

A background image showing a close-up of a person's hands in a dark suit jacket writing on a document with a pen. The image is partially obscured by a dark blue and green geometric overlay.

CLEARSTEAD ANNUAL FIRM UPDATE *REVIEW OF 2020*

STEADFAST IN AN UNCERTAIN ENVIRONMENT

Thank you for your support and business in 2020.

We believe we acted quickly and well to the challenges of the pandemic. While helping ensure the safety of our employees and changing many of our business routines, we were able to make important upgrades to our investment process, hire twelve professionals, and initiate the Clearstead Scholarship to benefit students of color at Ohio colleges.

We move forward in 2021 stronger than ever and are grateful for our clients, colleagues, and friends in the business community.

2020 IN REVIEW

Response to COVID-19

2020 was an unprecedented year of challenges and uncertainty. Clearstead quickly responded to the COVID-19 Pandemic to ensure a high standard of client service. Some of the steps we took include:

- Began issuing daily memorandums to our clients in mid-March, describing the actions we took for the safety of our employees and how we were communicating with our clients.
- Shifted to virtual conferencing for quarterly performance review meetings with clients.
- Implemented our long-standing Business Continuity Plan to enable our employees to work remotely.
- We also began to produce more frequent communications, most notably through our *Research Corner* update, as well as tax and planning updates and opportunities. *Research Corner* now continues as a weekly update.
- Encouraged clients to stick with their strategies and rebalance as needed to take advantage of new and appropriate opportunities.

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One Firm, One Voice

Clearstead's Research Team focused on refining our Investment Philosophy and Process and ensuring the firm's best thinking is implemented across all clients' portfolios.

Clearstead's investment philosophy is driven by our core beliefs:

- Objective investment research and advice are central to client success
- Investment risk is defined as the probability of achieving investment objectives
- Research and active management can add meaningfully to inefficient asset classes, while passive approaches have been more effective in efficient asset classes
- Global diversification across asset classes can increase the probability of achieving investment objectives and reduces risk
- Responsible Investing – if desired by a client – must be guided by the core beliefs of clients and follow our research and investment management principles

These core beliefs guide development of the Clearstead Investment Committee (CIC) Unconstrained Portfolio. Our CIC Unconstrained Portfolio is designed to generate a target return of 5% plus the rate of inflation consistently and with appropriate risk. This objective is shared by endowments, foundations, and private clients that seek to balance current spending needs with maintaining the real or inflation-adjusted value of their portfolios. Although our CIC Unconstrained portfolio embodies our best thinking for an account with no constraints, we adapt portfolios to the specific policies, risk tolerances, and constraints of each client.

Commitment to Diversity & Inclusion

EmpowHER – Clearstead's Women's Initiative – celebrated its five-year anniversary. Instead of the Annual Luncheon, the group contributed to Providence House, a crisis nursery in Cleveland.

Clearstead's Diversity & Inclusion Council announced a scholarship in partnership with the Ohio Foundation of Independent Colleges (OFIC), a non-profit which has 33 member colleges and universities throughout the state. The Clearstead Scholarship will help talented students pay for their education and open the opportunity for internships and employment with donors such as Clearstead.

The criteria for the Clearstead Scholarship includes:

- Attendance at one of the 33 OFIC member colleges
- Financial need
- Ohio and U.S. Resident
- Students of color
- GPA 3.0 or higher
- Major in Accounting, Finance, Economics, or Business Administration

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Expanding the Clearstead Team

This year, Clearstead bolstered our team in numerous areas. These individuals bring ability and experience to our firm. We are fortunate to have been able to increase the number of employees in a difficult year.

PRIVATE CLIENT SERVICES

- Kayleigh Cowser, Esq., Director, Trusts & Estates
- Rachel Ratajczak, Client Service Associate
- Angela Kelly, Client Service Associate
- Chelsea Enslow, Client Service Associate
- Kristen Low, Administrative Assistant

TAX SERVICES

- Adam Clare, Client Planning Associate
- Emily Keller, Client Planning Associate

REPORTING & OPERATIONS

- Abby Hausman, Performance Analyst

RESEARCH

- Aneet Deshpande, CFA, Chief Investment Strategist, Managing Director
- Svetlana Loshakov, CFA, Senior Managing Director, Alternatives

PORTFOLIO MANAGEMENT

- Andres Arsuaga, CFA, Director

INFORMATION TECHNOLOGY

- Edward Mielcarek, Senior Associate

THANK YOU

As we begin the new year, we continue our commitment to providing objective investment research and client advice, and to continuous improvement in our service to clients.