

# Convergence Long/Short Equity Strategy



March 2024

**Differentiated Long/Short Equity.** The Convergence Long/Short Equity Strategy seeks to add value over traditional long-only approaches by capturing the performance differential between its long and short holdings based on a proprietary, fundamental stock ranking process.

## Performance Summary (net of fees) Through March 31, 2024

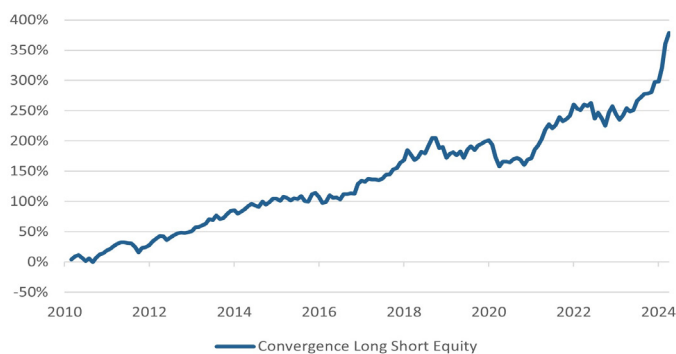
	1 Month	YTD	1 Year	3 Years	5 Years	10 Years	Annualized Since Inception 12/31/2009
Convergence Long/Short Equity Strategy (Net)	4.30%	19.71%	36.20%	15.75%	12.51%	10.42%	12.87%
Morningstar Long-Short Equity	2.80%	6.94%	15.58%	4.92%	6.24%	4.18%	4.31%
HFRX Equity Hedge Index	1.35%	3.40%	9.66%	5.34%	5.57%	3.09%	2.44%
Russell 3000	3.23%	10.02%	29.29%	9.78%	14.34%	12.33%	13.38%

## Periodic Returns (net of fees) January 2010 - March 2024

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>Convergence Long/Short Equity Strategy (net)</b>													
2024	5.24	9.06	4.30	-	-	-	-	-	-	-	-	-	19.71
2023	-0.93	1.00	3.20	-1.12	0.23	5.13	1.85	1.10	-0.54	0.13	5.19	1.23	17.49
2022	-2.46	-1.01	2.43	-1.83	1.49	-7.89	3.65	-3.27	-4.60	7.67	3.58	-4.14	-7.19
2021	4.03	3.33	4.54	5.34	2.94	-1.80	1.62	3.79	-2.91	2.10	0.83	5.85	33.53
2020	-2.50	-8.43	-8.12	5.12	0.80	0.04	3.04	2.22	-2.03	-3.38	5.69	2.13	-6.42
2019	3.92	1.29	-1.33	2.83	-4.90	6.11	2.05	-2.42	2.60	1.19	1.78	1.24	14.81
2018	7.07	-3.58	-3.34	1.25	3.40	-0.95	4.57	4.47	-0.12	-6.70	0.73	-7.33	-1.66
2017	-0.08	2.61	-0.45	0.29	-0.40	1.53	2.68	0.38	3.48	1.42	3.67	1.73	18.09
2016	-6.32	0.40	6.47	-1.82	0.57	-1.77	4.98	-0.09	0.73	-0.84	7.97	2.63	12.75
2015	-2.36	4.61	-0.90	-2.01	2.31	-1.18	2.58	-5.64	-1.35	7.16	0.89	-3.18	0.23
2014	-3.61	3.11	1.91	2.39	2.34	-0.53	-1.59	4.99	-3.26	2.14	3.14	-0.10	11.05
2013	5.49	0.72	2.80	2.18	4.57	-0.93	5.63	-3.96	2.47	4.81	3.31	1.16	31.65
2012	6.76	4.90	3.54	-1.06	-6.50	4.01	2.41	3.10	1.42	-1.03	0.98	1.66	21.38
2011	2.95	4.65	2.58	3.23	-0.89	-1.91	-1.15	-6.73	-10.07	10.71	0.47	1.99	4.32
2010	-3.11	6.43	6.55	2.08	-6.13	-7.02	6.08	-6.44	10.43	6.98	1.02	6.35	23.31

## Cumulative Excess Return vs. Long Short Universe

Cumulative Excess Return (%) vs. Peers



Time Period 01/01/2010 - 03/31/2024

Calculation Benchmark/Universe: Morningstar Long Short Equity

### Top Holdings (%)

Long		Short	
Nvidia Corp	3.76	Aspen Technology Inc	-0.82
Amazon Com Inc	2.77	Goldman Sachs Group	-0.77
Qualcomm Inc	2.24	Intel Corp	-0.63
Microsoft Corp	2.17	Wolfspeed Inc	-0.62
Applavin Corp	2.01	First Solar Inc	-0.58

Strategy holdings and sector allocations are as of 03/31/2024, are subject to change and should not be considered a recommendation to buy or sell any security.

**Past performance is not indicative of future results.**

## Portfolio Statistics (03/31/2024)

### Convergence Long/Short Equity Strategy

Sector Weight %	Total Portfolio	Long	Short	Russell 3000
Communication Services	5.4	9.7	4.3	8.3
Consumer Discretionary	7.0	12.1	5.0	10.5
Consumer Staples	2.8	5.4	2.6	5.6
Energy	2.5	4.7	2.1	4.1
Financials	8.9	16.0	7.1	13.9
Health Care	8.2	14.4	6.3	12.5
Industrials	8.0	13.1	5.1	10.1
Information Technology	18.0	31.6	13.5	27.6
Materials	1.8	3.1	1.4	2.7
Real Estate	1.1	2.5	1.4	2.7
Utilities	1.1	2.2	1.0	2.2
<b>Total</b>	<b>64.9</b>	<b>114.8</b>	<b>49.8</b>	<b>100.0</b>
Price/Earnings Ratio	14.9	21.9	58.1	28.9
Price to Book	6.04	3.03	1.84	4.06
Beta	0.56	0.98	1.38	1.00
Return on Assets	13.8%	8.4%	1.3%	9.6%
EPS Growth*	20.5%	14.4%	6.2%	13.9%
Capitalization(millions)	\$539,801	\$322,807	\$39,950	\$654,863
Number of Holdings	380	163	217	2947

\*5 year trailing. Earnings Growth is not a measure of future performance.

## Appendix

Convergence Long/Short Equity Composite (as of 12/31/2023)									
	Gross of Fees Return	Net of Fees Return	Benchmark Return (Russell 3000)	Composite Dispersion (Full Period)	Number of Separate Accounts (End of Period)	Total Composite Assets (End of Period)	Total Firm Assets (End of Period)	3 Year Annualized Standard Deviation (Composite)	3 Year Annualized Standard Deviation (Russell 3000 Index)
2010	24.58%	23.31%	16.93%	N/A*	1	\$25,212,822	\$93,181,292	N/A	N/A
2011	5.41%	4.32%	1.03%	N/A*	1	\$57,971,568	\$154,362,324	N/A	N/A
2012	22.62%	21.38%	16.42%	N/A*	1	\$92,258,454	\$217,790,421	17.35	15.95
2013	32.97%	31.65%	33.55%	N/A*	1	\$299,305,670	\$492,677,907	13.79	12.71
2014	12.16%	11.05%	12.56%	N/A*	1	\$320,015,938	\$553,692,556	10.32	9.42
2015	1.26%	0.23%	0.48%	N/A*	1	\$213,526,814	\$444,781,578	10.81	10.72
2016	13.88%	12.75%	12.74%	N/A*	1	\$130,544,576	\$398,488,819	11.70	11.04
2017	19.27%	18.09%	21.13%	N/A*	1	\$125,380,012	\$409,273,927	10.91	10.23
2018	-0.66%	-1.66%	-5.24%	N/A*	1	\$97,192,833	\$390,434,667	12.24	11.34
2019	15.93%	14.81%	31.02%	N/A*	1	\$58,866,057	\$343,819,819	11.12	12.38
2020	-5.44%	-6.42%	20.89%	N/A*	1	\$18,800,895	\$223,805,605	14.03	19.69
2021	34.89%	33.53%	25.66%	N/A*	1	\$25,243,395	\$219,550,002	12.56	18.19
2022	-6.27%	-7.19%	-19.21%	N/A*	1	\$23,756,740	\$190,730,732	14.29	21.79
2023	18.60%	17.49%	25.96%	N/A*	1	\$32,868,119	\$215,517,580	11.67	17.71

\*N/A is shown because there were five or fewer portfolios in the composite for the full year.

## Disclosures

**Past performance is not indicative of future results.**

The information provided herein is for informational purposes only. Investors should seek financial advice regarding the appropriateness of investing in any securities or investment strategies discussed in this documentation and should understand that statements regarding future prospects may not be realized. Investors should note that income from such securities may fluctuate and that each security's price or value may rise or fall. Accordingly, investors may receive back less than originally invested.

**No Warranties**

Convergence Investment Partners takes care to ensure that the information provided is accurate and up to date. However this documentation is provided without warranties of any kind, either express or implied, including but not limited to warranties of title or implied warranties of merchantability or fitness for a particular purpose, or non-infringement. Opinions expressed herein are subject to change without notice. The Company will not assume any liability for any loss or damage of any kind, whether direct or indirect, arising or caused by the use of any part of the information provided.

**Copyright**

You may not copy, reproduce, recompile, decompile, disassemble, reverse engineer, distribute, publish, display, perform, modify, upload to, create derivative works from, transmit or in any way exploit any part of this material, except that you may use for your own personal, noncommercial use. The analysis and presentation included in this material may not be re-circulated, redistributed or published without our prior written consent. Modification of the material's content would be a violation of our copyright and other proprietary rights. Additionally, you may not offer any part of this material for sale or distribute it over any other medium including but not limited to over-the-air television or radio broadcast, a computer network or hyperlink framing on the internet without our prior written consent. The information contained herein may not be used to construct a database of any kind. Nor may the information be stored (in its entirety or in any part) in databases for access by you or any third party or to distribute any database services containing all or part of the information without our prior written consent.

**GIPS COMPLIANCE DISCLOSURES****Compliance Statement**

Convergence Investment Partners claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Convergence Investment Partners has been independently verified for the periods 1/1/2011 to 06/30/2023. The verification report(s) is/are 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 and pooled fund 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.

The firm maintains a complete list, description of composites, and a list of broad distribution pooled funds which is available upon request. Results are based on discretionary separate accounts under management, including those accounts no longer with the firm. The results portrayed relate only to the adviser's clients invested in the portfolio that meet the criteria for inclusion in composite performance. The U.S. Dollar is the currency used to express performance returns and assets. Performance results are presented both net and gross of management fees and include the reinvestment of income. From the inception of each composite until

01/01/11, Time Weighted Return was compounded on a monthly basis. Beginning 01/01/11 through present, Time Weighted Return was compounded on a daily basis. GIPS® is a Registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

**Definition of the Firm**

The firm is defined as Convergence Investment Partners, LLC ("Convergence Investment Partners"), a majority-owned subsidiary of Nile Capital Group, LLC effective October 1, 2018. Convergence Investment Partners was founded in November, 2004. From December 2008 to September 2018, Convergence Investment Partners was a majority-owned subsidiary of Montage Investments, LLC. Convergence Investment Partners (CIP) is an investment adviser registered with the Securities and Exchange Commission. Registration of an investment adviser does not imply any specific level of skill or knowledge. Convergence Investment Partners is an active equity manager dedicated to managing U.S equity strategies. Convergence uses its proprietary process to select and rank investments, construct portfolios, and help manage risk in each of its products. Convergence strategies are based on corporate fundamentals supported by compelling empirical research applied within each industry group. The name, Convergence, communicates the firm's philosophy of a fundamental stock picking process that incorporates the intersection of sound investment theory executed in a disciplined environment utilizing advanced technology. The total firm assets will be defined as all discretionary and non-discretionary assets under management within Convergence Investment Partners. This includes primary investment management accounts and sub-advisory investment management accounts, as well as both fee-paying and non-fee paying assets.

**The Convergence Long/Short Equity Composite**

The Convergence Long/Short Equity composite performance includes the performance of the Convergence Long/Short Equity fund. The Convergence Long/Short Equity ETF began trading as an ETF on February 22, 2022. Prior to its conversion to an ETF on February 22, 2022, the fund operated as an open-end mutual fund. As of April 1, 2019 the composite name was changed to Convergence Long/Short Equity. Prior to April 1, 2019, the composite was named Convergence Core Plus. The firm updated the composite name to better reflect the objective and management of the strategy. The inception and creation date of the composite is December 31, 2009. The objective of Convergence Long/Short Equity is to achieve long-term capital growth. The strategy seeks to achieve its investment objective by establishing long and short positions in equity securities of domestic and foreign companies. The strategy focuses primarily on companies with medium and large market capitalizations, although the strategy may establish long and short positions in companies of any market capitalization. The strategy will hold long (purchase) securities that the Adviser believes will outperform the market, and will sell short securities expected to underperform the market.

For comparison purposes, the Convergence Long/Short Equity Composite is measured against the Russell 3000® Index as a primary index. Morningstar Long-Short Equity and HFRX Equity Hedge Index are shown as secondary benchmarks. The Morningstar Long-Short Index consists of long-short mutual funds that hold sizeable stakes in both long and short positions in equities, exchange traded funds, and related derivatives. The HFRX Equity Hedge Index consists of strategies that maintain positions both long and short in primarily equity and equity derivative securities. Individuals cannot invest directly in any index and index returns do not reflect fees and expenses. Comparison of the Composite to benchmarks is for illustrative purposes only and the volatility of the benchmarks may be materially different from the volatility of the Composite due to varying degrees of diversification and / or other factors.

Since inception, Convergence Investment Partners has adopted the following "Significant Cash Flow Policy" for both composites: If a single or cumulative cash flow(s) are equal or greater than 20 percent of the total account value on the day the cash flow(s) is initiated, the account will be removed from the composite and added back to the composite on the first day of the month following the date that the account is fully invested (defined as being within the model portfolios cash target).

The three year annualized standard deviation is calculated using 36 monthly gross of fee returns to end of period. The three year standard deviation is not available prior to 2012.

**Fees and Related**

The full fee schedule for all Convergence Investment Partners products is available upon request. It should be noted that the collection of fees produces a compounding effect on the total rate of return net of management fees. Convergence Investment Partners Convergence Long/Short Equity Strategy charges 0.95% annually, and is assessed .07916% on a monthly basis, as of 02/19/2022. The Convergence Long/Short Equity ETF (CLSE) has a Gross Expense Ratio of 1.56%. The Net Expense Ratio is 0.95%. The Expense Ratio net of dividends on short positions is 0.61%.\*\* Prior to 02/19/2022, Convergence Investment Partners charged a management fee of 1.00% annually and was assessed .0833% monthly.

Gross of fee performance returns are presented before management fees but after all trading expenses. No other fees or expenses are deducted for gross of fee performance. Net of fee performance returns are presented after actual standard management fees and all trading expenses. No other fees are deducted aside from trading and management fees for the calculation of net of fee performance. Valuations are net of all applicable withholding taxes. Securities are valued in accordance with GIPS® Valuation Hierarchy Principles. More information regarding standard investment management fees is available upon request.

**Additional Notes and Disclosures**

The use of derivatives may be employed for purposes of currency hedging and or to equitize the cash position of the portfolios. Derivatives have not been used to date, and it is expected that any future use would be on a limited basis. Policies for valuing investments, calculating performance, and preparing GIPS composite Reports are available upon request. Dispersion is calculated using gross-of-fee returns with an equal-weighted standard deviation methodology for those accounts in the composite for the full calculation period.

The minimum account size for composite inclusion is \$5,000,000. Current performance may be lower or higher than return data quoted herein. The money management firm can be contacted directly at 561-494-8001 or visit [www.investcip.com](http://www.investcip.com).