

International Equity ADR

QUARTERLY UPDATE AS OF MARCH 31, 2019



Investment Objective

Long-term total return \geq MSCI EAFE index plus 200 bps

Volatility Objective

Target volatility \leq MSCI EAFE

Strategy Highlights

River Road's International Equity ADR (iADR) Strategy seeks to provide long-term capital appreciation by investing primarily in non-U.S. companies trading as ADRs or otherwise traded in the United States.

The Strategy seeks to invest in high quality companies with improving fundamentals, trading at attractive valuations. Typical investment criteria include a minimum market capitalization of \$3 B and average daily liquidity of \$5 MM (including both ADR and local market liquidity).

The stock selection process is complemented by a risk averse approach that employs balanced diversification and a structured sell discipline.

Portfolio Manager

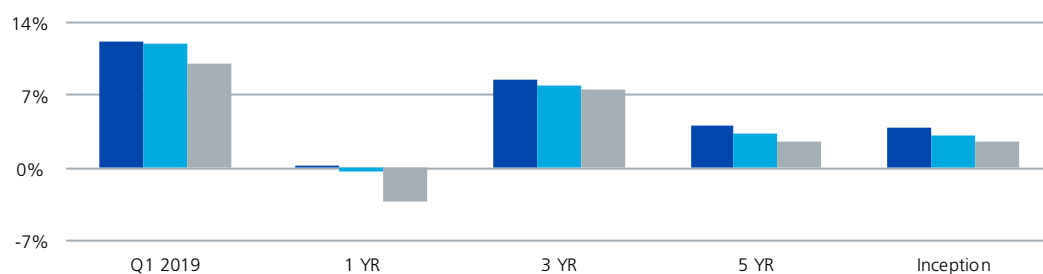


William W. Yang, CFA

17 years of experience;
managed Portfolio since inception

Shanghai Jiao Tong University, BS
Shanghai Institute of Foreign Trade, MS
Texas Christian University, MBA

Performance Summary



	Q1 2019	1 YR	3 YR	5 YR	Inception
iADR Composite - Gross	12.19%	0.21%	8.54%	4.11%	3.84%
iADR Composite - Net	12.03%	-0.35%	7.85%	3.35%	3.07%
iShares MSCI EAFE ETF	10.05%	-3.29%	7.55%	2.59%	2.60%
Out / Underperformance	+2.14%	+3.50%	+0.99%	+1.52%	+1.24%
iADR Composite Beta				0.90	0.91
iADR Composite Anlzd Std Dev				10.96	11.16
iShares MSCI EAFE ETF Anlzd Std Dev				11.70	11.80

	2018	2017	2016	2015	2014
iADR Composite - Gross	-12.44%	26.48%	-0.85%	3.21%	-4.13%
iADR Composite - Net	-12.92%	25.69%	-1.57%	2.32%	-5.11%
iShares MSCI EAFE ETF	-13.56%	25.34%	1.30%	-0.57%	-4.72%
Out / Underperformance	+1.12%	+1.14%	-2.15%	+3.78%	+0.59%

Performance is shown gross and net of fees. iShares MSCI EAFE ETF performance presented gross of management fees and net of withholding taxes as more fully described in the disclosure information. Inception date: January 1, 2014. Out/underperformance compares iADR Composite gross performance and the ETF. Source: River Road Asset Management LLC, FactSet Research Systems Inc., and Morningstar/iShares Funds. Past performance is no guarantee of future results. Beta and standard deviation are supplemental to the Composite presentation. Please see reverse side for important disclosure information.

Portfolio Review

Neither unresolved trade talks, the rising possibility of a 'hard Brexit,' nor the longest U.S. government shut down in history could derail surging global equity markets in Q1. Both developed international equity markets (DM) and the U.S. equity market narrowly avoided a bear market in late 2018 and **rallied back strongly in Q1 after an abrupt dovish pivot of Federal Reserve policy and positive progress on U.S.-China trade negotiations**. For Q1, the MSCI EAFE index rallied **+10.13%** and the S&P 500 jumped **+13.65%**. **Emerging markets underperformed both DM and the U.S.** with the MSCI Emerging Markets index returning **+9.95%**.

From a factor perspective, **the Portfolio's consistent focus on high quality companies provided a significant tailwind in Q1**, with the highest quality stocks (as measured by one-year ROE) providing a total effect of +186 bps versus +48 bps for the lowest quartile.

From a regional perspective, **Emerging Markets (+66 bps)** and **Asia-Pacific (ex Japan) (+65 bps)** were the largest contributors to relative return, both benefiting from Chinese stimulus measures. Outperformance was partially offset by **Japan (-17 bps)**. From a sector perspective, **Financials (+130 bps)** and **Communication Services (+53 bps)** had the largest contribution to relative return. Outperformance was partially offset by **Real Estate (-36 bps)** and **Consumer Staples (-25 bps)**.

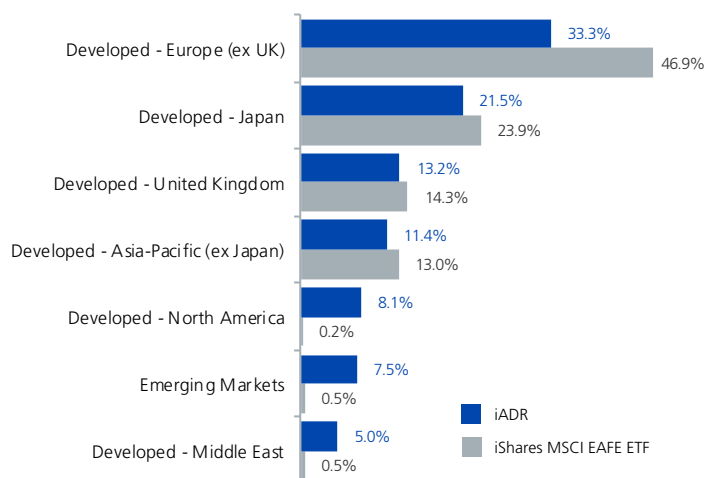
The top contributor in Q1 was **SoftBank Group Corp. Unsponsored ADR (SFTBY)**, a Japanese multinational holding conglomerate with significant stakes in Alibaba, Sprint, ARM Holdings, and others. SFTBY was the bottom contributor in Q4 due to concerns over the funding of its Vision Fund from Saudi Arabia. However, **the company released solid Q3 results** fueled by strong Sprint subscriber growth and solid Vision Fund performance. Furthermore, the company **announced the largest stock buyback in its history** (¥600 B) to help address the valuation gap between its underlying assets and market value.

The Portfolio's bottom contributor during the quarter was **FAST RETAILING CO. LTD. Unsponsored ADR (FRCOY)**, Japan's largest specialty retailer offering high quality casual wear under the Uniqlo brand. **Weak Japan Uniqlo sales hurt the company's quarterly results**.

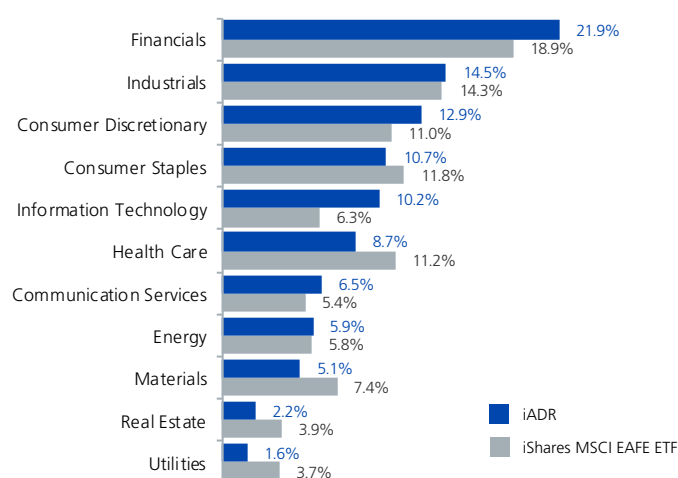
Despite the uncertainty of Brexit and unresolved trade talks, which could lead to higher volatility, **we believe international market valuations remain relatively attractive**.

Discovering value,
off the beaten path®

Region Weightings



Sector Weightings



Characteristics

	iADR	iShares MSCI EAFE ETF
Number of Holdings	52	925
ROE (5 YR Avg)	13.7	11.4
EV / EBITDA	9.0	9.3
LT Growth Forecast	6.8	6.8
Dividend Yield ¹	2.61	3.45
Wtd Avg Mkt Cap (B)	\$76.00	\$62.42
Wtd Med Mkt Cap (B)	\$46.75	\$36.89
Cash	4.1%	
Annualized Standard Deviation ²	10.96	11.70
Jensen Alpha ²	1.72	
Beta ²	0.90	
Turnover ³	39.51%	

Region and sector breakdowns reflect percent of equity. Underlying country classifications determined by applying Bloomberg's Country of Risk Methodology; regions determined by River Road; stocks not classified by this methodology are not presented. Sector classifications provided from GICS; stocks not classified by this methodology are not presented. ¹Gross of fees; indicated yield does not anticipate special dividends. ²Risk characteristics based on trailing 60 month gross of fee composite performance. ³Average annual turnover since inception (January 1, 2014). Source: River Road Asset Management LLC, Bloomberg LP, FactSet Research Systems Inc., Morningstar/iShares Funds, and MSCI Inc.

Portfolio contribution calculated for the Q1 2019 period. For the purpose of assessing top and bottom contributors, the contribution of child securities is aggregated with that of the parent for corporate actions that occurred during the most recent calendar quarter. The holdings identified do not represent all of the securities purchased, sold, or recommended. To receive information regarding the methodology for calculating the top/bottom contributors or a list showing every holding's contribution to the overall Composite and/or representative portfolio performance contact RRAMCompliance@riverroadam.com. Past performance is no guarantee of future results.

Representative Portfolios: Performance data based on the Composite, all other data presented is based on representative portfolios within the International Equity ADR Strategy. Since no single representative portfolio is available to represent the Strategy since inception, different representative portfolios are used for different periods (using the same selection criteria) to create a continuous representative portfolio. For any periods prior to October 1, 2016, International Equity ADR Composite data was used instead of representative portfolio data. All representative portfolio data is shown as supplemental information to the Composite presentation.

River Road Asset Management, LLC ("RRAM") is a registered investment adviser formed in April 2005 and is majority owned by Affiliated Managers Group, Inc. Registration of an investment adviser does not imply a certain level of skill or training. This presentation may be presented by an employee of Affiliated Managers Group, Inc., AMG Funds, or another AMG entity, which are affiliates of RRAM. RRAM claims compliance with the Global Investment Performance Standards (GIPS®). The firm maintains a complete list and description of Composites and a presentation that complies with the requirements of the GIPS® standards, which is available upon request by contacting RRAMCompliance@riverroadam.com.

The International Equity ADR Composite contains fully discretionary accounts that seek capital appreciation by investing primarily in non-U.S. companies that trade at a discount to valuation. For this Composite, RRAM defines non-U.S. companies as ADRs and other non-U.S. companies traded in the United States on an exchange, OTC, or pink sheets or otherwise. Three client accounts are for current employees of RRAM. The official benchmark for the Composite is the MSCI EAFE Gross Index. The MSCI EAFE Gross Index is designed to represent the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia, and the Far East, excluding the U.S. and Canada. The Index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 21 countries. Gross total return indexes reinvest as much as possible of a company's dividend distributions. The reinvested amount is equal to the total dividend amount distributed to persons residing in the country of the dividend-paying company. Gross total return indexes do not, however, include any tax credits. Composite performance may differ materially from the index as the investment universe for the composite and the index are different. All other indices are shown for additional information only. The U.S. dollar is the currency used to express performance and includes the reinvestment of income. Composite performance is presented gross of foreign withholding taxes on dividends, interest income, and capital gains. All Composite performance is after the deduction of trading costs. Net of fee performance is calculated using actual management fees. For periods including non-fee paying accounts, net was calculated for those accounts by applying the highest fee schedule effective at that time.

As of March 31, 2019, returns for the MSCI EAFE Gross are as follows for the month, QTD, YTD, 1 year, 3 year, 5 year, and Inception to Date periods: 0.74%, 10.13%, 10.13%, -3.22%, 7.80%, 2.81%, and 2.83%.

The Composite was created October 1, 2016. Performance presented prior to October 1, 2016 occurred while the portfolio manager was affiliated with prior firms and the portfolio manager was the only individual primarily responsible for selecting the securities to buy and sell. A review of this track record for compliance with portability requirements of the GIPS® standards was conducted by ACA Performance Services, LLC.

ETF Benchmark Proxy: The iShares MSCI EAFE ETF is shown as a benchmark proxy. This ETF is presented on a gross of management fee basis. FactSet Research Systems Inc. adds back in ETF expenses by applying the net expense ratios per annual reports (actual fees charged) in order to calculate the gross of fee number. Current expense ratios are used in the absence of historical. This ETF is also presented net of foreign withholding taxes on dividends, interest income, and capital gains. The iADR Composite performance is gross of foreign withholding taxes, which makes performance higher than if it were net of foreign withholding taxes.

The information provided in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in our portfolio at the time you receive this report or that securities sold have not been repurchased. Characteristics and sector weightings of our portfolio are shown and may not be indicative of this strategy's current or future investments. It should not be assumed that any of the holdings discussed herein were or will be profitable or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein. This information is shown as supplemental information only and complements the full disclosure presentation.

Sector, Industry Group, Industry, or Sub-industry group levels are determined at the beginning of each quarter according to the Global Industry Classification Standard ("GICS"), developed and exclusively owned by MSCI, Inc. ("MSCI") and Standard & Poor's Financial Services LLC ("S&P"), unless otherwise stated that they have been reclassified or classified by RRAM. Reclassifications/classifications by RRAM are not supported by S&P or MSCI. All GICS data is provided "As Is" with no warranties. RRAM may classify securities that are not automatically classified by MSCI and S&P.

Most company share-related characteristics exclude outliers. Outlier exclusion methods include interquartile and inverse interquartile; the universe for determining outliers is the MSCI ACWI. For more information, please contact RRAM.

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Portfolio Contribution

Top Contributors		Average Weight	Contrib to Return
SFTBY	SoftBank Group Corp. Un-sponsored ADR	1.86%	+0.77%
YUMC	Yum China Holdings Inc.	2.18%	+0.66%
PNGAY	Ping An Insurance (Group) Co. of China Ltd. Sponsored ADR (CI H)	2.21%	+0.60%
IR	Ingersoll-Rand plc	3.01%	+0.55%
EADSY	Airbus SE Un-sponsored ADR	1.59%	+0.54%
Bottom Contributors			
FRCOY	FAST RETAILING CO. LTD. Un-sponsored ADR	0.37%	-0.21%
SVNDY	Seven & I Holdings Co. Ltd. Un-sponsored ADR	1.35%	-0.17%
TSU	TIM Participacoes SA Sponsored ADR	0.65%	-0.10%
ISUZY	Isuzu Motors Ltd. Un-sponsored ADR	1.26%	-0.04%
SHPG	Shire plc Sponsored ADR	0.08%	-0.03%

