

International Equity ADR

QUARTERLY UPDATE AS OF DECEMBER 31, 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

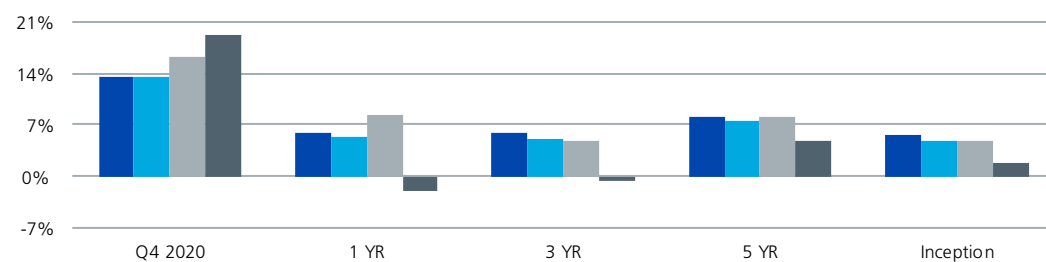


Wenjun (William) Yang, CFA

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



	Q4 2020	1 YR	3 YR	5 YR	Inception
iADR Composite - Gross	13.62%	5.82%	5.77%	8.21%	5.64%
iADR Composite - Net	13.47%	5.26%	5.20%	7.57%	4.91%
MSCI EAFE	16.09%	8.28%	4.79%	7.97%	4.88%
Out / Underperformance	-2.47%	-2.46%	+0.98%	+0.24%	+0.76%
MSCI EAFE Value	19.26%	-2.10%	-0.65%	4.82%	1.90%
Out / Underperformance	-5.64%	+7.92%	+6.42%	+3.39%	+3.74%
iADR Composite Beta (vs MSCI EAFE)				0.92	0.93
iADR Composite Anlzd Std Dev				14.41	13.78
MSCI EAFE Anlzd Std Dev				15.25	14.52

Performance is shown gross and net of fees. Inception date: January 1, 2014. Out/underperformance compares the gross Composite and index. Index data source: MSCI Inc. Past performance is no guarantee of future results. All risk statistics are supplemental to the Composite presentation. Please see reverse side for important disclosure information.

Portfolio Review

Global equity market rallies accelerated in Q4, driven by the rising expectation for a powerful global economic recovery following successful vaccine development. During the quarter, developed international markets (DM) delivered its largest quarterly gain since Q3 2010, returning **+16.09%**. All major regions within DM had double-digit positive returns, led by **Asia-Pacific (ex Japan) (+20.10%)**. DM outperformed the U.S. market by **+394 bps**, marking the first outperformance of DM since Q4 2018 and the widest margin since Q1 2015. Emerging markets (EM) continued to benefit from the weakening U.S. dollar (USD) and maintained its relative outperformance, returning **+19.77%** in Q4.

From a regional perspective, **Europe (ex UK) (-146 bps)** and **Emerging Markets (-77 bps)** continued as the bottom contributors to relative return. Underperformance was partially offset by **Japan (+33 bps)** and **Asia-Pacific (ex Japan) (+25 bps)**.

From a sector perspective, **Information Technology (-120 bps)** and **Materials (-76 bps)** were the bottom two contributors to relative performance. Underperformance was partially offset by **Consumer Staples (+87 bps)**.

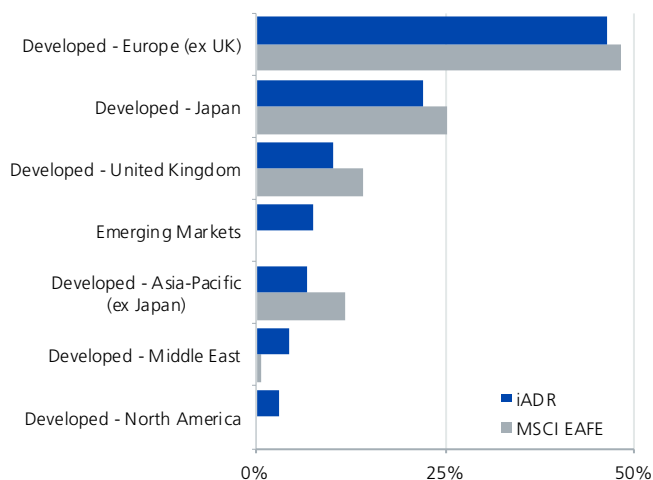
The top contributing holding in the Portfolio during Q4 was **DBS Group Holdings Ltd. Sponsored ADR (DBSDY)**, the largest bank in South Asia by assets and among the largest banks in Asia. The stock moved higher during the quarter as results announced in early November revealed higher net income driven by card fees and wealth management performance as well as lower expected credit losses. Exposure to construction, building, and home loans that earlier weighed on the stock have become less worrisome as lockdowns ease in Singapore and Hong Kong. Despite some persistent COVID-19 and interest rate headwinds, we continue to like DBSDY's **strong balance sheet, conservative loan book (LTV <60%), and considerable non-interest income derived from its booming wealth and cash management business**, which accounted for 43% of group income in 2019, up from just 11% 10 years ago.

The largest negative contributor in the Portfolio during Q4 was **SAP SE Sponsored ADR (SAP)**, the world's largest enterprise resource planning (ERP) software provider. SAP shares traded down more than -20% when the company **reported Q3 results below expectations and management reduced its 2020 outlook and three-year forecast**. Q3 total revenue was -4% (but was approximately flat in constant currency terms) due to declines in software license, support, and services revenue, which was only partially offset by positive, although still sequentially weaker, growth in Cloud. **Software license revenue declined -23% and Services revenue was -15% as COVID-19-related restrictions limited access to customer sites and contributed to customers deferring capital spending**. Operating income declined -12% while adjusted operating income, which excludes certain items, was -1% and +4% excluding currency impact.

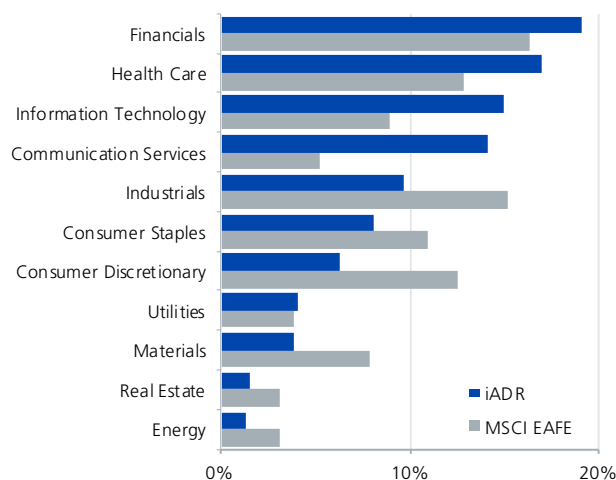
Given relatively cheaper valuations, improved earnings growth visibility, larger cyclical exposure, and a weakening USD, we view international equities as attractive relative to U.S. equities in 2021.

Discovering value,
off the beaten path®

Region Weightings



Sector Weightings



Characteristics

	iADR	MSCI EAFE
Number of Holdings	53	876
ROE (5 YR Avg)	15.9	13.7
EV / EBITDA ¹	10.4	11.7
LT Growth Forecast	6.5	8.5
Dividend Yield ²	2.12	2.32
Wtd Avg Mkt Cap (B)	\$80.60	\$71.90
Wtd Med Mkt Cap (B)	\$48.80	\$43.29
Cash	4.3%	
Annualized Standard Deviation ³	14.41	15.25
Jensen Alpha ³	0.77	
Beta ³	0.92	
Dollar Turnover (3 YR Avg) ⁴	48.9%	

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 excludes 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. 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. Index data source: MSCI Inc.

Portfolio contribution calculated for the Q4 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 is 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®). A GIPS Report is available upon request by contacting RRAMCompliance@riverroadam.com. 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 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. Unless otherwise noted, performance provided for periods greater than one year is annualized.

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.

Unless otherwise noted, share-related characteristics are provided by FactSet. Portfolio and index characteristics 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
DBSDY DBS Group Holdings Ltd. Sponsored ADR	2.60%	+0.73%
EDPFY EDP-Energias de Portugal SA Sponsored ADR	2.40%	+0.68%
SNE Sony Corp. Sponsored ADR	1.95%	+0.66%
PUGOY Peugeot SA Sponsored ADR	1.40%	+0.65%
MRAAY Murata Manufacturing Co. Ltd. Un-sponsored ADR	1.61%	+0.63%
Bottom Contributors		
SAP SAP SE Sponsored ADR	2.89%	-0.76%
SNPHY Santen Pharmaceutical Co. Ltd. Un-sponsored ADR	1.75%	-0.47%
AU AngloGold Ashanti Ltd. Sponsored ADR	0.68%	-0.24%
AMSSY ams AG Un-sponsored ADR	2.16%	-0.19%
AHCHY Anhui Conch Cement Co. Ltd. Un-sponsored ADR (CI H)	1.17%	-0.13%

