

GLOBAL EQUITY STRATEGY

as at 31 December 2019

We have a highly selective, concentrated approach to investing in companies that can deliver sustainable wealth creation over the long term, because we believe that it is companies that create wealth, not equity markets.

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 long-tenured, experienced investment team challenges and debates all proposals.

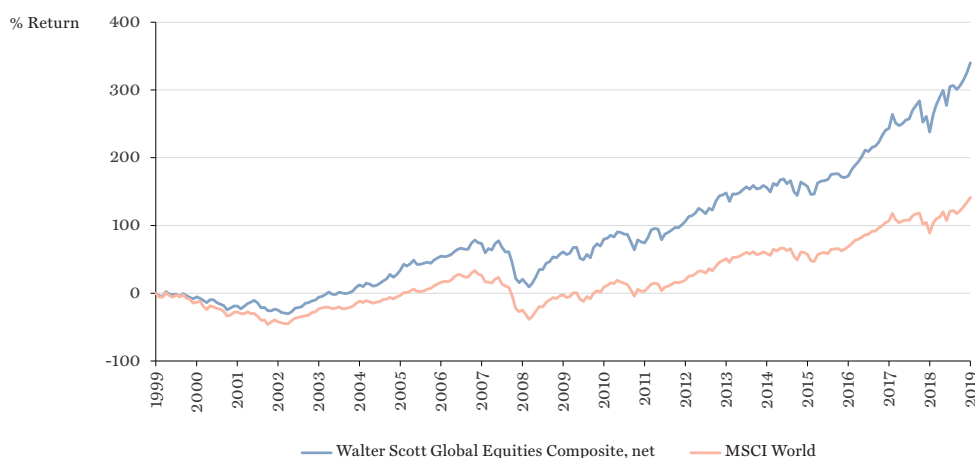
Long-term investment horizon

Our buy-and-hold approach is focused on sustainable growth. We invest for the long term in order to exploit the power of compound growth.

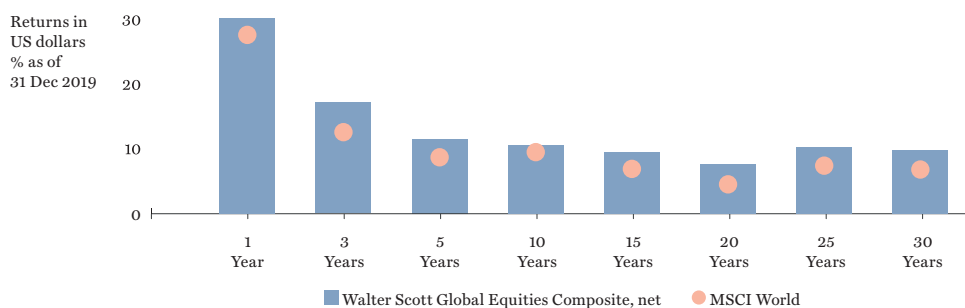
ESG

Analysis of environmental, social and governance factors is fully integrated into our investment process. We believe that good ESG practices and successful businesses typically go hand-in-hand.

20-YEAR CUMULATIVE PERFORMANCE AS AT 31 DECEMBER 2019



ANNUALISED PERFORMANCE



CALENDAR YEAR PERFORMANCE

Returns in US dollars % as of 31 December 2019	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Walter Scott Global Equities Composite, gross	31.2	-0.8	26.6	6.9	1.4	3.8	21.2	19.2	-2.3	12.4	34.7
Walter Scott Global Equities Composite, net	30.3	-1.5	25.6	6.1	0.7	3.1	20.3	18.3	-3.0	11.5	33.7
MSCI World (ndr)	27.7	-8.7	22.4	7.5	-0.9	4.9	26.7	15.8	-5.5	11.8	30.0
Excess Returns versus net	2.6	7.2	3.2	-1.4	1.6	-1.9	-6.4	2.5	2.5	-0.2	3.7

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, do reflect the reinvestment of dividends and/or other earnings. Net performance returns show the deduction of a representative advisory fee at 0.75% and reflect the reinvestment of dividends and/or other earnings. Further details of Investment advisor fees are described in Part 2 of our Form ADV and are available upon request.

MSCI World 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®).

STRATEGY OVERVIEW

Through the Global Equity strategy, we aim to provide investors with a favourable real rate of return over the long term. Stocks are selected through bottom-up, 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 exceptional and sustainable growth, profitability and balance sheet characteristics.

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

US\$74.3bn firm wide AUM
US\$42.9bn global equity strategy AUM

PORTFOLIO CHARACTERISTICS

	Portfolio
Number of Securities	51
Operating Margin	18.4%
ROE	20.2%
Net Debt to Equity	24%
P/E Ratio	26.7x
Dividend Yield	1.6%
Active Share	86%
Portfolio Turnover (12 months)	3%

Source: Walter Scott, Factset & MSCI. Portfolio Characteristics are subject to change and are based on a Walter Scott Global Equity representative portfolio as at 31/12/19.

Net Debt to Equity figure(s) exclude securities from the financial sector.

TOP TEN STOCKS

Stock	% of portfolio
Keyence	2.9
AIA Group	2.8
Microsoft Corporation	2.8
Taiwan Semiconductor	2.8
Mastercard	2.8
Inditex	2.7
Novo Nordisk	2.5
Roche	2.5
EOG Resources	2.5
Adobe	2.4

SECTOR

Information technology	25.8%	<div style="width: 25.8%;"></div>
Healthcare	22.5%	<div style="width: 22.5%;"></div>
Consumer discretionary	14.8%	<div style="width: 14.8%;"></div>
Consumer staples	8.9%	<div style="width: 8.9%;"></div>
Industrials	8.0%	<div style="width: 8.0%;"></div>
Energy	5.2%	<div style="width: 5.2%;"></div>
Communication services	4.2%	<div style="width: 4.2%;"></div>
Materials	3.7%	<div style="width: 3.7%;"></div>
Financials	2.8%	<div style="width: 2.8%;"></div>
Utilities	2.2%	<div style="width: 2.2%;"></div>
Liquidity	1.9%	<div style="width: 1.9%;"></div>

REGION

USA	53.7%	<div style="width: 53.7%;"></div>
Europe ex UK	17.8%	<div style="width: 17.8%;"></div>
Japan	7.9%	<div style="width: 7.9%;"></div>
Asia Pacific ex Japan	7.3%	<div style="width: 7.3%;"></div>
UK	5.4%	<div style="width: 5.4%;"></div>
Emerging Markets	4.2%	<div style="width: 4.2%;"></div>
Canada	1.9%	<div style="width: 1.9%;"></div>
Liquidity	1.9%	<div style="width: 1.9%;"></div>

Source: Walter Scott, Global Equity representative portfolio as at 31/12/19 used to demonstrate Top Ten Stocks, Sector and Region information. The representative portfolio adheres to the same investment approach as the Walter Scott Global 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.

CONTACT

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FIRM DEFINITION

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.

EXPLANATORY NOTES

To receive a list of composite descriptions of Walter Scott and/or a compliant presentation, 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 global portfolios that are predominantly invested in large and mid-cap equities. Portfolios within the composite typically hold 40 to 60 stocks.

PORTFOLIO CHARACTERISTICS DEFINITIONS

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 World: a global equity benchmark that represents large and mid-cap equity performance across developed markets countries. 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**

mid-sized 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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