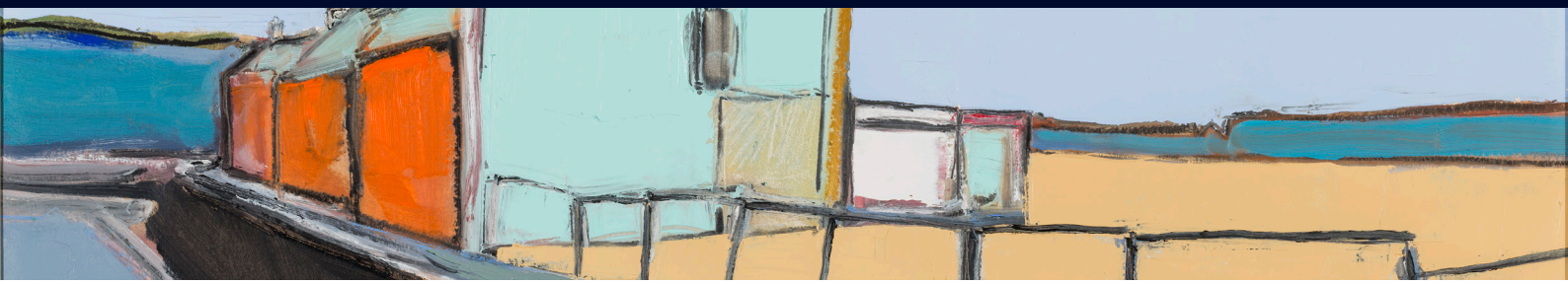
WALTER SCOTT



EUROPEAN EQUITY STRATEGY

30 September 2026

Investment approach

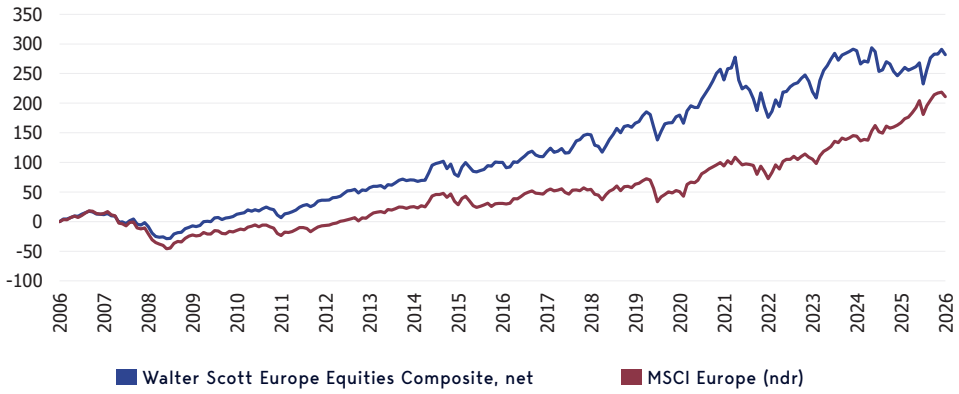
Company focus
Unconstrained, rigorous in-house company research is based on our consistently applied philosophy and process. We only select those businesses which meet our stringent investment criteria, regardless of their geography or industry.

Team approach
We invest as a team. Our longtenured, experienced investment team challenges and debates all proposals.

Investment horizon
We invest for the long term in order to exploit the power of compound growth. Our research process is designed to identify well-managed, enduring and resilient companies, taking all relevant factors into account.

20-year cumulative performance

% Returns in EUR as at 30 September 2026



Annualised performance

Returns in EUR % as at 30 September 2026	1 year	3 years	5 years	10 years	15 years	20 years	25 years
Walter Scott Europe Equities Composite, net	8.3	6.2	2.4	6.7	8.9	6.9	7.3
MSCI Europe (ndr)	16.5	14.8	9.9	9.0	9.8	5.8	6.1

Calendar year performance

Returns in EUR % as at 30 September 2026	YTD	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Walter Scott Europe Equities Composite, gross	7.1	-2.3	4.7	21.5	-21.6	28.6	4.4	32.1	-0.2	9.6	5.3
Walter Scott Europe Equities Composite, net	6.5	-2.9	4.0	20.7	-22.1	27.8	3.7	31.3	-0.8	8.9	4.6
MSCI Europe (ndr)	9.6	19.4	8.6	15.8	-9.5	25.1	-3.3	26.0	-10.6	10.2	2.6
Excess Returns (net vs index)	-3.1	-22.3	-4.6	4.9	-12.6	2.7	7.0	5.2	9.8	-1.3	2.0

Past performance is not a guide to future performance and returns may also increase or decrease as a result of currency fluctuations.

Source: Walter Scott (Strategy), MSCI (Index). Gross performance returns do not reflect the deduction of investment advisory fees which if applied would reduce returns but they do reflect the reinvestment of dividends and/or other earnings. Net performance returns reflect the deduction of a model management fee of 0.65% per annum and the reinvestment of dividends and/or other earnings. Please refer to the back page for further information.

MSCI Europe is used as a comparative index for this strategy for illustrative purposes. The strategy does not aim to replicate the composition or performance of the comparative index.

Walter Scott claims compliance with the Global Investment Performance Standards (GIPS®). 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.

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Strategy overview

The European Equity strategy aims to provide investors with a favourable real rate of return over the long term by investing in a portfolio of leading companies located in Europe, including the UK. Stocks are selected through fundamental, in-house company analysis.

The portfolio will typically consist of 40-60 world-class companies we consider capable of generating superior real returns over the long-term. These will be companies which we believe demonstrate high levels of durable growth and profitability, alongside strong balance sheets.

Our unconstrained approach typically leads to portfolios that bear little or no resemblance to any stock market index.

EUR €42.0bn firm wide AUM
EUR €0.3bn European equity strategy AUM
Composite inception date: 31 March 1991

Portfolio characteristics

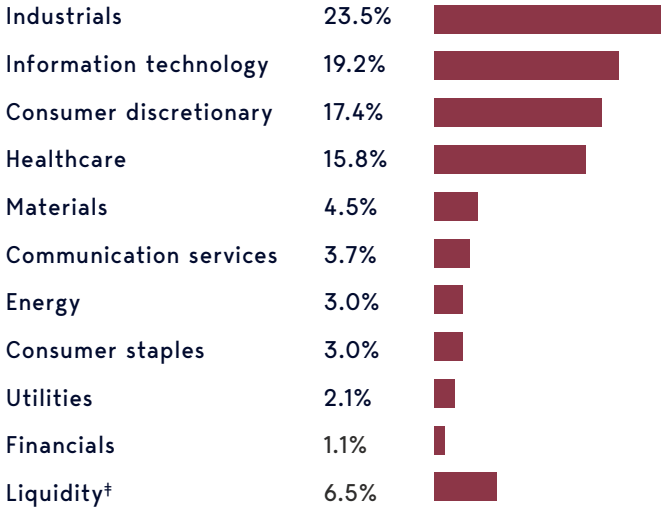
	Portfolio
Number of Securities	49
Operating Margin	16.1%
ROE	15.8%
Net Debt to EBITDA*	1.5
P/E Ratio (NTM)	19.2x
Dividend Yield**	2.0%
Active Share	81%
Portfolio Turnover (Typical Annual Range)†	5%-15%

Source: Walter Scott, FactSet & MSCI. Portfolio Characteristics are subject to change and are based on a Walter Scott European Equity representative portfolio as at 30/09/26.
*Net Debt to EBITDA figure excludes securities from the financial sector.
**Dividend yield is MSCI defined and calculated based on current holdings. Portfolio dividend yield reflects the deduction of a model management fee of 0.65% per annum.
†Based on the last 10 calendar years of representative portfolio turnover. Please see Portfolio Characteristics definition overleaf.

Top ten stocks

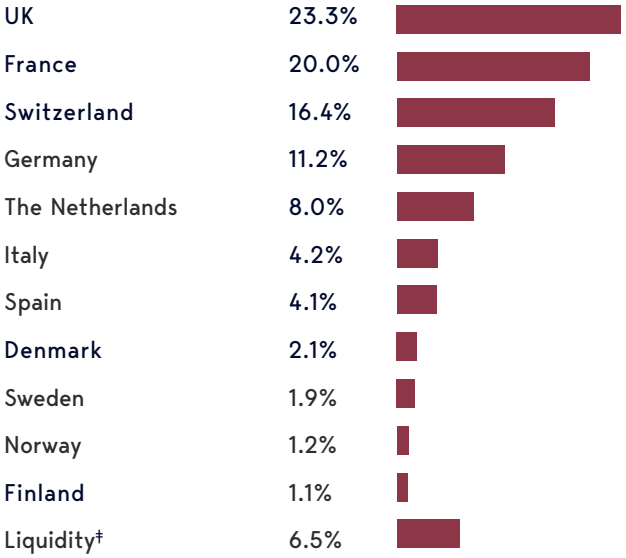
Stock	% of portfolio
ASM International	3.7
TotalEnergies	3.0
SAP	2.8
Diploma	2.8
Greggs	2.6
Halma	2.4
Schneider Electric	2.4
Sika Group	2.4
VAT Group	2.3
Lonza	2.3

Sector



‡Liquidity higher than usual due to client cash flow activity.

Country



Source: Walter Scott, European Equity representative portfolio as at 30/09/26 used to demonstrate Top Ten Stocks, Sector and Region information. The representative portfolio adheres to the same investment approach as the Walter Scott European Equity Strategy. All holdings are subject to change. Information is historical and may not reflect current or future portfolio's. Percentages may not equal 100% due to rounding.

This information should not be considered a recommendation to purchase or sell any security. The data shown should not be relied upon as a complete listing of the strategy's holdings as information on particular holdings may be withheld. There is no assurance that any securities shown will remain in a portfolio at the time you receive this factsheet or that securities sold have not been repurchased. It should not be assumed that the holdings listed were or will prove to be profitable or that the investment decisions Walter Scott makes in the future will be profitable or will equal the investment performance illustrated.

Firm definition

Walter Scott & Partners Limited ("Walter Scott") is an investment management firm authorised and regulated in the United Kingdom by the Financial Conduct Authority in the conduct of investment business. Walter Scott is a non-bank subsidiary and 100% owned by The Bank of New York Mellon Corporation. All operations are based in Edinburgh, Scotland with a client service presence in the United States. Walter Scott is responsible for portfolios managed on behalf of pension plans, endowments and similar institutional investors.

Explanatory notes

To receive a list of composite descriptions of Walter Scott and/or GIPS® reports, please email clientservice@walterscott.com or contact the Client Management team using the telephone number or address shown at the end of this document.

Composite description

This composite includes all European portfolios. Portfolios within the composite typically hold 40 to 60 stocks.

Fees

Net of management fee composite returns are calculated by deducting a model fee from the gross return. Actual management fees may differ from the model fees used and performance-based fees may result in higher fees than model fees applied. The model fee rate is higher than the 10-year average actual composite fee rate as at 31 December 2025. The model rate deducted is equivalent to the highest fee rate that would be charged to the intended audience. For further details of fee rates see Part II of Form ADV.

Portfolio characteristics definitions

Portfolio turnover is calculated based on purchases and sales arising from investment decisions (i.e. excluding investment activity due to cash flows), relative to the average portfolio market value (calculated using month-end values) over the reporting period. The calculation is performed monthly, and longer-term figures are derived by aggregating the monthly results. The typical annual range is based on the last 10 calendar years of representative portfolio turnover. Prior to 2023, portfolio turnover was calculated based on all purchases and sales, less inflows and outflows, relative to the portfolio average market value over the reporting period. Please contact us on clientservice@walterscott.com for further information on the methodologies used in the calculation of the portfolio characteristics shown.

Benchmark definition

MSCI Europe: an equity benchmark that represents large and mid-cap equity performance across developed markets countries in Europe. It is not directly exposed to emerging markets. Further information can be found at www.msci.com.

Key investment risks

Equities are subject to market, market sector, market liquidity, issuer, and investment style risks, to varying degrees. **Small and midsized company stocks tend** to be more volatile and less liquid than larger company stocks as these companies are less established and have more volatile earnings histories. Investing in **foreign denominated and/or domiciled securities** involves special risks, including changes in currency exchange rates, political, economic, and social instability, limited company information, differing auditing and legal standards, and less market liquidity. These risks generally are greater with emerging market countries.

Investment return and principal value of an investment will fluctuate, so that when an investment is sold, the amount returned may be less than that originally invested.

Important regulatory information

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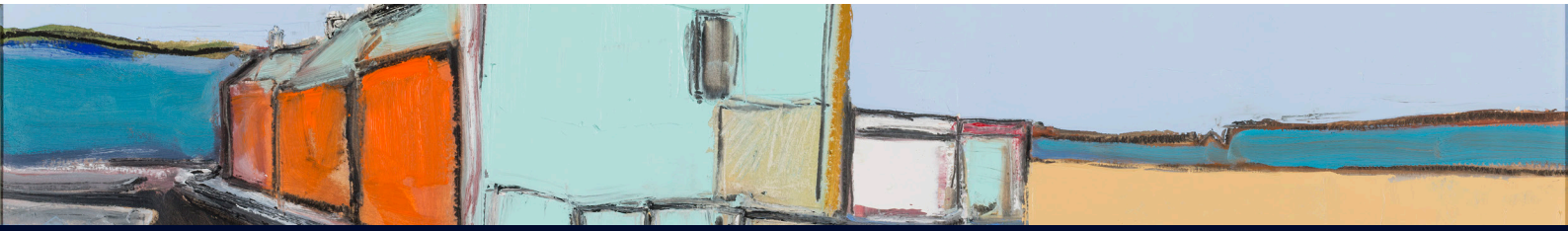
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