

**Certified** Riverwater Partners is a woman owned, independent ESG advisor based in Milwaukee, WI, serving individuals and institutions. We are proud to be a Certified B Corp.™

**BENCHMARK**

Russell 1000 Index

**TOP 5 PORTFOLIO HOLDINGS**

5.3% Progressive Corp.

4.9% PNC Financial Services

4.7% Pfizer Inc.

4.2% J.M. Smucker

4.0% Berkshire Hathaway

**23.1% of total net assets**

**RESEARCH TEAM**

The Riverwater Partners research team has deep experience across all equity sectors. Analysts employ a disciplined due diligence process to identify companies offering superior fundamental and ESG characteristics. We place emphasis on proprietary research and management team engagement, supported by third party research providers.

**ADAM J. PECK, CFA**

- 21 years industry experience
- Consumer, Financials, Industrials

**CINDY BOHLEN, CFA**

- 16 yrs. industry experience
- Health Care, Technology

**KIRK S. FOX**

- 18 yrs. industry experience
- Energy and Materials

**NATHAN FREDRICK, CFA**

- 5 yrs. industry experience
- Communication Services, Real Estate, Utilities

**RESPONSIBLE INVESTMENT**

Riverwater can customize portfolios for clients based on specific environmental and social values.

Recent reports by Morningstar and MSCI conclude that performance of ESG strategies may match or outpace that of non-ESG investments over the long term.

**INVESTMENT PHILOSOPHY**

**LONG TERM INVESTING** – We are business owners, not stock traders, and target holding periods of three years or more.

**FOCUSED PORTFOLIOS** – The strategy invests in 20-35 holdings.

**INVESTING BESIDE YOU™** – We believe in aligning our interests with those of our clients and proudly invest our personal assets in the Riverwater strategies.

**INVESTMENT PROCESS**

Our investment team evaluates each investment through our proprietary Three Pillar Approach®, requiring all holdings to meet each criterion. Pillar One: Superior Business; Pillar Two: Exceptional Management; Pillar Three: Attractive Valuation.

**ESG APPROACH**

Our investment team considers a company's environmental, social, and governance (ESG) factors into our analysis. This helps identify potential risk and/or opportunity. We seek companies that are either leaders in their industry or are making substantial improvements in their ESG policies and practices.

Riverwater has developed and maintains a proprietary ESG database and uses a 25-point scoring system to compare companies on ESG factors. We actively engage with company management teams and boards of directors on ESG efforts. Riverwater also uses shareholder resolutions and proxy voting as tools to promote responsible corporate policies and practices.

Collaboration with responsible investment thought leaders informs our practice and deepens our engagement. We are proud members of the following organizations:



**PORTFOLIO INFORMATION**

Annualized Returns						
	3 mo	1 yr	3 yr	5 yr	YTD	Since Incep. 10.30.16
Composite (gross)	-11.49%	-7.79%	3.54%	3.89%	-12.11%	6.05%
Composite (net)	-11.69%	-8.65%	2.56%	2.89%	-12.51%	5.15%
Benchmark	-12.22%	-6.82%	6.86%	7.17%	-12.87%	8.69%

Key Statistics	Large		Sector Weightings	Large	
	Benchmark			Benchmark	
Price to Cash Flow	10.8x	9.9x	Consumer Discretionary	1.24	5.79
Price to Earnings	14.6x	14.0x	Consumer Staples	7.79	7.32
Price to Earnings, FY1	13.4x	13.0x	Energy	7.48	7.16
AWMC (\$B)	\$113.70	\$145.05	Financials	19.78	19.41
Dividend Yield	2.20%	2.20%	Health Care	20.83	17.13
Return on Equity	19.20%	18.10%	Industrials	16.05	9.85
LT Debt to Capital	36%	42%	Info Tech	5.97	9.51
			Materials	2.44	4.23
			Real Estate	-	5.18
			Communication Services	4.36	8.64
			Utilities	6.41	6.06

The securities identified and described do not represent all of the securities purchased, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified was or will be profitable. The Composite performance is presented gross of fees and includes the reinvestment of income. Past performance is not indicative of future results.

9/30/2016 - 12/31/2021

Year	Composite Gross Return (%)	Composite Net Return (%)	Benchmark Return (%)	Ending Portfolios	Composite Assets (\$)	Firm Assets (\$)	Internal Dispersion (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)
2016 <sup>1</sup>	7.730	7.730	8.353	<=5	695,652.17	12,096,706.47	n/a		
2017	13.530	12.616	13.653	12	6,421,149.46	30,362,449.94	n/a		
2018	-7.051	-7.920	-8.261	27	8,193,764.78	31,452,911.10	n/a		
2019	17.542	16.453	26.558	30	11,528,386.66	625,880,780.28	0.836	9.944	11.849
2020	3.923	2.929	2.794	26	11,737,580.45	747,241,349.50	0.767	16.989	19.617
2021	14.078	12.991	25.143	24	12,071,152.34	891,439,562.74	0.612	16.284	19.054

<sup>1</sup> Partial Years. Returns for 2016 are from 9/30/2016 to 12/31/2016

## DISCLOSURES

- Riverwater Partners, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Riverwater Partners has been independently verified for the periods April 27, 2016 to December 31, 2020.
- 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. The Riverwater ESG SMID Value Strategy has had a performance examination for the periods October 1, 2016 through December 31, 2020. The verification and performance examination reports are available upon request.
- Riverwater Partners is defined as a registered investment advisor that is not affiliated with any parent organization. Riverwater Partners acquired Falcons Rock Investment Counsel in 2019.
- The Riverwater ESG Large Value Strategy seeks to provide attractive risk-adjusted returns versus its benchmark, the Russell 1000 Value. The Riverwater ESG Large Value Strategy holds 20-35 holdings with market capitalizations generally above \$15B. We focus on dividend paying equities that have a history of growing their dividend. Key material risks include the risks that stock prices will decline and that the composite will underperform its benchmark. There is no account minimum for the composite. Prior to 2021 the strategy was named the Riverwater Large Equity Income Strategy.
- Returns presented are time-weighted returns. Valuations and performance is reported in US dollars.
- Gross-of-fees returns are presented before management and custodial fees but after all transaction costs. Composite and benchmark returns are presented gross of non-reclaimable withholding taxes. Net-of-fees returns are calculated using the actual account fee. The management fee for the Riverwater ESG Large Value portfolio is 1.00% for less than \$5M and .50%. over \$5M.
- A list of composites, policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request.
- The composite was created in July 2019 and the inception date is October 31, 2016.
- Internal dispersion is calculated using the equal-weighted standard deviation of annual gross returns of those portfolios that were included in the composite for the entire year. The composite requires more than 5 accounts to calculate this metric.
- The three-year annualized standard deviation measures the variability of the composite gross returns and the benchmark returns over the preceding 36-month period.
- Since inception, portfolios are removed from the composite if they have a significant cash flow. A significant cash flow is defined as a contribution or withdrawal greater than 20% of the beginning market value of a portfolio. The portfolio is removed from the composite for the month in which the significant cash flow occurred.
- 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.
- A change in policy and procedures was implemented May '20 to reflect the capability of the computer program generated results of the composite. As a result, a material change in return and composite assets was generated for years 2017 & 2018. The presented figures on this report reflect the change.