International Equity Income

Confluence INVESTMENT MANAGEMENT

September 30, 2026

Objective

Invests primarily in large capitalization companies in international developed markets (excluding US) that collectively generate an above-average stream of dividend income, while also providing capital appreciation potential.

Investment Philosophy

Confluence's investment philosophy is a bottom-up, fundamental approach that seeks to generate above-average returns over the long term by identifying businesses that possess substantial competitive advantages. Companies have the ability to generate high levels of cash flow and are led by management teams that create shareholder wealth.

We focus on managing risk, defined as the probability of a permanent loss of capital, by owning high-quality international businesses at attractive valuations diversified across market sectors and countries. The investment process integrates top-down comprehensive evaluation of market cycles, macroeconomic variables, and geopolitical analysis with the firm's bottom-up, fundamental, company-specific approach.

Overview

- Invests in international companies with a high level of dividend income and ability to grow dividend stream over time
- Positioned to collectively generate an above-average stream of dividend income with a growth rate that should exceed the inflation rate
- Focused on developed markets (excluding US)
- Market capitalizations generally greater than $10 billion
- Approximately 4% position sizes
- Low-to-moderate turnover
- Appropriate for clients seeking total return from dividend income and capital appreciation

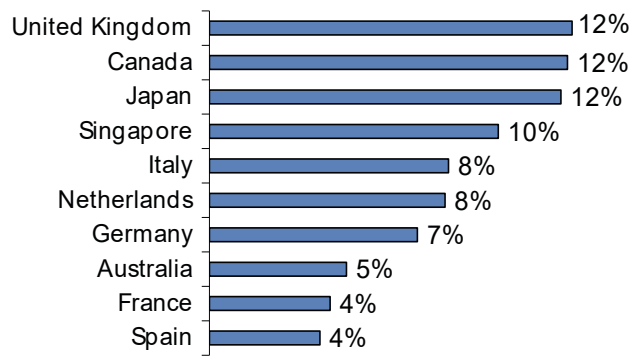
Portfolio Holdings[2]

See GIPS Report on pages 2-3

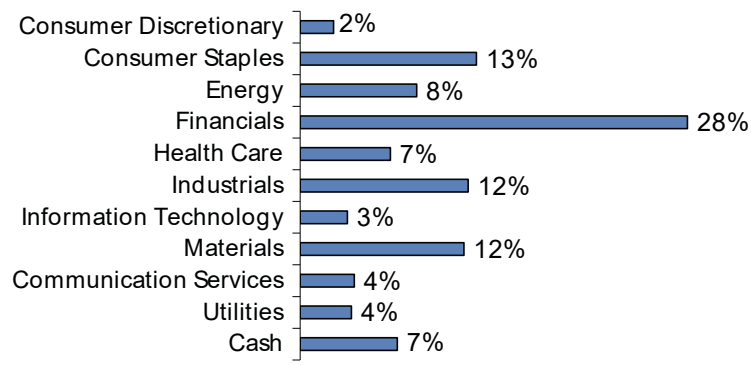
Characteristics	
Number of Positions	23-25
Portfolio Yield	4.4%
Annual Turnover *(5-Yr Rolling as of 12/31/25)*	14%
P/E (12-Month Trailing)	15.7
P/E (Forward 1-Year)	13.0
5-Year EPS Growth Rate	9.3%
Price/Book Ratio	2.4
Price/Sales Ratio	2.6
Return on Equity	15.6%
Weighted Debt-to-Capital	28.9%
Weighted Avg. Market Cap ($MM)	$88,689

10 Largest Holdings	Sectors	Weight
DBS Group Holdings Ltd.	Financials	6.0%
ING Groep N.V.	Financials	4.9%
Komatsu Ltd.	Industrials	4.8%
Allianz SE	Financials	4.7%
BHP Group Ltd.	Materials	4.7%
Eni S.p.A.	Energy	4.5%
Bank of Nova Scotia	Financials	4.5%
BNP Paribas S.A.	Financials	4.2%
British American Tobacco plc	Consumer Staples	4.0%
Nutrien Ltd.	Materials	4.0%

Country Allocation - 10 Largest



Sector Allocation



Performance

Composite Returns[3] (For periods ending September 30, 2026)

	Since Inception**	5-Year*	3-Year*	1-Year	YTD	QTD
International Equity Income *Pure Gross-of-Fees*[4]	14.3%	12.7%	18.0%	15.0%	8.6%	1.1%
Max Net-of-Fees[5]	10.9%	9.4%	14.5%	11.6%	6.2%	0.3%
MSCI EAFE (Net)	12.2%	9.3%	18.4%	15.7%	10.3%	0.8%

**Average Annualized Returns*

Calendar Year	Pure Gross-of-Fees[4]	Max Net-of-Fees[5]	MSCI EAFE (Net)	Difference (Gross-MSCI EAFE)	# of Portfolios	Composite Assets (000s)	Total Firm Assets (000s)	Composite 3yr Std Dev	MSCI EAFE 3yr Std Dev	Composite Dispersion
2020**	19.0%	17.3%	21.6%	(2.6%)	1	$119	$6,889,798	N/A	N/A	N/A
2021	18.4%	14.9%	11.3%	7.1%	1	$141	$7,761,687	N/A	N/A	N/A
2022	(6.6%)	(9.4%)	(14.5%)	7.8%	1	$132	$6,931,635	N/A	N/A	N/A
2023	15.7%	12.3%	18.2%	(2.5%)	1	$153	$7,200,019	14.3%	16.6%	N/A
2024	9.9%	6.7%	3.8%	6.1%	1	$168	$7,280,773	13.6%	16.6%	N/A
2025	26.5%	22.7%	31.2%	(4.7%)	1	$212	$6,769,052	9.3%	11.9%	N/A

***Inception is 6/30/2020*

See performance disclosures on last page.

Portfolio Benchmark

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

(An index is unmanaged and an investor cannot invest directly in an index. They are shown for illustrative purposes only & do not represent the performance of any specific investment. Index performance figures are reported as net returns.)

For more information, contact a member of our Sales Team:

(314) 530-6729 or sales@confluenceim.com

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Confluence International Equities Investment Committee

Mark Keller, CFA	Gregory Tropf, CFA	Tore Stole	Patrick Fearon-Hernandez, CFA
Bill O'Grady	Matt Sinkovitz	Blair Brumley, CFA	

Disclosures

[2] **Portfolio Holdings**—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 stated investment strategy. Country allocation shows the 10 largest countries in the portfolio and weightings exclude cash and cash equivalents. 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 strategy may differ, sometimes significantly, from these listings. Contact Confluence to receive a complete list of securities, sectors and/or countries previously held. All investments carry a certain degree of risk, including possible loss of principal. It is important to review your investment objectives, risk tolerance & liquidity needs before choosing an investment style or manager. Equity securities are subject to market risk & may decline in value due to adverse company, industry or general economic conditions. There can be no assurance that any investment objective will be achieved. Portfolio yield: composite level weighted average gross dividend yield, calculated based on annualized current dividends; source: Bloomberg/FactSet. Rolling 5-year turnover calculated from sample accounts for periods ending 12/31/2025. Past performance does not guarantee future results.

[3] **Performance Composite Returns—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, 2025. 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 Equity Income strategy was incepted on June 30, 2020, and the current International Equity Income – Direct Composite was created on June 30, 2020. 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. Gross returns are shown as supplemental information.

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

[5] 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. Non-fee-paying assets as a percentage of total composite assets at year-end are as follows for 2024: 100%

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. The three-year annualized standard deviation measures the variability of the composite gross returns over the preceding 36-month period. The International Equity Income – Direct Composite contains fully discretionary International Equity Income non-wrap accounts. The International Equity Income portfolio invests in U.S.-listed shares of large capitalization, non-U.S. companies primarily from developed markets, with a total return objective, i.e. dividend income plus capital appreciation. The primary benchmark is the MSCI EAFE Index. 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.

**Results shown for the year 2020 represent partial period performance from June 30, 2020, through December 31, 2020.
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.