

International Equity ADR

QUARTERLY UPDATE AS OF JUNE 30, 2020



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

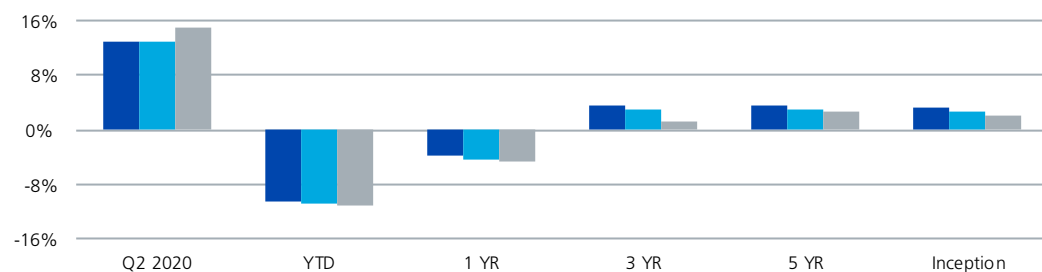


Wenjun (William) Yang, CFA

18 years of experience;
managed Portfolio since inception

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

Performance Summary



	Q2 2020	YTD	1 YR	3 YR	5 YR	Inception
iADR Composite - Gross	13.01%	-10.62%	-3.92%	3.61%	3.56%	3.37%
iADR Composite - Net	12.86%	-10.85%	-4.43%	3.06%	2.91%	2.64%
MSCI EAFE	15.08%	-11.07%	-4.73%	1.30%	2.54%	2.13%
Out / Underperformance	-2.07%	+0.45%	+0.81%	+2.31%	+1.02%	+1.24%
iADR Composite Beta					0.92	0.92
iADR Composite Anlzd Std Dev					13.57	12.75
MSCI EAFE Anlzd Std Dev					14.30	13.44

	2019	2018	2017	2016	2015	2014
iADR Composite - Gross	27.71%	-12.44%	26.48%	-0.85%	3.21%	-4.13%
iADR Composite - Net	27.02%	-12.92%	25.69%	-1.57%	2.32%	-5.11%
MSCI EAFE	22.66%	-13.36%	25.62%	1.51%	-0.39%	-4.48%
Out / Underperformance	+5.05%	+0.92%	+0.86%	-2.36%	+3.60%	+0.35%

Performance is shown gross and net of fees. Inception date: January 1, 2014. Out/underperformance compares the gross Composite and index. Source: River Road Asset Management LLC, FactSet Research Systems Inc., and MSCI Inc. 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

Global equity markets delivered a remarkable rebound in Q2 driven by an unprecedented level of global monetary and fiscal stimulus, reopening economies, optimism around COVID-19 therapeutics and vaccine development, and an improving economic outlook. **Developed international markets, as measured by the MSCI EAFE (+15.08%), and Emerging Markets, as measured by the MSCI EM (+18.18%), delivered their largest quarterly gains since Q3 2010.** Comparatively, the U.S. equity market, as measured by the S&P 500 (+20.54%), posted its largest quarterly gain since Q4 1998.

From a regional perspective, **Asia-Pacific (ex Japan) (-48 bps)** and **Emerging Markets (-37 bps)** were the bottom contributors to relative return. Underperformance was partially offset by **North America (+7 bps)** and the **United Kingdom (+5 bps)**.

From a sector perspective, **Industrials (-91 bps)** and **Health Care (-62 bps)** were the bottom two contributors to relative performance. Underperformance was partially offset by **Information Technology (+50 bps)** and **Communication Services (+45 bps)**.

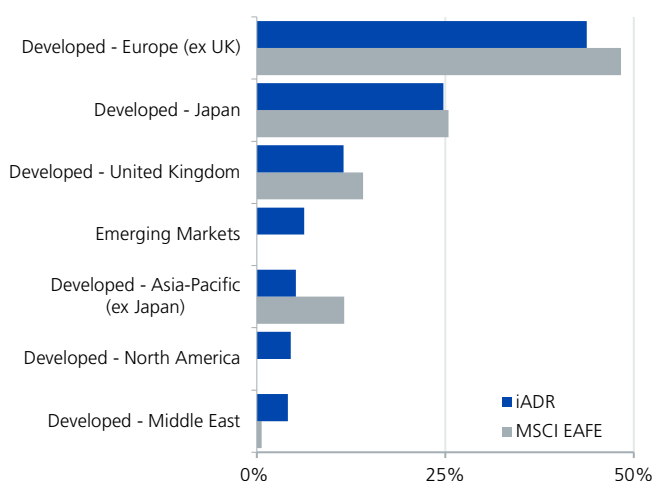
The top contributing holding in the Portfolio during Q2 was **Logitech International S.A. (LOGI)**, a leading Swiss-based provider of hardware peripherals for PC navigation, video communication, music, and smart homes. LOGI released solid Q4 earnings results driven by surging demand for its video collaboration (+43%) and gaming (+8%) products. Gross profit margin expanded +180 bps due to better product mix and continued cost reduction efforts. We expect LOGI to **continue to benefit from worldwide work from home and shelter in place mandates**, which could lead to further sales growth and margin expansion.

The largest negative contributing holding during Q2 was **Grifols S.A. Sponsored ADR (CI B) (GRFS)**, a Spanish multinational pharmaceutical and chemical manufacturer engaged in providing blood plasma-based products. GRFS is **one of the three major dominating players in the highly consolidated global blood plasma industry**. The company delivers consistent attractive profit margin and ROIC due to **extremely high barriers to entry** for the blood plasma industry, including strict regulatory requirements, technological know-how, and high capital investment. The COVID-19 pandemic added significant cost headwinds to blood collection in North America and drove the stock's underperformance. However, we think the demand for plasma products remains strong, and GRFS should benefit from its Xembify treatment in the future.

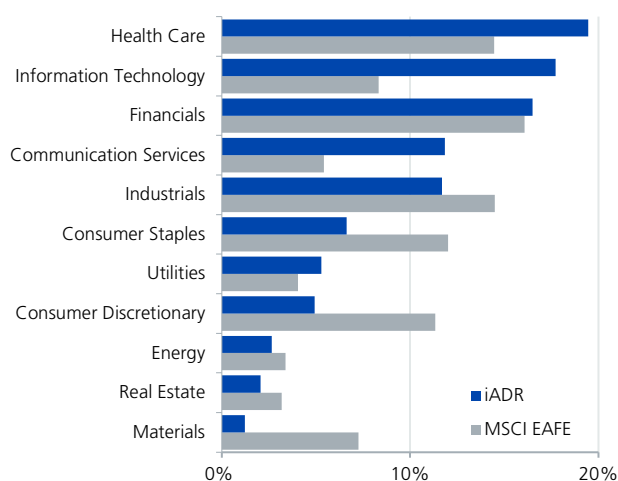
We believe upside is limited due to rich valuations and colossal economic uncertainty around resolution to the unrelenting COVID-19 pandemic.

Discovering value,
off the beaten path®

Region Weightings



Sector Weightings



Characteristics

	iADR	MSCI EAFE
Number of Holdings	50	902
ROE (5 YR Avg)	15.2	14.1
EV / EBITDA ¹	9.2	10.1
LT Growth Forecast	5.8	7.1
Dividend Yield ²	2.51	2.78
Wtd Avg Mkt Cap (B)	\$71.74	\$63.01
Wtd Med Mkt Cap (B)	\$39.56	\$34.65
Cash	4.8%	
Annualized Standard Deviation ³	13.57	14.30
Jensen Alpha ³	1.12	
Beta ³	0.92	
Dollar Turnover ⁴	41.66%	

Region and sector breakdowns reflect percent of equity. Region classifications are determined by River Road; underlying country classifications are primarily determined by MSCI; stocks not classified by this methodology are not presented. Sector classifications provided from GICS; stocks not classified by this methodology are not presented. ¹EBITDA exclude banks, thrifts, and insurers. ²Gross of fees; indicated yield does not anticipate special dividends. ³Risk characteristics based on trailing 60 month gross of fee composite performance. ⁴Average calendar year turnover since inception (January 1, 2014). Dollar turnover, the lesser of purchases or sales as a percentage of the average market value, is presented as an average of portfolios in the Composite. Source: River Road Asset Management LLC, FactSet Research Systems Inc., and MSCI Inc.

Portfolio contribution calculated for the Q2 2020 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 a representative portfolio. If no single representative portfolio is available to represent the Strategy since inception, different representative portfolios and/or the composite are used for different periods to create a continuous representative portfolio. The representative portfolio is selected by the firm as a representative account that is deemed to best represent this management style using a pre-defined, objective set of criteria. All representative portfolio data is shown as supplemental information to the Composite presentation. Each client portfolio is individually managed and may vary from the information shown for the representative portfolio.

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, pink sheets or otherwise. 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. Throughout the presentation, Composite performance is presented gross of investment management fees, after the deduction of trading costs and includes the reinvestment of income. Starting October 1, 2016, composite performance is presented gross of foreign withholding taxes on dividends, interest income, and capital gains. Prior to October 1, 2016, composite performance is presented gross and net of foreign withholding taxes on dividends, interest income, and capital gains, depending on the treatment by the custodian. 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.

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.

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.

Portfolio and index characteristics such as EV/EBITDA are based on companies' most recent filings as of this report date (values for many companies may be as of the prior period). 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		Avg Wgt	Contrib
LOGI	Logitech International S.A.	2.13%	+0.96%
DTEGY	Deutsche Telekom AG Sponsored ADR	3.03%	+0.95%
SAP	SAP SE Sponsored ADR	3.14%	+0.82%
SNY	Sanofi Sponsored ADR	2.81%	+0.58%
ALIZY	Allianz SE Un-sponsored ADR	2.17%	+0.56%
Bottom Contributors			
GRFS	Grifols S.A. Sponsored ADR (CI B)	0.33%	-0.14%
DWAHY	Daiwa House Industry Co. Ltd. Un-sponsored ADR	2.17%	-0.13%
BAESY	BAE Systems PLC Sponsored ADR	1.77%	-0.12%
CMPGY	Compass Group PLC Sponsored ADR	0.88%	-0.11%
TKOMY	Tokio Marine Holdings Inc. Sponsored ADR	1.07%	-0.11%

