

GBI Methodology and Assumptions - Vestiva

Note: This document serves as a complement to the Client Agreement.

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Methodology Version: 1.0

1. About Goal-Based Investing

Goal-Based Investing (“GBI”) is a discretionary investment advisory service offered by Xendia Wealth LLC, dba Vestiva (“Vestiva”), an investment adviser registered with the U.S. Securities and Exchange Commission. Registration with the SEC does not imply SEC approval, endorsement, or a particular level of skill or training.

GBI is designed to help clients invest toward a specific financial goal through a professionally managed investment account. The service uses information provided by the client, together with Vestiva’s portfolio-selection, monitoring, and glide-path methodology, to create and manage an investment plan for that goal.

Unless separately agreed in writing, GBI is limited to the specific goal and account established through the service. It does not constitute comprehensive financial planning and does not evaluate all of the client’s assets, liabilities, financial goals, tax circumstances, estate-planning needs, or insurance needs. Vestiva does not provide tax, accounting, or legal advice.

2. Information Used for Your Goal

The GBI methodology considers information provided during goal creation and account opening, which may include:

- The selected financial goal;
- Target amount;
- Initial investment;
- Target timeframe;
- Amount and frequency of planned contributions;
- Financial circumstances;
- Investment objectives;
- Liquidity needs;
- Investment experience;
- Risk tolerance and capacity for loss; and
- Other financial and investment information considered relevant to the account.

Your stated risk preference is one of several factors considered when selecting a portfolio. Selecting a higher-risk preference does not ensure higher returns, and selecting a lower-risk preference does not eliminate the possibility of investment losses.

The quality and appropriateness of your investment plan depend on the accuracy, completeness, and continued validity of the information you provide. You are responsible for promptly updating material changes to your financial circumstances, investment objectives, liquidity needs, planned contributions, timeframe, or risk tolerance.

Incomplete, inaccurate, or outdated information may affect the portfolio selected for your account and the estimates presented in your goal projection.

3. Portfolio Selection and Construction

Based on the information available to Vestiva, a portfolio is selected for your GBI account that is intended to align with your financial profile, risk characteristics, investment horizon, and goal.

GBI portfolios are generally implemented through diversified portfolios of exchange-traded funds (“ETFs”). Depending on client eligibility, account structure, custodian availability, and the applicable strategy, portfolios may include U.S.-domiciled ETFs, UCITS ETFs, or other eligible investments.

Vestiva may use model portfolios, research, capital-market information, or non-discretionary recommendations provided by unaffiliated third parties as inputs in constructing and managing GBI portfolios.

Third-party model providers do not provide investment advice directly to individual GBI clients, do not have authority to execute transactions in client accounts, and do not guarantee the performance of any portfolio. Vestiva retains discretionary authority and responsibility for selecting, implementing, monitoring, and modifying the portfolio used for each GBI account.

Diversification and professional management do not guarantee a profit or protect against investment losses.

Risk categories

GBI may describe portfolios using relative risk categories such as Lower, Moderate, and Higher Risk.

These categories reflect the expected relative degree of portfolio fluctuation over time. They do not guarantee performance, establish a maximum potential loss, or assure that a financial goal will be achieved. Actual results may vary.

4. Glide-Path Methodology

GBI uses a glide-path methodology under which the portfolio allocation may change as the client moves closer to the target date.

The initial portfolio allocation is generally determined by considering the client's financial and investment profile, risk characteristics, and the amount of time remaining before the goal's target date.

As the target date approaches, the methodology generally seeks to reduce portfolio risk by transitioning from allocations with greater long-term growth potential toward allocations intended to have comparatively lower expected volatility or greater capital-preservation characteristics.

Portfolio transitions may occur according to predefined periods, allocation thresholds, or other criteria established under the applicable methodology. Adjustments may be implemented periodically rather than continuously or immediately.

A glide path does not:

- Eliminate investment risk;
- Prevent portfolio losses;
- Guarantee a particular account value;
- Guarantee that sufficient funds will be available on the target date; or
- Assure that the financial goal will be achieved.

More conservative investments may also lose value and may not generate sufficient returns to achieve the client's goal.

The timing or implementation of a portfolio adjustment may be affected by market conditions, trading restrictions, investment availability, account restrictions, cash balances, technology interruptions, tax considerations, or other operational circumstances.

5. Monitoring, Milestones, and Goal Status

Vestiva periodically evaluates the GBI account's value and activity relative to the illustrative path established for the goal.

The methodology may use milestones and tolerance bands to identify whether an account is progressing generally in line with, above, or below its current projected path. Review frequency and tolerance bands may change as the account moves closer to its target date.

Monitoring is periodic and should not be understood as continuous or real-time monitoring.

Terms such as **On Track**, **Ahead**, **Behind**, **Completed**, or **Pending** describe the relationship between the account, a contribution, or a milestone and the applicable plan assumptions at a particular point in time.

An **On Track** designation does not:

- Represent a guarantee or promise;
- Indicate that the goal will necessarily be achieved;
- Represent a fixed probability of success;

- Protect the account against future market losses; or
- Mean that the client no longer needs to review or update the plan.

Goal status may change due to investment performance, contributions, withdrawals, fees, expenses, changes in the target amount, changes in the timeframe, or changes in the client's circumstances.

Alerts and updates

GBI may provide automated reminders, progress updates, or alerts when:

- A planned contribution is missed;
- The account falls outside an applicable tolerance band;
- A milestone approaches;
- The target date approaches; or
- Another event may materially affect the goal projection.

Alerts are informational and may identify possible plan changes, such as adjusting planned contributions, extending the timeframe, or revising the target amount.

Alerts do not guarantee that a particular action will be appropriate or sufficient to achieve the goal. They may also be delayed or unavailable due to incomplete information, custodian-data delays, technology interruptions, or other circumstances.

6. Projection Methodology and Assumptions

Projected returns, projected account values, estimated timelines, planned contributions, milestones, goal-status indicators, and portfolio allocations displayed through GBI are **hypothetical and illustrative**.

They are provided for planning purposes only and do not represent the actual performance of a client account.

Historical information used

Projected return assumptions may be derived in part from the historical average annual returns of different stock and bond index combinations for the period from 1926 through December 31, 2024, based on calculations published by Vanguard using data from FactSet.

Historical index information is used solely as an input to the projection. It does not represent the actual or expected performance of a GBI account, an ETF, or another investment.

An index is unmanaged, does not reflect the fees and expenses associated with an investment account, and cannot be invested in directly.

The specific indices, allocation combinations, historical-return convention, and calculation methodology used must be identified in the technical appendix to this document.

Client inputs

Each projection may incorporate the following information:

- Target amount;
- Initial investment;
- Planned contribution amount;
- Contribution frequency;
- Investment timeframe;
- Selected portfolio;
- Glide path;
- Projected annualized return assumption;
- Advisory-fee assumption;
- Estimated underlying investment expenses; and
- Other assumptions identified with the projection.

Unless otherwise stated, projections assume that:

- The initial investment is made as entered;
- Planned contributions are made in full and on time;
- No unplanned withdrawals occur before the target date;
- Investment distributions are reinvested;
- The account remains invested throughout the projected period;
- The applicable glide path is implemented;
- The client's goal and inputs remain unchanged; and
- Investment returns occur according to the mathematical assumptions used in the calculation.

Actual market returns will not occur evenly or predictably over time.

Estimated timeframes and contributions

An estimated timeframe shows how long it may take to reach the target amount under the assumptions shown.

An estimated contribution shows the amount that may be needed under the selected timeframe and applicable projection assumptions.

Neither estimate represents an obligation, guarantee, or promise. Actual timing may be materially shorter or longer, and the goal may not be achieved.

Sequence of returns

Historical averages do not reflect the effect that the timing and order of investment gains and losses may have on an account.

Losses occurring early in the investment period, near the target date, or during a period of withdrawals may materially affect the account and may produce results significantly different from the projection.

7. Fees, Expenses, Taxes, and Inflation

Fees and expenses reduce investment returns and projected account values.

Each projection should identify:

- The advisory-fee assumption used;
- Estimated underlying fund expenses;
- Costs included in the calculation; and
- Costs excluded from the calculation.

The advisory-fee assumption should reasonably reflect the fee expected to apply to the relevant account. The actual fee charged is governed by the applicable Investment Advisory Agreement, GBI Program Addendum, and Fee Schedule.

The projection should not state that it reflects a fixed **1.5% annual advisory fee** unless that is the fee reasonably expected to apply to the account or intended audience.

The SEC staff has stated that presenting net results using fees below those anticipated for the intended audience may be inconsistent with the Marketing Rule's general prohibitions.

Depending on the account and investments, costs not reflected in a projection may include:

- Taxes;
- Brokerage or transaction costs;
- Bid-ask spreads;
- Custody charges;
- Wire fees;
- Foreign-exchange costs;
- Transfer fees; or
- Other account-specific expenses.

Actual fees and expenses may differ from the estimates used and may cause actual results to be lower than projected results.

Taxes

Unless expressly stated otherwise, GBI projections do not incorporate the client's individual federal, state, local, or foreign tax consequences.

Purchases, sales, rebalancing, withdrawals, distributions, and foreign investments may have tax consequences. Clients should consult their own tax advisers.

Selecting **Retirement** as a financial goal does not by itself create an IRA, pension plan, or other tax-qualified retirement account.

Inflation

Each projection should state whether the target amount and projected values are:

- Presented in nominal U.S. dollars; or
- Adjusted using a stated inflation assumption.

When figures are shown in nominal dollars, the future purchasing power of the projected amount may be lower than its current purchasing power.

8. Risks, Limitations, and No Guarantee

Investing involves risk, including the possible loss of principal.

Material risks and limitations of GBI include:

Investment and market risk

The value of investments may increase or decrease, and clients may lose some or all of the principal invested.

Goal-achievement risk

There is no assurance that investment returns and client contributions will be sufficient to achieve the target amount by the target date.

Contribution risk

Missed, delayed, or reduced contributions may materially affect projected results and the estimated timeframe.

Withdrawal and liquidity risk

Withdrawals or unexpected liquidity needs may cause an account to fall below its projected path or require investments to be sold under unfavorable market conditions.

Model and assumption risk

Projections depend on historical information, mathematical models, and assumptions that may not reflect actual future market conditions or client activity.

Glide-path risk

Reducing portfolio risk as the target date approaches may limit future growth and does not eliminate the possibility of loss.

ETF and underlying investment risk

ETFs and other investments are subject to market, liquidity, tracking, management, issuer, sector, geographic, currency, and other investment-specific risks.

Technology and data risk

Calculations, trading, alerts, and account information may be affected by software errors, inaccurate or delayed data, system interruptions, custodian outages, cybersecurity events, or communication failures.

Third-party risk

Vestiva may rely on custodians, model providers, market-data services, technology providers, and other third parties. Errors, delays, or service interruptions affecting those parties may affect the GBI experience.

No guarantee

No portfolio allocation, projected return, diversification strategy, glide path, monitoring process, milestone, tolerance band, alert, estimated contribution, or estimated timeframe can guarantee investment performance or assure that a financial goal will be achieved.

Past performance does not guarantee future results. Actual results may differ materially from all projections.

Changes to the Methodology

Vestiva may modify the GBI methodology, portfolio mappings, glide paths, monitoring schedules, tolerance bands, capital-market assumptions, underlying investments, or calculation methods when it reasonably determines that a change is appropriate.

A change may alter a client's portfolio, projected return, estimated contribution, estimated timeframe, or goal-status indicator.

Notice of material changes will be provided when required by applicable law or the applicable client agreements.

Related Documents

This document should be reviewed together with:

- Investment Advisory Agreement;
- Applicable Fee Schedule;
- Form ADV Part 2A;
- Form CRS;
- Privacy Notice; and
- Assumptions displayed with the client's individual projection.