

# SGA International Equity

Following robust first half gains, global equities declined in the third quarter. Persistent inflation, higher borrowing costs, coupled with soaring oil prices, tempered the appetite for risk. International stocks, as measured by the MSCI EAFE Net Index, returned -4.11% in the third quarter. In this environment, the International Equity strategy outperformed the benchmark.

The SGA Alpha Model had positive performance for the quarter among non-U.S. large cap developed equities. Within the Model, Valuation was the primary contributor, where SGA's Residual Income Model and Free Cash Flow Yield factors were the top performing factors during the quarter. The Sentiment category also modestly contributed while Growth had a roughly neutral impact. The Quality category underperformed, partially offsetting the positive contributions from the other categories.

The outperformance was driven by positive selection in Consumer Discretionary, Communication Services, and Health Care, partially offset by weak selection in Consumer Staples. L'Oréal, Carlsberg, and probiotics beverage maker Yakult Honsha, citing weak China sales, detracted. Consumer Discretionary, a lagging sector, outperformed with Stellantis, Intercontinental Hotel Group, and Pandora advancing on robust earnings. Universal Music Group, favored by SGA's Quality and Growth factors, saw price hikes and improved fundamentals, while pharmaceuticals Ipsen and Novartis also contributed. Financials had mixed performance, with an underweight to rallying low-quality banks offset by strong selection in financial services and insurance companies, including Orix and Fairfax Financial.

Strong selection in European companies ranked favorably by SGA's Value and Quality factors, and an underweight to Hong Kong, a lagging country, drove the outperformance. In the U.K. and Spain, energy companies BP plc and Repsol advanced in a rising oil price environment while Netherlands-based Universal Music Group also outperformed. Pandora and Novo Nordisk, which benefited from its Ozempic weight loss drug, advanced in Denmark. Weak selection in Japan tempered performance, including Yakult Honsha and Hoya, which declined in sympathy with semiconductor companies. Proposed regulations aimed at improving corporate governance provided support to Japanese stocks with low price-to-book ratios. An underweight to low quality, low price-to-book companies, which rallied, had a negative impact.

## 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>	-2.89	10.78	28.35	5.93	2.71	4.76	4.59	5.51
<b>International Equity (Net)** %</b>	-3.06	10.21	27.46	5.16	1.96	3.95	3.72	4.55
<b>MSCI EAFE Index (Net) %</b>	-4.11	7.08	25.65	5.75	3.24	5.29	3.82	4.13
<b>SGA Relative (Gross) %</b>	1.22	3.70	2.70	0.18	-0.53	-0.54	0.77	1.37

\*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	17.13%	17.12%	Number of Stocks	142	795
Upside Market	99.84%	97.39%	Price/Earnings (1-Year Forecast)	11.6x	13.0x
Downside Market Capture	94.94%	96.50%	Price/Book	1.8x	1.7x
Information Ratio	0.51	0.15	Weighted Average Market Cap	\$69.6B	\$83.9B
			Median Market Cap	\$27.7B	\$48.1B
			Estimated Annual Turnover	40-60%	--

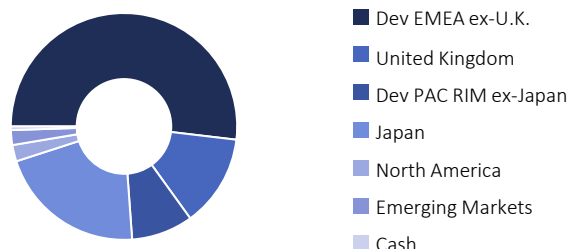
Performance statistics are calculated since inception of the strategy, November 30, 2005, through September 30, 2023 based on gross and net of fees returns, as specified. Please see additional information contained in the GIPS® Report, which is located at the end of this presentation. Portfolio characteristics are based on a representative account and calculated as of September 30, 2023.

# SGA International Equity

SECTOR WEIGHTS*	SGA INTL EQUITY (%)	MSCI EAFE NET (%)
Communication Services	5.65	4.14
Consumer Discretionary	12.71	12.04
Consumer Staples	10.31	9.78
Energy	4.34	4.77
Financials	17.04	19.10
Health Care	13.76	13.38
Industrials	15.67	15.91
Information Technology	7.22	7.73
Materials	8.05	7.48
Real Estate	2.52	2.32
Utilities	2.22	3.35
Cash	0.51	0.00

TOP 10 HOLDINGS*	SGA INTL EQUITY (%)	MSCI EAFE NET (%)
NOVARTIS AG	3.09	1.42
NOVO NORDISK A/S	2.54	2.02
ASML HOLDING NV	2.22	1.62
BHP GROUP	2.14	0.98
L'OREAL	2.06	0.68
BP P.L.C.	1.92	0.76
3I GROUP	1.89	0.17
UNVL MUSIC GROUP	1.88	0.15
HSBC HLDGS	1.81	1.05
PANASONIC HOLDINGS	1.76	0.17
<b>Top 10 Holdings</b>	<b>21.31</b>	<b>9.02</b>

## REGIONAL DIVERSIFICATION



REGION WEIGHTS*	SGA INTL EQUITY (%)	MSCI EAFE NET (%)
Dev EMEA ex-U.K.	51.87	50.43
United Kingdom	13.17	15.32
Dev PAC RIM ex-Japan	8.81	11.32
Japan	21.18	22.92
North America	2.34	0.00
Emerging Markets	2.12	0.00
Cash	0.51	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 ASSETS	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 incepted 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 — September 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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