Confluence INVESTMENT MANAGEMENT

International Opportunities

September 30, 2020

Overview

Confluence International Opportunities is a long-only portfolio of the investment team's 6-10 highest conviction international ideas (excluding U.S.) based on Confluence's investment discipline combining top-down and bottom-up approaches. The portfolio is highly concentrated (not broadly diversified) and may not be suitable for all clients.

Performance Composite Returns (Periods Ending September 30, 2020)

	Since Inception**	10-year*	5-year*	3-year*	1-year	YTD	QTD
Confluence International Opportunities *(Pure Gross-of-Fees)*[1]	8.2%	8.2%	10.0%	10.1%	27.0%	12.6%	12.8%
Confluence International Opportunities *(Net-of-Fees)*[2]	5.0%	5.0%	6.8%	6.9%	23.2%	10.1%	12.0%
MSCI World ex-U.S. (Net) Index[3]	1.5%	4.4%	5.3%	0.6%	0.2%	(7.1%)	4.9%

[2]See Net-of-Fees description on next page. [3]Benchmark index including net dividends.
**Average annualized returns **Inception is 5/1/2007*

Portfolio Characteristics[1]

Number of Holdings	6-10
Portfolio Yield	0.9%
Annual Turnover (5-Year Rolling)	118%
P/E (12-Month Trailing)	32.9
P/E (Forward 1-Year)	24.5
5-Year EPS Growth Rate	16.2%
PEG Ratio	2.0%
Price/Book Ratio	7.9%
Price/Sales Ratio	5.4%
Return on Equity	24.3%
Weighted Debt-to-Capital	16.8%

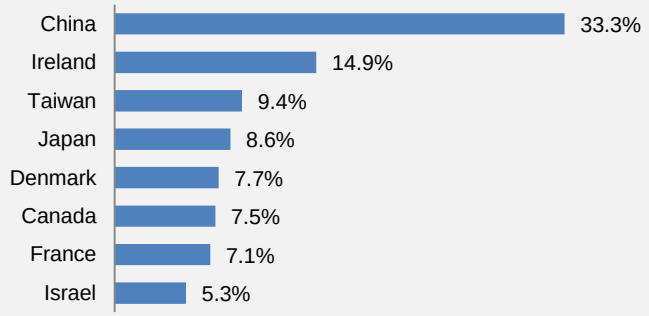
Market Cap[1]

Median Market Cap ($ MM)	$118,295
Weighted Avg. Market Cap ($ MM)	$266,589
% of Holdings Above $10B	90%
% of Holdings Below $10B	10%

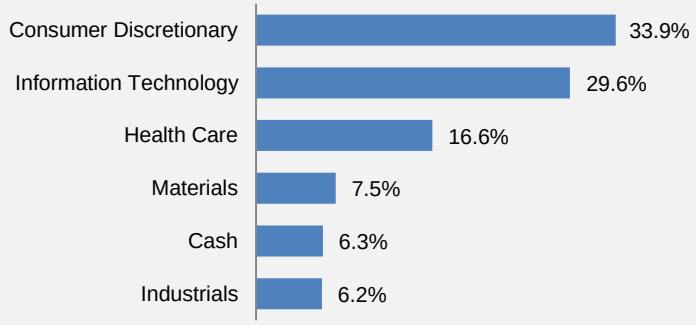
5 Largest Holdings[1]

	Sector	% of Assets
Alibaba Group Holding Ltd.	Consumer Discretionary	18.3%
Accenture plc	Information Technology	14.9%
Taiwan Semiconductor Manufacturing	Information Technology	9.4%
WuXi Biologics (Cayman) Inc.	Health Care	8.9%
Sony Corporation	Consumer Discretionary	8.6%

Country Allocation[1]



Sector Allocation[1]



[1] 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 International Opportunities strategy. 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 12/31/2019. Past performance does not guarantee future results.

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Annual Performance Composite Returns

	International Opportunities Pure Gross-of-Fees[1]	International Opportunities Net-of-Fees[2]	MSCI World ex-U.S. (Net)	Difference (Gross-MSCI World ex-U.S.)	# of Portfolios	Composite Assets (000s)	Total Firm Assets (000s)	Composite 3yr Std Dev	MSCI World ex-U.S. 3yr Std Dev	Composite Dispersion
2007**	19.6%	17.2%	3.4%	16.2%	1	$240	-	N/A	N/A	N/A
2008	(24.2%)	(26.5%)	(43.6%)	19.3%	2	$1,695	-	N/A	N/A	1.2%
2009	32.7%	28.8%	33.7%	(0.9%)	7	$7,837	-	N/A	N/A	1.7%
2010	23.2%	19.5%	8.9%	14.2%	5	$4,365	-	24.5%	26.3%	0.8%
2011	(19.0%)	(21.4%)	(12.2%)	(6.8%)	6	$4,081	-	21.6%	22.3%	0.7%
2012	19.3%	15.8%	16.4%	2.9%	4	$2,155	-	20.3%	19.0%	0.6%
2013	26.3%	22.6%	21.0%	5.3%	3	$2,576	-	18.7%	16.0%	0.5%
2014	3.3%	0.2%	(4.3%)	7.6%	3	$3,306	-	14.6%	12.7%	0.7%
2015	(5.0%)	(7.8%)	(3.0%)	(2.0%)	2	$2,807	-	14.2%	12.3%	0.3%
2016	(6.1%)	(8.9%)	2.7%	(8.8%)	2	$2,612	-	14.3%	12.3%	0.4%
2017	32.3%	28.3%	24.2%	8.0%	2	$3,425	-	13.6%	11.7%	0.3%
2018	(18.5%)	(20.9%)	(14.1%)	(4.4%)	1	$79	$5,486,737	13.1%	11.1%	N/A
2019	42.8%	38.5%	22.5%	20.3%	1	$113	$7,044,708	14.1%	10.8%	N/A

Portfolio Benchmark

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

(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 claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Confluence has been independently verified for the periods of 8/1/2008 through 12/31/2019. A copy of the verification report is available upon request. Verification assesses whether: 1. the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis, and 2. the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

The International Opportunities Strategy was incepted on May 1, 2007, and the current International Opportunities 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: 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. Bundled fee accounts make up 0% 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.

Historical performance is based on the International Opportunities–Direct Composite which was initially created on May 1, 2007. The International Opportunities–Direct Composite includes accounts that pursue the International Opportunities strategy, but do not have bundled fees. Gross returns from the International Opportunities–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. Additional information regarding policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. 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. Beginning with year-end 2018, an equal-weighted standard deviation calculated for accounts in the composite for the entire year. The International Opportunities Composite contains fully discretionary International Opportunities wrap accounts. The International Opportunities portfolio invests in U.S.-listed shares of non-U.S. companies from developed and emerging markets. The portfolio is long-only and concentrated in the team's six to eight (10 maximum) highest conviction ideas.

**Results shown for the year 2007 represent partial period performance from May 1, 2007, through December 31, 2007. 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.

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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.

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