

# Vontobel International SMA Strategy

## 3Q 2022 Fact Sheet

### BOUTIQUE HIGHLIGHTS

- Experienced global investment boutique
- Founded in 1984
- SEC-registered investment adviser
- 79 employees, 31 investment professionals
- AUM: bn as of September 30, 2022\*

### KEY PRINCIPLES

- Concentrate on business analysis (bottom-up approach)
- Seek high quality growth at sensible prices
- High conviction portfolio
- Benchmark unconstrained
- Long-term focus

### INVESTMENT PHILOSOPHY

We believe long-term, stable and superior earnings growth drives long-term investment returns. We pursue this by seeking sensibly priced high quality companies that can grow earnings faster than the market on a sustainable basis.

\*AUM represents discretionary and non discretionary assets managed and are further described in form ADV Part 2A.

### INVESTMENT OBJECTIVES

- To outperform the benchmark index over a full market cycle with lower-than-market volatility
- Target return: At least 200 basis points net of fees above annual benchmark rate of return over a full market cycle
- To generate investment results as consistent and predictable as the earnings of the underlying companies

### COMPETITIVE DIFFERENTIATORS

#### Organizational Experience and Stability

- 31 investment professionals averaging 22 years of industry experience
- Long-term talent retention

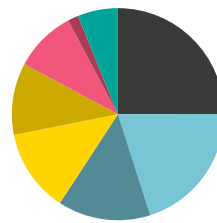
#### Disciplined

- Consistent implementation of investment philosophy of seeking high quality growth at sensible prices

#### Focused

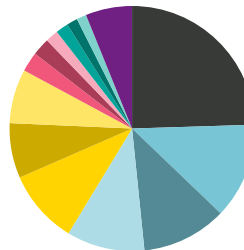
- Long-only global equity investing
- Bottom-up, fundamental approach
- Seeks competitive returns at reasonable risk levels

### SECTOR ALLOCATION<sup>1</sup>



- 25.0% Industrials
- 20.1% Information Technology
- 14.1% Health Care
- 12.7% Consumer Staples
- 11.0% Consumer Discretionary
- 9.4% Financials
- 1.6% Materials
- 6.1% Cash & Cash Equivalents

### COUNTRY ALLOCATION<sup>1</sup>

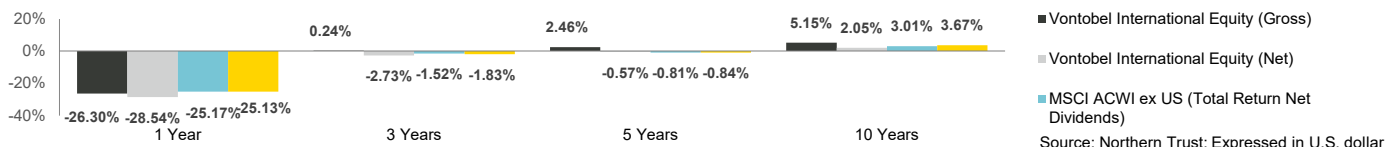


- 24.5% United Kingdom
- 12.7% France
- 11.2% Canada
- 10.3% Switzerland
- 9.8% United States
- 7.2% Netherlands
- 7.2% Japan
- 2.6% Italy
- 2.3% India
- 1.7% Hong Kong
- 1.7% China
- 1.4% Ireland
- 1.3% Sweden
- 6.1% Cash & Cash Equivalents

### TOP 10 HOLDINGS<sup>1</sup>

	% OF PORTFOLIO
Constellation Software Inc.	6.1
RELX PLC	5.3
London Stock Exchange Group plc	4.7
Wolters Kluwer NV	4.7
Nestle S.A.	4.3
Diageo plc	4.2
Mastercard Incorporated	4.0
OBIC Co., Ltd.	3.4
Rentokil Initial plc	3.3
Aon Plc	3.3
<b>Total</b>	<b>43.1</b>

### ANNUALIZED RETURNS: INTERNATIONAL EQUITY COMPOSITE† AS OF SEPTEMBER 30, 2022



**Past performance is not a not an indication of future results.** Gross returns presented before the deduction of management fee and other investment-related expenses and after the deduction of transaction costs and expenses. Net returns are presented after management fee (assumes a 3% annual fee), investment-related expenses and transaction costs. Returns portrayed reflect the reinvestment of dividends and other earnings. Performance for less than one year are not annualized. The performance of accounts managed to a model portfolio strategy may differ from the performance provided herein. Please refer to the disclosure section for additional explanation and disclaimers regarding performance, fees and other important information (Important Information and Performance Disclosure). The composite consists of discretionary accounts traded by the firm. The Vontobel International SMA is a model portfolio for which the firm provides investment advice but is not responsible for the implementation of such advice. The performance of actual accounts managed in accordance with the SMA model may differ from the accounts in the composite.

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### STOCK SELECTION & PORTFOLIO CONSTRUCTION

- We begin by creating an initial investment universe.
- The second step of our process reduces this universe to a sub-set of companies that exhibit profitability and reasonable earnings predictability.
- The third step of our process is to reduce the list further to companies whose earnings evidence sustainability.
- To be admitted to our portfolio, a company must pass our fourth step of the process which is price that should be below our estimate of its fundamental intrinsic value.
- The final step of our process is careful portfolio construction. We believe that investment risk is in the underlying business and, therefore, we limit portfolios to a concentrated list of companies that we have conducted in-depth research on.

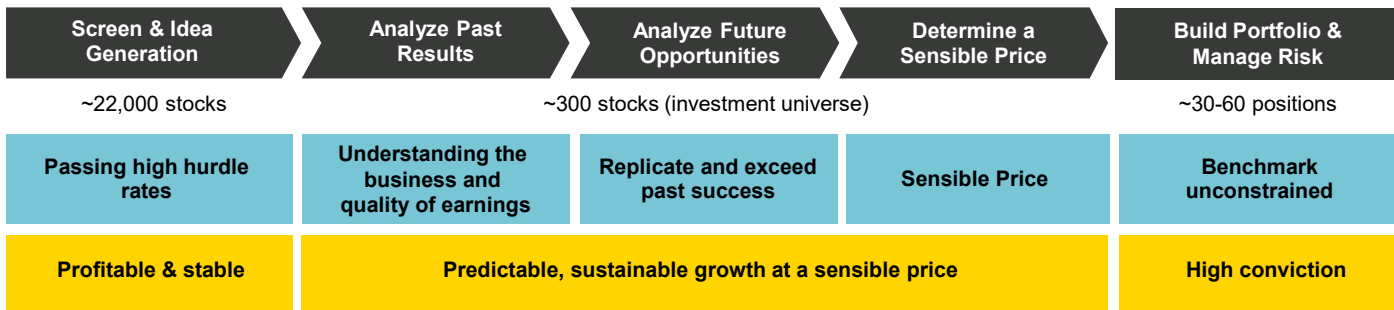
#### CHARACTERISTICS

	VONTOBEL INT'L <sup>1</sup>
Capitalization weighted avg	70.7
P/E - Forecast 12-month, weighted harmonic avg	23.1
Dividend Yield (%)	1.3
5 Yr Historical EPS Growth (%)	9.7
Return on Equity, weighted avg (%)	26.0

#### RISK STATISTICS (5 YEAR)

	VONTOBEL INT'L <sup>2</sup>
Anlzd Alpha	3.4
Beta	0.9
Sharpe Ratio	0.1
Anlzd Standard Deviation	16.4

### INVESTMENT PROCESS OVERVIEW<sup>3</sup>



### VONTOBEL INTERNATIONAL SMA PORTFOLIO MANAGERS



**Matthew Benkendorf**  
**CIO Quality Growth Portfolio Manager**  
 25 years in industry  
 22 years with Vontobel



**Donny Kranson, CFA**  
**Executive Director Portfolio Manager**  
 23 years in industry  
 15 years with Vontobel



**David Souccar**  
**Executive Director Portfolio Manager**  
 26 years in industry  
 15 years with Vontobel

<sup>1</sup> Based on representative portfolio and basis for the selection of this portfolio is it's the oldest and most representative account. Holdings and other characteristics for the representative portfolio subject to change and for illustrative purposes only. Information provided should not be considered a recommendation to purchase, hold or sell any security. Your portfolio may not have the same characteristics and allocations.

<sup>2</sup> **Past performance is not a not an indication of future results.** Based on gross performance of the International Equity Composite. The composite's gross rates of return are presented before the deduction of management fees and other investment-related fees, and after the deduction of transaction costs and expenses. An investor's actual return will be reduced by investment advisory fees.

<sup>3</sup> The approximate number of companies is provided as of the date of this presentation and is not necessarily indicative of the approximate number of companies on any other date.

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### PERFORMANCE DISCLOSURE

Vontobel Asset Management, Inc. ("Vontobel") is an investment advisory firm registered with the Securities and Exchange Commission, under the Investment Advisers Act of 1940, as amended, and a subsidiary of Vontobel Holding AG, Zurich, Switzerland. For GIPS purposes, the firm is defined as all institutional accounts at Vontobel, excluding wrap accounts and private client assets managed in previous years.

Vontobel claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Vontobel has been independently verified for the periods from January 1, 2001 through December 31, 2020. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The International Equity composite has been examined for the periods from January 1, 1994 through December 31, 2020. The verification and performance examination reports are available upon request.

The International Equity Composite includes all discretionary accounts that invest at least 80% of their assets in equity securities of issuers located outside of the United States, or which derive a significant portion of their business or profits outside of the United States in three or more foreign countries. Such accounts hold equity or equity-linked securities of issuers listed on a foreign securities exchange or that are quoted on an established foreign over-the-counter market or that have issued American Depositary Receipts ("ADRs"). The minimum account size for this composite is \$1 million. The composite was created on January 1, 1994. The firm maintains a complete list and description of composites, which is available upon request. The U.S. dollar is the currency used to express performance. Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

Results of the composite are shown compared to the Morgan Stanley Capital International Europe, Australasian and the Far East Index (the "MSCI EAFE Index") and the Morgan Stanley Capital International All Country World ex USA Index (the "MSCI ACWI ex USA"), an unmanaged index based on share prices of a select group of global developed and emerging market stocks that are available to global investors. The benchmarks are used for comparative purposes only and generally reflect the risk or investment style of the investments in the composite. The MSCI EAFE index is a free float-adjusted market capitalization index of approximately 915 stocks and is designed to measure equity market performance in 21 developed market countries outside of North America. The MSCI ACWI ex USA index is a free float-adjusted market capitalization index of approximately 2,338 stocks and is designed to measure equity market performance in 48 developed and emerging market countries, excluding the United States. The indices are calculated on a total return basis with net dividends reinvested. The indices reflect withholding taxes, but not fees and other investment expenses, and are expressed in U.S. dollars. Investments made by Vontobel for the portfolios it manages according to respective strategies may differ significantly in terms of security holdings, industry weightings and asset allocation from those of the MSCI EAFE Index and the MSCI ACWI ex USA. The indices have not been examined by an independent verifier.

Net composite performance is presented after the deduction of foreign withholding taxes. Capital gains, dividends and interest income received may be subject to withholding taxes imposed by the country of origin and such taxes may not be recoverable. Returns include the effect of foreign currency exchange rates. Returns are presented gross and net of management fees and include the reinvestment of all income. The gross rates of return are presented before the deduction of investment management fees and other investment-related fees, and after the deduction of foreign withholding taxes, brokerage commissions and transaction costs. The net rates of return are presented after the deduction of investment management fees, brokerage commissions, transaction costs, other investment-related fees, foreign withholding taxes and bundled fees. Such investment management fees are actual fees and do not contain any performance-based fee components. Withholding tax rates for the indices are applicable to Luxembourg withholding companies. Our withholding taxes, as captured in the composites, may vary from those captured in the index. Derivatives in the form of forward foreign currency contracts were used in managing client portfolios for opportunistic currency hedging until October 2011. Effective January 2016, the net returns reflect daily accruing of fees based on each account's fee schedule. Prior to 2016, the net returns were calculated using actual fees recorded on a cash basis. The standard annual management fees charged by Vontobel for the Composite are: 0.75% on the first \$100 million, 0.65% over \$100 million. Certain accounts may have higher management fees than the standard fee schedule. Investment advisory fees are further described in Part 2 of its Form ADV.

**Past performance is not indicative of future results.** GIPS® Compliant Presentation can be obtained upon request.

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An investment in the strategy can lose value and there is no assurance that investment objectives will be achieved. Where noted, performance, characteristics and other information representative of the Emerging Markets Equity Composite and/or its corresponding representative portfolio. Representative account provided for illustrative purposes only and basis for the selection is that the portfolio is the oldest and most representative account which we believe most closely reflects current portfolio management style for the strategy. Performance was not a consideration in the selection of the representative account. The Vontobel International SMA is a model portfolio for which the firm provides investment advice but is not responsible for the implementation of such advice. The performance, characteristics and other material items for accounts managed in accordance with the SMA model may differ from the accounts and information provided for the Composite. SMA model accounts may differ as a result of account size; sponsor / client-imposed restrictions; the timing of investments; market / economic considerations; and other factors.

**Performance and Fees: Past performance does not guarantee or indicate future results.** Where noted, returns reflect performance associated with the Vontobel International SMA and in other instances performance provided is reflective of the International Equity Composite and/or its corresponding representative portfolio. All returns assume the reinvestment of dividends, interest, and realized and unrealized capital gains and losses. Gross returns presented before management and investment-related fees but after all transactional expenses. Net returns are calculated after the deduction of a representative management fee (assumes a 3% annual fee where noted). All returns assume the reinvestment of dividends, interest, and realized and unrealized capital gains and losses.

Note: As noted, net returns include a representative management fee for the Vontobel International SMA where indicated and in other instances calculated in accordance with the net return methodology as disclosed via the International Equity Composite. Actual fees an investor would pay will vary and determined by the sponsor. Please refer to Part 2A of Vontobel's Form ADV for additional information regarding fees, sponsor arrangements, and other important disclosures for the Firm's SMA offering.

Holdings and other portfolio characteristics are subject to change (composite / rep account) and for illustrative purposes only. Information provided should not be considered a recommendation to purchase, hold or sell any security. No assumption should be made as to the profitability or performance of any company identified or security associated with them. There is no assurance that any securities discussed herein will remain in the portfolio at the time you receive this communication or that securities sold have not been repurchased. Securities discussed do not represent the entire portfolio and in the aggregate may represent only a certain percentage of the portfolio's holdings.

**Investment risks** include, but are not limited, the following: Equity securities may be adversely affected by financial market, industry, or issuer-specific events. Focus on a particular style or on small or medium-sized companies may enhance that risk. Investing in foreign securities, especially in emerging markets, subjects the portfolio to additional risks such as increased volatility, currency fluctuations, less liquidity, and political, regulatory, economic, and market risk. There is no guarantee that investment strategies will work under all market conditions and investors should evaluate their ability to invest for the long term, especially during periods of market downturns.

Indices are unmanaged, and one cannot invest directly in an index. They do not reflect any fees, expenses or sales charges. **Alpha** is a risk adjusted measure of an investment's excess return relative to a benchmark. A positive Alpha indicates that the investment produced a return greater than expected for the risk (as measured by Beta) taken. **Beta** is a quantitative measure of the volatility of a given portfolio to the overall market. **Sharpe Ratio** is a risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. **Standard Deviation** measures variability of returns around the average return for an investment portfolio. Higher standard deviation suggests greater risk.

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