

HOW WE DEFINED 2020

bubble pivot adaptability perseverance courage outdoor office nomadic blursday endurance grateful adapt

RESILIENCE

WHAT WE LEARNED FOR 2021

I think this year is going to change the fabric of America—and the whole world. We've tested our value system and recalibrated. This is what we'll take forward.

Dean Dordevic, director,
portfolio management and
alternative assets

2020 saw the
longest expansion and
the shortest recession ever:
10 years and
6 months respectively

About Our Report

This year's annual report is more than a year-end summary. It's a reminder of what we've done, what we've seen and what we've experienced during this extraordinary time in history.

Many voices will record the stories of COVID-19, social unrest, political divides and dramatic financial market volatility. They are stories of pain, sorrow, anger and isolation—but also stories of courage, survival and success.

In this report we concentrate on the stories closest to our Ferguson Wellman and West Bearing family. We've tried to capture snapshots of resilience, creativity and adaptability in our company, our clients and our daily lives.

The experiences of 2020 will live within us forever, so this look back is really the story of how we'll move into the future.

As part of this year's report, we asked each of our employees to define 2020 in a few words. You'll see their responses next to their photographs.

We hope you'll appreciate this look into what 2020 has meant to us as we turn our focus to 2021.

Letter To Our Clients

We welcomed
45 new clients
in 2020

Our Global Sustainable
Investment strategy has
\$262 million in assets
for **76** client portfolios

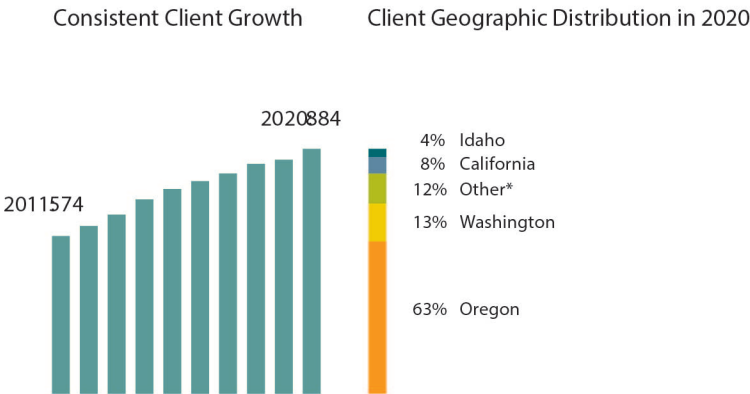
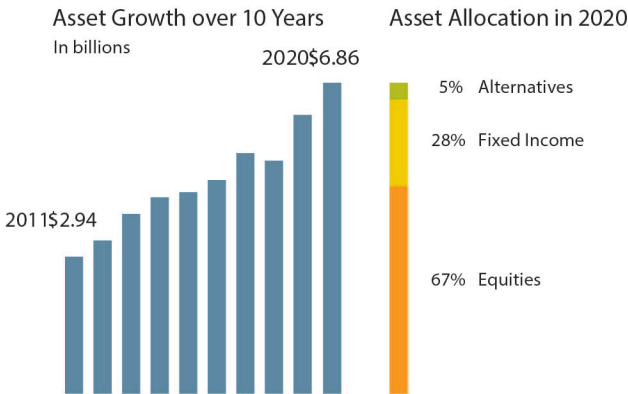
RESILIENCE: Watergate in the 1970s. The stock market crash of 1987. The 1990 Persian Gulf War. The technology bubble and burst in 2001 and 2002. 9/11. The financial crisis of 2008. The COVID-19 pandemic.

When we’re living history, not just reading about it, it’s difficult to see the end. But we—our company, clients, employees and country—have been through incredible challenges in the last 45 years. We have always emerged better than we were before. This time will be no different.

2020 was filled with illness, death, social unrest and political divide that took its toll on worldwide morale. We empathize with those who lost a loved one, are unemployed, feel captive to loneliness or are frustrated with the ongoing boundaries to normal life. Yet, we look back at the positives from the past 12 months and we anticipate the celebration ahead as our country, the economy and the world emerge from COVID’s control.

The financial markets stand out as a beacon after times seemed so dark last March. Once again, the importance of sticking to our clients’ financial and asset allocation plans was rewarded with strong returns from the market lows, to post substantial gains for the year.

Our 2020 Numbers



* Includes 34 states, countries and territories

Goldman Group
ended the year with
212 clients and
\$391 million assets under
management

Our client retention
rate in 2020 was
97%*

We are proud of how our investment discipline and wealth management approach provided a path to participate in the recovery, but even more impressed with our clients for their trust, confidence and conviction to stay the course. Resilience.

We thank our employees for their dedication, adaptability and effort with over nine months (and counting) of working remotely from home. Praise to our technology department who made the transition more seamless than we could have dreamed. Every day we've gathered on an all-employee 9 o'clock Zoom call, which has kept our culture connected and growing more than we imagined. Resilience.

Our company entered a new world early last spring. Our focus was to pursue business as usual. No excuses and no hesitancy. We hired and trained three new employees who are fully integrated but have yet to work a day in our office. Client quarterly reports that were normally assembled in our large copy room were printed in an employee's den. We launched a new division, Octavia Group, to provide personal financial services for individuals and families. Client meetings were regular but virtual. We welcomed new shareholders, Samantha Pahlow, Danielle White and Blaine Dickason to increase our number of employee owners to 33. We added nearly one new client a week and lost no employees, aside from retirements. At West Bearing, we raised our minimum to \$1 million to control growth going forward. Resilience.

2020 was a year the world will remember. We know our company will. Pain, fear and disruption hurt so many, yet the ability to recover quickly from difficult situations was again the hallmark of an optimistic company and world. Resilience.

We thank you, our clients, for giving us the privilege of serving you.

Best regards,

Goldman Shelby Board of Directors

*Clients not retained represent deaths, marital changes,
portfolio liquidations and terminations

Investment Resilience in an Extraordinary Year

Resilience is the capacity to cope with adversity and stress. In 2020, our investment process demonstrated that capability at every turn. Many events of the year were unprecedented, but the manner in which we responded to market events was not. When the markets plunged in March, those white-knuckle days tested everyone's resilience. A global pandemic was certainly a novel catalyst to trigger a recession. Still, past recessions reveal a consistent path for navigating turbulent capital markets to avoid permanent damage to portfolios in times of dramatic market swings.

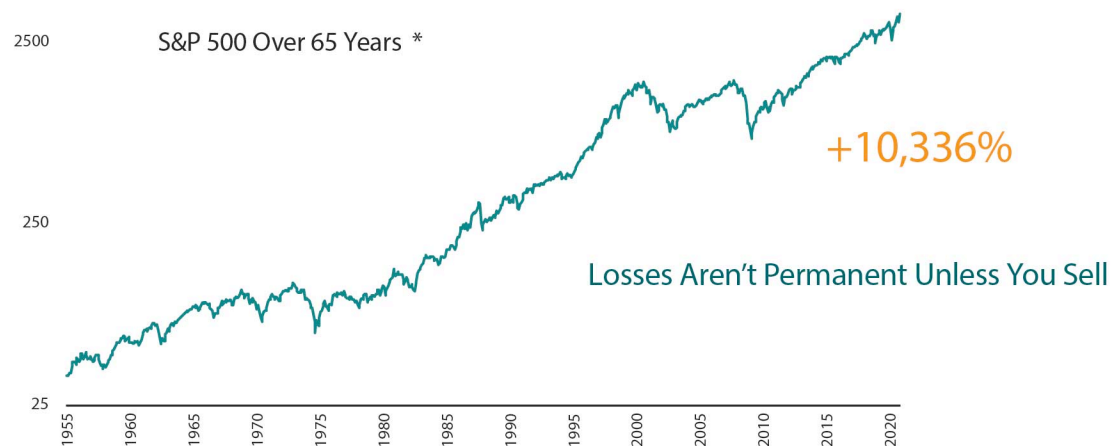
Armed with this knowledge and experience, we remained disciplined. Rather than attempting to sell risk assets as the market was falling, we used the bear market as an opportunity to reduce our allocation to the most expensive asset class—bonds—and redeploy the proceeds in what was cheap—stocks. While the

payoff for this move was not surprising, the speed of the market's rebound surpassed even our most optimistic expectations.

The dramatic capital market events of 2020 served as an excellent reminder of several tenets we believe are foundational to successful long-term investing:

- n Losses aren't permanent unless you sell.
- n Bear markets create buying opportunities.
- n Markets stop panicking when governments start panicking.
- n Stay true to your long-term goals and investment horizon.
- n Political change is not synonymous with economic change.

The most important thing we accomplished this year for our clients was to keep a cool head and skillfully navigate the turbulent market waters. Succumbing to emotion in times of extreme market volatility can inflict significant damage on investment portfolios.



Returns from Market Peaks *

Peak Year	5 years	10 years
1956	10.0%	9.0%
1957	7.6%	10.7%
1961	5.7%	7.4%
1966	4.3%	4.0%
1968	0.4%	3.1%
1972	-0.1%	7.6%
1978	17.1%	14.8%
1980	12.1%	11.8%
1983	12.8%	13.3%
1987	7.7%	13.4%
1990	11.5%	16.7%
1998	-1.3%	3.6%
2000	-1.6%	-1.1%
2007	0.6%	7.6%
Average	6.2%	8.7%

* Source: FactSet

Mission
Investment Excellence • Lifelong Relationships

Core Values
Exceed expectations
Act with uncompromising ethics and reliability
Advocate innovation and manage change
Foster a collegial environment
Enjoy the journey

Investment Principles
Know the environment
Seek opportunities
Manage risk
Focus on the long term

We've been through a lot together, despite our physical distance. The events of 2020 surprised us. They challenged us. They tested our resilience on every level. In 2020 we lived our mission, our core values and our investment principles more than ever because that's what the year demanded. We found new ways to communicate with each other and our clients. We swiftly embraced new technology to support our every move. We summoned all our financial skills to help individuals, families and institutional and business clients manage a year of constant change. We took pride in how we helped them face the challenges, but also take advantage of the opportunities of 2020.

No one could have predicted the year and the stories of resiliency that surfaced—in our company, in our relationships with clients and in ourselves. We emerged from 2020 physically separated, but possibly closer than ever.

The year changed us. Each of us takes a new awareness into the future. We have a fresh sense of what's important—and what is not. We've learned a lot. We've grown a lot. And we've done it together.

JANUARY

The topics covered in our 2020 blogs read like a time capsule of the year.

Ten Years After

Back to the Basics

Does Size Matter?

Below the Tip of the Iceberg

Too Much to Overcome in the Near Term

Cultivating Connection and Communication

Every weekday morning at 8:59, a Zoom grid begins to populate. Square by square, around 45 people appear, ready to start their workday with information, connection and, often, humor. There may be dogs in their laps or children wandering into the room, but for 10-to-15 minutes, all Goldman Shelby and Goldman Group team members are together, at least virtually.

These daily meetings began March 17, the day the company headquarters temporarily closed for pandemic health precautions. Since then, the meetings have become a key mechanism for providing transparency and preserving the company's collegial environment. The open exchange of ideas across all teams also supports enhanced communication with clients.

Employees discuss company information such as investments, business opportunities, contact-free client meetings, and marketing plans. Some conversations address difficult subjects, such as the demonstrations and the shuttering of the downtown Portland business core, home to the company's headquarters.

But there are also lighter moments. A survey asked where each person went to high school; another polled the best French fries. There's a song of the week and one employee features a different car on his Zoom screen every day. Fellow employees often log on a minute or two early just to get the story behind the car.

Our morning meetings, the conversations we have, and the way we continue to stay close and enjoy our camaraderie has been good for my sense of humor, my connection to colleagues and my focus on the shared goals of our firm.

145,395
office commuting miles
were saved in 2020

FEBRUARY

(No) Beast of Burden

Cupid's Arrow

Cross Currents

Fear Is Only as Deep as the Mind Allows

MARCH

White Knuckles

Where To From Here?

When Goldman Group was established in 2013, web reporting was widely embraced by our clients. We continue to introduce technology at Goldman Group that eventually is adopted more broadly across the firm. In 2020 technology changed nearly everything. Still, we've worked hard to preserve our human touch.

"Our daily calls have helped flatten the organization," says Kirstin Havnaer, vice president, administrative services. "Meeting via Zoom means there's room for everyone at the table, from the most junior to the most senior. We get a daily update and can voice our concerns or opinions."

These daily meetings are more than a place to be at 9 o'clock every morning, especially for employees who are isolated. They provide vital information, nurture relationships and reinforce the resiliency of the company, one team member at a time.

Building on a Strong Foundation

Long before the pandemic was front-page news, our technology team had built the foundation that helped us adapt quickly to the changing world. We'd made the move to cloud-based computing. Our internal network was strong. Firewalls and the infrastructure for remote access were in place.

When the decision came to protect our team by temporarily closing our office, we had the technology to move fast. But it was the people who made it happen. They essentially tested our disaster recovery plan.

Tools that would have been introduced slowly were put to work immediately. Employees quickly adapted to accessing information from the cloud. They moved to virtual meetings. They supported clients and kept the business running.

1,344 more client
reports were sent
digitally in 2020, saving
40,320 sheets of
paper on average

APRIL

March Sadness

Unprecedented ... By All Measures

From Bad to Better

Chart-Side Chats

What a Long, Strange Trip It's Been

The Return of \$1 Gas?

"It's a testament to the caliber of people we hire. They really leaned in to the technology to meet our clients' needs," says Lisa Brown, vice president, client solutions and information systems.

Meanwhile, in the background, the technology team was in constant motion, supporting 50 home networks, ensuring everyone had the hardware, software and internet capacity to do their jobs. Within a week or two, everyone was up to speed. The team continues to assess and upgrade the company's remote capabilities.

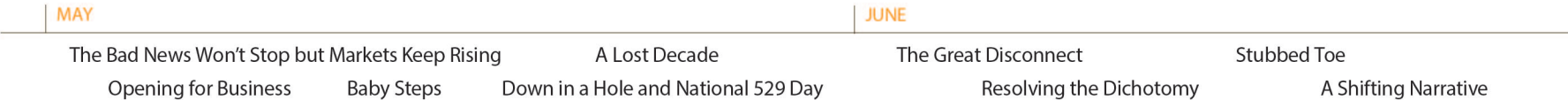
The ongoing investment in technology heading into 2020 provided the foundation for employees to anticipate and meet the needs of our clients during these challenging times.

Only 6 months from
February 19 pre-pandemic
market peak to March 23
bear-market low to new all-time
high on August 21

Reframing for Resiliency

Resilient people spend their time and energy on things they can control. In a year that introduced a long list of "out of your control," at Goldman Shelby and Goldman Group we worked closely with our clients, showing them what they can influence. They can control where they direct their attention during a 24-hour financial news cycle. They can adjust their spending habits. They can change their asset allocation, selling assets that appreciated, and investing in those that depreciated. They can also refinance debt to take advantage of the year's lower interest rates or convert a Roth IRA, looking ahead to their future tax burden. Recognizing control helps clients reframe an event from a position of confidence.

The coronavirus provided a big lesson in agility. I believe we adapted and responded quicker than one would have believed was possible. Hopefully, this situation made us realize how important it is to be comfortable with change and willing to shift gears when necessary.



Yes, 2020 was an unusual year. But for our clients who stayed invested, who stuck to their principles, it was an amazing investment year. We're proud we could help them navigate through the year's events to significantly grow their portfolios.

As our clients reacted to 2020 in real-time, our portfolio managers presented data about the past. There's no way to predict the future, but a historical framework is a valuable tool. What happened during the 1987 market crash, the dot-com bubble in the late 1990s and the Great Recession of 2008 is relevant to 2020.

We also presented some clients with their own historical financial data, sharing their 18- or 24-month performance instead of a single month, expanding their lens. "It's true that much of what's happened this year is unprecedented," says Samantha Pahlow, CTFA, AWMA®, senior vice president, portfolio and wealth management. "We helped clients remember that the financial plan they have in place is designed to take into account events such as those we had this year."

This perspective helps clients focus on the long term, another characteristic of resilient individuals, and an important investment principle at Ferguson Wellman and West Bearing.

Planning a Future with More Client Services

Life can get complicated. Before 2020 showed us just how complicated, we were designing an expanded offering for clients. Octavia Group, a new division of Goldman Shelby, is a resource for families and individuals who want access to a suite of personal financial services, including consolidated financial statements and bill pay, medical expense management, technology support, tax document preparation and coordination, routine risk and insurance assessment,

73% of Americans
rank finances as the
greatest stress in
their lives*

* Source: CreditWise 2021 Survey

JULY

The Global Economy is Healing

Credit the Recovery

Commercial Real Estate's Perfect Storm

Two Steps Forward, One Step Back

Fed Meets, Big Stocks Beats

and cyber- and personal security audits. This holistic support encircles our wealth management and investment offerings with services that impact our clients' quality of life.

"Our new Octavia Group is one more way we're providing new avenues to help our clients," says Katherine Russell, IACCP®, senior vice president, personal financial services. "That we're willing to start something new at a time when many firms are just trying to hold steady says a lot about our commitment to clients."

Octavia Group services help our clients manage day-to-day challenges to remain resilient through life changes, such as losing a spouse, inheriting wealth, or facing medical issues. Business owners or other clients with complex financial lives can utilize the wrap-around services to bring clarity and order to their entire financial well-being.

For instance, a monthly income and expense report provides visibility about properties, businesses and other spending categories. We can pay recurring bills. We can review medical expenses, negotiate charges for planned medical procedures and even accompany clients to medical appointments to take notes. We can audit insurance coverage to make sure it matches a client's needs. We can provide a Lifebook collection of important documents to manage an estate. Each service has been carefully vetted and is managed with the utmost confidentiality.

In 2020, our initial clients began utilizing Octavia Group services. In 2021 we will continue to introduce our clients to this new suite of services.

Through immense adversity comes meaningful change. I think this year will be seen as a tipping point for innovation, productivity and growth.

23 webinars
hosted in 2020 as
compared to
0 in 2019

AUGUST

A Slow Healing Process

103 Days

Communicating Your Values Through Legacy Planning
TINA and the Death of the Phillips Curve

SEPTEMBER

Jobs, Jobs, Jobs

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SEPTEMBER

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business losses used them to improve their overall tax situation. And when markets rebounded, clients who stayed invested saw solid returns.

Consistent and frequent communication helped our clients understand the investment environment. With every addition of knowledge, they were empowered to take action and make their own financial situation more resilient.

Reinforcing Relationships During Crisis

No two people faced the events of 2020 in the same way. Each week we heard riveting stories of how our clients reacted to the latest challenge.

Like the company that laid off employees when their market dried up, rehired employees with paycheck protection program funds, pivoted to a new distribution model and expanded to even larger markets, only to be narrowly missed by wildfires.

Like the hospital foundation that responded to unemployment and hunger in their city by quickly expanding their community kitchen and pantry.

Like the retired couple who realized they wanted to live closer to children and grandchildren, to spend precious time together and support each other in times of crisis.

Every client's story was unique. As the uncertainties of 2020 unfolded, our portfolio managers were always as close as a phone call. We met via Zoom. We reminded clients of their financial plans. During the hardest moments, we talked honestly about options. We shared historical—and long-term—perspectives to keep them invested so they could realize substantial portfolio growth when the market recovered.

Our colleague looked up every client by zip code during the wildfires to know who was on alert for evacuation. We stayed in touch wherever our clients were in 2020, whether confined to their homes due to COVID, or preparing to leave at a moment's notice.

5 months from
trough to peak:
Fastest recoup of 30%
market decline

NOVEMBER

Should Low Interest Rates Alter When to Claim Social Security?

Yield On, Yield Off

Humans Being

COVID Economy

Markets Abhor Uncertainty

The Gift of Charity

Two Steps Forward, One Step Back

When we're constructing a portfolio for our institutional clients, communication is key to ensuring we understand what they're going through so we can help.

We helped businesses understand the coronavirus relief packages. We made sure our institutional clients had portfolios positioned to fund their missions, even when those missions accelerated or expanded. We showed individual clients how to use low mortgage rates and high real estate prices to help them make the right moves.

In the midst of the uncertainties of 2020, many of our clients rethought some of their deepest values. Do I need the stress of higher risk for higher yields? Can I give more to help my hurting community or to forward a social cause? How can I best help my adult children who've lost their livelihoods? Does my estate plan match my values and medical vulnerability?

By staying close to clients throughout the year, we were available to talk candidly about options. We gave them the peace of mind to pause, take a breath, and gain a fresh perspective. We evolved with them.

"I thought 2020 was an incredible opportunity to work through difficult times with clients," says Ralph Cole, CFA, director, equity strategy and portfolio management. "For the clients I went through it with, we will be closer and deal with difficult times ahead that much better."

Our firm and employees donated
\$216,755 to nonprofits where our
clients reside to support wildfire relief,
healthcare, libraries and other
focus areas

DECEMBER

How Far Into the Future?
A Vaccination Rotation

Unique Year-End Financial Planning Opportunities in 2020
The Taming of the Flu

The Best and Worst of Times
Post-COVID Commercial Real Estate

Holiday Spirit
Time for a New Year

We recognize the importance of strengthening our industry by being more welcoming and inclusive. In 2020, our firm created a diversity council and we partnered with Emerging Leaders PDX to expand our internship program to a broader audience.

Our Team

Charissa Anderson, CFP®, CFA® *
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Portfolio and Wealth Management

Nathan Ayotte, CFP® *
Executive Vice President
Portfolio and Wealth Management

Joe Brooks *
Vice President
Tax-Exempt Trading and Portfolio Management

Beth Brown *
Client Relationship Associate

Lisa Brown
Vice President
Client Solutions and Information Systems

Tim Carlin, CAIA, CMT *
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Alternative Assets

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Portfolio Management

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Lori Ferraro *
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Warren Foltz*
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Dan Whitaker
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Danielle White *
Sales and Marketing Manager
Project Management and Analysis

Jeanene Wine *
Operations Associate

* Shareholder

365 of the same day family immense adapt and execute air quality index surreal juggle family dinners

GOLDMAN SHELBY CAPITAL MANAGEMENT
GOLDMAN GROUP