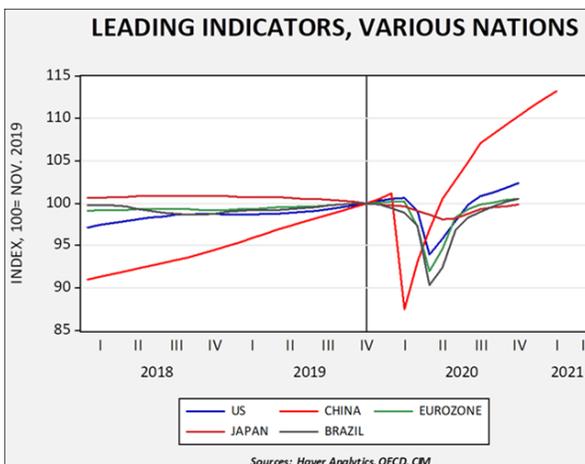


International Developed • International Equity Strategies

International Developed invests primarily in large cap, growth-oriented companies in developed markets (excluding U.S.). The strategy’s management team employs both top-down and bottom-up fundamental analysis to identify attractive 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.

Market Commentary

After more than a year of coronavirus-induced global market disruption and distortions, we are finally beginning to attain a more robust understanding regarding how the post-COVID-19 global macroeconomic recovery will likely take shape. China was the first country to experience the coronavirus pandemic, and it was the first to regain economic momentum. Now, the United States has begun to track a similar path of improvement. What has not yet transpired is a sustained improvement in many of the world’s largest economies and geographies, including Japan, much of Europe, Brazil, and most of Latin America, due to continued virus-related shutdowns and scarcity of effective vaccine deployment.



Using Leading Economic Indicator data as compiled by the Organisation for Economic Co-operation and Development (OECD), it is apparent that before the pandemic many of the world’s economies were on the path of synchronized economic advancement. It has also become equally clear that the “lockstep” of global recovery is no more. In fact, while conditions are improving both domestically and in China, we expect that the leading indicators for Japan, much of Latin America, and Europe will continue to diverge until the coronavirus pandemic relents in these areas. The recent discovery of adverse side effects from both the AstraZeneca (AZN) and Johnson & Johnson (JNJ) vaccines has confounded efforts to improve conditions in these regions. Capital Economics estimates that suspending the use of these two

vaccines will eliminate one-third of the supply available in Europe, further delaying a return to normalcy. As of mid-April, emerging market economies, including Brazil and India, have become the global epicenter(s) of coronavirus outbreaks resulting from inadequate or ineffective vaccine supply and medical health systems stretched beyond capacity. In April, the International Monetary Fund (IMF) updated its World Economic Outlook and provided projections for world output. Unsurprisingly, expectations for both the United States and China were upgraded from October 2020 estimates. The Euro area forecast is now 0.8% lower. Latin America remains projected at 1% above the October estimate, but, in our opinion, there remains a near-term downside risk to this number. While the near-term economic assessment for many of the world’s economies remains murky, we expect that rapid and sustained improvement should only be postponed and certainly not canceled. To illustrate this point, Capital Economics has recently updated their 2022 economic forecasts (as of April 9, 2021). The U.S. is expected to expand by 4% next year; however, this is a decline from 6.5% this year. Similarly, China is expected to expand by 3.3% in 2022, but that will be far below the 10% forecast for 2021. Meanwhile, the Eurozone’s economic recovery is projected to strengthen in 2022 by 4.5%, an increase from the 3.0% forecast for the balance of this year. Against this projected backdrop, we expect to identify companies in both countries and sectors that will benefit from the multispeed post-pandemic recovery.

Global equities have also begun to experience increased volatility because of inflationary pressure. As of mid-April, crude oil has risen by more than 30%. Commodities, as tracked by the Bloomberg Commodity Index (a basket of commodities including oil, natural gas, hog futures, cotton, coffee, sugar, etc.), are up by 11% since December. The Baltic Dry Index (a measure of the change in costs to ship raw materials) has gained almost 60% in 4.5 months, and 10-year government bonds both domestically and abroad have also risen. The U.S. 10-year Treasury rose from 93 basis points at the end of 2020 to more than 1.6% as of this writing. During the same time frame, the German bond 10-year yield moved from -58 basis points to -31 bps. Globally, the measures of consumer prices and producer prices have also jumped.

Continued on page 2...

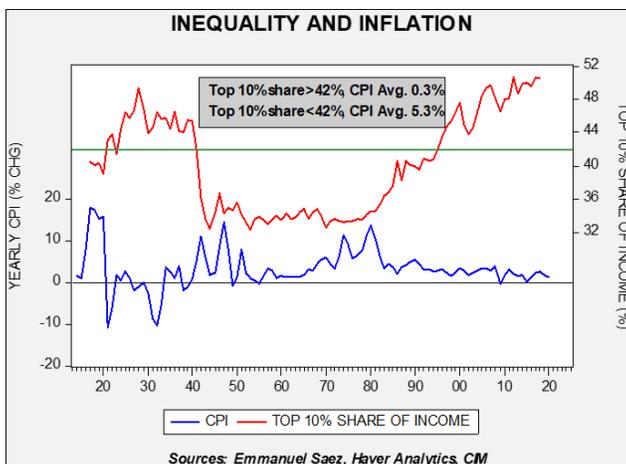
ABOUT CONFLUENCE INVESTMENT MANAGEMENT LLC

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 portfolio management philosophy begins by assessing risk and follows through by positioning clients to achieve their income and growth objectives.

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Market Commentary continued...

Further stoking inflationary fears have been the shortage of semiconductors, especially for automakers, and a broader disruption to global supply chains resulting from weather and COVID-19-related shutdowns. While there is ample reason for concern, our base case position is that inflation will remain within asset prices but will not spread to goods. With the populations of most of the world's largest and advanced economies rapidly aging, there is substantial data to support the theory that consumption decreases, in a lasting manner, as consumers age. Additionally, for sustained goods inflation to occur, there must be a change made to address income inequality. The chart below illustrates that when the top 10% earn more than 42% of income, consumer prices average a paltry increase of 0.3%. However, when the top 10% earn less than 42% of total income, the average inflation rate on consumer prices jumps to more than 5%.



So, until the issue of income inequality is substantively addressed, the likelihood of lasting inflation remains low, and the current experience of pricing pressure should subside during the coming months. We'll continue to expand on these and other pertinent investment topics in the coming quarters.

Quarterly Trading Summary

During the quarter, we made one sale and one purchase within the International Developed strategy. In early February, current portfolio holding Jazz Pharmaceuticals announced it had agreed to purchase another portfolio holding, GW Pharmaceuticals (GWPH), for \$6.7 billion in cash and stock (equivalent to a 50% premium). GWPH is the cannabinoid drug-maker of Epidiolex, which is used to treat rare forms of epilepsy and had sales of more than \$500 million in 2020. Jazz expects global sales of this drug should exceed \$1 billion in the near term. Shares of GWPH immediately increased by more than 40% following this announcement. Based on this information, the International Equities Investment Committee made the decision to lock in the gains and exit the position of

GW Pharmaceuticals, which was originally purchased in May 2018. Jazz Pharmaceuticals remains in client portfolios.

The sale of GWPH left an opening for a new stock in the portfolio. The investment committee decided to maintain the Health Care allocation within the portfolio, and Switzerland-based Lonza Group (LZAGY) was purchased in late February. Lonza is one of the largest biopharmaceutical contract manufacturers in the world, focusing on biologics, cell and gene therapy, and small molecules. Sales reached \$6.6 billion in 2020 and have grown more than 10% each year for the past three years. Nineteen of the world's 20 largest pharmaceutical companies are currently clients of Lonza, and those companies have 350 pre-clinical and clinical molecules currently under development. Furthermore, the company is benefiting from the COVID-19 pandemic as it is partnering with Moderna (MRNA) on its vaccine in addition to more than 23 new biopharmaceutical projects. Lonza is also exiting the specialty ingredients business, which has historically had slower growth and lower margins. As of the purchase date, 10 biopharma drugs have been approved, with the global pipeline for these formulations reaching over 1,400 drugs in various stages of clinical development.

Performance Review

International equity markets began 2021 on positive footing as the MSCI EAFE Index posted a return of 3.5% during the first quarter. The "value" component of the MSCI EAFE Index substantially outperformed the "growth" stocks within the index (+7.6% versus -0.5%). It was the largest quarter of relative outperformance for the MSCI EAFE Value over Growth since the fourth quarter of 2016. Additionally, the MSCI EAFE Value has now outperformed MSCI EAFE Growth by 15.7% during the past six months, the highest level of outperformance for value versus growth dating back to March-September 2009.

The Confluence International Developed strategy was up 3.0% (gross of fees) in the first quarter. On a one-year trailing basis, the Confluence International Developed strategy has recorded a return of 53.0% (gross of fees) versus 44.6% for the MSCI EAFE Index. [Net-of-fees returns for the same periods were +2.2% QTD and +48.4% one-year trailing. See disclosures on p.4 for fee description; actual investment advisory fees may vary.]

During the quarter, the two best-performing countries within the portfolio on an absolute basis were Singapore (+14.0%) and the United Kingdom (+12.6%), while the worst returns were recorded by Israel (-20.0%) and Germany (-5.8%). From a sector standpoint, Energy (+12.4%) and Industrials (+7.9%) were the strongest-performing sectors during the quarter, while Communication Services (-12.1%) and Information Technology (-2.7%) were the weakest.

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Performance Review continued...

The top contributors and detractors during the quarter:

Security	Avg Weight (%)	Contribution (%)
Top 5		
GW Pharmaceuticals plc	0.64	1.24
DSV Panalpina A/S	4.17	0.67
DBS Group Holdings Ltd.	2.23	0.31
LVMH Moët Hennessy Louis Vuitton	3.93	0.28
L.M. Ericsson ADR	2.40	0.25
Bottom 5		
Smith & Nephew plc	2.00	(0.20)
Kirkland Lake Gold Ltd.	1.66	(0.32)
Nintendo Co., Ltd.	2.45	(0.33)
Lonza Group Ltd.	0.92	(0.37)
CyberArk Software Ltd.	3.40	(0.72)

(Contribution data shown from a sample account, based on individual stock performance and portfolio weighting)

What We Are Watching

One topic that is certain to garner more international investor attention as we navigate our way toward Sunday, September 26, is the German federal election. Angela Merkel has decided to end her tenure as German chancellor after 16 years in office. Merkel has served as a stabilizing force for the Eurozone throughout her term. Her party, the Christian Democratic Union (CDU), with its conservative alliance partner, the Christian Socialist Union (CSU), held deliberations to identify the candidate to represent them in elections this fall, finally choosing CDU candidate Armin Laschet. Nevertheless, the intense debates about whom to nominate between the CDU and CSU candidates illustrated the division between party members. A CDU member has held the post of German chancellor for 32 of the past 40 years and a total of 52 years since the party was founded in 1945. The CDU Party is center-left, conservative, and pro-Europe. It has been highly influential, especially during Merkel's term, in setting policy within the European Union. According to [Reuters](#), the CDU's main rival party, the Greens (known for being center-right and having strong environmental views), has closed the gap in recent polling, with the CDU/CSU in the lead with 25% of the vote versus 23% for the Greens. We will update this narrative as the election draws nearer.

One variable that has a significant influence on the relative performance of both international and domestic stocks is the U.S. dollar (USD). As we have discussed in the past, when the USD is strong, U.S. stocks have tended to outperform, and when the dollar is weak, non-U.S. securities typically outperform. During the first three months of 2021, the USD strengthened by 2.6%, creating a headwind for international equities. However, through mid-April, the U.S. Dollar Index has again returned to a path of weakening by dropping more

than 1.6%. From March of last year, the dollar has declined by 7.4%. While we are not forecasting a dramatic slide in the USD, we continue to believe that the dollar has entered an extended period of weakness versus a basket of foreign currencies that, based on history, could last for several years. If this expectation is correct, international equities should perform well relative to domestic stocks.

Not only do we focus on near- and medium-term market-influencing events, but we also take time to consider what could happen to change market dynamics in the long run. Case-in-point, the People's Bank of China has recently begun testing a digital Chinese yuan. In doing so, China has become the first major country to issue state-sponsored digital currency. Chinese President Xi Jinping has publicly stated his desire for China to be at the forefront of the digital currency evolution. According to a [Wall Street Journal article](#), "Beijing is positioning the digital yuan for international use and designing it to be untethered to the global financial system, where the U.S. dollar has been king since World War II." The implementation and use of digital currency will also permit the government to immediately and in real-time track who, what, where, and when it is being used. [Bloomberg News](#) reported that both Federal Reserve Chair Jerome Powell and Treasury Secretary Janet Yellen support the idea of researching the viability of a digital dollar. She stated, "Too many Americans don't have access to easy payment systems and banking accounts, and I think this is something that a [digital dollar](#), a central bank digital currency, could help with." She also believes it could contribute to the goal of "faster, safer, and cheaper payments." However, Powell added, "it's more important for the U.S., as keeper of the world's most popular reserve currency, to be right rather than first on this front." Confluence Chief Market Strategist Bill O'Grady has spent significant time and effort researching and analyzing the potential geopolitical implications of digital currencies issued by the world's central banks, and he has recently completed a four-part series detailing his findings (published March 15 through April 12, 2021). Part I examines what money is, while Part II discusses the current state of money and shows how Central Bank Digital Currencies (CBDC) can act as money in multiple ways. Part III explores the geopolitics surrounding the introduction of digital currencies, and finally Part IV explores the potential market ramifications that CBDCs may create. A link to these [Weekly Geopolitical Reports](#), as well as a multitude of other research and reports, can be found on our [website](#).

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(as of 3/31/21)

10 Largest Holdings	Weight	Sector Allocation	Weight	10 Largest Countries	Weight
DSV Panalpina A/S	3.8%	Financials	21.9%	Canada	17.3%
AIA Group Ltd.	3.6%	Industrials	16.9%	Ireland	13.4%
Nintendo Co., Ltd.	3.2%	Health Care	16.2%	Switzerland	13.4%
DBS Group Holdings Ltd.	3.2%	Information Technology	14.0%	Japan	11.1%
Canadian National Railway Co.	3.1%	Consumer Discretionary	9.5%	United Kingdom	9.4%
Sony Corporation	3.1%	Consumer Staples	7.7%	Denmark	6.8%
Willis Towers Watson Public Ltd. Co.	3.1%	Materials	6.8%	France	6.3%
Rio Tinto Group	3.1%	Communication Services	3.1%	Singapore	5.4%
Diageo plc	3.0%	Energy	2.4%	Sweden	4.7%
Novo Nordisk A/S	3.0%	Cash	1.5%	Hong Kong	4.6%

The listing of "10 Largest Holdings" is not a complete list of all stocks 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 listing. 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. Sector/country weightings and holdings of individual client portfolios in the program may differ, sometimes significantly, from these listings. Contact Confluence for a complete list of holdings.

All investments carry a certain degree of risk, including possible loss of principal. It is important to review your investment objectives, risk tolerance and liquidity needs before choosing an investment style or manager. Equity securities are subject to market risk and may decline in value due to adverse company, industry or general economic conditions.

Performance Composite Returns (For Periods Ending March 31, 2021)

	Pure Gross-of-Fees ¹	Net-of-Fees ²	MSCI EAFE	Calendar Year	Pure Gross-of-Fees ¹	Net-of-Fees ²	MSCI EAFE	Difference (Gross-MSCI EAFE)	# of Portfolios	Composite Assets (000s)	Total Firm Assets (000s)	Composite 3yr Std Dev	MSCI EAFE 3yr Std Dev	Composite Dispersion
Since 10/1/99	5.6%	2.5%	4.4%	1999**	26.0%	25.0%	17.0%	9.0%	506	\$204,990	-	N/A	N/A	N/A
				2000	(12.7%)	(15.3%)	(14.2%)	1.5%	339	\$94,891	-	N/A	N/A	3.1%
20-Year*	6.4%	3.2%	5.5%	2001	(20.2%)	(22.5%)	(21.4%)	1.3%	216	\$52,064	-	N/A	N/A	2.0%
15-Year*	5.7%	2.5%	4.1%	2002	(20.0%)	(22.4%)	(15.9%)	(4.1%)	181	\$39,739	-	16.9%	16.0%	1.1%
10-Year*	6.3%	3.1%	5.5%	2003	37.2%	33.1%	38.6%	(1.4%)	168	\$35,515	-	17.9%	17.8%	1.1%
5-Year*	10.4%	7.1%	8.8%	2004	15.9%	12.4%	20.2%	(4.4%)	191	\$42,465	-	15.5%	15.4%	0.9%
3-Year*	9.7%	6.4%	6.0%	2005	16.7%	13.2%	13.5%	3.2%	176	\$37,524	-	11.4%	11.4%	0.8%
1-Year	53.0%	48.4%	44.6%	2006	23.9%	20.2%	26.3%	(2.4%)	243	\$62,300	-	10.5%	9.3%	0.8%
YTD	3.0%	2.2%	3.5%	2007	19.1%	15.6%	11.2%	8.0%	269	\$75,983	-	10.5%	9.4%	1.4%
QTD	3.0%	2.2%	3.5%	2008	(38.2%)	(40.0%)	(43.4%)	5.2%	256	\$43,507	-	18.9%	19.2%	1.2%
				2009	22.5%	18.8%	31.8%	(9.3%)	235	\$47,380	-	21.7%	23.6%	1.7%
				2010	15.3%	11.8%	7.8%	7.5%	206	\$47,360	-	23.4%	26.2%	0.8%
				2011	(9.7%)	(12.3%)	(12.1%)	2.5%	164	\$31,229	-	20.0%	22.4%	0.7%
				2012	16.5%	13.0%	17.3%	(0.8%)	154	\$34,823	-	17.3%	19.4%	0.6%
				2013	20.9%	17.4%	22.8%	(1.8%)	174	\$47,418	-	14.5%	16.3%	0.5%
				2014	(0.4%)	(3.4%)	(4.9%)	4.5%	116	\$34,435	-	11.0%	13.0%	0.7%
				2015	(2.3%)	(5.2%)	(0.8%)	(1.5%)	53	\$19,412	-	11.3%	12.5%	0.3%
				2016	(5.1%)	(8.0%)	1.0%	(6.1%)	30	\$7,163	-	11.8%	12.5%	0.4%
				2017	23.4%	19.7%	25.0%	(1.7%)	25	\$6,957	-	11.0%	11.8%	0.3%
				2018	(14.4%)	(17.0%)	(13.8%)	(0.6%)	2	\$352	\$5,486,737	11.7%	11.2%	0.1%
				2019	29.6%	25.7%	22.0%	7.6%	1	\$261	\$7,044,708	12.4%	10.8%	N/A
				2020	15.9%	12.4%	7.8%	8.0%	1	\$241	\$6,889,798	19.3%	17.9%	N/A

*Average annualized returns

Portfolio Benchmarks

MSCI EAFE (Net) Index – Free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. Performance results presented net of estimated foreign withholding taxes on dividends, interest and capital gains. (Source: Bloomberg)

(Prior to March 31, 2020, the S&P/IBNY Developed 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 International Developed Strategy was inceptioned on April 1, 1992, and the current International Developed 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 custodian 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.

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

² 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: 0.60% on the first \$500,000; 0.55% on the next \$500,000; and 0.50% 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. 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.

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 International Developed Composite contains fully discretionary International Developed wrap accounts. The International Developed portfolio invests in U.S.-listed shares of large capitalization, non-U.S. companies from developed markets. **Results shown for the year 1999 represent partial period performance from October 1, 1999, through December 31, 1999. 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.

Individual holding performance and contribution methodology as well as a list of every holding's contribution to the strategy can be obtained by contacting Confluence. Material is published solely for informational purposes and is not an offer to buy or sell or a solicitation of an offer to buy or sell any security or investment product. Top 5 contributors/detractors reflects the strategy's best and worst performers, based on each holding's contribution to the sample account for the period stated. Holdings identified do not represent all of the securities purchased, sold or recommended. Sector and country allocations represent a portion currently or previously held in a representative (model) portfolio invested in accordance with the stated investment strategy. Information is presented as supplemental information to the disclosures required by GIPS® standards. Opinions and estimates are as of a certain date and subject to change without notice. Investment or investment services mentioned may not be suitable to an investor and the investor should seek advice from an investment professional, if applicable. Past performance is no guarantee of future results. 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. **Indices:** The MSCI EAFE Index is shown as additional information. This index is unmanaged. An investor cannot invest directly in an index. It is shown for illustrative purposes only & does not represent the performance of any specific investment. Index returns do not include any expenses, fees or sales charges, which would lower performance.