

# SGA International Equity

Global equities moderately advanced for the third consecutive quarter with positive gains masking a volatile quarter. Investors focused on the U.S. debt ceiling debate while simultaneously recalibrating interest rate expectations amid improvements in inflation. International stocks, as measured by the MSCI EAFE Net Index, returned 2.95%, and the International Equity strategy modestly outperformed the benchmark.

The SGA Alpha Model had positive performance for the quarter among non-U.S. large cap developed equities. The Model performed well in May and June, more than overcoming April. Overall, Valuation was the primary contributor, led by SGA's Residual Income Model factor. Sentiment was also slightly positive, while Growth and Quality had modestly negative contributions. The Model benefitted from positive interaction between categories. In particular, the other three categories all performed better when conditioned on Quality than on a standalone basis.

Positive stock selection in Health Care and Financials drove the outperformance. In Financials, contributors included 3i Group and HSBC Holdings, which showcased strength in its Hong Kong wealth business. In Health Care, Novartis reported positive trial results while ICON reaffirmed earnings guidance. Communications Services, the benchmark's worst performing sector, delivered strong stock selection driven by Nintendo's successful product launches and by avoiding highly leveraged European telecom firms. Weak selection in Consumer Discretionary tempered the positive results, with Pandora and ZOZO lagging due to consumer slowdown concerns. IT was an area where the Alpha Model underperformed, with detractors including Israeli firms Wix.com and Nice.

Positive stock selection in the U.K. and Japan drove the outperformance. SGA's Value and Quality factors favored Marubeni and Mitsui, Japanese trading companies that beat earnings expectations and announced increasing shareholder returns. Renesas, Mitsubishi Heavy, and 3i Group also contributed. An underweight allocation to bottom performing countries Finland, Belgium, and Hong Kong further added to relative performance. A weak commodity price environment impacted stock selection in Norway and Spain, with Norsk Hydro and Repsol, underperforming. Israel and the Netherlands were areas of negative selection. Despite management proactively addressing A.I. concerns and reporting robust earnings, Universal Music Group detracted.

## Inception to Date – Composite Performance

	Qtr*	YTD*	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Since Inception 11/30/2005
<b>International Equity (Gross) %</b>	3.52	14.08	20.58	8.72	3.52	6.17	6.05	5.76
<b>International Equity (Net)** %</b>	3.34	13.69	19.74	7.93	2.76	5.34	5.16	4.80
<b>MSCI EAFE Index (Net) %</b>	2.95	11.67	18.77	8.93	4.39	6.88	5.41	4.44
<b>SGA Relative (Gross) %</b>	0.57	2.41	1.81	-0.21	-0.87	-0.71	0.64	1.32

\*Returns for periods of less than one year are not annualized.

\*\*Net of fees performance was calculated using the highest applicable annual management fee of 0.70% applied monthly effective July 1, 2022. Prior to July 1, 2022, composite net of fees performance was calculated by reducing the gross of fees return by the maximum annual management fee of 0.75% applied monthly. Prior to October 1, 2017, net of fees performance was calculated using the highest applicable annual management fee of 1.00% applied monthly; actual investment advisory fees incurred by clients may vary. Benchmark returns are net of foreign withholding taxes.

Please see the GIPS® Report for additional information. Past performance is not indicative of future results.

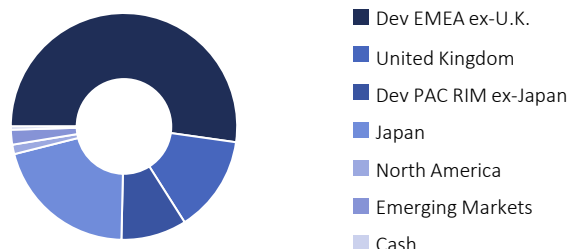
PERFORMANCE STATISTICS	SGA INTL EQUITY (Gross)	SGA INTL EQUITY (Net)	PORTFOLIO CHARACTERISTICS	SGA INTL EQUITY	MSCI EAFE NET
Standard Deviation	17.19%	17.19%	Number of Stocks	145	798
Upside Market	99.81%	97.35%	Price/Earnings (1-Year Forecast)	11.9x	13.3x
Downside Market Capture	95.09%	96.66%	Price/Book	1.9x	1.8x
Information Ratio	0.48	0.13	Weighted Average Market Cap	\$73.6B	\$87.7B
			Median Market Cap	\$31.2B	\$50.2B
			Estimated Annual Turnover	40-60%	--

Performance statistics are calculated since inception of the strategy, November 30, 2005, through June 30, 2023 based on gross and net of fees returns, as specified.

Please see additional information contained in the GIPS® Report, which is located at the end of this presentation. Portfolio characteristics are based on a representative account and calculated as of June 30, 2023.

SECTOR WEIGHTS*	SGA INTL EQUITY (%)	MSCI EAFE NET (%)
Communication Services	5.41	4.13
Consumer Discretionary	12.29	12.59
Consumer Staples	10.88	10.08
Energy	3.70	4.21
Financials	16.72	18.25
Health Care	13.70	13.16
Industrials	14.70	16.22
Information Technology	9.29	8.21
Materials	7.56	7.43
Real Estate	2.45	2.26
Utilities	2.83	3.47
Cash	0.46	0.00

TOP 10 HOLDINGS*	SGA INTL EQUITY (%)	MSCI EAFE NET (%)
NOVARTIS AG	2.93	1.32
ASML HOLDING NV	2.63	1.87
L'OREAL	2.23	0.72
NOVO-NORDISK AS	2.17	1.71
BHP GROUP	2.17	0.97
3I GROUP	1.82	0.15
PANASONIC HOLDINGS	1.82	0.17
HSBC HLDGS	1.76	1.01
ROCHE HLDGS AG	1.64	1.45
GEA GROUP AG	1.58	0.04
<b>Top 10 Holdings</b>	<b>20.75</b>	<b>9.41</b>

**REGIONAL DIVERSIFICATION**


REGION WEIGHTS*	SGA INTL EQUITY (%)	MSCI EAFE NET (%)
Dev EMEA ex-U.K.	52.23	51.43
United Kingdom	13.78	14.73
Dev PAC RIM ex-Japan	9.36	11.43
Japan	20.71	22.40
North America	1.35	0.00
Emerging Markets	2.12	0.00
Cash	0.46	0.00

*Fundamentally Inspired.  
Quantitatively Driven.*

Source: FactSet, Northern Trust, MSCI, SGA

\*The weights are based on a representative account in the strategy as of the date noted. These weights are subject to change at any time without notice. Individual account data may vary. ETFs, if held, are generally used for cash management purposes and/or to gain exposure in markets that are unavailable to the account, and are not included in the referenced data.

The MSCI EAFE (Europe, Australasia, Far East) Index (Net) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada. The MSCI EAFE Index (Net) returns include reinvestment of dividends and other earnings, and are not available for direct investment.

Investors should consider all factors, including investment objectives, fee charges, other expenses and risks carefully before investing in this product. A foreign investment offers diversifying characteristics, but also involves greater risks than investing in securities of U.S. issuers, including currency, political and stock specific risks. SGA products may have a negative return in a variety of markets whether rising or falling. The foreign security performance can be volatile and investors could lose a substantial amount of their investments. This material should not be reproduced or distributed to anyone else, but used solely by the recipient and their investment advisors. This material provides information on Strategic Global Advisors and their investment strategies and is not intended to be construed as an offer to sell or buy their products.

There is potential for shortfall in any investment process due to a variety of factors including, but not limited to, data and system imperfections, analyst judgment, and the complex nature of designing and implementing portfolio construction systems and other quantitative models. Such shortfalls in systematic or quantitative processes in particular pose broader risk because they may be more pervasive in nature. Furthermore, SGA's systems may not necessarily perform in a manner in which they have historically performed or were intended to perform. SGA recognizes that such shortfalls are inherent to both fundamental and systematic or quantitative processes, and believes that combining both approaches improves the opportunity to reduce these shortfalls. However, these efforts may not necessarily result in the identification of profitable investments or the management of risk.

**SGA PORTFOLIO MANAGEMENT TEAM**
**Cynthia Tusan, CFA**

CEO, Senior Portfolio Manager  
34 years of investment experience

**Gary Baierl, PhD**

Chief Investment Officer  
25 years of investment experience

**Cherie Badri, CFA**

Director of Fundamental Research, Senior Portfolio Manager  
28 years of investment experience

**Brendan Skarra-Corson, CFA**

Senior Portfolio Manager  
16 years of investment experience

SGA INTERNATIONAL EQUITY GIPS® REPORT

YEAR END	TOTAL FIRM ASSETS (MILLIONS)	COMPOSITE ASSETS			ANNUAL PERFORMANCE RESULTS				3-YEAR ANNUALIZED EX-POST STANDARD DEVIATION**	
		USD (MILLIONS)	NO. OF ACCOUNTS	% OF WRAP ACCOUNTS	COMPOSITE GROSS*	COMPOSITE NET	MSCI EAFE INDEX (NET)	COMPOSITE DISPERSION	COMPOSITE GROSS	MSCI EAFE INDEX (NET)
2022	3,231	779	5	0%	-16.40%	-17.00%	-14.45%	N/A	20.25%	20.25%
2021	4,365	1,246	7	4%	13.20%	12.35%	11.26%	N/A	17.47%	17.16%
2020	5,045	2,112	10	2%	4.87%	4.07%	7.82%	0.11%	18.25%	18.14%
2019	5,139	2,037	11	2%	19.76%	18.88%	22.01%	0.66%	11.63%	10.96%
2018	3,944	1,603	15	3%	-15.34%	-15.98%	-13.79%	0.21%	11.32%	11.40%
2017	4,085	1,996	13	2%	25.28%	24.13%	25.03%	0.62%	11.37%	12.00%
2016	3,023	955	12	6%	0.43%	-0.57%	1.00%	0.11%	12.14%	12.64%
2015	2,548	792	8	5%	2.11%	1.10%	-0.81%	0.10%	11.99%	12.64%
2014	1,141	88	6	45%	2.59%	1.57%	-4.90%	0.19%	12.26%	13.21%
2013	715	73	5	51%	26.39%	25.16%	22.78%	N/A	15.30%	16.48%
2012	441	58	5	52%	19.97%	18.80%	17.32%	N/A	18.16%	19.65%
2011	313	38	5	66%	-6.39%	-7.32%	-12.14%	N/A	21.11%	22.75%
2010	153	40	5	67%	12.47%	11.36%	7.75%	N/A	26.48%	26.61%
2009	145	35	5	66%	34.60%	33.29%	31.78%	N/A	24.44%	23.91%
2008	128	33	5	73%	-45.58%	-46.15%	-43.38%	N/A	20.99%	19.51%

N/A - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

\*Beginning January 1, 2017, pure gross returns are shown as supplemental information for bundled fee accounts and are stated gross of all fees and transaction costs.

\*\*The 3-year annualized ex-post standard deviation is not shown when there are not 36 monthly performance returns available.

SGA International Equity Composite includes all discretionary, equity only accounts whose primary investment objective is growth, and secondarily yield, and are invested in international large cap securities. The minimum account size for this composite is \$100 thousand. Key material risks include foreign company, currency, political, and economic events unique to a country or region that may affect those markets and their issuers. Beginning January 1, 2017, accounts in this composite may contain client imposed investment restrictions. For comparison purposes, the composite is compared to the MSCI EAFE Net Index, which includes large and mid-cap companies in developed market countries, excluding the U.S. and Canada. The International Equity Composite was created and inceptioned on November 30, 2005. Prior to December 31, 2016, the International Equity Composite was known as the International Large Cap Core Equity Composite.

Strategic Global Advisors, LLC (SGA) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. SGA has been independently verified for the periods December 1, 2005 through December 31, 2022. 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 International Equity Composite has had a performance examination for the periods December 1, 2005 through December 31, 2022. The verification and performance examination reports are available upon request.

SGA is an independently registered investment advisor. Registration does not imply any level of skill or training. A list of all composite and pooled fund investment strategies offered by the firm, with a description of each strategy, is available upon request. The type of portfolios in which each strategy is available (segregated account, limited distribution pooled fund, or broad distribution pooled fund) is indicated in the description of each strategy. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Composite performance is presented net of foreign withholding taxes on dividends, interest income, and capital gains. Withholding taxes may vary according to the investor's domicile. Composite returns represent investors domiciled primarily in the United States. The MSCI EAFE Net Index uses withholding tax rates applicable to Luxembourg holding companies.

The U.S. dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Composite net of fees performance was calculated by reducing the gross of fees return by the maximum annual management fee of 0.70% applied monthly effective July 1, 2022. Prior to July 1, 2022, composite net of fees performance was calculated by reducing the gross of fees return by the maximum annual management fee of 0.75% applied monthly. Prior to October 1, 2017, composite net of fees performance was calculated by reducing the gross of fees return by the maximum annual management fee of 1.00% applied monthly. Bundled fee (or wrap fee) accounts are included in the composite, and those accounts pay a fee based on a percentage of assets under management, which besides brokerage commissions, this fee includes portfolio monitoring, consulting services, and in some cases, custodial services. From November 30, 2005 through December 31, 2016, gross and net returns have been reduced by the fees for these services. Beginning January 1, 2017, pure gross returns are shown as supplemental information for bundled fee accounts and are stated gross of all fees and transaction costs. Please note that the maximum annual management fee for the respective period may differ from the actual investment advisory fees incurred by clients.

The annual composite dispersion presented is a gross of fees asset weighted standard deviation calculated for the accounts in the composite the entire year and is only presented for periods with more than five accounts in for the entire year. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.



Factsheet — June 30, 2023

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From September 30, 2013 to March 31, 2014, composite policy included two scenarios that require the temporary removal of any portfolio due to a client initiated significant cash inflow or outflow: 1) When the cash inflow or outflow represents from over 5% to 10% of portfolio assets and it takes longer than five trading days to reduce cash levels to less than 5%, and 2) When the cash inflow or outflow represents more than 10% of portfolio assets. The temporary removal of such an account occurs at the beginning of the month in which the significant cash flow occurs, and the account re-enters the composite at the beginning of the month after the cash level in the portfolio is reduced to less than 5%. Beginning June 1, 2019, the composite policy requires the temporary removal of any portfolio due to a client-initiated significant cash inflow or outflow, excluding securities received or delivered in kind when the cash inflow or outflow represented 10% or greater of the portfolio assets. Additional information regarding the treatment of significant cash flows is available upon request.

Past performance is not indicative of future results.

Maximum annual management fee is 0.70%; actual investment advisory fees incurred by clients may vary.

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