

**OVERVIEW**

Confluence Emerging Markets invests in large cap, growth-oriented companies in the emerging markets around the world. The strategy's management team employs both top-down and bottom-up fundamental analysis to identify attractive emerging market countries and economic sectors as well as high-quality companies worthy of a long-term investment allocation. The portfolio's primary objective is long-term capital appreciation.

**PERFORMANCE COMPOSITE RETURNS** (PERIODS ENDING DECEMBER 31, 2020)

	Since Inception**	10-year*	5-year*	3-year*	1-year	YTD	QTD
Confluence Emerging Markets (Pure Gross-of-Fees) <sup>1</sup>	6.7%	5.2%	10.7%	5.0%	22.9%	22.9%	22.3%
Confluence Emerging Markets (Net-of-Fees) <sup>2</sup>	3.5%	2.1%	7.4%	1.9%	19.2%	19.2%	21.3%
MSCI Emerging Markets Index <sup>3</sup>	5.6%	3.6%	12.8%	6.2%	18.3%	18.3%	19.7%

<sup>2</sup>See Net-of-Fees description on next page. <sup>3</sup>Benchmark index including net dividends.  
\*Average annualized returns \*\*Inception is 10/1/2009

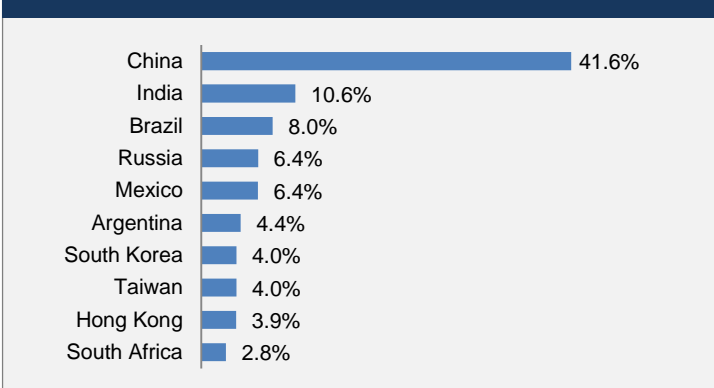
**PORTFOLIO CHARACTERISTICS<sup>1</sup>**

Number of Holdings	38
Portfolio Yield	1.2%
Annual Turnover (5-Year Rolling)	51%
P/E (12-Month Trailing)	22.3
P/E (Forward 1-Year)	20.0
5-Year EPS Growth Rate	18.9%
Price/Book Ratio	6.4
Price/Sales Ratio	4.8
Return on Equity	13.7%
Weighted Debt-to-Capital	24.9%
Weighted Avg. Market Cap (\$ MM)	\$ 118,029

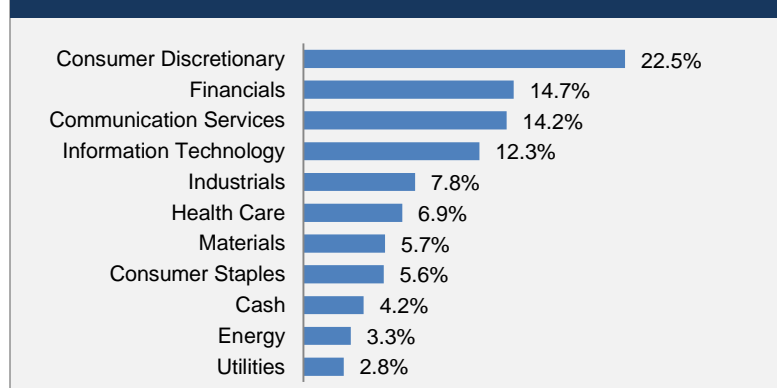
**10 LARGEST HOLDINGS<sup>1</sup>**

	SECTOR	% OF ASSETS
Yandex N.V.	Communication Services	4.5%
MercadoLibre, Inc.	Consumer Discretionary	4.4%
Tencent Holdings Ltd.	Communication Services	4.4%
WuXi Biologics (Cayman) Inc.	Health Care	4.3%
Vipshop Holdings Limited	Consumer Discretionary	4.0%
Taiwan Semiconductor Manufacturing	Information Technology	4.0%
Alibaba Group Holding Ltd.	Consumer Discretionary	3.9%
PagSeguro Digital Ltd.	Information Technology	3.7%
Huazhu Group Ltd.	Consumer Discretionary	3.3%
HDFC Bank Limited	Financials	3.1%

**COUNTRY ALLOCATION ♦ 10 LARGEST<sup>1</sup>**



**SECTOR ALLOCATION<sup>1</sup>**



<sup>1</sup> This information is presented as supplemental information to the disclosures required by the GIPS® standards. Securities, country, sector, currency, and other information presented does not constitute a recommendation by Confluence or a solicitation of any offer to buy or sell any securities. Sector/country allocations and holdings listed represent a portion currently or previously held in a representative portfolio invested in accordance with the Confluence Emerging Markets strategy. Country allocation shows the 10 largest countries in the portfolio. Listings of countries and holdings do not represent all of the countries/stocks currently or previously owned in the portfolio or which Confluence may be currently recommending. Application of the investment strategy as of a later date will likely result in changes to the listings. Sector/country weightings and holdings of individual client portfolios in the strategy may differ, sometimes significantly, from these listings. Contact Confluence for a complete list of holdings. Investing in securities involves the risk of loss of the amount invested that investors should be prepared to bear. There can be no assurance that any investment objective will be achieved or that any investment will be profitable or avoid incurring losses. Sources: MSCI, Confluence Research. Yield data source: Bloomberg. Weighted average yield of holdings in the portfolio, calculated based on annualized current dividends. Annual turnover 5-year rolling calculated from sample accounts for periods ending 12/31/2020. Past performance does not guarantee future results.

**ANNUAL PERFORMANCE COMPOSITE RETURNS**

	Emerging Markets		MSCI	Difference	# of	Composite	Total Firm	Composite	MSCI EM	Composite
	Pure Gross- of-Fees <sup>1</sup>	Net- of-Fees <sup>2</sup>	Emerging Mkts (Net)	(Gross-MSCI EM)	Portfolios	Assets (000s)	Assets (000s)	3yr Std Dev	3yr Std Dev	Dispersion
2009**	10.3%	9.5%	8.5%	1.8%	5	\$1,030	-	N/A	N/A	N/A
2010	13.1%	9.8%	18.9%	(5.7%)	5	\$1,462	-	N/A	N/A	0.1%
2011	(15.7%)	(18.2%)	(18.4%)	2.7%	7	\$2,430	-	N/A	N/A	0.0%
2012	11.4%	8.1%	18.2%	(6.8%)	4	\$2,346	-	18.3%	21.5%	0.8%
2013	13.5%	10.2%	(2.6%)	16.1%	1	\$220	-	16.0%	19.0%	N/A
2014	(3.6%)	(6.5%)	(2.2%)	(1.4%)	4	\$1,636	-	13.9%	15.0%	N/A
2015	(2.7%)	(5.6%)	(14.9%)	12.2%	6	\$3,218	-	14.7%	14.1%	0.5%
2016	0.7%	(2.3%)	11.2%	(10.5%)	17	\$6,265	-	15.5%	16.1%	0.2%
2017	42.7%	38.5%	37.3%	5.4%	16	\$9,288	-	15.0%	15.4%	0.8%
2018	(19.7%)	(22.1%)	(14.6%)	(5.1%)	15	\$8,643	\$5,486,737	14.8%	14.6%	0.6%
2019	17.3%	13.9%	18.4%	(1.1%)	13	\$9,604	\$7,044,708	16.0%	14.2%	0.6%
2020	22.9%	19.2%	18.3%	4.6%	14	\$11,350	\$6,889,798	21.3%	19.6%	1.9%

**Portfolio Benchmark**

**MSCI Emerging Markets (Net) Index** – A free float-adjusted market capitalization index that is designed to measure the equity market performance of emerging markets. Performance results are presented net of estimated foreign withholding taxes on dividends, interest and capital gains. (Source: Bloomberg)

(Prior to March 31, 2020, the S&P/BNY Emerging Market ADR Index was shown as a secondary benchmark. This index was removed to simplify the presentation, being less widely recognized and relevant than the primary benchmark. An index is unmanaged and does not incur management fees, transaction costs or other expenses associated with separately managed accounts. It is not possible to invest directly in the index.)

**Confluence Investment Management LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Confluence Investment Management LLC has been independently verified for the periods August 1, 2008, through December 31, 2019. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards.**

Verification provides assurance on whether the firm's policies and procedures related to composite maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

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The Emerging Markets Strategy was inceptioned on October 1, 2009, and the current Emerging Markets Composite was created on May 1, 2018. Performance presented prior to May 1, 2018, occurred while the Portfolio Management Team was affiliated with a prior firm and was independently verified for the periods of 10/1/1999 through 12/31/2017. The Portfolio Management Team members were the primary individuals responsible for selecting securities to buy and sell. Composite performance is typically net of foreign withholding taxes on dividends, interest income and capital gains with some exceptions based on custodial treatment. Confluence Investment Management LLC is an independent registered investment adviser. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results. The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of all fees and include the reinvestment of all income.

<sup>1</sup> Pure gross returns are shown as supplemental information to the disclosures required by the GIPS® standards.

<sup>2</sup> Net-of-fee performance was calculated using the highest applicable annual bundled fee of 3.00% applied quarterly. This fee includes brokerage commissions, portfolio management, consulting services and custodial services. The Confluence fee schedule for this composite is as follows: 1.00% on the first \$500,000; 0.90% on the next \$500,000; and 0.75% over \$1,000,000. There are no incentive fees. Clients pay an all-inclusive fee based on a percentage of assets under management. The collection of fees produces a compounding effect on the total rate of return net of fees. Subsequent to February 1, 2013, bundled fee accounts make up 100% of the composite for all periods. Actual investment advisory fees incurred by clients may vary. Wrap fee schedules are provided by independent wrap sponsors and are available upon request from the respective wrap sponsor.

Performance prior to February 1, 2013, is based on the Emerging Markets–Direct Composite which was initially created on October 1, 2009. The Emerging Markets–Direct Composite includes accounts that pursue the Emerging Markets strategy, but do not have bundled fees. Gross returns from the Emerging Markets–Direct Composite include transaction costs and net-of-fee performance was calculated using the highest applicable annual bundled fee of 3.00% applied quarterly.

A complete list of composite descriptions is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. The annual composite dispersion is an equal-weighted standard deviation, using gross-of-fee returns, calculated for the accounts in the composite for the entire year. Prior to year-end 2018, the annual composite dispersion was an asset-weighted standard deviation calculated for accounts in the composite for the entire year. The three-year annualized standard deviation measures the variability of the composite gross returns over the preceding 36-month period. The Emerging Markets Composite contains fully discretionary Emerging Markets wrap accounts. The Emerging Markets portfolio invests in U.S.-listed shares of companies from emerging markets.

\*\*Results shown for the year 2009 represent partial period performance from October 1, 2009, through December 31, 2009. N/A-Composite Dispersion: Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year. N/A-3yr Std Dev: Composite does not have 3 years of monthly performance history.

**Confluence International Equities Investment Committee**

Mark Keller, CFA	Matthew Sinkovitz
William O'Grady	Kaisa Stucke, CFA
Tore Stole	Blair Brumley, CFA
Gregory Tropf, CFA	Patrick Fearon-Hernandez, CFA

**About Confluence Investment Management LLC**

Confluence Investment Management is an independent Registered Investment Advisor located in St. Louis, Missouri, that provides professional portfolio management and advisory services to institutional and individual clients. Confluence's investment philosophy is based upon independent, fundamental research that integrates evaluation of market cycles, macroeconomics and geopolitical analysis with the firm's value-driven, company-specific approach. The investment team's portfolio management philosophy begins by assessing risk and follows through by positioning clients to achieve their income and growth objectives.

**FOR MORE INFORMATION CONTACT A MEMBER OF OUR SALES TEAM:**

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