclosure, and other relevant requirements to meet applicable insurance laws. The IARs will share in the insurance commissions on policies written for referred clients. Please refer to Item 10 for associated conflicts of interest to consider.

Conflicts of Interest Unique to Confluence Financial Partners

Retirement Plan Rollovers: A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could result in adverse tax consequences).

If Confluence and its Wealth Managers recommend that a client roll over their retirement plan assets into an account to be managed by Confluence, such a recommendation may create a conflict of interest if Confluence will earn new (or increase its current) compensation as a result of the rollover. We seek to mitigate this potential conflict of interest through internal procedures that require a detailed Rollover and Transfer Suitability Analysis before making a recommendation in the best interest of the client.

If Confluence provides a recommendation as to whether a client should engage in a rollover or not, Confluence is acting as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. No client is under any obligation to roll over retirement plan assets to an account managed by Confluence.

Custodians: Confluence uses Raymond James as a Custodian. In the event a client chooses a different custodial provider, custodial fees will be negotiated by the Client and may be higher or lower than the fees that could have been obtained by Confluence. Raymond James utilizes the American Funds F2 share class. F3 share classes, which have different expense ratios, are not available on the Raymond James platform and clients would not be permitted to purchase F3, even if it offers a lower cost. Ultimately, the decision belongs with the client on which custodian the client chooses to use.

Confluence offers SEI Private Trust Company as a Custodian. This agreement was instituted to accommodate clients that are already established on the SEI Platform.

Item 6: Performance-Based Fees and Side-By-Side Management

Confluence does not charge performance-based fees.

Item 7: Types of Clients

As noted in Item 4, Confluence provides wealth management services to individuals, professionals, business owners, corporate executives, retirement plans and businesses. Generally, the minimum account value for Confluence’s Separately Managed Account Services is $250,000, which can be waived at the sole discretion of Confluence’s management team. There is no account minimum for Confluence’s Compass Services.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

We strive to understand the macro-economic environment, which is the condition that exists in the economy as a whole, rather than in a particular sector or region. In general, the macro environment includes trends in the gross domestic product (GDP), inflation, employment, spending, and monetary and fiscal policy. The macro-environment is closely linked to the general business cycle as opposed to the performance of an individual business sector.

We select investment managers by understanding the culture of the entity, communicating with the firm/managers, understanding the public and private ownership of the fund company, looking for repeatable investment processes, and analyze the process in context of how it complements the other investments we advise on.

When investing in individual equities for our clients, we seek to create broadly diversified portfolios that provide exposure to companies across multiple sectors of the economy. We utilize multiple 3rd party research providers when analyzing companies and are generally looking to hold the companies in which we invest for multiple years. Ideally, we are seeking to invest in companies whose stock prices reflect a lower expectation by the market of their future success than we believe they will achieve. We attempt to understand the company's competitive strengths as well as its potential threats and weaknesses and try to gain an understanding of the executive management team's vision for the firm.

When establishing a portfolio for a client, we start by understanding exactly the client's objective(s) to ensure that the management of each portfolio is aimed at helping the client reach his/her goals. Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

We believe a diversified portfolio that is consistent with your risk tolerance, time horizon and goals and objectives is essential. Our financial professionals ensure you are educated on your choices, and we personally engage with you to keep connected and ensure that your portfolio is aligned with your financial plan. Your unique circumstances and personal objectives dictate the method of investing, as well as the types of strategies chosen.

Asset Allocation: Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of mutual funds, ETFs, equities, fixed income, cash, and other investments suitable to the client's investment goals and risk tolerance. Additionally, we incorporate an analysis of current market data and valuations of various market sectors and asset categories to identify investment opportunities as well as pitfalls.

Risks: All investments in securities include a risk of loss of your principal (invested amount) and any profits that have not been realized. Stock markets and bond markets fluctuate substantially over time. In addition, the performance of any investment is not guaranteed.

Confluence does not guarantee the future performance of the Account or any specific level of performance, the success of any investment decision or strategy that the Adviser may use, or the success of the Adviser's overall management of the Account. Client understands that investment decisions made for Client's account by the Adviser are subject to various market, currency, economic, political, and business risks, and that such investment decisions will not always be profitable. The price of securities can and will fluctuate and may become valueless. There also may be loss or depreciation of the portfolio's value due to market fluctuations.

Types of Investments and Risks

- ***Market Risk***. This is the risk that the value of securities owned by an investor goes up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.
- ***Interest Rate Risk***. This is the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- ***Credit Risk***. This is the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- ***Issuer-Specific Risk***. This is the risk that the value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.
- ***Investment Company Risk*** - Investment companies include open-end and closed-end investment companies. Shares in investment companies represent interests in professionally managed portfolios. These investments involve substantially the same risks as investing directly in the underlying instruments; in addition, the return from such an investment will be reduced by the operating expenses and fees of the investment company, including applicable advisory fees.
- ***Equity Investment Risk****.* Equity securities include common stocks, preferred stocks, convertible securities, and mutual funds that invest in these securities. Equity markets can be volatile. Stock prices rise and fall based on changes in an individual company's financial condition and overall market conditions. Stock prices can decline significantly in response to adverse market conditions, company-specific events, and other domestic and international political and economic developments.
- ***Bond Risk***. Rising interest rates will generally cause the prices of bonds and other debt securities to fall. In addition, falling interest rates can result in an issuer redeeming, calling, or refinancing a security before its stated maturity. Longer maturity debt securities are subject to greater price fluctuations than shorter maturity debt securities. Bonds and

other debt securities are subject to credit risk, which is the possibility that the credit strength of an issuer will weaken and/or an issuer of a debt security will fail to make timely payments of principal or interest and the security will go into default. Lower quality debt securities generally have higher rates of interest and are subject to greater price fluctuations than higher quality debt securities.

- ***Sector Risk***. To the extent a client account invests more heavily in particular sectors, industries, or sub-sectors of the market, its performance will be especially sensitive to developments that significantly affect those sectors, industries, or sub-sectors. An individual sector, industry, or sub-sector of the market can be more volatile, and perform differently, than the broader market. The several industries that constitute a sector can all react in the same way to economic, political, or regulatory events. A client account's performance could be affected if the sectors, industries, or sub-sectors do not perform as expected. Alternatively, the lack of exposure to one or more sectors or industries can adversely affect performance.
- ***Alternative Strategy Mutual Funds***. Certain mutual funds invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies is not suitable for all investors and involves special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes and potential illiquidity. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility because of the fund's concentration in the real estate industry. These types of funds tend to have higher expense ratios than more traditional mutual funds. They also tend to be newer and have less of a track record or performance history.
- ***Exchange-Traded Funds (ETFs)***. ETFs are typically investment companies that are legally classified as open-end mutual funds or UITs. However, they differ from traditional mutual funds, in particular, in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly traded companies. ETF shares trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the "spread." The spread varies over time based on the ETF's trading volume and market liquidity and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. ETFs can be closed and liquidated at the discretion of the issuing company.

It is important to note that no methodology or investment strategy is guaranteed to be successful or profitable. Investing in securities involves the risk of loss that clients should be prepared to bear.

Item 9: Disciplinary Information

Confluence has no legal or disciplinary events to report that would impact the evaluation by a client or investor (or potential client or investor) of Confluence's advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

Certain Confluence Employees are Licensed Insurance Agents

As disclosed in Item 5, through its affiliated entity Confluence Insurance Services ("CIS"), the Adviser makes available to its advisory clients an insurance review. If it is determined that an insurance policy would be suitable for the Client, the Confluence IAR will refer insurance business to CIS or an outside insurance broker. To the extent a Confluence IAR who is insurance licensed refers insurance business to CIS's Insurance Specialist or to an outside insurance broker, and the Client elects to purchase an insurance product through CIS, that IAR will share in the insurance commissions to the extent permissible in accordance with applicable insurance regulations. This creates a conflict of interest due to the fact that remuneration is received for such referral. These conflicts of interest are mitigated by Confluence IARs making recommendations to insurance providers only if they believe that to be in the client's best interest. Clients are under no obligation to purchase an insurance policy through CIS.

Item 11: Code of Ethics

Confluence has adopted a Code of Ethics for all supervised persons of the Firm describing its high standards of business conduct and fiduciary duty to its clients. The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, guidelines surrounding gifts and business entertainment, personal securities trading, and conflicts of interest, among other things. All supervised persons must acknowledge the terms of the Code initially upon hire as well as annually, or as amended.

Our Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of our employees will not interfere with making decisions in the best interest of advisory clients.

Employees are permitted to maintain personal securities accounts provided any personal investing by an employee in any accounts in which the employee has a beneficial interest is consistent with the Firm's personal trading guidelines and applicable regulatory requirements. Employees of the firm are permitted to buy or sell for their personal accounts securities similar to those recommended to or owned by clients. All reportable transactions are reported to the

Compliance Officer in accordance with the reporting requirements outlined in the Code and personal trading is monitored to reasonably prevent conflicts of interest between Confluence and its clients.

We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Item 12: Brokerage Practices

It is the policy and practice of the Adviser to strive for the best price and execution that are competitive in relation to the value of the transaction ("best execution"). In selecting a broker, dealer or other intermediary, the Adviser will consider such factors as financial strength, reputation, execution, pricing, research, and service, that in good faith and judgment it deems reasonable under the circumstances.

In the course of providing wealth management services, the Adviser may transact in the same security for multiple client accounts. Generally, Confluence transacts on an individual account basis and does not aggregate securities for purposes of block trading. This could result in one client receiving a better price than another client for the same security transacted on the same day. In addition, in rare instances when an order cannot be executed in full, we will allocate the transaction in accordance with our random allocation method in order to not favor any one client over another.

In select cases for our Separately Managed Accounts and for our model groupings only, Confluence could aggregate trades in certain circumstances and clients would receive an average-share price. There will be times that Confluence is unable to aggregate and execute orders across model groupings of accounts, necessitating the execution of orders over time. In such cases, Confluence will use a trade rotation methodology by model grouping designed to avoid favoring one group of accounts over another and to treat clients equitably over time. There may be reasons Confluence deviates from this approach, including but not limited to market liquidity constraints and investment manager redemption/purchase demands. Confluence seeks to implement model changes as quickly, at the best price, and most equitably as possible.

Confluence generally recommends clients use as their custodians Raymond James & Associates, Inc., member New York Stock Exchange/SIPC. Factors which Confluence considers in recommending Raymond James & Associates, Inc. ("Raymond James"), or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research, and service. The transaction fees charged by Raymond James may be higher or lower than those charged by other Financial Institutions.
Confluence receives support services and/or products from Raymond James which consists of:

- investment-related research
- pricing information and market data
- software and other technology that provide access to client account data
- consulting services
- attendance at conferences, meetings, and other educational and/or social events
- marketing support

These support services are provided to Confluence based on the overall relationship between Confluence and Raymond James. It is not the result of soft dollar arrangements or any other express arrangements that involve the execution of client transactions as a condition to the receipt of services. Confluence will continue to receive the services regardless of the volume of client transactions executed with Raymond James. Clients do not pay more for services as a result of this arrangement. The receipt of these benefits from Raymond James creates a conflict of interest. The receipt of these products and services presents a financial incentive for Confluence to recommend that its clients use Raymond James' custodial platforms rather than another custodian's platform.

Additional Benefits: Confluence may receive certain benefits from Raymond James pursuant to a Client Benefit Confirmation Agreement, whereby Raymond James will provide Confluence with a client benefit in consideration for Confluence introducing and custodying with Raymond James a pre-specified amount of assets under management (AUM). These benefits include transition assistance and reimbursement of the cost of account termination fees (ACAT fees) for accounts transferred to the custodian. Confluence's receipt of these benefits presents a conflict of interest as it creates an incentive for us to recommend that you transition, open, and maintain accounts with Raymond James over other qualified custodians.

Soft Dollar Arrangements: Confluence does not receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions.

Brokerage for Client Referrals: Confluence does not recommend broker-dealers to clients based on our interest in receiving client referrals.

Trade Allocation: In the course of providing trade aggregation, in rare instances when an order cannot be executed in full, we will allocate the transaction in accordance with our random allocation method in order to not favor any one client over another.

Fund Share Class Selection: Confluence invests in mutual funds, including open-end funds, closed-end funds (mainly interval funds) and ETFs in client portfolios. Confluence will strive to invest our clients in the lowest cost mutual fund share class for clients based on that client's needs. Confluence monitors clients' investments on an ongoing basis.

For new clients that hold any mutual funds upon account opening, Confluence will determine whether such mutual funds remain suitable for the client's current investment objective. Should Confluence believe the mutual funds remain suitable, we then will check to see if a lower cost share class of a particular mutual fund is available. If a lower cost share class of that mutual fund is available, Confluence will then exchange to the lower share class.

There have been times in the past, and can be in the future, when Confluence does not have access to lower costs share classes for the mutual funds the Firm is investing in for clients. This typically occurs when the client's custodian (e.g., Raymond James) does not offer a lower cost share class, or the investment amount at time of purchase does not meet the minimum investment requirement for the lower share class (such as for an I-share class). This occurs for example when Raymond James utilizes the American Funds F2 share class, but not the F3 share class, which has different expense ratio. See Item 5 for additional information.

Also, a client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives.

Item 13: Review of Accounts

While the underlying securities within Wealth Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. The Confluence investment adviser representative for your account will perform the review.

Clients receive written monthly statements (or quarterly if there is no monthly activity) and confirmations of transactions directly from the custodian detailing account holdings and all activity within the account, including all contributions, withdrawals, and purchase/sell transactions.

Item 14: Client Referrals and Other Compensation

Confluence has entered into agreements to compensate third parties ("Promoters") for client referrals, which are compensated endorsements under Rule 206(4)-1 of the Advisers Act. Under these arrangements, Confluence will pay a fee per referral. Clients referred by the Promoters will not be charged more than similarly situated clients who were not referred. The Promoters will not provide investment advisory services to Confluence clients. The referral arrangements are governed by a written agreement between Confluence and the Promoters that (i) complies with Rule 206(4)-1 and Rule 204-2 and (ii) requires that clients be provided with clear and prominent disclosure that the referral arrangement is paid and a conflict of interest exists.

Confluence pays one or more employees for referring clients. In each case, this internal referral arrangement is governed by a legal agreement between the Firm and the employee to ensure compliance with applicable federal and state statutes. If a client is introduced to Confluence by this internal Promoter, the Firm pays that Promoter a referral fee. Any such referral fee shall be paid solely from Confluence's investment management fee and shall not result in any additional charge to the client. At the time of the referral, the internal Promoter shall provide the client with all relevant disclosures related to the nature of the referral arrangement with Confluence in accordance with the requirements of Rule 206(4)-1 of the Advisers Act.

No compensation (cash or non-cash) is paid to clients that refer prospective clients to Confluence. Also, as referenced in Item 12 above, Confluence may receive certain benefits pursuant to a Client Benefit Confirmation Agreement with Raymond James. There is no corresponding commitment made by Confluence to Raymond James or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products as a result of the above arrangement.

Item 15: Custody

Confluence is deemed to have custody because it can debit advisory fees pursuant to the authority granted by the client in the Wealth Management Agreement. Custody of Account assets are maintained with an independent qualified custodian under Rule 206(4)-2 of the Advisers Act ("Custodian"). Confluence Financial Partners uses Raymond James as Custodian. Our firm's agreement requires the client to appoint a qualified custodian to receive and have possession of the assets of the Account. In accordance with applicable custody rules, custodians are required to send a statement to clients, not less than quarterly, indicating all amounts paid to our firm. Confluence also sends periodic reports to clients. Clients are advised to carefully review the statements and confirmations sent directly by the custodian and to compare them with any reports received from our firm. Client has sole responsibility to verify the accuracy of the calculation of the investment management fees as the Custodian will not determine whether the fees charged to the Account are accurate or have been properly calculated. Please contact Confluence with any questions.

Item 16: Investment Discretion

Confluence provides management services on either a discretionary or non-discretionary basis. Discretionary basis means that we will be authorized by you to make investment decisions, and we will buy and sell the securities we have recommended to you. Non-discretionary basis means you as the investor make the ultimate decision whether to purchase or sell the securities recommended to you.

Item 17: Voting Client Securities

The Client understands that it is the Adviser’s policy to not vote proxies on behalf of client accounts. The Adviser and/or the Client will direct the Custodian to forward all shareholder-related materials directly to the Client’s address on record. Client understands that for any mutual funds held in Client’s account, the mutual fund is responsible for voting proxies on securities held in the mutual fund portfolio and not the Adviser. In addition, the Adviser does not advise or act for the Client with respect to any legal matters, including bankruptcies and class actions, for the securities held in the Client’s Account. In the case of ERISA clients, the Adviser generally does not vote proxies for ERISA client accounts. Should proxy materials be forwarded on to the Adviser at the request of the plan sponsor, the Adviser will strive to vote proxies in the best interest of the client. A copy of the Adviser’s proxy voting record and policies are available upon written request by the plan sponsor.

Item 18: Financial Information

Registered investment advisers are required to provide you with certain financial information or disclosures about the firm’s financial condition. Confluence does not require or solicit prepayment of fees more than six months in advance. Additionally, Confluence has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been subject to a bankruptcy proceeding.