

Walter Scott & Partners Limited (Walter Scott) was established in 1983 to manage long-term equity portfolios for institutional investors around the world. The firm is a non-bank subsidiary and 100% owned by The Bank of New York Mellon Corporation. All operations are based in Edinburgh, Scotland.

Original research is at the core of the firm’s investment process, which is structured to identify companies capable of sustained high rates of internal wealth generation. This is the firm’s primary value-adding activity and is carried out by its own investment professionals.

GLOBAL DIVIDEND GROWTH STRATEGY

In 2006 Walter Scott developed International and USA Dividend Growth strategies in response to a request from a particular client. In the same context, a Global Dividend Growth strategy was developed in late 2014. These strategies follow the same investment approach applied across all strategies managed by Walter Scott.

The Dividend Growth strategies follow the same strictly applied investment criteria to identify high quality companies but view that group through a slightly different lens; one that considers dividend yield as well as the ability to grow earnings and dividends over time.

OBJECTIVE

The objective of the Global Dividend Growth strategy is to achieve a total return of 7-10% compounded annually over the long term*. The strategy seeks to do this through a combination of (1) dividend income and (2) fundamental growth ('fundamental' encompassing dividend growth and capital growth).

A dividend growth portfolio places emphasis on the dividend income stream and seeks to achieve a yield of around 3% through the cycle, which ought to contribute around one-third of total shareholder return. In short, the strategy will target companies with the ability to sustainably grow earnings and dividends over time. It has no market cap, geographic or sector restriction.

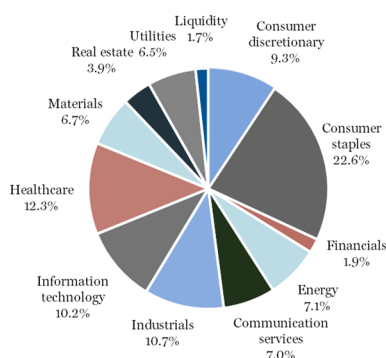
*Please note that the targets referenced are not a guarantee of performance.

REPRESENTATIVE GLOBAL DIVIDEND GROWTH PORTFOLIO

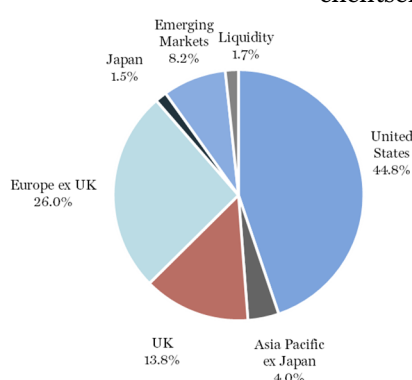
TOP TEN STOCKS

- Cisco Systems
- Compass Group – ADR
- Coloplast – ADR
- Novo Nordisk – ADR
- Microsoft Corporation
- CNOOC – ADR
- Air Liquide – ADR
- Public Storage
- Total – ADR
- Novartis – ADR

SECTOR



REGION



A representative global dividend growth equity portfolio was used to illustrate this strategy. Portfolio holdings are subject to change without notice and may not represent current or future portfolio composition. Allocation distribution and actual percentages may vary from time to time. All data is as of the date indicated above.

FIRM DATA

- ~140 staff
- Investment team of 44
- Investment Management Committee membership average 16 years with firm, 20 years in industry
- US\$66.6bn firm wide assets
- US\$36.8bn in global mandates

INVESTMENT STYLE

- Bottom-up stock picker
- 'Buy and hold' approach
- Independent investment judgement unconstrained by indices
- Low turnover – typically less than 20% per annum

PORTFOLIO IMPLEMENTATION

- Generally 40-60 stocks, maximum single position 5%
- All investment proposals reviewed and debated by entire Research team
- Buy – unanimous team decision
- Sell – one well researched dissenting argument

CONTACT

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IMPORTANT INFORMATION

1.0 Walter Scott's investment approach: This schedule contains certain statements based on Walter Scott's experience and expectations about the markets in which it invests its portfolios and about the methods by which it causes its portfolios to be invested in those markets. Those statements are not guarantees of future performance and are subject to many risks, uncertainties and assumptions that are difficult to predict. The information in this schedule is subject to change and Walter Scott has no obligation to revise or update any statement herein for any reason. The opinions expressed are those of Walter Scott and should not be construed as investment advice.

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