



June 30, 2021

OBJECTIVE

Invests in large capitalization companies. Investment objective is capital appreciation with a secondary objective of dividend income.

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 and are trading at discounts to our estimate of intrinsic value. Advantages may include strong brand names, highly differentiated services or products, dominant market share, flexible pricing power, protected technology or specialized industrial skill sets. Companies have the ability to generate high levels of cash flow and are led by management teams that create shareholder wealth.

The investment process focuses on managing risk, which we define as the probability of a permanent loss of capital, by owning quality businesses at attractive valuations diversified across a variety of market sectors. This discipline strives to protect investors on the downside while enhancing upside potential. Over time, we believe this approach positions the portfolio to deliver superior risk-adjusted returns.

OVERVIEW

- Invests in seasoned businesses that generally have market capitalizations above \$10 billion
- Stocks selected through independent research, evaluating the fundamentals
 of individual companies, and purchased when trading at discounts to our
 estimate of intrinsic value
- ♦ 4% position sizes
- ♦ Low-to-moderate turnover
- Appropriate for clients whose primary objective is capital appreciation and whose secondary objective is dividend income

MARKET CAP ¹	LARGE CAP VALUE	S&P 500	R1000 Value
Weighted Avg. Market Cap (\$B)	193.6	542.8	152.7
Largest Market Cap (\$B)	2,040.3	2,285.5	1,657.3
Median Market Cap (\$B)	85.6	29.9	14.0
Smallest Market Cap (\$B)	7.1	4.0	-
Large Cap (>\$10B)	92%		
Mid Cap (\$10B-\$2B)	7%		
Small Cap (<\$2B)	0%		

CHARACTERISTICS ¹	LARGE CAP VALUE	S&P 500	R1000 VALUE
Dividend Yield	1.0%	1.4%	1.9%
Number of Positions	23-25	505	842
Annual Turnover (5-yr Rolling)	11%		

1This information is presented as supplemental information to the disclosures required by the GIPS® standards. 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 profilable or avoid incurring losses. 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. Sector weightings/holdings of individual client portfolios in the strategy may differ, sometimes significantly, from these listings. Contact Confluence for a complete list of holdings. Portfolio yield: composite level weighted average yield, calculated based on annualized current dividends; source: FactSet. Benchmark sources: S&P Dow Jones Indices/FTSE Russell. Annual turnover 5-yr rolling calculated from sample accounts for periods ending 12/31/2020.

SECTOR ALLOCATION¹

10 Largest Holdings ¹								
Alphabet Inc. (Class C)	4.9%							
Charles River Laboratories Int'l, Inc.	4.7%							
Brookfield Asset Management Inc.	4.6%							
IHS Markit Ltd.	4.6%							
Lowe's Companies, Inc.	4.4%							
NXP Semiconductors N.V.	4.3%							
Starbucks Corporation	4.2%							
Stryker Corporation	4.1%							
Berkshire Hathaway Inc. (Class B)	4.1%							
Fastenal Company	4.0%							

■ Consumer Discretionary 16% ■ Consumer Staples 7% ■ Financials 16% ■ Health Care 16% ■ Industrials 23% ■ Information Technology 12% ■ Materials 3% ■ Communication Services 5%

INVESTMENT PROCESS

SECURITY SELECTION GREAT COMPANIES AT BARGAIN PRICES

Our disciplined investment process is research-driven, seeking to uncover "great companies" trading at bargain prices. We define great companies as those with the following attributes:

Durable Competitive Advantages

- Meaningful pricing power
- ♦ High barriers to entry
- Superior return on capital over extended periods of time

Free Cash Flow

- Substantial amount available to benefit shareholders
- Should far exceed the capital expenditures needed to maintain and grow the business

Capable Management

- ♦ Demonstrated ability to effectively allocate capital
- Alignment of management's interest with investors through large personal investments in company stock

BUY DISCIPLINE INVEST BASED ON PRICE AND PATIENCE

We believe focusing on high-quality companies and purchasing only when they're being offered at prices below our estimate of intrinsic value is an effective means for limiting downside risk, while maximizing total return potential over an investment cycle.

- Primary focus is price paid for a stock (discount to intrinsic value)
- Each portfolio company is evaluated to determine the highest price we will pay for a security
- This entry point is generally set at a 25%-50% discount to our internal estimate of intrinsic value
- Entry points are continually re-assessed
- Risk is defined as the probability of a permanent loss of capital as opposed to tracking error of a benchmark

New accounts may not be fully invested at inception if companies are trading above current entry points.

SELL DISCIPLINE

■ Cash 1%

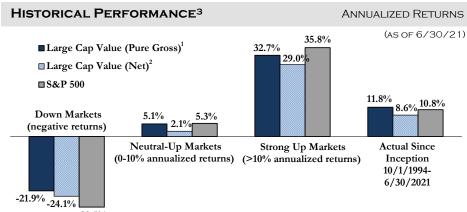
To help preserve capital, portfolio positions are continually reviewed.

A company's stock may be sold if:

- Share price reaches or exceeds our estimate of full valuation
- Company's fundamentals deteriorate
- More attractive opportunities are identified

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.



STATISTICAL ANALYSIS⁴ Portfolio at Quarter End vs. S&P 500 92.82% Active Share (as of 6/30/21) Pure Gross-of-Fees1 S&P 500 Since Inception** Downside Capture Ratio 76.97 100.00 2.03 0.00 Alpha 0.87 1 00 Beta

15 53%

0.86

0.62

16.50%

1.00

0.52

R-Squared

Sharpe Ratio

Annualized Standard Deviation

PERFORMANCE COMPOSITE RETURNS (FOR PERIODS ENDING JUNE 30, 2021)

	Pure Gross-of- Fees ¹	Net-of- Fees ²	S&P 500	R1000 Value	Calendar Year	Pure Gross-of- Fees ¹	Net-of- Fees ²	S&P 500	R1000 Value	Difference (Gross- S&P500)	# of Portfolios	Composite Assets (000s)	Total Firm Assets (000s)	Composite 3yr Std Dev	S&P 500 3yr Std Dev	R1000V 3yr Std Dev	Composite Dispersion
Since	11.8%	8.6%	10.8%	10.1%	1994**	3.4%	2.6%	(0.0%)	(1.6%)	3.4%	122	\$10,206		N/A	N/A	N/A	N/A
Inception**					1995	32.7%	29.1%	37.6%	38.3%	(4.9%)	178	\$24,073		N/A	N/A	N/A	1.1%
25-Year*	10.7%	7.6%	9.8%	9.1%	1996	29.9%	26.4%	23.0%	21.6%	6.9%	417	\$63,132		N/A	N/A	N/A	1.7%
20-Year*	10.1%	7.0%	8.6%	7.7%	1997	31.9%	28.3%	33.4%	35.2%	(1.5%)	973	\$151,053		N/A	N/A	N/A	2.1%
15-Year*	11.4%	8.1%	10.7%	8.0%	1998	9.0%	6.0%	28.6%	15.6%	(19.6%)	2,360	\$297,953		N/A	N/A	N/A	1.8%
					1999	2.9%	0.1%	21.0%	7.3%	(18.1%)	2,138	\$260,171		N/A	N/A	N/A	1.7%
10-Year*	13.9%	10.5%	14.8%	11.6%	2000 2001	11.5%	8.4%	(9.1%)	7.0%	20.6% 9.4%	1,104	\$159,096		N/A N/A	N/A N/A	N/A N/A	2.3% 1.1%
5-Year*	14.8%	11.4%	17.6%	11.9%	2001	(2.5%) (12.2%)	(5.1%)	(11.9%)	(5.6%) (15.5%)	9.4%	1,065 1,027	\$145,683 \$125,161		N/A N/A	N/A N/A	N/A N/A	0.6%
3-Year*	17.3%	13.8%	18.7%	12.4%	2002	30.9%	27.3%	28.7%	30.0%	2.2%	1,027	\$163.840		15.8%	18.1%	16.0%	1.0%
1-Year	39.1%	35.0%	40.8%	43.7%	2003	15.7%	12.6%	10.9%	16.5%	4.8%	1.052	\$103,040		13.7%	14.9%	14.8%	1.0%
					2005	(1.6%)	(4.3%)	4.9%	7.1%	(6.5%)	1,064	\$188,332		8.7%	9.0%	9.5%	0.6%
YTD	12.3%	10.6%	15.2%	17.0%	2006	17.8%	14.5%	15.8%	22.2%	2.0%	957	\$198,952		5.8%	6.8%	6.7%	0.6%
QTD	6.5%	5.7%	8.5%	5.2%	2007	5.9%	3.0%	5.5%	(0.2%)	0.4%	834	\$174.711		6.7%	7.7%	8.1%	0.6%
*Average and	*Average annualized returns **Inception is 10/1/1994				2008	(27.0%)	(29.1%)	(37.0%)	(36.8%)	9.9%	119	\$25,562	\$291,644	13.2%	15.1%	15.4%	N/A
U					2009	28.6%	24.8%	26.5%	19.7%	2.2%	149	\$53,387	\$533,832	17.7%	19.6%	21.1%	1.4%
псерион в	Inception is 10/1/1994				2010	12.1%	8.8%	15.1%	15.5%	(3.0%)	192	\$76,040	\$751,909	19.7%	21.9%	23.2%	0.4%
Portfolio Be	enchmarks				2011	6.4%	3.2%	2.1%	0.4%	4.3%	228	\$89,145	\$937,487	17.1%	18.7%	20.7%	0.3%
S&P 500®	S&P 500® Index - A capitalization-weighted index of					19.0%	15.4%	16.0%	17.5%	3.0%	249	\$143,568	\$1,272,265	13.5%	15.1%	15.5%	0.4%
	designed to				2013 2014	37.6%	33.6%	32.4%	32.6%	5.2%	373	\$208,844	\$1,955,915	10.6%	11.9%	12.7%	0.9%
	broad domestic economy through changes in the					10.7%	7.5%	13.7%	13.4%	(2.9%)	618	\$278,339	\$2,589,024	8.6%	9.0%	9.2%	0.5%
	aggregate market value of 500 stocks representing all major industries.					1.6%	(1.4%)	1.4%	(3.8%)	0.2%	858	\$352,556	\$3,175,419	10.1%	10.5%	10.7%	0.5%
Russell 100	2016	8.6%	5.4%	12.0%	17.3%	(3.4%)	1,003	\$396,038	\$4,413,659	10.0%	10.6%	10.8%	0.4%				
index design	2017	16.1%	12.6%	21.8%	13.6%	(5.7%)	1,049	\$380,737	\$5,944,479	9.0%	9.9%	10.2%	0.6%				
Russell 1000® Index companies with lower price-to-book					2018	(4.6%)	(7.4%)	(4.4%)	(8.3%)	(0.2%)	1,029	\$364,805	\$5,486,737	10.4%	10.8%	10.8%	0.6%
ratios and lower forecasted growth values. (Source: Bloomberg)					2019	34.5%	30.5%	31.5%	26.5%	3.0%	1,118	\$525,944	\$7,044,708	11.8%	11.9%	11.8%	0.6%
(Jource, Dioor	2020	13.0%	9.7%	18.4%	2.8%	(5.4%)	1,229	\$647,076	\$6,889,798	18.8%	18.5%	19.6%	0.9%				

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 must establish policies and procedures reject 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 Large Cap Value Strategy was incepted on October 1, 1994, and the current Large Cap Value Composite was created on August 1, 2008. Performance presented prior to August 1, 2008, occurred while the Portfolio Management Team members were the primary individuals responsible for selecting the securities to buy and sell. Confluence Investment Management LLC is an independent registered unsernative. Results are based on fully discretionary accounts under management, include the reinvestment of all income.

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

Net-of-fee performance was calculated using the highest applicable annual bundled fee of 3.00% applied quarterly (2.75% prior to 7/1/08). This fee includes brokerage commissions, portfolio management, consulting services and custodial annual bundled fee of 3.00% on the first \$500,000; on 55% on the next \$500,000; on 55% on the next \$500,000; on 10,

composite for the entire year. N/A-3yr Std Dev: Composite does not have 3 years of monthly performance history and/or performance was calculated quarterly prior to January 2001.

3 Historical Performance Chart—Annualized returns using calendar quarter performance data. Down Markets: annualized negative benchmark return; Neutral-Up Markets: annualized positive benchmark return is less than 10%; Strong Up Markets: annualized benchmark return is greater than 10%. The Standard & Poor's 500 lndex (S&P 500*) is an unmanaged market capitalization-weighted index of 500 common stocks chosen for market size, liquidity & industry group representation to represent U.S. equity performance. Down Markets: Q4 '94, Q3 '98, Q3 '99, Q2 '00-Q1 '01, Q3 '10, Q2 '02-Q3 '02, Q1 '03, Q3 '04, Q1 '05, Q2 '06, Q4 '07-Q1 '09, Q2 '10, Q3 '11, Q2 '12, Q4 '12, Q3 '15, Q1 '18, Q3 '19, Q2 '01, Q4 '01, Q3 '19, Q1 '10, Q3 '10, Q1 '10, Q1 '02, Q1 '04-Q2 '04, Q2 '05, Q4 '05, Q1 '07, Q3 '10, Q1 '11, Q4 '14, Q3 '14, Q1 '15-Q2 '15, Q1 '16, Q3 '19, Strong Up Markets: Q1 '90, Q4 '99, Q4 '99, Q4 '99, Q2 '01, Q4 '01, Q4 '02, Q2 '03-Q4 '03, Q4 '03, Q4 '03, Q3 '19, Q1 '10, Q3 '10, Q1 '10, Q3 '10, Q1 '1

Confluence Value Equities Investment Committee

-28.5%

John Wobbe Mark Keller, CFA Tom Dugan, CFA Dustin Hausladen Blair Brumley, CFA Tore Stole Daniel Winter, CFA Joe Hanzlik Kaisa Stucke, CFA Brett Mawhiney, CFA

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^{**}Inception is 10/1/1994