

## MADISON INTERNATIONAL EQUITY

September 30, 2024 | Separately Managed Account Investment Strategy Letter

*With the goal of outperforming the ACWI ex-US Index over a full market cycle, we emphasize high-quality growth companies domiciled outside the United States that exhibit sustainable competitive advantages and consistent cash flow. We perform multiple screens to develop a high-conviction portfolio concentrated in companies with attractive growth characteristics and purchased when valuations are reasonable.*

### MARKET OVERVIEW

The MSCI ACWI ex-US index returned 8.06% in the 3rd quarter of 2024. The leading geographic region this quarter was Emerging Markets, led mainly by China, while Europe and Japan lagged. Sector performance varied, with interest-sensitive sectors leading, namely Real Estate, Utilities, Communication Services, while Information Technology, Energy and Health Care lagged.

The year 2024 is shaping up to be remembered as the year of the 'Pivot' in global monetary policy. Contrary to expectations coming into the year, inflation and interest rates remained 'higher for longer'. It was delayed until the third month of the third quarter before the U.S. Federal Reserve (Fed) belatedly pivoted by cutting interest rates for the first time this business cycle. While many international central banks had already started reductions, the Fed pivot is generally the one that triggers the most reaction in global capital markets (bonds, stocks and currencies). As we discussed in previous commentaries, the U.S. dollar (USD) had been supported, in our estimation, by relatively attractive interest rates. So now that this watershed policy change has occurred, the USD has fallen rapidly and foreign currencies have risen. We also suggested previously that we expected that the sweet spot for Emerging Markets' (EM) relative performance would most likely come following the first Fed cut. So far, those capital flows seem to be occurring on queue; International equity markets have benefitted during Q3 from rising currencies and Emerging Markets have sprung to life after years of feeling dormant.

### PORTFOLIO PERFORMANCE REVIEW

Of the five regions that make up the index, only Emerging Markets (Alibaba, Ping An Insurance) contributed to relative performance. This was because of a positive stock selection effect and a positive allocation effect from not owning South Korean stocks. Conversely, Europe (ASML Holdings) and Japan (Lasertec) led the underperformance due primarily to a negative stock selection effect.

From a sector perspective, a majority of the underperformance came from Information Technology (ASML Holdings), Consumer Staples (Walmex) and Industrials (Kion). This was driven by negative stock selection with a negative allocation effect from our relative overweight in Information Technology and negative currency effect from a weak Mexican Peso. The three outperforming sectors were led by Consumer Discretionary (Alibaba), Materials (Toray Industries) and Communication Services (Deutsche Telekom) because of a positive stock selection effect. Cash had a slightly negative impact because of positive index performance

### MARKET OUTLOOK AND PORTFOLIO STRATEGY

While the expected path for Emerging Market outperformance, considering the global monetary Pivot, seems positive and straightforward, the reaction to geopolitical events is anything but certain. If either or both global conflicts (Israel and Ukraine) intensify, then a 'flight to safety' flow of funds might counter-support the USD.



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In terms of macro themes, our assessment is that the global monetary policy pivot ought to provide positive support, whereas the current geopolitical conflicts may be detrimental. A third theme may also elevate risks during the last quarter of the year; namely, the remaining two major elections in Japan and the U.S. Uncertainty before elections can cause market volatility to spike but, generally, the resolution to this uncertainty following a clear outcome often diminishes volatility.

One of the key advantages of International Equities as an asset class is the opportunity to gain exposure to uncorrelated stock markets. Emerging Markets (and China in particular) represent such exposure.

Given how rapidly conditions can whipsaw, it is our belief that the best approach to invest in international equities is to maintain diversification, keep focused on the long-term horizon, always stick with what we believe to be the best quality companies, and use disciplined criteria to help inform the buy/add and sell/trim individual stock exposure decisions.

Thank you for your continued confidence in our investment approach. It is an honor to have the responsibility to carefully deploy your capital across the vast and varied international equity markets.

*Thomas Tibbles*

*Patrick Tan*

*Alyssa Rudakas*

*Betty Tam*



# MADISON INTERNATIONAL EQUITY | LOCAL SHARE PORTFOLIO

September 30, 2024 | Separately Managed Account Performance & Characteristics

Portfolio Characteristics may help you understand how the portfolio, taken as a whole, is situated relative to other portfolios or the benchmark. See the Definitions section on the following page for more details about each metric presented below.

## Strategy Highlights

- We invest in industry leading companies that can generate sustainable earnings growth.
- Stock selection has driven long term alpha; we constrain benchmark risk by geographic and sector diversification.
- Portfolio of 40-70 quality international companies within risk-controlled framework.

## Experienced Management

**Tom Tibbles, CFA®**  
Head of International Equity,  
Portfolio Manager  
Industry since 1986

**Patrick Tan**  
Portfolio Manager, Analyst  
Industry since 1994

**Alyssa Rudakas, CFA®**  
Portfolio Manager, Analyst  
Industry since 2009

**Betty Tam**  
Director of Research & Technology  
Industry since 1989

## Trailing Returns (%)

	MADISON		MSCI	MSCI
	Gross	Net**	ACWI ex USA <sup>2</sup>	EAFE
QTD	6.72	6.52	8.07	7.25
YTD	9.08	8.46	14.21	12.99
1-Year*	20.91	20.01	25.35	24.76
3-Year*	2.13	1.37	4.14	5.48
5-Year*	8.84	8.03	7.59	8.20
10-Year*	7.66	6.86	5.22	5.71
Since Inception*	7.74	6.95	5.48	5.29

## Portfolio Characteristics

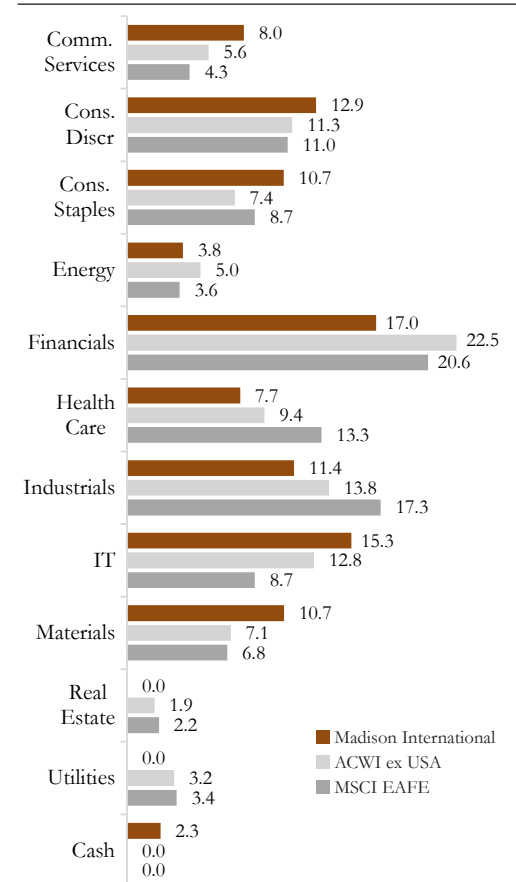
	Madison Int'l <sup>1</sup>	ACWI ex USA	MSCI EAFE
Sales Growth (Trailing 3-Yr) (%)	12.0	15.8	14.3
EPS Growth (Fwd 1-2 Yr) (%)	17.5	12.9	11.6
EPS Growth (Fwd Long Term) (%)	13.3	11.1	9.5
ROE (1-Yr Median) (%)	12.8	11.7	11.3
ROA (1-Yr Median) (%)	6.8	6.9	6.9
P/E (Fwd 1-Yr)	16.4	13.5	14.0
Price/Book	2.3	1.9	1.9
PEG Ratio	1.2	1.5	1.8
Dividend Yield (%)	1.7	2.8	3.0
Weighted Avg. Market Cap (\$B)	123.2	111.9	97.3
Number Of Holdings	56	2,094	732
Active Share vs. ACWI ex US (%)	83.8		
Active Share vs. MSCI EAFE (%)	83.1		

## Regional Distribution (%)

	Madison <sup>1</sup>	ACWI ex USA	MSCI EAFE
Emerging Markets	24.2	29.6	
Europe	45.8	41.5	66.2
Japan	18.4	14.0	22.3
North America	4.9	7.7	
Pacific Ex-Japan	4.4	7.2	11.4
Cash	2.3		

Figures are rounded to the nearest 0.1% and may not equal 100%.

## Sector Distribution (%)



Figures are rounded to the nearest 0.1% and may not total 100%.

## Top Ten Holdings

Security	Country	%
Tencent Holdings Ltd.	China	3.3
Deutsche Telekom AG	Germany	3.1
Alibaba Group Holding Limited	China	2.9
Larsen & Toubro Limited	India	2.8
HDFC Bank Limited	India	2.7
AstraZeneca PLC	UK	2.7
AIA Group Limited	Hong Kong	2.6
Kerry Group Plc Class A	Ireland	2.4
Airbus SE	France	2.4
Pan Pacific International Holdings Corporation	Japan	2.3

\*Figures are annualized.

\*\*Net returns are calculated using the highest Madison annual fee of 0.75%, calculated quarterly for periods prior to 1/1/2022 and monthly for periods after 1/1/2022. They do not reflect any third-party investment advisory fees or other expenses that may be incurred in the management of the account. Such fees and expenses will reduce the actual returns of the account. Actual fees and expenses will vary depending on each individual agreement, so readers should consult their advisors for additional details. See each entity's Part 2 A Disclosure Brochure for more information. Actual returns may vary depending on a particular account's trading platform and trading discretion. Any differences in the timing of trades may result in various performance outcomes for Madison's separately managed accounts versus model manager accounts.

## DISCLOSURES & DEFINITIONS

1. Information is based on a model portfolio which is intended to provide a general illustration of the investment strategy. Individual client portfolios in the program may vary.

2. Due to net of withholding tax returns not being available prior to January 1, 1999, the returns presented for the MSCI ACWI ex USA are a blend of the gross of withholding taxes from inception thru December 31, 1998 and net of withholding taxes from January 1, 1999 thru the current date.

All or some of the information is presented as “supplemental information” included as part of the GIPS® Report for the International Equity Composite on the following page, which must be included with this material. Unless otherwise noted, references to “Madison” are to that composite and references to inception date refer to performance since 7/31/1996. Year-to-date, quarterly and annualized performance figures are considered “preliminary” as of the date of this piece. 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.

For periods prior to 10/30/2020, the performance shown represents a track record which was maintained by Hansberger Growth Investors, LP (“HGI”), an affiliated firm of Madison. The presented performance is based upon the HGI International Growth Equity Composite. On 10/30/2020, the portfolio managers and related employees of HGI became employees of Madison. The portfolios managed to this strategy are maintaining substantially the same investment objective, policies and expenses.

Indices are unmanaged. An investor cannot invest directly in an index. They are shown for illustrative purposes only, and do not represent the performance of any specific investment. Index returns do not include any expenses, fees or sales charges, which would lower performance.

All investing involves risks including the possible loss of principal. There can be no assurance the portfolios will achieve their investment objectives. The portfolios may invest in equities which are subject to market volatility. Equity risk is the risk that securities held by the portfolio will fluctuate in value due to general market or economic conditions, perceptions regarding the industries in which the issuers of securities held by the portfolio participate, and the particular circumstances and performance of particular companies whose securities the portfolio holds. In addition, while broad market measures of common stocks have historically generated higher average returns than fixed income securities, common stocks have also experienced significantly more volatility in those returns.

Investing in foreign securities presents risks that could be greater or different from investing in U.S. securities. These risks include currency risk caused by fluctuations in currency values relative to the U.S. dollar, political and economic risks, higher transaction costs, and substantially different standards for regulatory, accounting and public disclosure and availability of corporate information. These risks can be greater with some emerging markets securities.

Please consult with your financial advisor to determine your risk tolerance and investment objectives.

It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities in this list.

Holdings may vary depending on account inception date, objective, cash flows, market volatility, and other variables. Any securities identified and described herein do not represent all of the securities purchased or sold, and these securities may not be purchased for a new account. There is no guarantee that any securities transactions identified and described herein were, or will be profitable.

Upon request, Madison may furnish to the client or institution a list of all security recommendations made within the past year.

Diversification does not assure a profit or protect against loss in a declining market.

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Although the information in this report has been obtained from sources that the firm believes to be reliable, we do not guarantee its accuracy, and any such information may be incomplete or condensed. All opinions included in this report constitute the firm’s judgment as of the date of this report and are subject to change without notice.

This piece is not intended to provide investment advice directly to investors. Opinions stated are informational only and should not be taken as investment recommendation or advice of any kind whatsoever (whether impartial or otherwise).

Gross performance results do not reflect the deduction of investment advisory fees. Your returns will be reduced by advisory fees and other expenses that may be incurred in the management of your investment advisory account. Investment advisory fees are described in our disclosure brochure.

3 Year Sales Growth: the percentage change of a specific variable within a three year time period.

Return on Equity (ROE): a profitability ratio that measures the amount of net income returned as a percentage of investors equity.

Price-to-Earnings (P/E) Ratio: measures how expensive a stock is. It is calculated by the weighted average of a stock’s current price divided by the company’s earnings per share of stock in a portfolio.

Long Term EPS Growth: the annual rate at which a company’s earnings are expected to grow.

EPS Growth (Forward 1-2 yr): the annual rate at which a company’s earnings are expected to grow.

Price-to-Book Ratio: measures a company’s stock price in relation to its book value (the total amount raised if its assets were liquidated and paid back all its liabilities).

Dividend Yield: the portfolio’s weighted average of the underlying portfolio holdings and not the yield of the portfolio.

Weighted Avg. Market Cap: measures the size of the companies in which the portfolio invests. Market capitalization is calculated by multiplying the number of a company’s shares outstanding by its price per share.

Active Share is defined as the percentage of a portfolio that differs from its benchmark index. Active Share can range from 0% for an index portfolio that perfectly mirrors its benchmark to 100% for a portfolio with no overlap with an index.

“Madison” and/or “Madison Investments” is the unifying tradename of Madison Investment Holdings, Inc., Madison Asset Management, LLC (“MAM”), and Madison Investment Advisors, LLC (“MIA”). MAM and MIA are registered as investment advisers with the U.S. Securities and Exchange Commission. Madison Funds are distributed by MFD Distributor, LLC. MFD Distributor, LLC is registered with the U.S. Securities and Exchange Commission as a broker-dealer and is a member firm of the Financial Industry Regulatory Authority. The home office for each firm listed above is 550 Science Drive, Madison, WI 53711. Madison’s toll-free number is 800-767-0300.

Any performance data shown represents past performance. Past performance is no guarantee of future results.

Non-deposit investment products are not federally insured, involve investment risk, may lose value and are not obligations of, or guaranteed by, any financial institution. Investment returns and principal value will fluctuate.

This report is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security.

**MADISON**  
**INTERNATIONAL EQUITY COMPOSITE**  
**GIPS COMPOSITE REPORT**

Year End	Total Firm Assets (millions)	Composite Assets		Annual Performance Results								
		USD (millions)	Number of Accounts	Composite Gross	Composite Net (.75%)	Blended Index <sup>2</sup>	MSCI EAFE (Net) Index ("MSCI EAFE")	Composite Dispersion	Composite 3-Yr. Annualized Ex-Post Standard Deviation	Index 3-Yr. Annualized Ex-Post Standard Deviation	Index 2 3-Yr. Annualized Ex-Post Standard Deviation	% of Bundled Fee Accounts
QTD+				6.72%	6.52%	8.07%	7.25%					
YTD+				9.08%	8.46%	14.21%	12.99%					
1 Year <sup>A</sup>				20.91%	20.01%	25.35%	24.76%					
3 Years <sup>A</sup>				2.13%	1.37%	4.14%	5.48%					
5 Years <sup>A</sup>				8.84%	8.03%	7.59%	8.20%					
10 Years <sup>A</sup>				7.66%	6.86%	5.22%	5.71%					
Since Inception <sup>A</sup>				7.74%	6.95%	5.48%	5.29%					
Figures above are as of September 30, 2024. <sup>A</sup> Returns are annualized if inception date is more than one year ago.												
2023	17,291	55	Five or fewer	17.50%	16.62%	15.62%	18.24%	N/A	18.07%	16.07%	16.61%	0%
2022	16,693	60	Five or fewer	-17.20%	-17.82%	-16.00%	-14.45%	N/A	19.84%	19.26%	19.96%	0%
2021	19,129	107	8	6.56%	5.77%	7.82%	11.26%	0.35%	16.66%	16.79%	16.92%	0%
2020	14,498	67	6	22.11%	21.22%	10.65%	7.82%	0.57%	18.68%	17.94%	17.89%	0%
2019	*	58	6	29.33%	28.39%	21.51%	22.01%	0.43%	13.28%	11.34%	10.81%	0%
2018	*	57	6	-17.05%	-17.67%	-14.20%	-13.79%	N/A	13.92%	11.38%	11.24%	0%
2017	*	80	Five or fewer	38.31%	37.32%	27.19%	25.03%	N/A	13.26%	11.87%	11.83%	0%
2016	*	122	Five or fewer	2.35%	1.57%	4.50%	1.00%	N/A	13.46%	12.51%	12.46%	0%
2015	*	153	Five or fewer	2.02%	1.28%	-5.66%	-0.81%	N/A	12.10%	12.13%	12.46%	0%
2014	*	455	8	-7.59%	-8.28%	-3.87%	-4.90%	0.93%	13.57%	12.81%	13.03%	0%
2013	*	3,152	16	20.33%	19.43%	15.29%	22.78%	0.45%	18.08%	16.23%	16.25%	0%
2012	*	3,497	20	19.21%	18.32%	16.83%	17.32%	0.30%	21.49%	19.26%	19.37%	0%
2011	*	3,149	20	-16.78%	-17.41%	-13.71%	-12.14%	0.30%	25.17%	22.71%	22.43%	1%
2010	*	4,303	24	9.60%	8.78%	11.15%	7.75%	0.24%	30.35%	27.28%	26.23%	1%
2009	*	3,544	22	54.91%	53.75%	41.45%	31.78%	1.18%	28.24%	25.24%	23.58%	1%
2008	*	2,588	26	-50.44%	-50.81%	-45.53%	-43.38%	0.49%	23.14%	20.88%	19.24%	1%
2007	*	4,888	25	20.29%	19.39%	16.65%	11.17%	0.25%	10.68%	10.63%	9.43%	1%
2006	*	3,549	23	25.29%	24.35%	26.65%	26.34%	0.29%	10.53%	10.22%	9.33%	0%
2005	*	2,104	14	17.49%	16.61%	16.62%	13.54%	0.55%	12.38%	11.63%	11.39%	0%
2004	*	451	9	15.01%	14.15%	20.91%	20.25%	N/A	17.37%	15.28%	15.43%	0%
2003	*	137	Five or fewer	40.64%	39.58%	40.83%	38.59%	N/A	21.29%	17.92%	17.81%	0%
2002	*	95	Five or fewer	-12.92%	-13.57%	-14.95%	-15.94%	N/A	20.33%	16.39%	16.02%	0%
2001	*	62	Five or fewer	-18.86%	-19.47%	-19.73%	-21.44%	N/A	18.96%	15.89%	15.17%	0%
2000	*	76	Five or fewer	-2.80%	-3.53%	-15.31%	-14.17%	N/A	18.17%	16.56%	15.76%	0%
1999	*	47	Five or fewer	54.45%	53.29%	30.63%	26.96%	N/A	19.39%	16.65%	15.92%	0%
1998	*	43	Five or fewer	16.97%	16.09%	14.46%	20.00%	N/A	-	-	-	0%
1997	*	15	Five or fewer	3.93%	3.15%	2.04%	1.78%	N/A	-	-	-	0%
08/01 - 12/31/1996	*	13	Five or fewer	11.44%	11.30%	4.76%	4.52%	N/A	-	-	-	0%

<sup>A</sup>Preliminary

N/A - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

<sup>2</sup>Strategy is not included in total firm assets during this period. See the disclosures below for further information about how the firm is defined.

As of December 31, 2023, total assets under advisement in this strategy are \$428 million encompassing bundled fee accounts, non-bundled fee accounts and non-discretionary accounts which include \$240 million in model-traded assets. As of December 31, 2019, these assets were under the advisement of Hansberger Growth Investors, L.P., an affiliated adviser of the firm. This is presented as supplemental information.

<sup>2</sup>International Equity Composite contains fully discretionary accounts invested according to the growth equity style in equities of companies domiciled outside the U.S. Cash is a residual of the investment process. The portfolios may invest in equities which are subject to market volatility. Equity risk is the risk that securities held by the portfolio will fluctuate in value due to general market or economic conditions, perceptions regarding the industries in which the issuers of securities held by the portfolio participate, and the particular circumstances and performance of particular companies whose securities the portfolio holds. In addition, while broad market measures of common stocks have historically generated higher average returns than fixed income securities, common stocks have also experienced significantly more volatility in those returns. International securities have additional risks, including exchange rate changes, political and economic unrest, relatively low market liquidity and the potential difference in financial and accounting controls and standards. For comparison purposes the composite is measured against the MSCI All Country World Index Excluding U.S.A. ("MSCI ACWI ex USA"), which measures the returns of equities of companies which are domiciled outside the U.S., and the MSCI EAFE (Net) Index ("MSCI EAFE"), which measures the returns of equities of companies domiciled in developed markets in Europe, Australasia, and the Far East. Both indexes are compiled by Morgan Stanley Capital International, and are float weighted with net dividends reinvested. Due to net of withholding tax returns not being available prior to January 1, 1999, the returns presented for the MSCI ACWI ex USA are a blend of the gross of withholding taxes from inception thru December 31, 1998 and net of withholding taxes from January 1, 1999 thru the current date. Investors may not invest directly in these indexes. For the period from July 31, 1996 through January 12, 1999, the track record presented here consists of portfolios with substantially similar investment objectives, policies and strategies managed by three senior members of Hansberger Growth Investors, LP's ("HGI LP") management team while they were employed by Indago Capital Management in Toronto, Ontario, an affiliate of The Canada Life Assurance Company, an advisor not affiliated with HGI LP. For periods between January 13, 1999 and July 31, 2014, the track record presented here consists of the composite of the same name maintained by Hansberger Global Investors, Inc. ("HGI Inc.") an advisor not affiliated with HGI LP. The international growth management team of HGI Inc., who were responsible for composite performance prior to August 1, 2014, joined HGI LP on August 1, 2014. For the periods from August 1, 2014 to October 30, 2020, the track record included here was maintained by HGI LP, an affiliated adviser of the Firm. See the disclosures below regarding HGI LP being folded into Madison as of October 30, 2020. The composite name prior to October 30, 2020 was International Growth Equity Composite.

For the purposes of GIPS compliance and the determination of total assets under management, the Firm is defined as Madison. Madison represents Madison Investment Advisors, LLC ("MIA") and Madison Asset Management, LLC ("MAM"), two investment advisers under common control registered with the U.S. Securities and Exchange Commission pursuant to the Investment Advisers Act of 1940. (Registration does not imply a certain level of skill or training.) Prior to December 1, 2010, the Firm's composites were maintained by Madison Investment Advisors, Inc. ("MIA Inc."). On November 30, 2010, pursuant to a corporate reorganization that involved no change of control or personnel relating to account composite management, all composite accounts managed by MIA Inc. were transferred to MIA and performance information for periods prior to December 1, 2010 refer to this composite as managed by MIA Inc. During the first quarter of 2013, MIA and its parent company, MAM (also a registered investment adviser), began the process of eliminating the distinction between accounts and products managed by the two companies. Because MIA and MAM share all resources and personnel at their mutual Wisconsin office location and because there is no longer a brand or line of business distinction between products and services offered by the two registered investment advisers, for periods after March 31, 2013, the collective definition of the firm (Madison) includes accounts and assets managed by MAM and MIA. However, the firm does not claim compliance with the GIPS standards for assets and accounts managed by MAM prior to April 1, 2013. As of December 31, 2013, Madison Scottsdale, LC ("Scottsdale"), another registered investment adviser under common control with MIA, merged its assets into, and became part of, MIA and subsequently those assets became part of the firm (Madison). The transaction resulted in no change to the resources or personnel as the sole purpose of this change was to simplify Madison's legal corporate structure. Prior to January 1, 2014, Scottsdale did not claim GIPS compliance and no performance for composites formally maintained by Scottsdale are contained in this performance presentation or included in the definition of the firm (Madison). As of October 30, 2020, Hansberger Growth Investors, LP ("HGI LP"), an affiliated registered investment adviser under common control with MIA, consolidated its assets into MIA, and subsequently those assets became part of the firm (Madison). The transaction resulted in no change to the resources or personnel as the sole purpose of this change was to simplify the legal corporate structure. Prior to October 30, 2020, HGI LP claimed GIPS® compliance and all composite accounts managed by HGI LP were transferred to MIA and performance information for periods prior to October 30, 2020 refer to those composites as managed by HGI LP. On June 11, 2021, Madison acquired the fixed income management assets of Reinhart Partners, Inc. ("Reinhart"), an unaffiliated registered investment adviser, and subsequently those assets became part of the firm (Madison). The Investment Team of Reinhart, who were responsible for composite performance prior to June 11, 2021, joined Madison on that date and continue to manage the Reinhart Fixed Income Strategies. A list of composite descriptions and a list of broad distribution pooled funds are available upon request.

Madison claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. The firm, as defined above, has been independently verified for the periods January 1, 1991 through December 31, 2023. A copy of the verification report is available upon request. HGI LP was independently verified from August 1, 2014 through October 31, 2020. The HGI LP verification reports are available upon request. HGI Inc. was independently verified for the periods from January 1, 1995 through December 31, 2013. The HGI Inc. verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. 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. The International Growth Equity Composite, while being maintained by HGI LP, has had a performance examination for the periods August 1, 2014 through October 31, 2020. The International Growth Equity Composite, while being maintained by HGI Inc, has had a performance examination for the periods July 31, 1996 through December 31, 2013. The HGI LP and HGI Inc. verification and performance examination reports are available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Beginning with August 1, 2014, composite policy requires the temporary removal of any portfolio incurring a client-initiated significant cash inflow or outflow of greater than 75% of portfolio assets for the period. Prior to August 1, 2014, there was not a significant cash flow policy. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to compute valuations and express performance. Time-weighted returns are presented gross and net of management fees and include the reinvestment of all income and are net of withholding taxes on dividends. Net returns are calculated using the highest fee of 0.75% within the product's standard fee schedule, deducted quarterly in arrears for periods prior to January 1, 2022 and deducted quarterly in arrears for periods beginning January 1, 2022. From inception thru December 31, 1998, the performance presented contains a certain percentage of portfolios that were mutual funds. During this time period, the net of fee mutual fund performance was used to calculate the gross of fee composite performance, which was reduced by fund investment advisory fees, other fund expenses and then reduced again by the highest fee (0.75%). Period-end composite accounts using net mutual fund performance to calculate gross composite performance as a percent of total composite assets were as follows: 100% in 1996 and 1997 and 28% in 1998. During some periods after December 1998, but prior to August 2014, the composite contained at least one portfolio which was net of a bundled fee consisting of trading expenses and custody costs. Both the gross and the net returns are net of the entire bundled fee during those time periods; hence the gross return is a pure gross return. Benchmark returns are presented net of withholding taxes. The annual composite dispersion presented is an equal-weighted standard deviation calculated using the annual gross returns of the accounts in the composite for the entire year. The three-year annualized ex-post standard deviation of both the composite (using monthly gross returns) and the benchmark are required to be presented for year-end periods beginning in 2011. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

This product's standard management fee schedule is as follows: 0.75% on the first 50 million, 0.50% on the next 100 million and 0.40% on the balance. Actual investment advisory fees incurred by clients may vary. Additional information regarding investment advisory fees are described in our disclosure brochure. As of December 31, 2019, and for all prior year ends, the percentage of non-fee-paying accounts was less than 1%.

The International Equity Composite was created November 1, 2020, and the inception date is July 31, 1996.