

INTERNATIONAL EQUITY STRATEGY

as at 31 March 2020

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.

Team approach

We invest as a team. Our long-tenured, experienced investment team challenges and debates all proposals.

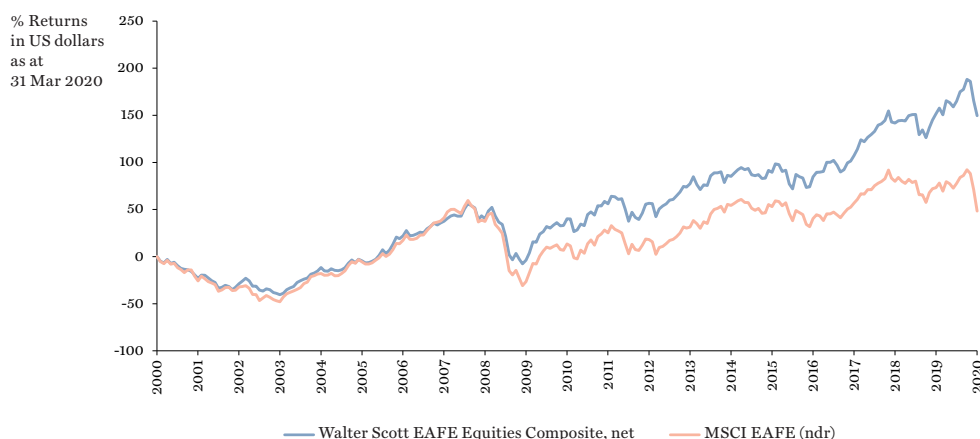
Long-term investment horizon

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.

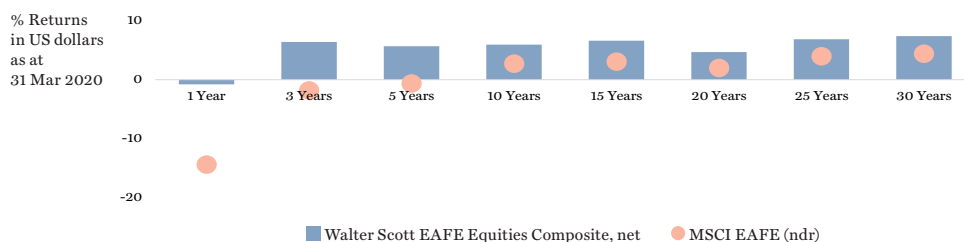
ESG

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



ANNUALISED PERFORMANCE



CALENDAR YEAR PERFORMANCE

Returns in US dollars % as at 31 March 2020	YTD	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Walter Scott EAFE Equities Composite, gross	-13.2	28.3	-6.8	28.2	5.6	1.1	-3.0	13.6	21.8	-8.8	14.1
Walter Scott EAFE Equities Composite, net	-13.4	27.4	-7.5	27.2	4.8	0.3	-3.7	12.8	20.8	-9.5	13.3
MSCI EAFE (ndr)	-22.8	22.0	-13.8	25.0	1.0	-0.8	-4.9	22.8	17.3	-12.1	7.8
Excess Returns (net vs index)	9.5	5.4	6.3	2.2	3.8	1.2	1.2	-10.0	3.5	2.7	5.5

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 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. Walter Scott International Equities Composite is also known as the Walter Scott EAFE Equities Composite. MSCI EAFE 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

The International 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 outside of the US. 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 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\$63.1bn firm wide AUM
US\$21.3bn international equity strategy AUM

PORTFOLIO CHARACTERISTICS

	Portfolio
Number of Securities	50
Operating Margin	13.8%
ROE	13.6%
Net Debt to Equity	30%
P/E Ratio	20.8x
Dividend Yield	2.4%
Active Share	80%
Portfolio Turnover (12 months)	5%

Source: Walter Scott, Factset & MSCI. Portfolio Characteristics are subject to change and are based on a Walter Scott EAFE Equity representative portfolio as at 31/03/20.

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

TOP TEN STOCKS

Stock	% of portfolio
Keyence	3.9
AIA Group	3.2
Coloplast	3.1
Daikin Industries	3.1
Roche	2.9
Taiwan Semiconductor	2.8
Experian	2.8
Air Liquide	2.8
Novo Nordisk	2.6
Shin-Etsu Chemical	2.6

SECTOR

Industrials	21.6%	<div style="width: 21.6%;"></div>
Healthcare	18.2%	<div style="width: 18.2%;"></div>
Information technology	12.6%	<div style="width: 12.6%;"></div>
Consumer staples	12.4%	<div style="width: 12.4%;"></div>
Materials	10.9%	<div style="width: 10.9%;"></div>
Consumer discretionary	9.2%	<div style="width: 9.2%;"></div>
Real estate	4.1%	<div style="width: 4.1%;"></div>
Energy	3.2%	<div style="width: 3.2%;"></div>
Financials	3.2%	<div style="width: 3.2%;"></div>
Utilities	2.8%	<div style="width: 2.8%;"></div>
Liquidity	1.7%	<div style="width: 1.7%;"></div>

REGION

Europe ex UK	43.0%	<div style="width: 43.0%;"></div>
Japan	24.7%	<div style="width: 24.7%;"></div>
Asia Pacific ex Japan	13.7%	<div style="width: 13.7%;"></div>
UK	11.1%	<div style="width: 11.1%;"></div>
Emerging Markets	3.8%	<div style="width: 3.8%;"></div>
Canada	1.9%	<div style="width: 1.9%;"></div>
Liquidity	1.7%	<div style="width: 1.7%;"></div>

Source: Walter Scott, EAFE Equity representative portfolio as at 31/03/20 used to demonstrate Top Ten Stocks, Sector and Region information. The representative portfolio adheres to the same investment approach as the Walter Scott EAFE 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

tel: +44 (0)131 225 1357 - clientservice@walterscott.com - www.walterscott.com

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 with a small client service presence in Boston, Massachusetts.

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 ex USA 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 EAFE: a global equity benchmark that represents large and mid-cap equity performance across developed markets countries excluding North America. 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

This information is for institutional investors only. This is a financial promotion. The factsheet is provided for general information only and should not be construed as investment advice or a recommendation. This information does not represent and must not be construed as an offer or a solicitation of an offer to buy or sell securities, commodities and/ or any other financial instruments or products. **This document may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised.**

Walter Scott & Partners Limited (Walter Scott) is authorised and regulated in the **United Kingdom** by the Financial Conduct Authority. Walter Scott is also registered as an investment adviser in the **US** with the Securities and Exchange Commission (SEC). Securities offered in the **US** by BNY Mellon Securities Corporation (BNYMSC), a registered broker-dealer. Investment

advisory products offered in the US through BNYMSC employees acting in their capacity as associated investment adviser representatives of BNYMSC.

Walter Scott is registered in **Canada** as an Exempt Market Dealer (EMD) (through which it offers certain investment vehicles on a private placement basis) in all Canadian provinces and is also availing itself of the International Adviser Exemption (IAE) in these same provinces with the exception of Prince Edward Island. Each of the EMD registration and the IAE are in compliance with National Instrument 31-103, Registration Requirements, Exemptions and Ongoing Registrant Obligations.

In **Australia**, this material is provided on the basis that you are a wholesale client as defined within s761G of the Corporations Act 2001. Walter Scott is registered as a foreign company under the Corporations Act 2001. It is exempt from the requirement to hold an Australian Financial Services License under the Corporations Act 2001 in respect of these services provided to Australian wholesale clients.

In **South Africa**, Walter Scott is registered as a Foreign Financial Services Provider with the Financial Sector Conduct Authority. FSP No. 9725.

Calls to Walter Scott & Partners Limited may be recorded in line with applicable laws and regulations and for training and monitoring purposes.