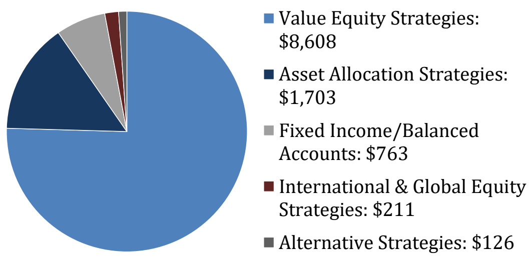
Confluence Investment Management
Firm Profile

About Us

Confluence Investment Management LLC is an independent Registered Investment Adviser that provides professional portfolio management and advisory services to institutional and individual clients. Although the firm was founded in 2007, the Confluence team has more than 500 years of combined financial experience and 400 years of portfolio management/research experience, maintaining an established track record that dates back to 1994.

Firm Assets Under Management & Advisement
(in millions as of 12/31/22)



The investment teams at Confluence specialize in value equities, asset allocation, fixed income & balanced accounts, international & global equities, and alternative investment portfolio management. As of December 31, 2022, Confluence had $11.4 billion in assets under management and advisement.*

** Assets under management = $6.9 billion; Assets under advisement = $4.5 billion*

Our Investment Approach

The firm's investment philosophy is based upon independent, fundamental research that integrates evaluation of market cycles, macroeconomics and geopolitical analysis with a value-driven, company-specific approach. Confluence's portfolio management philosophy begins by assessing risk, and follows through by positioning clients to achieve their income and growth objectives.

The firm combines top-down and bottom-up analytics in an integrated process that considers both the big picture as well as the smaller details. This discipline enables the investment committees to identify broad risks, while taking advantage of specific opportunities.

Product Overview

Confluence offers a variety of investment solutions, primarily separately managed account portfolios, with a range of investment objectives that allow clients to select a strategy that best suits their individual investment goals.

Value Equity Strategies
- Equity Income*
- Select Equity Income
- Increasing Dividend Equity Account (IDEA)
- IDEA Plus *(covered call strategy)*
- Large Cap Value
- All Cap Value
- Small Cap Value
- Value Opportunities*

** Strategies closed to new accounts*

Asset Allocation Strategies
- Income
- Income with Growth *(Taxable & Tax-Exempt)*
- Growth & Income *(Taxable & Tax-Exempt)*
- Growth
- Aggressive Growth

Fixed Income Solutions
- Fixed Income *(Taxable & Tax-Exempt)*
- Balanced Accounts *(Fixed Income + Value Equity strategy)*

International & Global Equity Strategies
- International Growth
- International Developed
- Emerging Markets
- International Opportunities
- Global Large Cap

Alternative Strategies
- Global Hard Assets
- Specialty Finance BDC

Why Confluence?

- Experienced, cohesive team
- Consistent investment approach for 25+ years
- Dedication to research process
- Exceptional client service
- Highest standards of ethics & integrity

Product History

- 1994: Large Cap Value
- 1994: Small Cap Value
- 1999: International Developed
- 1999: International Growth
- 2000: Value Opportunities
- 2000: Equity Income
- 2005: All Cap Value
- 2007: International Opportunities
- 2007: First Trust Specialty Finance & Financial Opportunities Fund (NYSE: FGB)
- 2008: Asset Allocation Strategies
  - Aggressive Growth
  - Growth & Income
  - Growth
  - Income with Growth
- 2009: Increasing Dividend Equity Account (IDEA)
- 2009: Emerging Markets
- 2009: Global Hard Assets
- 2010: Fixed Income
- 2011: First Trust/Confluence Small Cap Value Fund (NYSE: FOVAX)
- 2011: IDEA Plus
- 2011: Specialty Finance BDC
- 2013: Global Large Cap
- 2018: Asset Allocation ♦ Income
- 2020: Select Equity Income

Confluence claims compliance with the Global Investment Performance Standards (GIPS®). A GIPS-compliant presentation and/or the firm's list of composite descriptions can be requested by contacting Confluence.

Our Team

Confluence is made up of experienced investment professionals dedicated to an exceptional level of client service and communication, led by Mark Keller, Chief Investment Officer & CEO, and Brian Hansen, President & Chief Operating Officer. Maintaining strong solidarity pre-dating the formation of Confluence, the core investment team managed assets across various equity and asset allocation strategies while at their prior firms. Confluence's disciplined investment process and performance has stood the test of time across a broad range of economic and market cycles.

Key Attributes

- 100% employee-owned
- 47 employees
- Research-intensive & team-driven
- 30 years average investment experience

Investment Strategies

Value Equities | Confluence's value equity investment philosophy seeks to identify "great companies" at bargain prices. In-depth proprietary research focuses on companies that consistently generate high levels of cash flow, maintain competitive advantages enabling pricing power, and possess seasoned, capable management teams that have demonstrated the ability to effectively allocate capital. We look to invest in these quality companies at attractive valuations. Over time, we believe this approach helps position portfolios to deliver above-average risk-adjusted returns.

Value Equities Investment Committee	Financial Experience (yrs)
Mark Keller, CFA, Chief Investment Officer	45
Dan Winter, CFA, CIO–Value Equities	30
Tom Dugan, CFA, Portfolio Manager	23
Tore Stole, Director of Research Emeritus	37
John Wobbe, Director of Research	24
Joe Hanzlik, Equity Analyst	29
Dustin Hausladen, Equity Analyst	19
Kaisa Stucke, CFA, Equity Analyst	16
Blair Brumley, CFA, Equity Analyst	37
Brett Mawhiney, CFA, Equity Analyst	14

Fixed Income Solutions | Confluence's Fixed Income strategy strives to deliver the income and lower volatility traditionally available from a diversified bond portfolio utilizing fixed income ETFs. The strategy is offered as either a standalone portfolio or as a component in our Balanced Accounts, which combine equity and fixed income exposures in a single account. Balanced Account clients indicate the proportion of their portfolio to allocate to fixed income paired with one of our Value Equity strategies, with varying allocation ranges available.

Alternative Investments | Management begins with top-down evaluations of the geopolitical environment, fundamental macroeconomic trends, and technical patterns in the target markets. Strategies may be focused on particular sectors or niches.

Asset Allocation | Confluence's approach to asset allocation is an adaptive process, evaluating economic and market variables in a forward-looking context to estimate the performance of 12 different asset classes in terms of risk, return, and yield. This cyclical approach recognizes that intermediate trends can diverge significantly from long-term averages. Our intention is to optimize potential return, while remaining within an acceptable risk profile. We offer a range of risk profiles, utilizing exchange-traded funds (ETFs) to focus on or avoid particular industry sectors, bond maturities, commodities, or countries.

Asset Allocation Committee	Financial Experience (yrs)
Mark Keller, CFA, Chief Investment Officer	45
Gregory Ellston, CIO–Asset Allocation	36
Bill O'Grady, Chief Market Strategist	38
David Miyazaki, CFA, Portfolio Manager	32
Patty Dahl, Chief Financial Officer	35
Patrick Fearon-Hernandez, Market Strategist	35
Kaisa Stucke, CFA, Equity Analyst	16

International & Global Equities | Confluence's international equity investment philosophy is rooted in a fundamental approach focused on owning high-quality, growth-oriented companies at reasonable valuations. We believe higher-quality companies will outperform the broader market over the long-term, especially when the countries in which they do business benefit from favorable macroeconomic factors. The process integrates top-down comprehensive evaluation of market cycles, macroeconomic variables, and geopolitical analysis with the firm's fundamental, company-specific approach.

International Equities Investment Committee	Financial Experience (yrs)
Mark Keller, CFA, Chief Investment Officer	45
Bill O'Grady, Chief Market Strategist	38
Tore Stole, Director of Research	37
Gregory Tropf, CFA, Equity Analyst	36
Matthew Sinkovitz, Equity Analyst	21
Kaisa Stucke, CFA, Equity Analyst	16
Blair Brumley, CFA, Equity Analyst	37
Patrick Fearon-Hernandez, Market Strategist	35

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