

PORTFOLIO ATTRIBUTES

INVESTMENT OBJECTIVE

TOTAL RETURN

TARGET INVESTMENT MARKETS

EQUITIES (DOMESTIC & INTERNATIONAL)

DEBT

COMMODITIES

CURRENCIES

INVESTABLE UNIVERSE

EXCHANGE-TRADED FUNDS (ETFs)

MUTUAL FUNDS

CLOSED-END FUNDS

INDIVIDUAL EQUITIES

INVESTMENT APPROACH

TOP DOWN, MACRO-BASED

PROPRIETARY RESEARCH DRIVEN

NUMBER OF HOLDINGS

10-20

ANTICIPATED TURNOVER

150% ANNUALLY

INVESTMENT APPROACH

The Global Macro Portfolio seeks to take advantage of major macroeconomic trends in four primary markets: equities (domestic and international), debt, commodities and currencies. The portfolio should be considered an alternative investment. The objective is to maximize total return (as opposed to a risk dampening non-correlated alternative asset) by aggressively investing in these market categories using Confluence's evaluation of the geopolitical environment, fundamental macroeconomic trends and technical patterns. The Global Macro portfolio should be considered speculative due to its short-term perspective, potential for market sector concentration and possible use of leverage.

INVESTMENT PROCESS

The Confluence investment team follows a disciplined, research driven investment process to take advantage of opportunities in numerous markets. The investment process is based on Confluence's top down evaluation of fundamental macroeconomic trends and technical patterns in the target markets.

INVESTMENT SELECTION

The Global Macro portfolio may invest in exchange-traded funds (ETFs), tradable open-end mutual funds, closed-end funds and, in limited cases, individual equity securities (with no more than 10% in any single stock). The portfolio has the ability to invest inverse to any market using ETFs and mutual funds. However, margin and shorting are not used in the management of the portfolio.

The Global Macro portfolio is anticipated to have annual turnover in excess of 150% with portfolio changes occurring frequently. The portfolio may at times be concentrated. However, no mutual fund or ETF can exceed 40% of the portfolio's value (at cost) and no single market category can make up more than 50% of the portfolio.