Minimizing the Visible and Invisible Costs that Impact Your Wealth and Income

Prepared for: PwC Retiring Partners

Chicago Partners | Wealth Advisors

Today's Speakers

Jim Hagedorn, CFA
Founder & Managing Partner

Nicole Polanco, CFP®
Senior Wealth Advisor

Grace Harlan, CFP®
Wealth Advisor

Background on Chicago Partners

In 2007, founders Jim Hagedorn and Anthony Halpin launched Chicago Partners, spinning off PricewaterhouseCoopers' (PwC) wealth management arm into a small, Chicago-based RIA.

As of today, Chicago Partners manages over $9B in AUM and operates as a CIO and trusted advisor for over 3,000 investors across the United States and abroad.

About Chicago Partners & Our PwC Relationships

200
Current PwC Partner Clients

120
Current PwC Staff Clients

115
Retired PwC Partner Clients

$1.25B
Assets Managed for PwC Relationships

25
States with PwC Partner Clients

CP 5-Step Wealth Optimization Process

"The secret to all victory lies in the organization of the non-obvious." – Marcus Aurelius

Portfolio & Balance Sheet Audit

- Reduced Expense Ratios
- Low-Cost Advisory Fee
- Minimized Trading Costs
- Minimized Portfolio Turnover
- Eliminated Cash Drag
- Optimized Asset Location & Allocation
- Optimized Portfolio Yield
- Optimized Portfolio Diversification
- Volatility Tax Mitigation

Investment Management

- Direct Indexing 1.0
- Direct Indexing 2.0
- Custom-Built Portfolios
- Portfolio Rebalancing
- Cost-Effective Implementation
- Dividend Reinvestment Program (DRIP)
- Global Diversification (12+ Asset Classes)
- Tax-Aware Strategies
- Private Investment Options

Tax Strategy Optimization

- Tax Return X-Ray
- Gain Realization Deferral
- Tax Analysis & Minimization
- Tax-Loss Harvesting
- Tax Reporting Package
- Intelligent Withdrawal Sourcing
- Strategic Partnerships for Comprehensive Tax Preparation
- 351 Exchange
- Fundamental Arbitrage

Advanced Financial Planning

- Comprehensive Financial Audit
- Wealth Management Systems (WMS)
- Synthetic Pension Creation
- Financial Plan Creation & Implementation:
  - Cash Flow/Retirement Plan
  - 529 Plan
  - Insurance Plan
  - Charitable Giving Plan
- Mega Backdoor Roth Conversion Strategy

Private Client Services

- Access to Low-Cost Lending Solutions
- Family Office Caliber Performance Reporting
- Coordination with Outside Professionals
- Estate Planning Advisory
  - Integrated Portfolio & Estate Strategy
  - Charity & Trust Strategies
- Quarterly Interactive Webinars
- Chicago Partners Portal (App Store & Google Play)

Fiduciary Standard

Former PwC Clients

Managed Accounts

Last updated: 08/26/2026 at 10:40 AM

Since Inception | 12/31/2008 - 08/25/2026

Summary | Allocation | Performance | Activity | Income

MARKET VALUE AS OF 8/25/2026

$38,037,571.80

SINCE INCEPTION RETURN

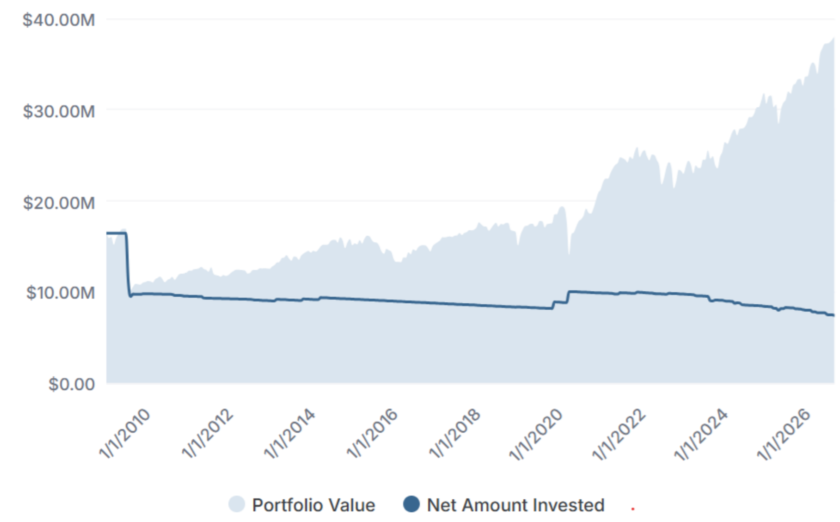
8.43%

Activity Summary

Beginning Market Value	**$16,462,274.51**
Contributions	$1,975,286.66
Net Dividends / Interest	$12,722,264.52
Distributions	-$9,072,823.15
Transactions	-$1,456,515.20
Change In Accrued Income	$0.00
Market Value Change	$17,407,084.46
Ending Market Value	**$38,037,571.80**

Activity Details >

Portfolio Value vs Net Amount Invested



Net Contribution:
$7,495,582

Jim Hagedorn, CFA
Founder & Managing Partner

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Former PwC Clients

Managed Accounts

Last updated: 08/26/2026 at 10:23 AM

Since Inception | 12/31/2008 - 08/25/2026

Summary | Allocation | Performance | Activity | Gain Loss | Income

MARKET VALUE AS OF 8/25/2026

$48,698,198.37

SINCE INCEPTION RETURN

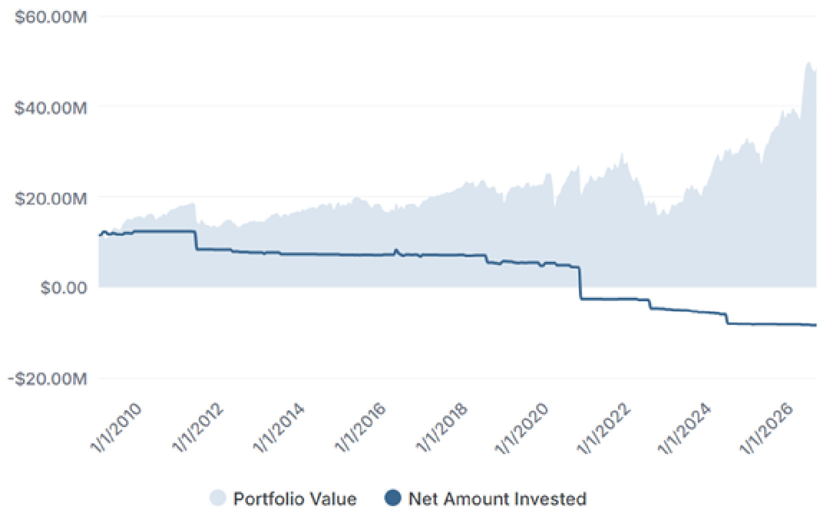
14.62%

Activity Summary

Beginning Market Value	**$11,511,277.21**
Contributions	$10,648,744.00
Net Dividends / Interest	$12,330,857.88
Distributions	-$18,880,657.77
Transactions	-$12,107,966.43
Change In Accrued Income	$0.00
Market Value Change	$45,195,943.48
Ending Market Value	**$48,698,198.37**

Activity Details >

Portfolio Value vs Net Amount Invested



Net Contribution:
-$8,353,603*

*Negative due to gifts for estate planning purposes.

Jim Hagedorn, CFA
Founder & Managing Partner

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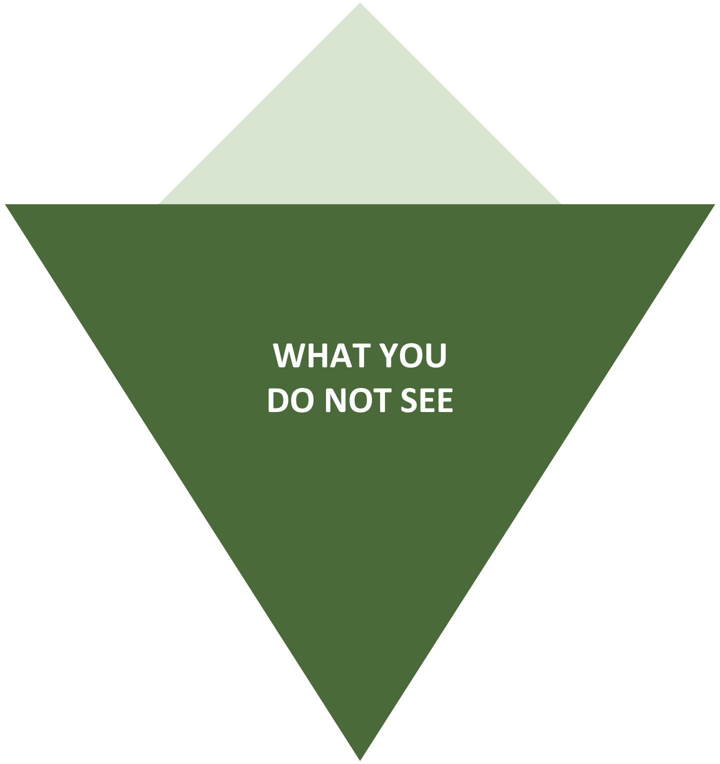
Saving You Costs as Your True Advocate

Our fees range from **90 bps to 30 bps** depending on complexity and size of your portfolio.

You hire us as the CIO to help optimize your wealth business, and we also save you fees and costs across the categories below:

- Tax Costs
- Investment Costs
- Access Tax Costs
- Volatility Tax Costs
- Financing Costs

The Visible and Invisible Costs of Your Wealth



VISIBLE

Advisor Fees

Most investors only look at this single number on the advisory agreement.

BELOW THE SURFACE

Tax Costs

Distributions, asset location, gain and withdrawal sequencing.

Investment Costs

Expense ratios, spreads, cash drag, product internals.

Access Tax Costs

Access innovative funds you cannot access as an individual.

Volatility Tax Costs

The gap between your average return and what you compound.

Financing Costs

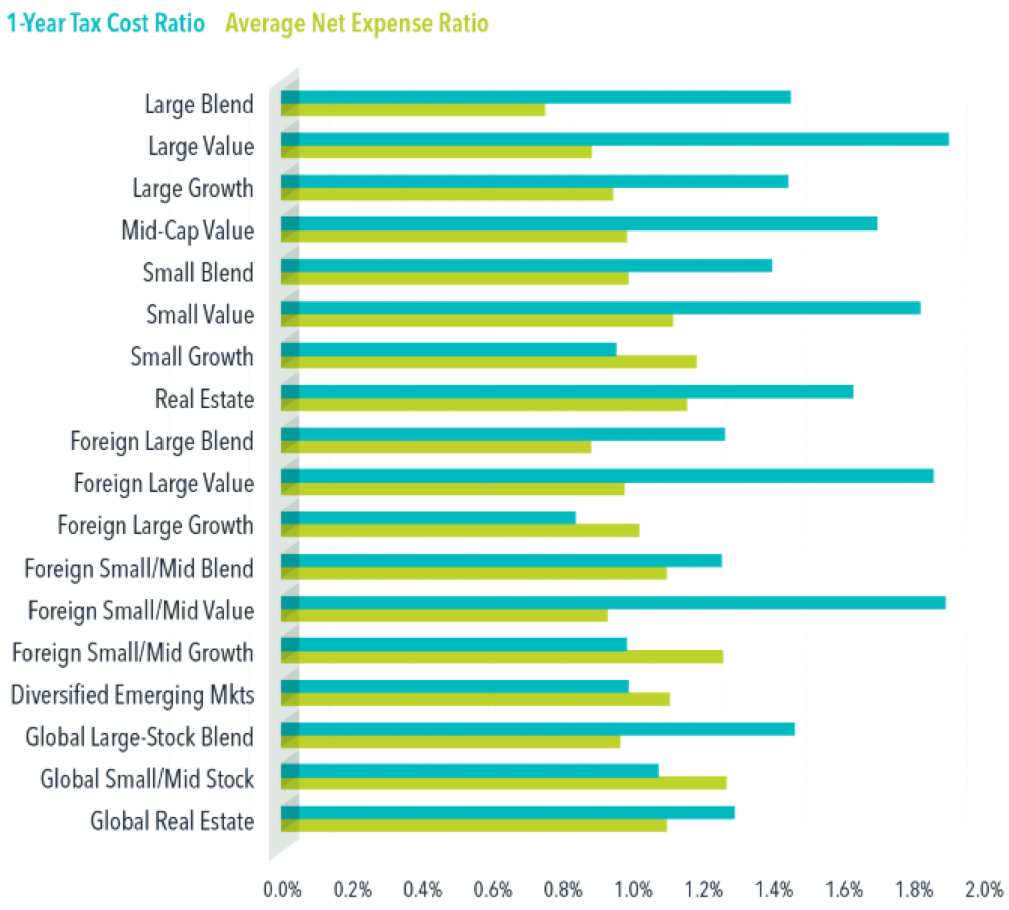
Mortgages, margin, credit lines and business debt.

Tax Cost Savings

Tax Strategy Optimization

Tax Strategy for QPs

Morningstar Category Tax Cost Ratio vs. Net Expense Ratio as of September 30, 2025



Source: DFA

Jim Hagedorn, CFA
Founder & Managing Partner

Chicago Partners Wealth Advisors

Tax Cost Savings

THE WALL STREET JOURNAL.

MARKETS & FINANCE • INVESTING Follow

Stock Gains Without All the Taxes? How the Hottest Trade on Wall Street Works

The stock-market surge has propelled the use of a new kind of tax-loss harvesting. We break it down.

Source: WSJ

Tax-Aware Strategy (Flex)

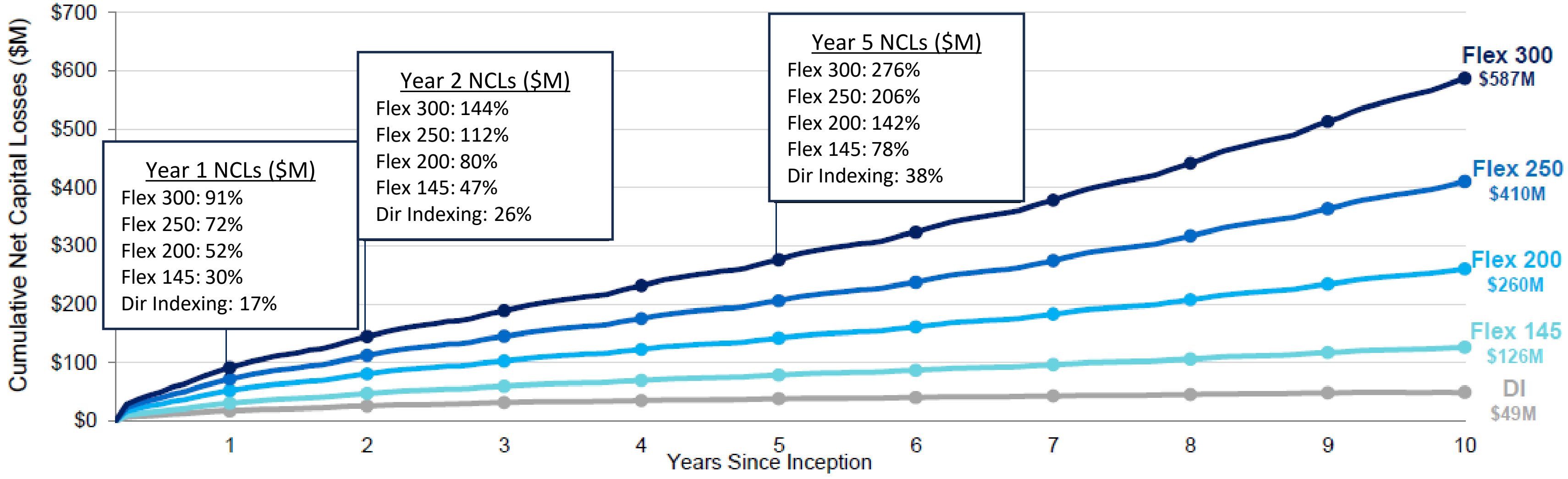
Hypothetical Cumulative Pre-Tax Wealth

Assumes $100M cash investment; returns based on AQR's alpha targets and capital market assumptions

	Russell 3000	Direct Indexing (DI)†	Flex 145	Flex 200	Flex 250	Flex 300
Year 10 Pre-Tax Wealth (Net)	$208M	$203M	$222M	$255M	$281M	$311M
Cumulative Increase in Wealth (Net)	$108M	$103M	$122M	$155M	$181M	$211M
% Improvement over Russell 3000	*-*	*-4%*	*+13%*	*+43%*	*+68%*	*+95%*

Hypothetical Average Cumulative Net Capital Losses (NCLs)

Assumes $100M cash investment; average of 15, 10-year simulations



Source: AQR & Chicago Partners

Tax-Aware Strategy (Flex)

Active positioning, both long and short, aims to beat the benchmark

- A greater degree of active risk may lead to larger outperformance relative to the benchmark
- The below assumptions reflect a long-run information ratio of ~0.5, implying that each incremental 1.0% of active risk is assumed to generate roughly an incremental 0.5% of excess return, net of fees

AQR Alpha	Russell 3000	Flex 145	Flex 200	Flex 250	Flex 300
Flex Target Tracking Error*	-	1.5%	4.0%	6.0%	8.0%
Flex Target Excess Return (Net)	-	0.7%	2.2%	3.3%	4.4%

Beta 1 Implementation					
Long-Term Assumed Volatility	15.6%	15.7%	16.1%	16.7%	17.5%
Total Hypo. Pre-Tax Return (Net)	7.6%	8.3%	9.8%	10.9%	12.0%

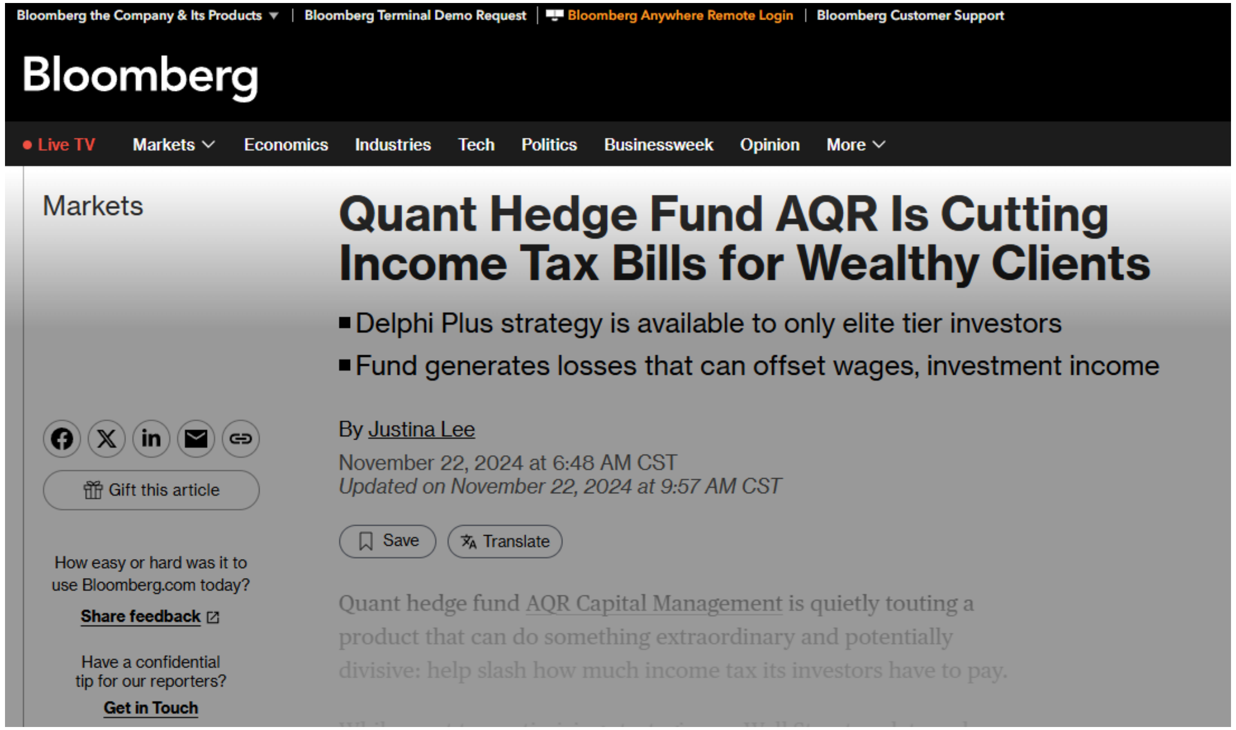
Source: AQR

Access Tax Cost Savings

Investment Management

Tax Strategy for QPs

Chicago Partners provides **access** to tax-aware funds you cannot access as an individual.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Markets

Quant Hedge Fund AQR Is Cutting Income Tax Bills for Wealthy Clients

- Delphi Plus strategy is available to only elite tier investors
- Fund generates losses that can offset wages, investment income

By Justina Lee

November 22, 2024 at 6:48 AM CST
Updated on November 22, 2024 at 9:57 AM CST

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Quant hedge fund AQR Capital Management is quietly touting a product that can do something extraordinary and potentially divisive: help slash how much income tax its investors have to pay.

Source: Bloomberg

Jim Hagedorn, CFA
Founder & Managing Partner

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Tax-Aware Strategy (Helix)

Target Pre-Tax Net Return

17%

- Fund utilizes strategy successfully run at AQR for 7+ years
- Implementation employs AQR's proprietary approach to trend following on alternative assets, combining price and non-price trend signals for improved risk-adjusted returns
- Gains on appreciation may be deferred until redemption, at which point long-term rates may apply*

Target Volatility

20%

- Total risk may vary at a given point in time due to market environment and changing opportunity set
- Volatility expected to converge towards long-run average over time

Target Beta

0.0

- Long term expectation of 0.0 beta but may vary between +/- 1.0 due to conditional attractiveness of asset classes

Source: AQR

Tax-Aware Strategy (Helix)

Strategy Composite Net Performance

April 1, 2021 – June 30, 2026

Period	Net Return (Actual Pre-Tax)	+	Tax Benefit* (Simulated Federal)	=	Net Return (Simulated Federal After-Tax)	ICE BofA US 3-Mo T-Bill (Cash)
2021 (Apr. – Dec.)	10.1%		3.5%		13.6%	0.0%
2022	46.6%		9.2%		55.7%	1.5%
2023	11.1%		3.5%		14.6%	5.0%
2024	27.9%		11.6%		39.5%	5.3%
2025	25.3%		13.7%		39.0%	4.2%
2026 YTD	-10.0%		6.6%		-3.3%	1.7%
1-Year	2.9%		12.3%		15.2%	3.8%
3-Year (Ann.)	15.7%		10.8%		26.4%	4.6%
5-Year (Ann.)	19.6%		9.5%		29.1%	3.5%
Since Inception (Ann.)	19.8%		9.1%		28.9%	3.3%

Source: AQR

Tax-Aware Strategy (Helix)

Example Return Calculation (Pre-Liquidation)

The Return (After-Tax Federal) is equal to the sum of the Return (pre-tax) and the Total Tax Benefit (Simulated Federal). The Total Tax Benefit (Simulated Federal) for the period is equal to the sum of the allocation multiplied by the assumed tax rate for each character. The tax benefit calculation assumes short-term losses offset short-term gains from other investments unrelated to the investor's investment in the strategy. Actual tax benefits achieved may vary and could be lower than reported due to the investor's specific tax circumstances.

Return (Pre-Tax)					**25.3%**
Characters	**Allocation**	**x**	**Assumed Tax Rate**	**=**	**Tax Benefit** Simulated Federal
Short-Term Capital Gain (Loss)	-29.6%		-40.8%		12.1%
Ordinary Income (Expense)	-11.3%		-40.8%		4.6%
Long-Term Capital Gain (Loss)	10.4%		-23.8%		-2.5%
Qualified Dividends	4.8%		-23.8%		-1.1%
Foreign Taxes Paid	-0.6%		-100.0%		0.6%
Total Tax Benefit (Simulated Federal)					**13.7%**
Return (Simulated After-Tax Federal)					**39.0%**

Source: AQR

The 4-Quadrant Equity Approach

Direct Indexing 1.0 & 2.0 *Individual Equities* *Zero Cost*	**Tax-Aware Equity Long-Short**
Index & Enhanced Funds *ETFs & Low-Cost Funds* *Extremely Low Cost*	**Risk Mitigation Funds** *ETFs, Funds, & Individual Equities* *Low Cost & Zero Cost*

Growth + Tax Efficiency

Investment Cost Savings

Investment Management

Investment Cost Savings

Actively Managed Funds

Manager + product fees

Active ETFs & SMAs

Lower, still layered costs

Index Funds & ETFs

Low expense ratios

CP Direct Indexing 1.0 & 2.0

Individual equities, zero cost

Access Institutional Classes – Savings of 30 Bps

Comparative Returns | QNZNX US Equity | Settings

Range 12/16/2021 - 08/25/2026 Period Daily No. of Period 1713 Day(s) Table

	Security	Currency	Price Change	Total Return	Relative	Annual Eq
1)	QNZNX US Equity	USD	85.40%	173.46%	-1.13%	23.91%
2)	QNZIX US Equity	USD	86.10%	176.57%	--	24.20%
3)	SPY US Equity	USD	64.19%	75.14%	-36.68%	12.68%
4)						
5)						
6)						

Source: Bloomberg

Jim Hagedorn, CFA
Founder & Managing Partner

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Access R Share Classes – Savings of 44 Bps

Comparative Returns QNZNX US Equity Settings

Range 12/31/2021 - 08/25/2026 Period Daily No. of Period 1698 Day(s) Table

	Security	Currency	Price Change	Total Return	Relative	Annual Eq
1)	QNZNX US Equity	USD	83.93%	171.29%	-1.63%	23.93%
2)	QNZRX US Equity	USD	85.32%	175.78%	--	24.37%
3)	SPY US Equity	USD	61.33%	71.48%	-37.82%	12.29%
4)						
5)						
6)						

Source: Bloomberg

Jim Hagedorn, CFA
Founder & Managing Partner

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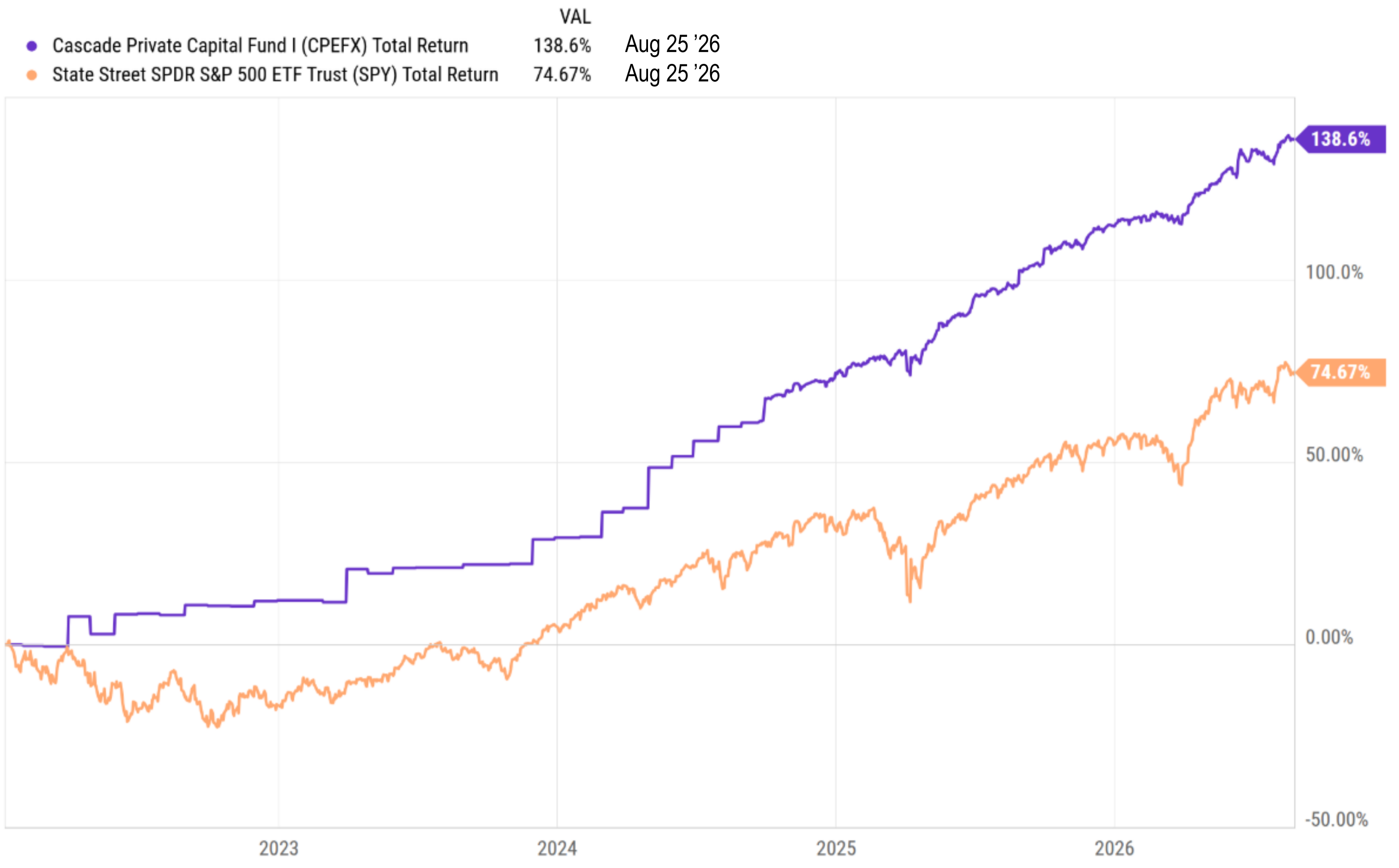
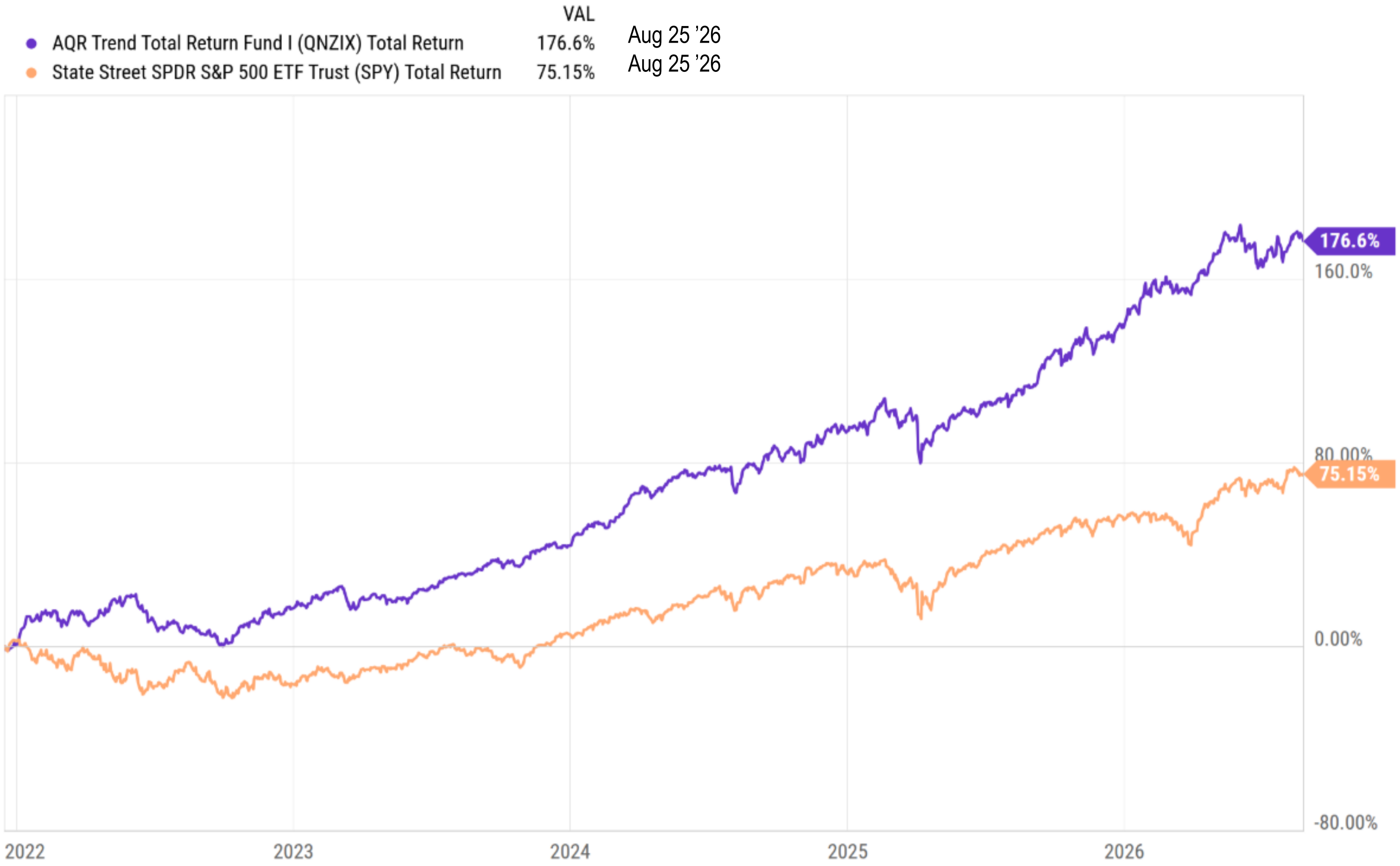
The 4-Quadrant Equity Approach: Private Equity



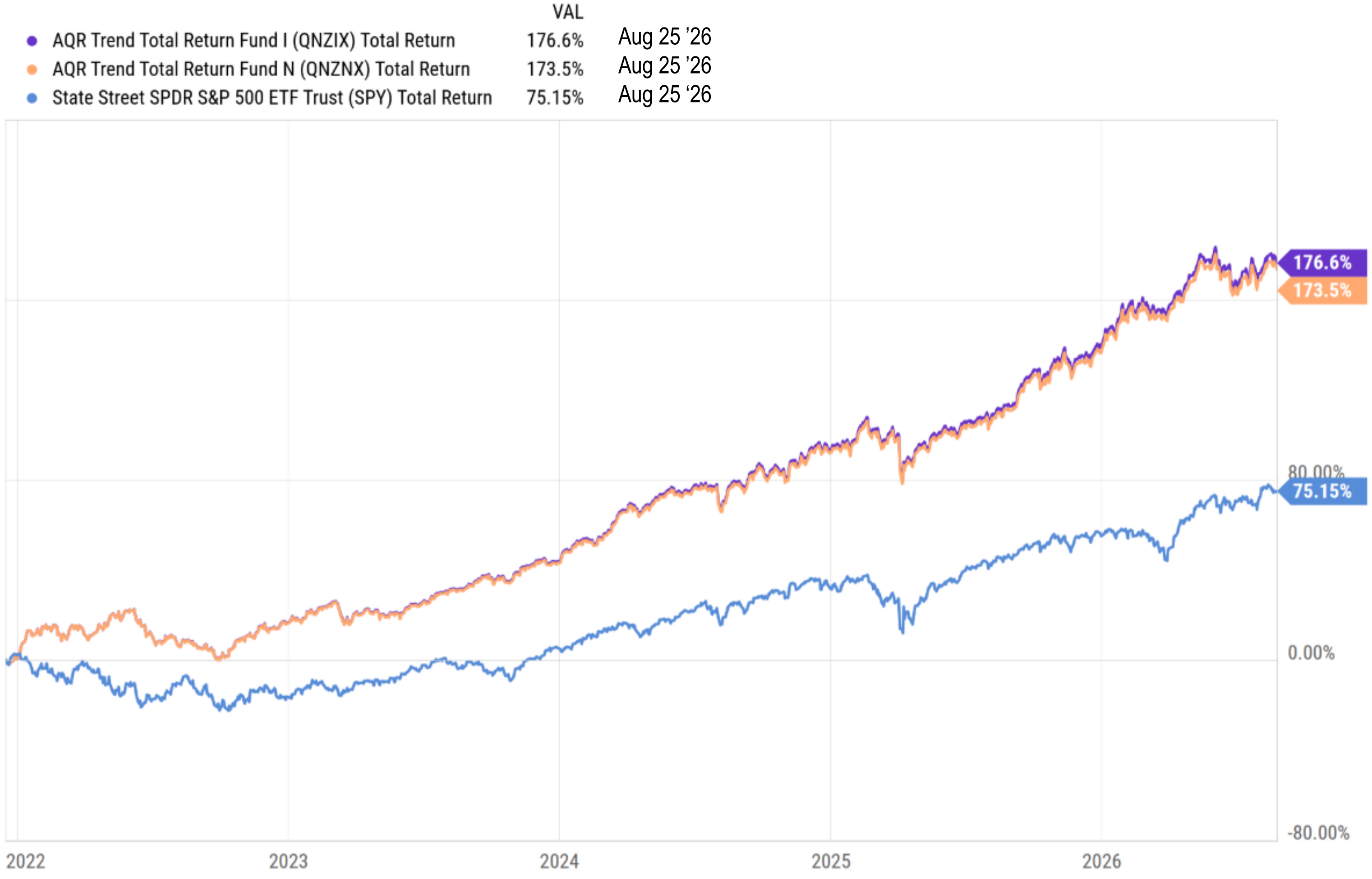
Cascade Private Capital Fund I (CPEFX) versus the SPDR S&P 500 ETF Trust (SPY) since ***inception***

The 4-Quadrant Equity Approach: Trend Following



AQR Trend Total Return Fund I (QNZIX) versus the SPDR S&P 500 ETF Trust (SPY) since inception

QNZNX vs. QNZIX vs. SPY

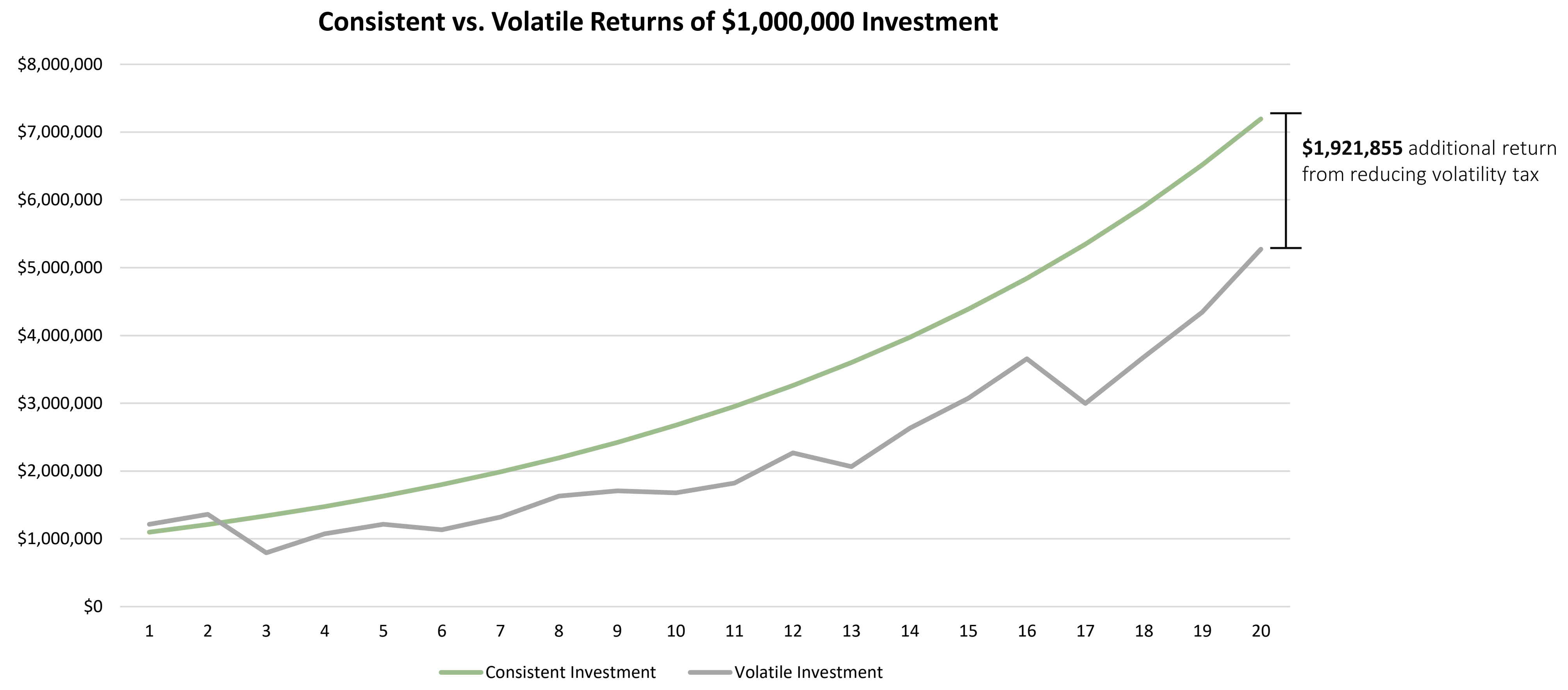


AQR Trend Total Return Fund N** (QNZNX) **AQR Trend Total Return Fund I** (QNZIX) versus the SPDR S&P 500 ETF Trust (SPY) since **inception

Volatility Tax Savings

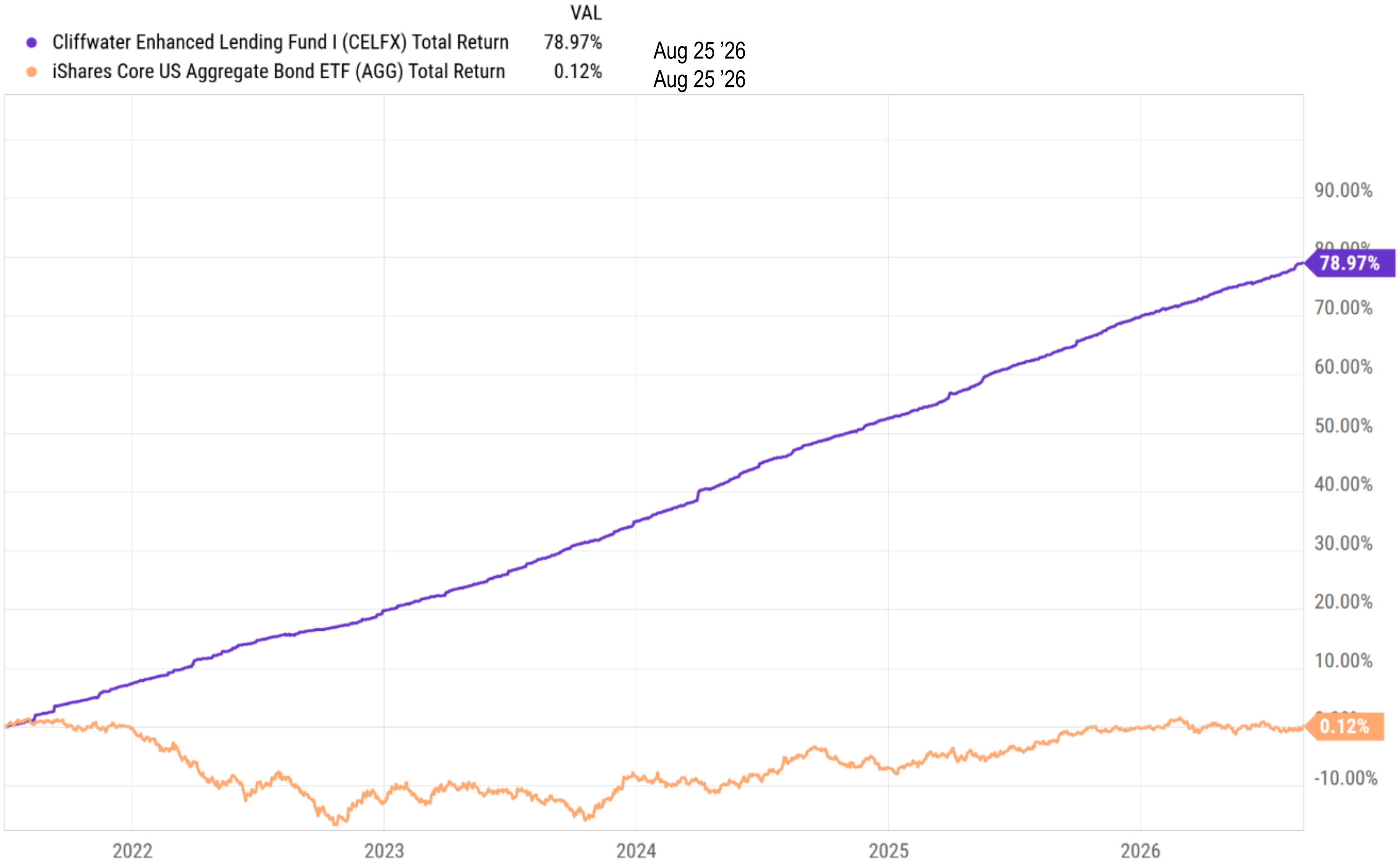
Portfolio Audit

Volatility Tax Mitigation



Over a 20-year period, **the difference** between the Consistent Investment and the Volatile Investment is **1.7%** per year

Funds Exhibiting Lower Volatility



Cliffwater Enhanced Lending (CELFX) versus the Bloomberg Barclays Bond Index (AGG) since inception

Financing Cost Savings

Private Client Services

SytheticFi Box Spreads

SPX box spread quotes

Market data for borrowing or investing cash through box spreads on SPX

Data source: CBOE Complex Order Book

Box spreads

What are SPX box spreads?

Box spread uses a combination of four options to create a fixed payoff at a future date when the options expire. Market participants use it to borrow and invest cash at competitive rates. It is often used with S&P 500 Index (SPX) Options.

Specification

Data source

What is CBOE Complex Order Book?

CBOE Complex Order Book (also known as spread book) is where all four legs of SPX box spreads trade as a whole with tight bid-ask spread. For most retail investors, it is a black box. We open up this black box by publishing real-time quotes in easy-to-understand formats.

Learn more

View market data for: Borrowing funds from box spreads | Investing cash in box spreads

Last updated 08/18/2026

Loan duration	Annualized interest rate	Expiration date
31 days	4.28%	09/18/2026
64 days	4.24%	10/16/2026
99 days	4.27%	11/20/2026

Source: SynthetiFi

Jim Hagedorn, CFA
Founder & Managing Partner

The 4-Quadrant Alternative Investments Approach

Private Equity	**Special Assets**
Venture Capital	**GP Stakes**

Growth + Income + Diversification

Nicole Polanco, CFP®
Senior Wealth Advisor

Chicago Partners | Wealth Advisors

Cascade - CPEFX

CPEFX

Cascade Private Capital Fund*

CLIFFWATER

July 2026

The Cascade Private Capital Fund (CPEFX) focuses on attractive returns in opportunistic and less crowded areas of the private equity (PE) market.

Portfolio Snapshot

AUM	$6.0B
Total Investments	279
Investment Partners	155

Monthly CPEFX net returns since inception through July 31, 2026

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2022	-0.30%	-0.20%	8.24%	-4.46%	5.25%	0.18%	-0.37%	2.50%	-0.18%	-0.09%	1.27%	0.18%	12.10%
2023	0.00%	-0.45%	8.15%	-0.99%	1.26%	0.08%	0.00%	0.66%	0.00%	0.16%	5.49%	0.39%	15.34%
2024	0.15%	5.25%	0.81%	8.08%	2.09%	2.77%	2.50%	0.69%	4.17%	1.01%	1.60%	1.49%	34.92%
2025	1.24%	1.40%	0.46%	1.38%	3.45%	3.17%	1.11%	2.88%	1.94%	1.65%	1.08%	1.19%	23.04%
2026	1.04%	0.54%	-0.29%	3.33%	2.46%	2.40%	-0.81%						8.92%

Source: Cliffwater

Stepstone Venture - SPRING

THE FIRM[1]

$913B
Total capital responsibility

$245B
Assets under management

~$75B
Allocated annually

5,600+
Annual manager meetings

4,900+
Deals sourced annually

OVERVIEW

SPRING (or the "Fund") is designed as a broadly diversified venture and growth strategy leveraging an open architecture approach, emphasizing experienced managers via secondary purchases, direct investments and primary funds.

POTENTIAL BENEFITS

- Global access to experienced venture & growth managers
- Diversified exposure across the innovation economy
- Targets attractive risk-adjusted returns

FUND FACTS

AUM	$8.7B
Portfolio companies	2,000+
Total investments	497
Fund managers	108

RETURNS[2]

	Net asset value	Monthly	YTD	1 year	Annualized 3 year	Annualized since inception
Class I	$65.99	-4.66%	17.23%	44.87%	28.84%	29.81%
Class D	$65.39	-4.69%	17.09%	44.52%	28.60%	29.50%
Class S	$64.24	-4.74%	16.66%	43.65%	27.82%	28.89%

PERFORMANCE HISTORY - Class I Shares[2]

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD	NASDAQ Composite YTD[3]
2026	1.03%	7.60%	1.29%	0.56%	2.07%	8.79%	-4.66%	—%	—%	—%	—%	—%	**17.23%**	9.53%
2025	2.12%	1.23%	2.95%	0.53%	2.83%	0.72%	1.36%	2.74%	2.20%	3.59%	5.36%	7.83%	**38.79%**	21.14%
2024	-0.48%	1.25%	2.87%	-0.30%	1.59%	2.40%	0.58%	1.68%	0.23%	0.54%	2.10%	2.40%	**15.83%**	29.57%
2023	5.33%	-0.46%	0.03%	0.30%	-0.03%	2.35%	0.52%	4.89%	0.52%	2.50%	0.45%	4.53%	**22.76%**	44.64%
2022	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	9.60%	4.85%	**14.94%**	-4.55%
									Standard deviation since inception[4]				**9.15%**	**17.91%**

Source: StepStone

The Chicago Partners Special Assets Fund Lineup

The Special Assets Fund
by Chicago Partners

01 Blackstone Private Equity — *Private Equity*

02 Blue Owl Strategic Equity — *Private Equity*

03 Vista Foundation Fund V — *Private Equity*

04 Pine Valley Capital Partners Evergreen Fund — *Private Debt*

05 Blue Owl Net Lease Property — *Real Estate*

06 Fortress Triple Net Lease — *Real Estate*

07 CAZ GP Ownership — *General Partnership*

08 Blue Owl Capital VI — *General Partnership*

09 Adams Street Co-Investment — *General Partnership*

Grace Harlan, CFP®
Wealth Advisor

The Chicago Partners GLASfunds Lineup

GLASfunds Platform

01 Blackstone Private Equity
Private Equity

02 Blackstone GP Stakes
General Partnership

03 CAZ GP Ownership
General Partnership

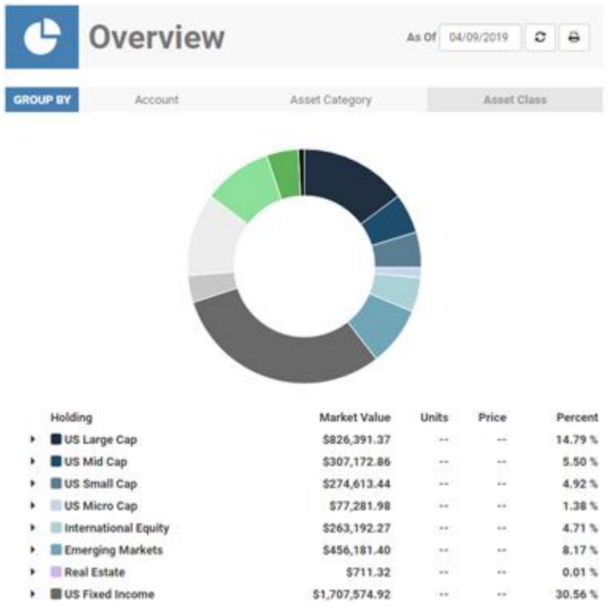
04 Blackstone Infrastructure
Private Infrastructure

05 Dawson Partners
Private Debt

06 Blue Owl Alternative Credit
Private Debt

07 Ares Strategic Income Fund
Private Debt

The Chicago Partners Client Portal & Mobile App



- **Connect to your portal from anywhere** - your desktop, laptop, or your mobile phone.
- Enhanced Performance Reporting
- **Access your reports and account statements** digitally in one location

Chicago Partners Client Advantages

Insights and Applications

on Volatility Tax, Patient Capital, and Inflation.

Access Institutional Vehicles

that allow you to diversify your portfolio.

Truly Customized Solution

tailored to your unique financial objectives.

Relentless Pursuit of Ideas & Strategies

to help your capital compound.

Holistic Balance Sheet Management

offering comprehensive support.

Today's Speakers

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Nicole Polanco, CFP®
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Grace Harlan, CFP®
Wealth Advisor
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Q&A

Thank you for attending the presentation!

What is the Summary of Your Value-Add vs. Self-Direct Index Investing?

1. Access to Exceptional, Holistic Advice
2. Comprehensive Planning
3. Tax Efficiency
4. Tax Savings
5. Better, After-Fee, After-Tax, Compounded Returns
6. True Customization
7. Family Education
8. Access to Low-Cost Lending
9. Estate Tax Optimization
10. Giving Optimization

Appendix

Wealth Dimensions Critical to Your Success in Investing

Service Level Offerings

Level	Chicago Partners	Other RIAs
1 Asset location	✓	✓
2 Tax-sensitive investing	✓	✓
3 Reactive tax loss harvesting	✓	✓
4 Proactive tax loss harvesting	✓	—
5 Proactive ordinary loss generation and harvesting	✓	—
6 Pairing proactive tax loss harvesting with proactive ordinary loss generation and harvesting	✓	—
7 Multigenerational wealth planning	✓	—

The 4-Quadrant Fixed Income Approach

Investment Grade *Individual Securities* *Low Cost & Zero Cost*	**High Yield** *Individual Securities* *Medium Cost & Low Cost*
Preferred Securities *Individual Securities* *Low Cost & Zero Cost*	**Private Credit** *Unique Fee & Return Characteristics*

Preservation + Income

Private Credit Update

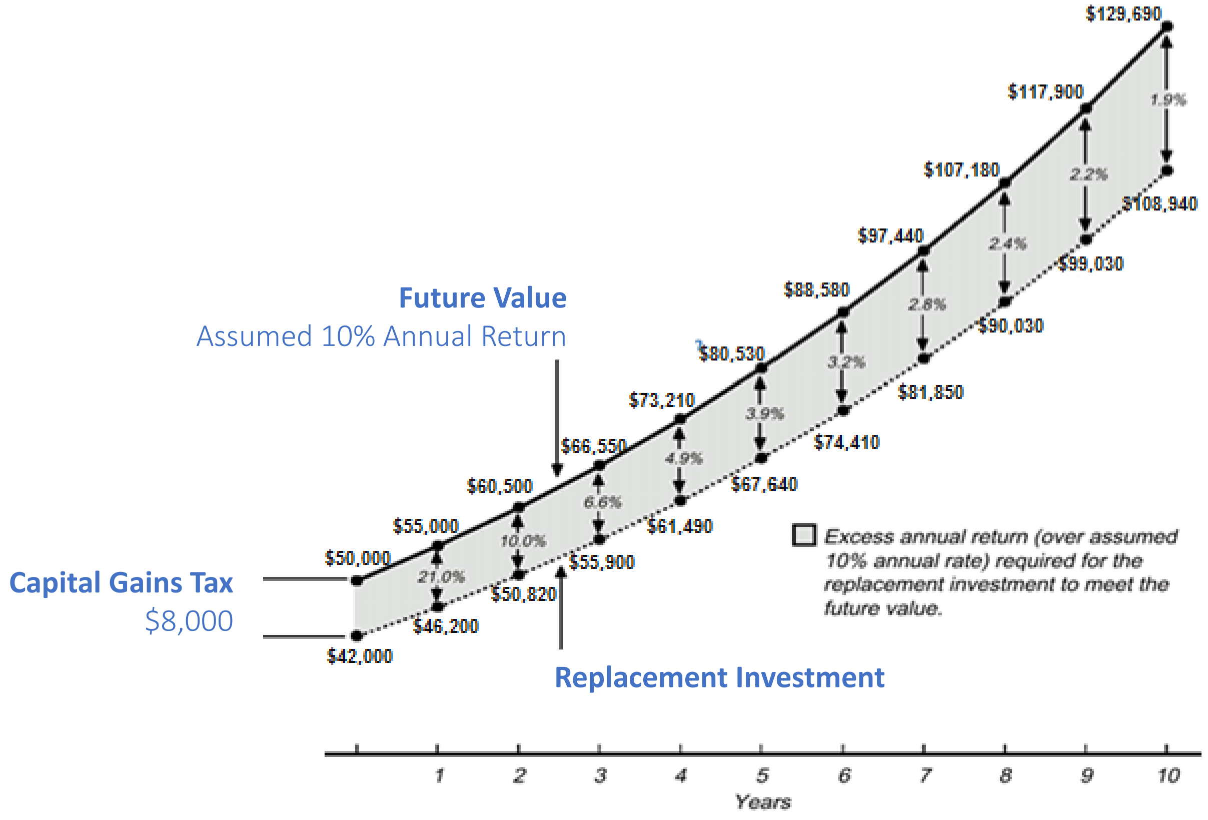
FIGURE 2: Private Credit Performance in Context—Annual Returns of Select Fixed Income Indices, Ranked in Order of Performance

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
10.2% Private Credit	11.4% Treasuries	58.2% High Yield Bonds	15.8% Private Credit	9.8% Private Credit	15.8% High Yield Bonds	12.7% Private Credit	9.6% Private Credit	5.5% Private Credit	17.1% High Yield Bonds	8.6% Private Credit	8.1% Private Credit	14.3% High Yield Bonds	7.5% Inv. Grade Bonds	12.8% Private Credit	6.3% Private Credit	13.4% High Yield	11.3% Private Credit	9.3% Private Credit
8.8% Treasuries	5.2% Inv. Grade Bonds	51.6% Senior Loans	15.1% High Yield Bonds	7.8% Inv. Grade Bonds	14.0% Private Credit	7.4% High Yield Bonds	6.0% Inv. Grade Bonds	1.2% Treasuries	11.2% Private Credit	7.5% High Yield Bonds	1.8% Cash	9.0% Private Credit	7.1% High Yield Bonds	5.3% High Yield Bonds	1.5% Cash	13.3% Senior Loans	9.0% Senior Loans	8.62% High Yield
7.0% Inv. Grade Bonds	1.8% Cash	13.2% Private Credit	10.1% Senior Loans	6.6% Treasuries	9.7% Senior Loans	5.3% Senior Loans	2.6% Treasuries	0.5% Inv. Grade Bonds	10.2% Senior Loans	4.1% Senior Loans	1.4% Treasuries	8.7% Inv. Grade Bonds	5.8% Treasuries	5.2% Senior Loans	-0.8% Senior Loans	12.1% Private Credit	8.2% High Yield	7.30% Inv. Grade Bonds
4.8% Cash	-6.5% Private Credit	5.9% Inv. Grade Bonds	6.5% Inv. Grade Bonds	5.0% High Yield Bonds	4.2% Inv. Grade Bonds	0.1% Cash	2.5% High Yield Bonds	0.3% Cash	2.6% Inv. Grade Bonds	3.5% Inv. Grade Bonds	0.4% Senior Loans	8.6% Senior Loans	5.5% Private Credit	0.4% Cash	-7.8% Treasuries	5.5% Inv. Grade Bonds	5.3% Cash	6.51% Treasuries
2.1% Senior Loans	-26.2% High Yield Bonds	0.1% Cash	5.3% Treasuries	1.5% Senior Loans	1.7% Treasuries	-1.3% Treasuries	1.6% Senior Loans	-0.7% Senior Loans	1.1% Treasuries	1.1% Treasuries	0.0% Inv. Grade Bonds	5.2% Treasuries	3.1% Senior Loans	-1.5% Inv. Grade Bonds	-11.2% High Yield	5.1% Cash	2.4% Treasuries	5.90% Senior Loans
1.9% High Yield Bonds	-29.1% Senior Loans	-1.4% Treasuries	0.1% Cash	0.1% Cash	0.1% Cash	-2.0% Inv. Grade Bonds	0.0% Cash	-4.5% High Yield Bonds	0.3% Cash	0.8% Cash	-2.1% High Yield Bonds	2.2% Cash	0.5% Cash	-1.7% Treasuries	-13.0% Inv. Grade Bonds	4.3% Treasuries	1.3% Inv. Grade Bonds	4.29% Cash

Source: Blackstone, Bloomberg, and Chicago Partners

The Chicago Partners Tax Advantaged Approach

The Replacement Cost of Turnover



Source: Crandall, Pierce & Company

The Evolution of Tax-Efficient Investment Strategies

Strategy 1

Mutual Funds

Strategy 2

Index Funds

Strategy 3

Index ETFs

Strategy 4

Direct Indexing

Strategy 5

Tax-Aware Equity Long/Short

Less Tax-Efficient → More Tax-Efficient → Most Tax Efficient

Portfolio X-Ray Example

Portfolio X-Ray																	
Name	**Ticker**	**Curr. Val**	**Large Cap**	**Mid Cap**	**Small Cap**	**Micro Cap**	**International**	**Emerging**	**Real Estate**	**Core Fixed**	**High Yield**	**MLPs**	**StratE**	**StratI**	**Cash Alts**	**Cash**	**Total**
Taxable																	
Wells Fargo & Co	WFC	244,707	244,707														244,707
Apple Inc	AAPL	127,625	127,625														127,625
Microsoft Corp	MSFT	100,959	100,959														100,959
Chevron Corp	CVX	79,615	79,615														79,615
Alphabet Inc Class C	GOOG	55,695	55,695														55,695
SPDR S&P 500 Trust	SPY	51,452	51,452														51,452
Thermo Fisher Scientific Inc	TMO	45,743	45,743														45,743
Accenture PLC	ACN	40,807	40,807														40,807
Berkshire Hathaway Inc Class B	BRKB	40,566	40,566														40,566
Illinois Tool Works Inc	ITW	24,828	24,828														24,828
McKesson Corporation	MCK	24,456	24,456														24,456
BlackRock Inc	BLK	23,208	23,208														23,208
JP Morgan Chase & Co.	JPM	13,138	13,138														13,138
Pepsico Incorporated	PEP	12,911	12,911														12,911
Otis Worldwide Corp	OTIS	4,695		4,695													4,695
iShares Core S&P Small-Cap ETF	IJR	8,686			8,686												8,686
T Rowe Price Overseas Stock I	TROIX	51,368					51,368										51,368
iShares Core MSCI EAFE ETF	IEFA	29,524					29,524										29,524
TotalEnergies SE	TTE	6,480					6,480										6,480
Manulife Financial Corp	MFC	6,206					6,206										6,206
Toronto-Dominion Bank	TD	4,356					4,356										4,356
Invesco Developing Markets R6	ODVIX	34,134						34,134									34,134
iShares Core MSCI Emerging Markets ETF	IEMG	21,092						21,092									21,092
Baird Aggregate Bond Instl	BAGIX	80,130								80,130							80,130
PIMCO Enhanced Short Maturity	MINT	18,628								18,628							18,628
Vanguard Long-Term Bond	BLV	13,970								13,970							13,970
PIMCO Commodity Real Return Strategy Instl	PCRIX	30,383											30,383				30,383
Blackstone Inc	BX	6,412											6,412				6,412
Cash		49,015														49,015	49,015
Totals		**1,250,788**	**885,711**	**4,695**	**8,686**	**0**	**97,933**	**55,226**	**0**	**112,728**	**0**	**0**	**36,795**	**0**	**0**	**49,015**	**1,250,788**
			70.81%	**0.38%**	**0.69%**	**0.00%**	**7.83%**	**4.42%**	**0.00%**	**9.01%**	**0.00%**	**0.00%**	**2.94%**	**0.00%**	**0.00%**	**3.92%**	**100.00%**

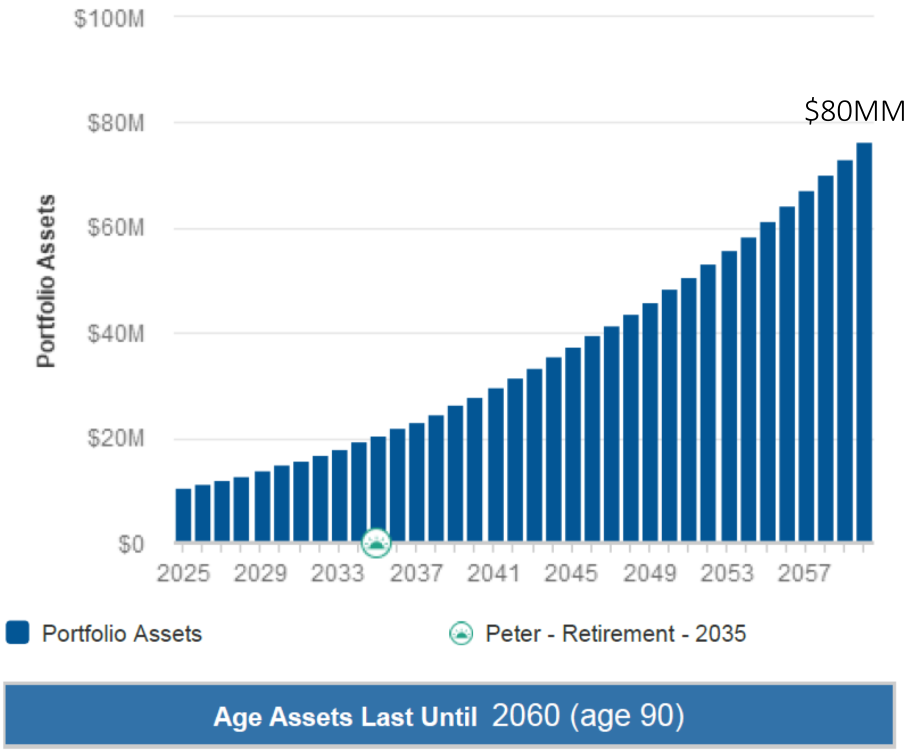
Source: Chicago Partners

WMS Example – Base Case v. CP Tax-Aware

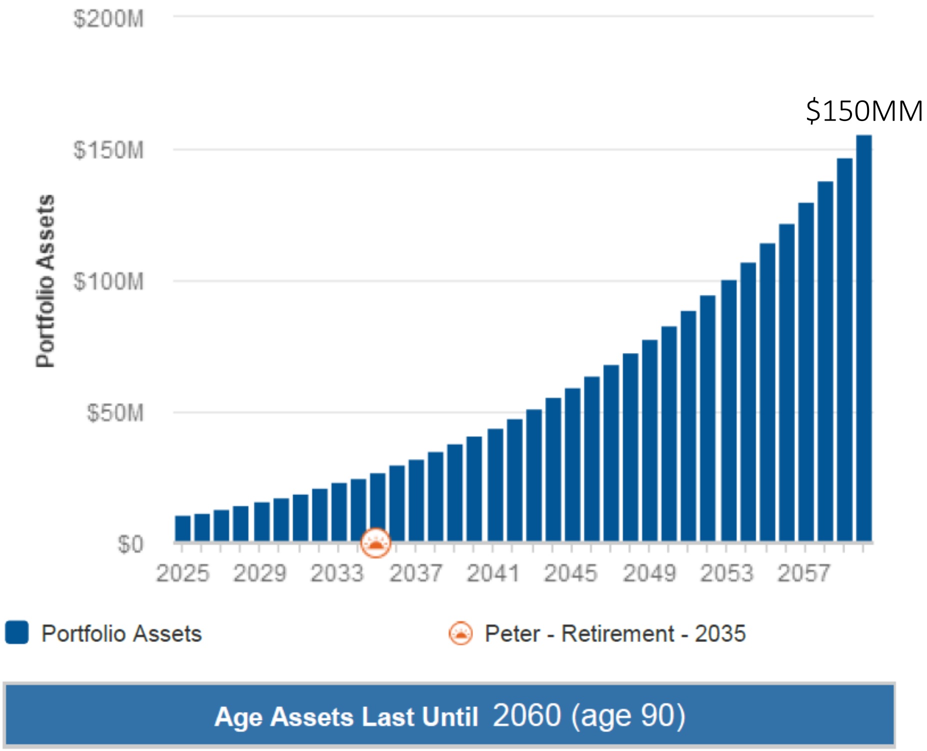
Cash Flow – Base Facts vs. CP Tax-Aware (All Years)

The Cash Flow report illustrates your income, savings, expenses, and resulting net cash flow on an annual basis.

Portfolio Assets Base Facts



Portfolio Assets CP Tax-Aware



Source: Chicago Partners

Leverage Low-Interest Rate Lines of Credit

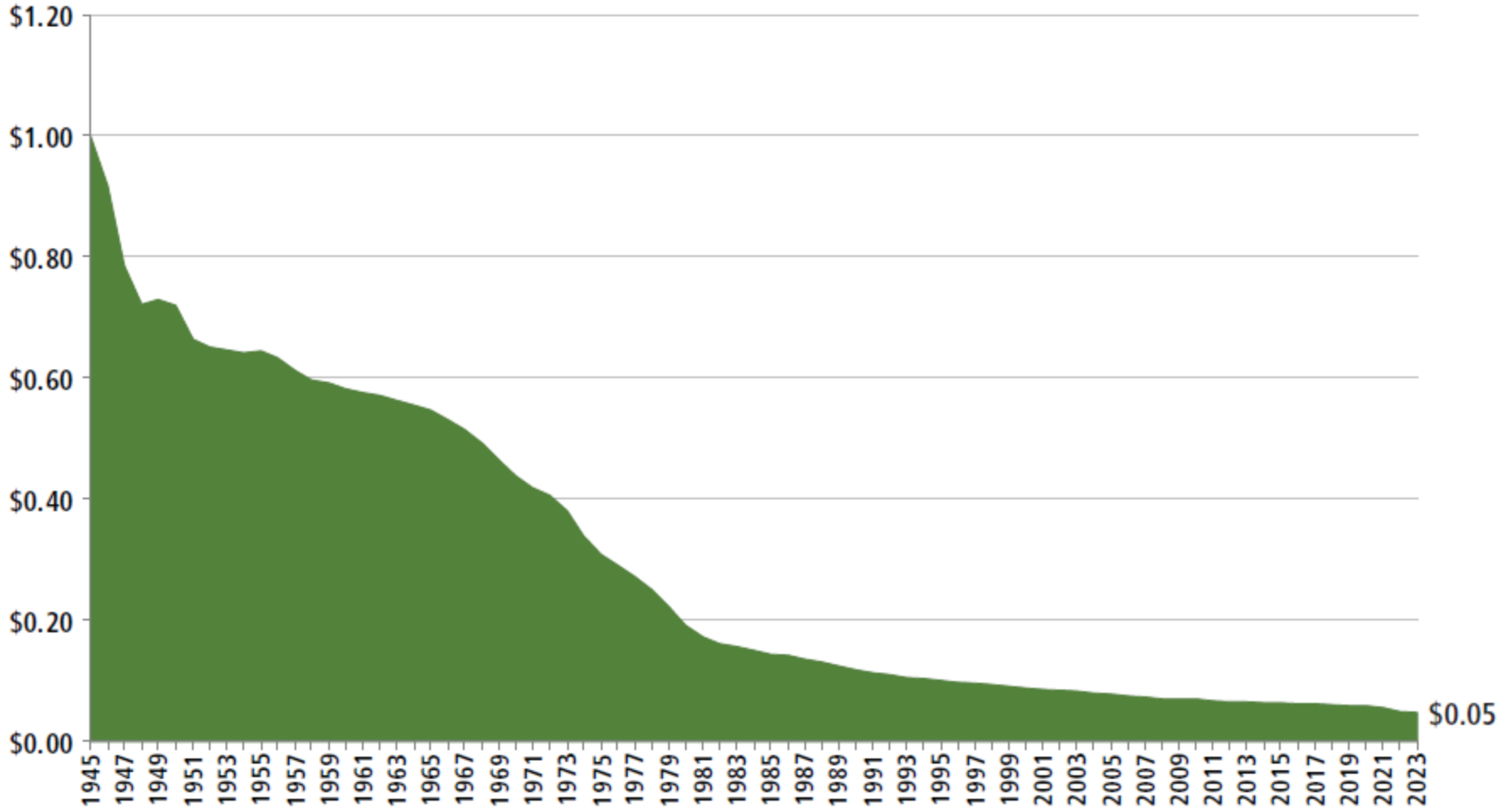
Tiers of Margin Cost	
$1,000,000+	**Federal Funds Rate + 0.85%**
$500,000 - $999,999.99	Federal Funds Rate + 1.00%
$100,000 - $499,999.99	Federal Funds Rate + 1.50%
$0 - $99,999.99	Federal Funds Rate + 1.75%

Source: Chicago Partners

Today Fed Funds is 3.63%.

Inflation-Adjusted Value of a U.S. Dollar

Inflation = Deep Risk (Purchasing Power Tax)



Source: U.S. Bureau of Labor Statistics, 1945 through 2023

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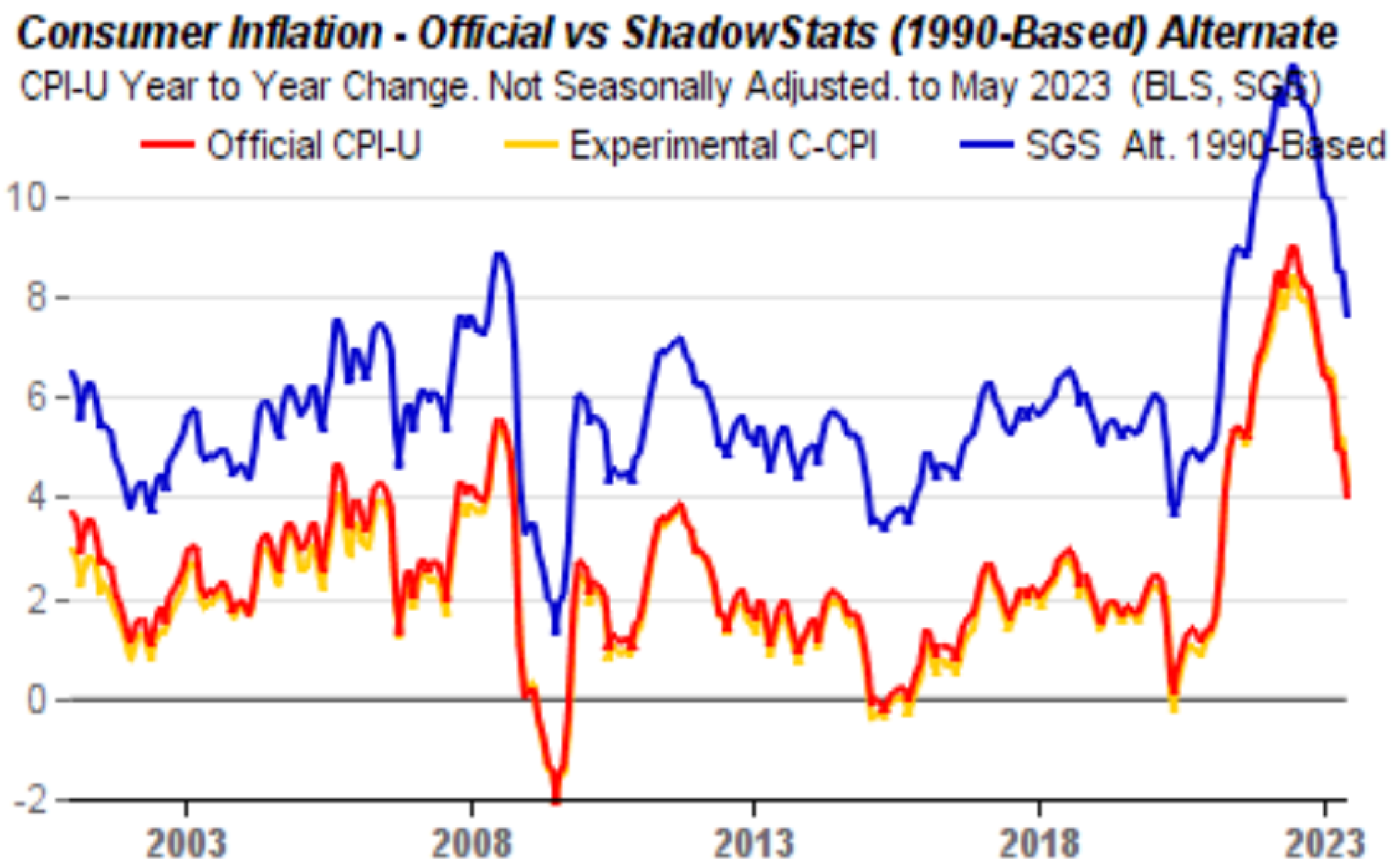
Inflation Perspective



Source: ShadowStats, 2023

What is the Liquidity Tax?

Public Security Liquidity Tax

"A liquidity factor is uniquely present in public securities and gives investors the ability to exchange their asset exposure for cash at any time. The liquidity option is potentially very valuable to investors for many reasons. **Consequently, investors with assets that come with the liquidity option (e.g., publics) are willing to pay a higher price and consequently accept a lower yield/return.** It also appears that the value of this liquidity option is time varying, correlated with market uncertainty, and the circumstances of investors that happen to be those marginal price-setters where all trades are cleared. This liquidity factor has a high expected cost and is volatile in periods of market stress. Comparing publics with privates will result in publics having a lower return and higher volatility of return as a by-product of this liquidity factor."

- Steven L. Nesbitt; *Private Assets Are Less Volatile Than Public Assets, As They Should Be;* Cliffwater Research; May 6, 2024

What is the Volatility Tax?

Volatility Tax: The effect of volatile market movements on a portfolio's total compound return.

It is the mathematical difference between geometric averages compared to arithmetic averages.

Volatility Tax Mitigation

Chicago Partners engineers a smoother investment return through prudent diversification. This smoother (less volatile) return is intended to target a higher ending portfolio value over the long term.

Consistent Investment		
Year	Rate of Return	Ending Value
1	10.40%	$1,098,000
2	10.40%	$1,212,192
3	10.40%	$1,338,260
4	10.40%	$1,477,439
5	10.40%	$1,631,093
6	10.40%	$1,800,726
7	10.40%	$1,988,002
8	10.40%	$2,194,754
9	10.40%	$2,423,008
10	10.40%	$2,675,001
11	10.40%	$2,953,201
12	10.40%	$3,260,334
13	10.40%	$3,599,409
14	10.40%	$3,973,748
15	10.40%	$4,387,018
16	10.40%	$4,843,267
17	10.40%	$5,346,967
18	10.40%	$5,903,052
19	10.40%	$6,516,969
20	10.40%	$7,194,734
Arithmetic Return	10.40%	
Compound Return	**10.40%**	

MSCI All Country World Index		
Year	Rate of Return	Ending Value
2006	21.5%	$1,215,000
2007	12.2%	$1,363,230
2008	-41.8%	$793,400
2009	35.4%	$1,074,263
2010	13.2%	$1,216,066
2011	-6.9%	$1,132,158
2012	16.8%	$1,322,360
2013	23.4%	$1,631,792
2014	4.7%	$1,708,487
2015	-1.8%	$1,677,734
2016	8.5%	$1,820,341
2017	24.6%	$2,268,145
2018	-8.9%	$2,066,280
2019	27.3%	$2,630,375
2020	16.8%	$3,072,278
2021	19.0%	$3,656,010
2022	-18.0%	$2,997,929
2023	22.8%	$3,681,456
2024	18.0%	$4,343,750
2025	21.4%	$5,272,878
Arithmetic Return	10.40%	
Compound Return	**8.70%**	

Over a 20-year period, **the difference** between the Consistent Investment and the Volatile Investment is **1.7%** per year

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