

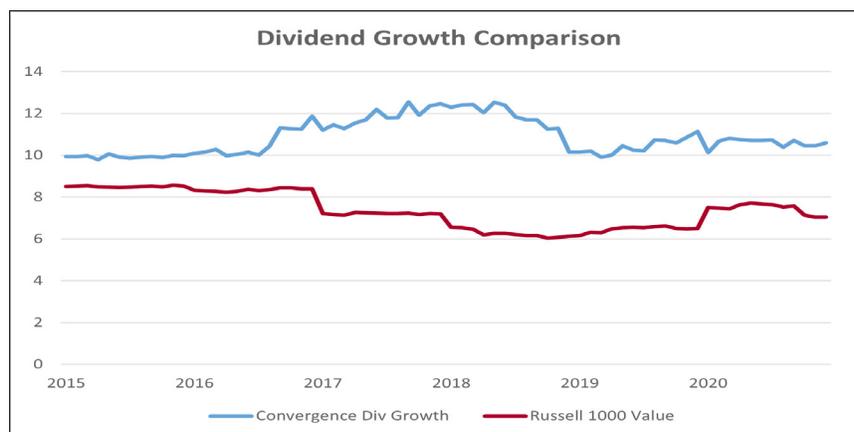
Convergence Dividend Growth Commentary

Q1-2021

The Convergence Dividend Growth strategy posted a strong 12.65% return in the first quarter of 2021. As a value focused strategy with lower volatility due to the relative stability of dividend payers, we are pleased with the returns generated during an environment of meaningful rotation of market leaders. The Convergence Dividend Growth strategy is built on the disciplined principle of investing in companies with strong and improving fundamentals found in cash flow, revenues, and earnings to support a robust and growing source of dividends. The byproduct is that shareholder-friendly companies with robust and growing fundamentals tend to be attractively valued, which provides a powerful combination of fundamental growth at a reasonable price. Over the past decade, the Convergence Dividend Growth strategy has outperformed the Russell 1000 Value index by 124 basis points annualized, net of fees.

The strategy performed well during the eventful first quarter of 2021, outperforming the Russell 1000 Value by over 139 basis points, net of fees. The leadership from the steady-eddy strong growth companies has been supplanted by previously out of favor value, cyclical, and small cap stocks. These types of companies tend to have significant operating leverage and thereby benefit from a strengthening economy. Over the past several months an unprecedented amount of stimulus has been poured into the economic system both from monetary and fiscal levers. This incredible amount of economic fuel has propelled stocks tied to economic elasticity. In response to the anticipated change in growth for these companies and favorable year-over-year comparisons, they are positioned to deliver.

Evidence of the shareholder-friendly behavior of companies within the strategy can be witnessed by observing the comparison of the average dividend growth generated by stocks in the Convergence strategy as compared to the broader market index of the Russell 1000 Value. This notable differentiation is by design, as each company's ability to support and grow their cash flow paid to investors is modeled through the various fundamental metrics that is monitored and measured in the Convergence investment process.



Source: Wilshire Analytics

Chart measures the average 5-year dividend growth of the constituent holdings over time.

As documented in numerous academic journals, the more confident management is in their ability to grow earnings into the future, the more comfortable they are in raising their dividend. This phenomenon is often referred to as “The Signaling Effect.” The pillars of our philosophy are reflected in

our portfolio statistics. Our portfolio yield has been consistently higher than the market averages since inception. In addition, the portfolio dividend growth rate is nearly double that of the market.

	Current Yield	5 Year Div. Growth	Trailing P/E Ratio
Convergence Dividend Growth Strategy	3.29	11.1	24.3
Russell 1000 Value Index	2.01	5.4	42.5
Russell 1000 Index	1.40	5.8	43.2

First-Quarter 2021 Performance Summary

The Convergence Dividend Growth delivered a 12.65% return, net of fees in the first quarter of 2021. The Russell 1000 Value Index was up 11.26% in the same three months. For the first quarter, Dividend Growth benefited from both the stock selection and industry group allocation. The majority of outperformance can be attributed to stock selection, with a small benefit from the group weights. In terms of stock selection, the strategy witnessed a plethora of industry groups that were additive the relative returns, including Consumer Durables, Consumer Services, Insurance, Health Care Equipment, and Real Estate. Industry groups that modestly detracted from relative returns included Semiconductors and Materials. Finally, it is quite notable that of the twenty-four industry groups, every group except for Food Staples generated an absolute positive return for the quarter, which demonstrates some very significant breadth of performance. The following table summarizes attribution effects of the Dividend Growth strategy versus the Russell 1000 Value Index.

Convergence Dividend Growth: 3 Month Attribution as of 3/31/2021 (vs Russell 1000 Value)

Convergence Dividend Growth: 3 Month Attribution as of 03/31/2021 (vs Russell 1000 Value)			
	Stock Selection (%)	Allocation (%)	Total Variance (%)
Automobiles & Components	-0.056	0	-0.057
Banks	0.08	0.103	0.183
Capital Goods	-0.193	-0.044	-0.237
Consumer Durables & Apprl	0.291	0.019	0.31
Comm & Prof Services	0	0.03	0.03
Diversified Financials	0.184	-0.072	0.112
Energy	-0.287	0.112	-0.175
Food Beverage & Tobacco	0.361	-0.008	0.353
Food & Staples Retailing	-0.144	-0.004	-0.148
Health Care Eqpt & Srvc	0.2	0.218	0.418
Household & Prsnl Prods	0.077	-0.04	0.037
Consumer Services	0.344	0.001	0.345
Tech Hardware & Equipment	-0.239	0.114	-0.125
Insurance	0.362	0.03	0.391
Materials	-0.219	0.005	-0.214
Media & Entertainment	0.146	0.154	0.3
Pharmaceuticals & Biotech	0.251	-0.142	0.11
Real Estate	0.372	-0.034	0.338
Retailing	0.002	0.025	0.027
Software & Services	0.432	-0.197	0.235
Semiconductors & Semi Eq	-0.547	0.119	-0.428
Telecomm Services	0.046	-0.186	-0.14
Transportation	-0.222	-0.033	-0.254
Utilities	0.201	0.042	0.242

Source: Wilshire Analytics

Convergence has been successfully managing the Dividend Growth Strategy for over sixteen years and the strategy's lead manager has invested within a dividend-focused discipline for over two decades. Our core tenants of providing competitive, long-term returns, while assuming below market level of volatility and above market level of dividends remain steadfast. Given current economic conditions, we believe that the Convergence Dividend growth offers an attractive core equity position for investors. Finding companies with strong and improving cash flows which are supportive of growing dividend payments is the guiding mission of our Dividend Growth strategy. With history as our guide, companies that are able to capitalize on economic growth trends within their respective industries should be well positioned for generating strong cash flows, which in turn should help to deliver strong long-term risk-adjusted returns.

Data as of March 31, 2021

Past performance is not indicative of future results. Dividends represent past performance. There is no assurance they will continue to be paid in the future. Holdings are subject to change and should not be considered a recommendation to buy or sell any security.

The results portrayed relate to the adviser's clients invested in the portfolio that meet the criteria for inclusion in composite performance. Strategy returns are presented after actual standard management fees and all trading expenses. The inception date is 2/2005 and period ended 03/31/2021. Returns have been compared to the Russell 1000® Value Index. The Russell 1000® Value Index measures the performance of the large cap value segment of the U.S. equity universe with lower price-to-book ratios and lower expected growth values. You cannot invest directly in an index. Comparison 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. This communication is limited to the dissemination of general information pertaining to Convergence Investment Partners, LLC's (Convergence) services and general economic market conditions. The information contained herein is not intended to be personal legal or investment advice or a solicitation to buy or sell any security or engage in a particular investment strategy.

Source of market data: Wilshire Analytics and Bloomberg LLC