



Emerging Markets

International Equity Strategies



Fourth Quarter 2025

Confluence Emerging Markets invests primarily in large cap, growth-oriented companies in the emerging markets around the world. 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

Emerging markets continued their robust performance in the final quarter of 2025. Fourth quarter performance delivered positive returns primarily driven by strength in MSCI Latin America. For the year ended December 31, 2025, emerging market equity performance was broad-based, with all regions posting strong returns. Despite continued global uncertainty, 2025 has been the best year for emerging market equities since 2017. Central bank policy easing and a weaker United States dollar (USD) supported the rally. The USD weakened by over 9% in 2025, which benefited non-US equities. Emerging market equities have outperformed foreign developed markets and US equities on a full-year basis, with the MSCI Emerging Markets Index returning nearly twice that of the S&P 500 (33.6% versus 17.9%, respectively).

The emerging market rally highlighted the resilience of the emerging economies, flexibility of global supply chains, and continued reform efforts that improved the macro stability across the emerging market universe. Since the April 2025 market selloff, emerging market investors have been encouraged by signs of stabilization in China, easing inflation in key countries, and the massive artificial intelligence (AI) buildout.

Progress on the Chinese "anti-involution" policy pressed forward as the factors of production in industries with significant overcapacity are being transferred to areas that will further enhance progress on the initiatives outlined in the 15th Five-Year Plan (which encompasses 2026-2030), which was introduced in late October 2025. The plan emphasizes further investment to boost productivity across the Chinese high-value manufacturing sector. If this plan is successful, leadership in these industries can raise company's earnings and subsequently salaries and consumption. Anti-involution represents Beijing's ambitious attempt to break free from self-destructive economic cycles that have plagued several key industries. Specifically, involution describes a vicious cycle where companies engage in increasingly intense competition that yields diminishing returns for all participants. China is reshaping the competitive landscape in industries such as electric vehicles (EVs) and renewable energy, where excess capacity has crippled these industries. By redeploying this excess industrial capacity into other alternatives, China can create opportunities in new endeavors, which should help strengthen its business cycle and improve market sentiment. China is doubling down on its export-led development model and will continue to bring waves of deflationary impulse to the world. Despite lower trade volumes with the US, China continues to export deflation, primarily to Europe, as it announced a record \$1.19 trillion trade surplus with the rest of the world in 2025, up 20% from 2024 levels.

The AI capex cycle also propelled equity prices higher in certain developed and emerging market economies. The US and northern Asian economies (China, Taiwan, South Korea, etc.) directly benefited from the massive AI spend, and upstream supply chains include many emerging market-based countries. The five largest hyperscalers have committed \$3 trillion to AI projects through 2030, with only about 20% of the spend deployed. Results of AI spend downstream (users of AI models) will be deflationary as higher productivity will result in lower employment. Productivity is enhanced by leveraging computing power and using data to maximize operating efficiency.

China's disinflationary impulse and AI-driven productivity gains mean global inflation is likely to move lower. This will give the Federal Reserve and other central banks the latitude to continue easing monetary policy within their own economies. The lower interest rates should further stimulate economic growth and global demand, and this higher growth amidst a low inflation backdrop will likely create a "Goldilocks" environment (not too hot, not too cold) for emerging market economies. This Goldilocks macro environment characterized by stable-to-rising growth with little or no inflation provides a favorable framework for emerging market equities to thrive.

With the Federal Reserve expected to continue cutting rates in 2026, the resulting downward pressure on the USD could further enhance foreign developed market and emerging market equity returns. Additionally, if the Federal Reserve is indeed reducing rates, it gives more room for global central banks to do the same, especially in the emerging market economies where real rates remain elevated.

See GIPS Report on pages 5-6.

Mining stocks in South Africa and Latin America have further appreciation potential due to the rally in precious metal prices. The strong rally has been driven by economic uncertainty, "safe haven" demand, lower interest rates, accelerated central bank purchases, and a weaker USD. Forecasts are calling for even higher precious metal prices. Industrial metals have also performed well, with copper especially benefiting from anticipated increased demand for supplying AI-related needs in equipment, buildings, and energy requirements. Mining companies will continue to perform well in an environment of higher metals prices, lower interest rates, and lower energy prices. Currently, all of these factors are impacting mining companies in a favorable way.

Other significant developments in Latin America include budget changes in Argentina and economic reports out of Mexico. In Argentina, the Senate approved the first budget of the Milei administration, marking a shift from rule by decree toward legislative negotiation and helping anchor his austerity agenda into law. The budget passed with a wide margin after lawmakers added funding for universities and disability payments, concessions that President Javier Milei accepted, while still implying real spending cuts across most ministries. Approval was a key condition by the IMF for continued financial support. In Mexico, non-oil exports rose 10.5% year-over-year in November, marking a third consecutive double-digit gain and pushing the 12-month trade balance into surplus for the first time since 2021. Momentum was driven by non-auto manufacturing exports and resilient imports of intermediate goods, suggesting trade contributed more to late-2025 growth than expected. Separately, consumer price index (CPI) inflation slowed to 3.7% year-over-year in December.

As we've written extensively, the trajectory of the USD remains an important driver of emerging market equity returns. The MSCI Emerging Markets Index tends to move inversely with the USD, hence a weakening USD is historically consistent with higher emerging market equity prices. During the fourth quarter, the USD was little changed and had limited impact on emerging market returns. The outlook for the USD remains weaker as the Fed is expected to reduce rates further in 2026, though timing of the cuts is still unknown. The USD declined over 9% in 2025, enhancing non-US equity returns. The weaker USD provides additional tailwinds to emerging market firms that issue debt denominated in USD since their debt-servicing costs decrease as the greenback weakens. The Confluence macroeconomic team still feels that the USD will be under pressure longer term.

Emerging market equities remain one of the most mispriced asset classes, in our opinion, with valuations reaching historically attractive levels. As of December 31, 2025, the MSCI Emerging Markets Index was trading at a forward P/E of 13.5x versus 15.5x for the MSCI EAFE Index and 22.4x for the MSCI USA Index. Emerging markets continue to trade with stronger earnings growth (20%+), high and improving return on equity, high free cash flow yield, and a dividend yield near a 20% premium relative to historical figures and nearly double that of the US (2.3% for MSCI Emerging Markets versus 1.2% for MSCI USA). Earnings growth in emerging markets is expected to rise 17% in 2025, far outpacing that of the US (14%) and the European Union (12%). Furthermore, the emerging/developed market GDP growth gap is set to remain robust at 2.5% in 2026. This recovery can be attributed to global monetary easing, which has already occurred in many emerging markets as monetary authorities have reduced interest rates in response to lower inflation.

Looking ahead into 2026, macro data suggests that the emerging market rally will continue. As highlighted above, it appears that emerging markets are entering a Goldilocks phase. A weak labor market in the US supports the case for continued rate cuts by the Fed, thus the additional cuts are expected to further weaken the USD. Data also suggests that US tariffs continue to be less inflationary than expected but not enough to deter the Fed from additional rate cuts at this juncture. Despite the weak employment numbers, the immediate risk of US recession remains quite low. The current Atlanta Fed GDPNow estimate for real Q4 2025 GDP growth is 5.3%, indicating economic activity in the US is accelerating. US growth combined with resilient activity in the emerging markets creates a positive environment for continued outperformance of emerging market equities.

Overall, emerging markets are looking like a favored trade heading into 2026, with money managers increasingly positioning for what could be a multi-year reallocation after a long period of underperformance. Capital inflows into emerging market equities in 2025 reached their highest level since 2009, a shift that coincided with emerging market equities outperforming their US peers for the first time since 2017, yield spreads versus US Treasuries narrowing to their lowest level in over a decade, and carry trades delivering their best returns since the global financial crisis. Finally, following a year of strong equity performance, "fear of missing out" (FOMO) remains a theme, which should support additional equity inflows into the emerging market asset class. Overall, emerging markets are expected to continue being the primary engine of global economic growth, contributing about two-thirds of global GDP growth in the coming years, supported by solid fundamentals and a favorable external environment.

Quarterly Trade Summary

There were no trades completed during the fourth quarter in the Emerging Markets strategy. The three-year trailing turnover for this strategy remains within the expected range at 11 % as of 12/31/25.

Performance Review

During the fourth quarter of 2025, the MSCI Emerging Markets Index was up 4.7% in USD terms, underperforming the quarterly returns of developed international markets (MSCI EAFE, 4.9%) but outperforming the US market (S&P 500, 2.7%). By comparison, the Confluence Emerging Markets strategy was up 3.9% (gross of fees) in the fourth quarter, for a full-year gain of 33.9% (gross of fees) versus 33.6% for the benchmark over the same full-year period. [The strategy's net-of-fees returns for the same periods were 3.1% QTD and 29.9% YTD. See disclosures on last page for fee description; actual investment advisory fees may vary.]

All regions performed well, with little differentiation between the best and worst performing. MSCI EM Latin America delivered the strongest performance, rising by 8.2%, led by Chile (25.3%), Colombia (18.4%), and Peru (12.7%) as precious metals and some industrial metals rallied sharply. MSCI EM Asia (4.5%) was the second-best performing region, with South Korea (27.3%) leading the way but offset by exceptionally poor performance in China (-7.4%). MSCI EM EMEA was the laggard (4.0%) as gains in South Africa (14.1%) were offset by declines in Saudi Arabia (-7.6%).

During the fourth quarter, Chinese equities lost 7.4% as investors took profits following solid performance for much of 2025. Due to a series of geopolitical issues, we remain about 10 percentage points underweight China. Our Chinese positioning added more than 220 bps of alpha during the quarter due to both the lower allocation and our Chinese holdings outperforming the China benchmark.

During the quarter, the two best-performing countries within our portfolio, on an absolute basis, were Taiwan and Indonesia, while the Netherlands (former Russian security) and Argentina recorded the worst returns. From a sector standpoint, Health Care and Energy were the strongest sectors, while Communication Services and Industrials were the weakest.

From a relative standpoint, the most accretive country allocations were the overweight to Mexico and underweight to China, while underweight allocations to South Korea and security selection in India detracted the most from performance. From a sector perspective, our strong security selection in Consumer Discretionary and Health Care added the most alpha during the quarter, whereas our weaker security performance in Information Technology and Consumer Services contributed negatively to returns.

| Security | Avg Weight (%) | Contribution (%) |
|------------------------------------|----------------|------------------|
| Top 5 | | |
| Gold Fields Ltd. | 5.45 | 7.15 |
| Nebius Group N.V. | 2.65 | 4.59 |
| Taiwan Semiconductor Manufacturing | 4.96 | 2.46 |
| Shinhan Financial Group Co. Ltd. | 2.81 | 1.70 |
| Alibaba Group Holding Ltd. | 2.89 | 1.69 |
| Bottom 5 | | |
| Techtronic Industries Co. Ltd. | 2.21 | (0.36) |
| Infosys Ltd. | 2.17 | (0.38) |
| Dr Reddy's Laboratories Ltd. | 2.63 | (0.39) |
| Vista Energy S.A.B. de C.V. | 4.67 | (0.84) |
| MakeMyTrip Ltd. | 4.64 | (1.59) |

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

The portfolio's top contributors and detractors for the full year are shown in the accompanying table.¹

What We Are Watching

Macro and micro factors are moving in a positive direction for emerging market equities, indicating that they are poised for a period of outperformance in the coming years. In general, we expect countries that are more exposed to the US to outperform relative to those with more exposure to the eurozone or China.

While our Emerging Markets strategy is significantly underweight Chinese holdings, the health, or lack thereof, of the Chinese economy has international ramifications. Economic recovery is underway as AI innovation and the Chinese government's move toward anti-involution is leading to significant reforms. While "greenshoots" are starting to emerge in the Chinese economy, we are looking for low-risk, high-reward opportunities to add value to our strategy. As China exports deflation to the rest of the world, global central banks can consider looser monetary policies to stimulate economic growth. The US/China trade deal of 2025 marks a significant diplomatic breakthrough, focusing on agricultural exports, rare earth minerals, and tariff modifications, which all aim to stabilize economic relations between the two nations. Hopefully, both nations will uphold the terms of the agreement, though lack of follow-through may cause undo strain between the two nations.

We have previously discussed the potential for China to take military action against Taiwan, and pressure also continues to build in the territorial dispute between China and the Philippines as there have been several encounters between the Chinese Coast Guard and Philippine vessels. Both situations carry a real risk of immediate escalation, which could impact investors around the globe. The US response to a Chinese attack on Taiwan remains "strategic ambiguity," but the position may become a bargaining chip during further China trade negotiations.

Furthermore, 2026 is shaping up to be a year of significant transformation for Latin America. The US is already putting into practice its renewed prioritization of the Western Hemisphere through the capture of Venezuelan President Nicolás Maduro. The extraordinary intervention highlights US intent to exert significant influence over the whole region. The “Donroe Doctrine,” an adaption of the historical Monroe Doctrine, refers to principles of President Donald Trump's foreign policy and describes a perceived desire by the second Trump administration to assert American predominance in the Western Hemisphere. Following US strikes in Venezuela, Trump himself referred to “the Donroe Doctrine,” stating that “American dominance in the Western Hemisphere will never be questioned again.” Supporters see the doctrine as restoring American primacy and combatting the influence of China, Russia, and possibly Iran in the region. In 2018, Trump stated that the US was committed to “maintaining our independence from the encroachment of expansionist foreign powers” in the Americas. Since his second inauguration, Trump's efforts to rename the Gulf of Mexico, acquire Canada, the Panama Canal, and Greenland, and pursue military action against Venezuela have all been cited as part of the doctrine, while countering the influence of other major powers.

Meanwhile, tensions in the Middle East are flaring again as Iranian citizens have taken to the streets to protest the weak currency. Iranian Supreme Leader Ayatollah Ali Khamenei warned that “rioters must be put in their place” following a week of nationwide protests driven by economic distress, a signal widely interpreted as authorizing a tougher security response. Thousands of people have reportedly been killed, according to human rights groups, and demonstrations show little signs of abating. The unrest has taken on a sharper geopolitical dimension after President Trump warned that the US would “come to the rescue” if peaceful protesters were violently suppressed, prompting angry reactions from Iranian officials, including threats against US forces in the region. Tensions were further heightened after the US military captured Venezuelan President Maduro, a close ally of Tehran. The response to the demonstrations could destabilize the entire region.

As previously discussed in the Market Commentary, the USD is likely to continue weakening, driven by a larger US budget deficit, increased spending, and lower interest rates. Historically, a weaker USD has been a tailwind for emerging market investors as it increases the purchasing power of the local currency and helps keep local inflation in check. Also, emerging market companies who have issued USD-denominated debt will have a reduced debt service burden in a weaker USD environment.

Against the backdrop of growing US assertiveness, a crowded electoral calendar will also play a decisive role in the region's outlook. Disappointing economic results under left-leaning incumbents is creating momentum for right-wing candidates after a long period of left-of-center dominance. This ideological shift is likely to bring more market-friendly policies, including lighter regulation, business-friendly reforms, and efforts to address deteriorating security conditions. Important emerging market elections next year include the following: Thailand, February 8; Vietnam, March 15; Peru, April 12; Colombia, May 31; and Brazil, October 4.

The Confluence International Equities Investment Committee continues to diligently monitor the various geopolitical theaters in order to manage our strategies accordingly.

Emerging Markets • International Equity Strategies

Portfolio Characteristics² (as of 12/31/2025)

| 10 Largest Holdings | Weight | Sector Allocation | Weight | 10 Largest Countries | Weight |
|------------------------------------|--------|------------------------|--------|----------------------|--------|
| Gold Fields Ltd. | 7.2% | Consumer Discretionary | 17.4% | China | 17.7% |
| Vista Energy S.A.B. de C.V. | 4.3% | Consumer Staples | 10.0% | Mexico | 16.7% |
| KB Financial Group Inc. | 4.3% | Energy | 5.5% | India | 12.5% |
| Taiwan Semiconductor Manufacturing | 3.9% | Financials | 22.6% | South Korea | 8.2% |
| ASE Technology Holding Co. Ltd. | 3.5% | Health Care | 2.1% | Taiwan | 7.4% |
| Shinhan Financial Group Co. Ltd. | 3.2% | Industrials | 8.9% | South Africa | 7.2% |
| Tencent Holdings Ltd. | 3.2% | Information Technology | 10.0% | Brazil | 6.2% |
| H World Group Ltd. | 2.9% | Materials | 9.4% | Hong Kong | 5.8% |
| Alibaba Group Holding Ltd. | 2.9% | Communication Services | 7.6% | Argentina | 2.6% |
| Coca-Cola Femsa S.A.B. de C.V. | 2.7% | Cash | 6.5% | Panama | 2.3% |

Performance Composite Returns³ (For Periods Ending December 31, 2025)

| | Since Inception** | 15-Year* | 10-year* | 5-year* | 3-year* | 1-year | YTD | QTD |
|------------------------------------|-------------------|----------|----------|---------|---------|--------|-------|------|
| Emerging Markets | | | | | | | | |
| Pure Gross-of-Fees ⁴ | 6.0% | 5.0% | 7.6% | 4.6% | 17.8% | 33.9% | 33.9% | 3.9% |
| Max Net-of-Fees ⁵ | 2.9% | 1.9% | 4.4% | 1.5% | 14.3% | 29.9% | 29.9% | 3.1% |
| MSCI Emerging Markets (Net) | 5.2% | 3.8% | 8.4% | 4.2% | 16.4% | 33.6% | 33.6% | 4.7% |

| Calendar Year | Pure Gross-of-Fees ⁴ | Max Net-of-Fees ⁵ | MSCI EM (Net) | Difference (Gross-MSCI EM) | # of Portfolios | Composite Assets (000s) | Total Firm Assets (000s) | Composite 3yr Std Dev | MSCI EM 3yr Std Dev | Composite Dispersion |
|---------------|---------------------------------|------------------------------|---------------|----------------------------|-----------------|-------------------------|--------------------------|-----------------------|---------------------|----------------------|
| 2009** | 10.3% | 9.5% | 8.5% | 1.8% | 5 | \$1,030 | - | N/A | N/A | N/A |
| 2010 | 13.1% | 9.8% | 18.9% | (5.7%) | 5 | \$1,462 | - | N/A | N/A | 0.1% |
| 2011 | (15.7%) | (18.2%) | (18.4%) | 2.7% | 7 | \$2,430 | - | N/A | N/A | 0.0% |
| 2012 | 11.4% | 8.1% | 18.2% | (6.8%) | 4 | \$2,346 | - | 18.3% | 21.5% | 0.8% |
| 2013 | 13.5% | 10.2% | (2.6%) | 16.1% | 1 | \$220 | - | 16.0% | 19.0% | N/A |
| 2014 | (3.6%) | (6.5%) | (2.2%) | (1.4%) | 4 | \$1,636 | - | 13.9% | 15.0% | N/A |
| 2015 | (2.7%) | (5.6%) | (14.9%) | 12.2% | 6 | \$3,218 | - | 14.7% | 14.1% | 0.5% |
| 2016 | 0.7% | (2.3%) | 11.2% | (10.5%) | 17 | \$6,265 | - | 15.5% | 16.1% | 0.2% |
| 2017 | 42.7% | 38.5% | 37.3% | 5.4% | 16 | \$9,288 | - | 15.0% | 15.4% | 0.8% |
| 2018 | (19.7%) | (22.1%) | (14.6%) | (5.1%) | 15 | \$8,643 | \$5,486,737 | 14.8% | 14.6% | 0.6% |
| 2019 | 17.3% | 13.9% | 18.4% | (1.1%) | 13 | \$9,604 | \$7,044,708 | 16.0% | 14.2% | 0.6% |
| 2020 | 22.9% | 19.2% | 18.3% | 4.6% | 14 | \$11,350 | \$6,889,798 | 21.3% | 19.6% | 1.9% |
| 2021 | (11.4%) | (14.1%) | (2.5%) | (8.9%) | 9 | \$8,357 | \$7,761,687 | 20.7% | 18.3% | 0.4% |
| 2022 | (13.7%) | (16.2%) | (20.1%) | 6.4% | 7 | \$6,068 | \$6,931,635 | 21.3% | 20.3% | 0.6% |
| 2023 | 15.7% | 12.2% | 9.8% | 5.8% | 6 | \$5,807 | \$7,200,019 | 18.5% | 17.1% | 1.9% |
| 2024 | 5.6% | 2.5% | 7.5% | (1.9%) | 7 | \$6,051 | \$7,280,773 | 17.4% | 17.5% | 0.9% |
| 2025 | 33.9% | 29.9% | 33.6% | 0.4% | 3 | \$7,075 | \$6,769,052 | 13.8% | 13.4% | 0.7% |

*Average annualized returns

**Inception is 10/1/2009

See performance disclosures on last page.

Portfolio Benchmark

MSCI Emerging Markets (Net) Index - Free float-adjusted market capitalization index designed to measure the equity market performance of emerging markets. Performance results are presented net of estimated foreign withholding taxes on dividends, interest, and capital gains. (Source: Bloomberg)

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Indexes: The MSCI Emerging Markets 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 performance figures are reported as net returns.

¹Contribution—Table showing the top 5 contributors/detractors reflects the strategy's best and worst performers (net), based on each holding's contribution to the sample account for the period stated. Individual client portfolios in the strategy may differ, sometimes significantly, from these listings.

²Portfolio Characteristics—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.

³Performance 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, 2024. 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 Emerging Markets Strategy was inceptioned on October 1, 2009, and the current Emerging Markets 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 US Dollar is the currency used to express performance. Returns are presented gross and net of all fees and include the reinvestment of all income.

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

⁵Net-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: 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. Subsequent to February 1, 2013, 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.

Performance prior to February 1, 2013, is based on the Emerging Markets–Direct Composite which was initially created on October 1, 2009. The Emerging Markets–Direct Composite includes accounts that pursue the Emerging Markets strategy, but do not have bundled fees. Gross returns from the Emerging Markets–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. 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 Emerging Markets Composite contains fully discretionary Emerging Markets wrap accounts. The Emerging Markets portfolio invests in US-listed shares of companies from emerging markets.

****Results shown for the year 2009 represent partial period performance from October 1, 2009, through December 31, 2009. 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.