

INTERNATIONAL EQUITY STRATEGY

as at 31 December 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.

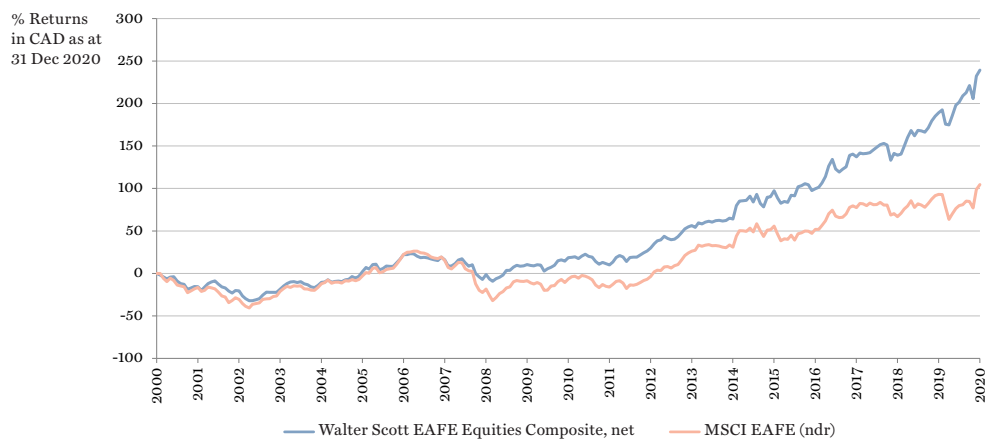
Long-term investment horizon

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.

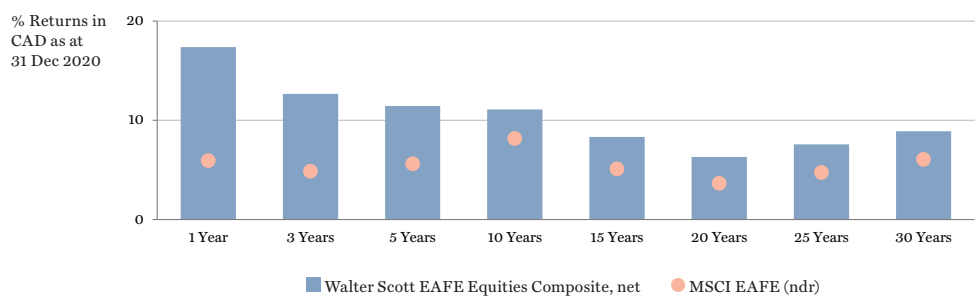
ESG

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 CAD % as at 31 December 2020	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Walter Scott EAFE Equities Composite, gross	18.3	21.8	1.5	19.7	2.0	21.2	5.7	21.2	19.0	-6.5	8.1
Walter Scott EAFE Equities Composite, net	17.4	20.9	0.8	18.8	1.2	20.3	4.9	20.3	18.2	-7.2	7.3
MSCI EAFE (ndr)	5.9	15.8	-6.0	16.8	-2.5	19.0	3.7	31.0	14.7	-10.0	2.1
Excess Returns (net vs index)	11.4	5.1	6.8	2.0	3.7	1.4	1.3	-10.7	3.4	2.7	5.2

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% per annum 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.

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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.

C\$119.3bn firm wide AUM
C\$39.4bn international equity strategy AUM
Composite inception date: 30 June 1985

PORTFOLIO CHARACTERISTICS

	Portfolio
Number of Securities	51
Operating Margin	13.5%
ROE	12.3%
Net Debt to Equity	33%
P/E Ratio	31.0x
Dividend Yield	1.7%
Active Share	81%
Portfolio Turnover (12 months)	6%

Source: Walter Scott, FactSet & MSCI. Portfolio Characteristics are subject to change and are based on a Walter Scott EAFE Equity representative portfolio as at 31/12/20.

Net Debt to Equity figure excludes securities from the financial sector.

TOP TEN STOCKS

Stock	% of portfolio
Keyence	4.6
Taiwan Semiconductor	4.3
Daikin Industries	4.0
Shin-Etsu Chemical	3.3
AIA Group	3.2
Sysmex	2.7
SMC Corporation	2.6
ASML	2.4
Kuehne & Nagel	2.3
Roche	2.3

SECTOR

Industrials	24.4%	
Healthcare	18.5%	
Information technology	15.1%	
Consumer staples	11.2%	
Materials	10.3%	
Consumer discretionary	8.0%	
Real estate	4.2%	
Financials	3.1%	
Utilities	2.0%	
Energy	1.7%	
Liquidity	1.4%	

REGION

Europe ex UK	39.7%	
Japan	28.7%	
Asia Pacific ex Japan	12.8%	
UK	9.2%	
Emerging Markets	4.3%	
Canada	4.0%	
Liquidity	1.4%	

Source: Walter Scott, EAFE Equity representative portfolio as at 31/12/20 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

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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 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.

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