International Growth Commentary

Q3 2022

SGA Sustainable Growth Advisers

Performance

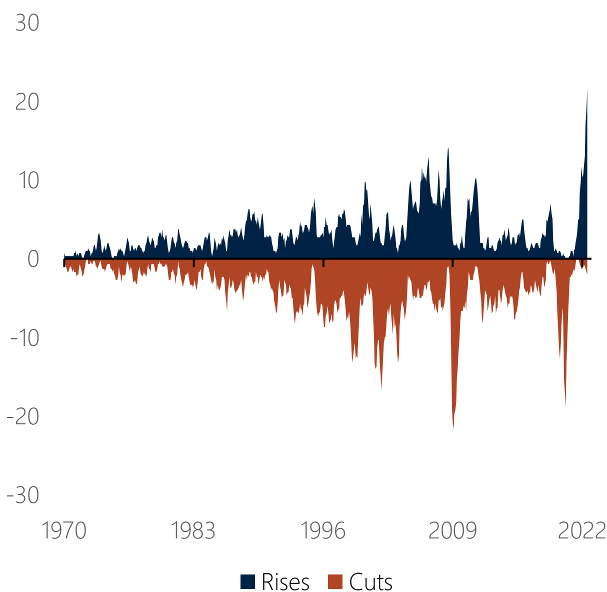
SGA's International Growth portfolio returned -6.2% (gross) and -6.4% (net) in Q3 versus -9.9% for the MSCI ACWI ex USA Index and -9.4% for the MSCI ACWI ex USA Growth Index.

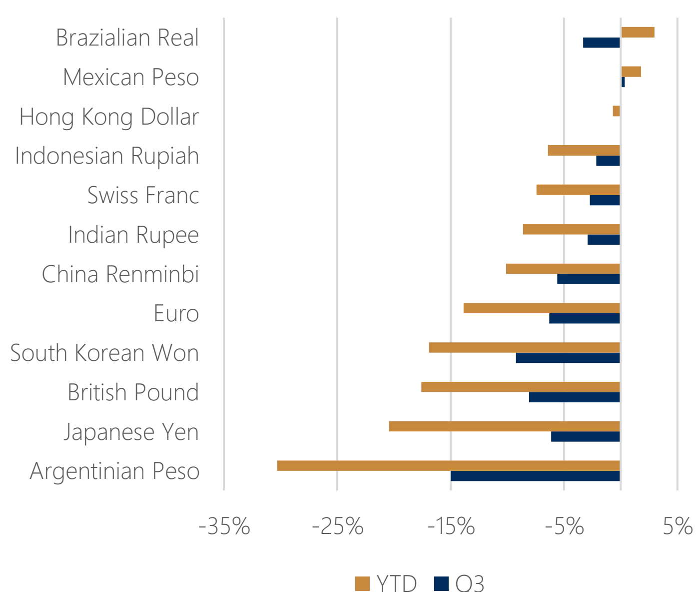
Central Bank Tightening and Growth Concerns Weigh on Markets

Tighter financial conditions from unprecedented and synchronized global central bank monetary tightening and further strengthening of the U.S. Dollar weighed on Emerging Markets in Q3. Growing concerns around the global economy pressured earnings growth expectations, which continued to decline during the quarter. Chinese markets, which had rebounded strongly in Q2, were among the worst performing as optimism around a reopening and improving economic growth quickly faded. A continuation of the Chinese government's restrictive zero-Covid policies and a further deterioration of the Chinese property market weighed heavily on investor sentiment. Weakness in European markets reflected the significant impact of rising energy prices in the region and the increasing likelihood of a recession. In the U.K., the new government's tax cut proposal roiled markets, particularly for government bonds, forcing the Bank of England to step in and stabilize bond markets. Latin American stocks performed best despite rising political uncertainty and softening commodities prices. Brazilian markets rebounded on the back of better-than-expected Q2 economic data.

Highlights

- Portfolio outperformed the MSCI ACWI ex USA and MSCI ACWI ex USA Growth indices in Q3
- While companies with higher growth prospects continued to underperform, the reward to business quality metrics improved during the quarter
- There were no full position changes in the portfolio during the quarter; we trimmed several positions, including Dassault Systemes, HDFC Bank, MercadoLibre, Novo Nordisk, Recruit, and Sartorius. We added to positions in Heineken, Linde, SAP, Steris, Temenos, Wal-Mart de Mexico, and Infosys
- Portfolio remains well-positioned to deliver attractive, above-average growth in earnings and cash flows; expect the higher-quality characteristics and superior growth of the portfolio to be increasingly rewarded as global growth continues to slow and expectations around corporate profits moderate further





Source: World Bank & FactSet

While broad-based earnings growth expectations began to moderate towards the end of Q3, we expect consensus earnings growth estimates for the market to compress further given the increasingly challenging economic backdrop. Although we cannot forecast the severity or duration of the impending economic slowdown, we find comfort in the more predictable and resilient growth prospects of the companies in our portfolio. As illustrated in the below graph and table, periods of moderating or declining growth expectations have historically been favorable for the portfolio's relative performance as markets increasingly reward higher-quality and more predictable growth companies.

	SGA International (Gross)	SGA International (Net)	MSCI ACWI ex USA	Relative (Gross)	Relative (Net)	Peer Rank
Mar 15 - Feb 16	-12.0%	-12.7%	-17.4%	+5.4%	+4.7%	38th
Mar 16 – Feb 18	22.7%	21.7%	20.5%	+2.2%	+1.2%	36th
Mar 18 – Jun 20	6.6%	5.7%	-3.4%	+10.0%	+9.1%	8th
Jul 20 – May 22	6.7%	5.8%	9.8%	-3.1%	-4.0%	73rd

Source: FactSet, MSCI, eVestment. SGA paid a standard fee to eVestment for access to rankings and other services. Peer Rank based on Gross Returns.

Largest Contributors

After being one of the portfolio's largest detractors in Q2, **MercadoLibre** was the largest contributor in Q3 as its shares benefited from a strong Q2 report driven by credit growth and provisioning as well as strong gross margins. Revenue growth slowed to 57%, in constant-currency terms, from 67% last quarter; however, margins surprised positively with operating margins staying flat at 9.6% and gross margins improving 500 bps compared to the same period last year. E-commerce growth decelerated, except in Mexico, while deliberate growth in its money-losing 1st-party business helped protect margins. The company also noted that it had reached scale economies in logistics which should further support margins moving forward. Growth in the company's fintech business decelerated slightly but remains strong, driven especially by growth in credit revenues, which now comprise 20% of total revenues. The company's rising credit exposure is an area we are increasingly monitoring given the risk of rising defaults in the wake of further expected economic weakening. While we believe the company is naturally hedged against an Argentine devaluation due to significant operating costs located in that country, we are mindful that consumer behavior may be unpredictable. Despite some near-term risks associated with their growing credit business, we continue to view the longer-term growth opportunity favorably. We trimmed the position on strength during the quarter.

Shandong Weigao was the second largest contributor to performance in Q3 as the company reported better-than-expected 1H 2022 results. Shandong reported resilient results, highlighted by 12% and 15% sales and profit growth respectively, despite continued near-term headwinds from Covid-related disruptions to supply chains and medical procedures as well as government price cuts. Gross margins were negatively impacted by government price cuts, as expected, but were also negatively impacted by supply chain disruptions. These pressures were offset, however, by strong market share gains and reduced distribution costs which led to improved operating margins. We see Shandong Weigao well-positioned to benefit from secular growth in the demand for healthcare services in China as its medical products are used in routine services and surgeries. Additionally, given the company's scale advantages, we expect it to continue to gain share as the market consolidates in response to the Chinese government's value-based-purchasing policies. We maintained an above-average weight position.

HDFC Bank was the third largest contributor to portfolio performance in Q3 following a solid Q2 report showing improved loan growth with net interest margins improving sequentially given the bank's higher retail mix. Other income growth was good excluding the higher mark-to-market losses on bond holdings due to higher interest rates. HDFC Bank continues to benefit from the lifting of a ban on new credit card issuance. Operating expenses increased within expectations given planned investments in retail and technology while provisions as a percent of loans outstanding were lower with credit quality remaining strong. After-tax profit increased 19% year-over-year and, on a normalized basis, increased even more if we exclude the mark to market losses on Treasury holdings. Our thesis for the company remains in-tact; we expect attractive growth as HDFC Bank continues to capitalize on growth in demand from India's rising middle class.

XP and **Recruit** were the fourth and fifth largest contributors to performance.

Largest Detractors

AIA Group was the portfolio's largest detractor in Q3 after reporting a 13% decline in the value of new business in the first half of the year amid fading optimism surrounding a recovery in China as new Covid restrictions were rolled out in response to rising caseloads. Government officials downplayed the need for significant economic stimulus, which also weighed on sentiment. While new business generation was weak, the company reported stable operational metrics with operating profit up 4%+ and underlying free surplus generation up 5%+. As high-end life insurance sales are complex and generally require in person meetings, AIA Group has had a difficult time closing new sales during Covid shutdowns, which persisted into the first half of 2022. We expect 2H results to improve, as many countries in the ASEAN region are returning to growth, and China also should recover. During this difficult time, the company's healthy balance sheet enabled it to take advantage of its depressed stock price and begin a $3 billion share repurchase program. The company also continued its investments in distribution and technology, which should enable it to perform well over the longer term. We expect AIA Group to continue to benefit from the advantages associated with its in-house sales capability, and secular tailwinds such as favorable demographics for insurance and the further penetration of insurance products across key pan-Asian markets. We maintained an above-average weight.

Adidas was the second largest detractor from performance as a cautious outlook from management and reduced full-year guidance weighed on its shares. The unexpected announcement from CEO Kasper Rorsted that he will step down in 2023 after having agreed to a five-year contract in 2020 surprised us and investors, placing further pressure on the stock. Q2 results were slightly better-than-expected as total revenues grew 4%, adjusted for FX movements, with all regions outside of China delivering solid results. Revenues in China declined 35%, in line with expectations. However, with Covid restrictions remaining in place, prior optimism around a near-term turnaround diminished. Additionally, with weakening consumer demand more likely given the more challenging economic environment and risks associated with excess inventory, we expect lower visibility around near-term growth and profitability. Given these headwinds, we lowered the target to a below-average weight and continue to evaluate the attractiveness of its longer-term growth opportunity.

Steris was the third largest detractor from performance after reporting a weaker 1Q23 quarter (ending 6/30/22). Management revised their FY 2023 guidance lower (from 11% to 10% growth), due to FX headwinds, a shortage of semi-conductor chips which made it difficult to ship some products, as well as continued softness in medical procedures. We see these issues as temporary and view the company as well positioned to continue to grow double-digit earnings in the medium to long term.

Later in the quarter, one of company's competitors faced an adverse jury verdict, which negatively impacted Steris' stock. Both Steris and Steris' competitor use ethylene oxide (EO), a known carcinogen, in their process to sterilize medical devices. The competitor, however, has faced ongoing litigation for past practices. Based on our research, Steris has developed best practices including "sustainable EO sterilization services" that enable customers to reduce the use of EO. The use of EO cannot be avoided as it ensures the sterility of many medical devices, and we believe Steris' best practice services are becoming more valuable. While we recognize that Steris may someday also be subject to related litigation, we believe the EO risk is quite manageable for Steris and may actually prove to be an opportunity in the long term. We added to the position on weakness.

Temenos and **Alcon** were the fourth and fifth largest detractors from performance for the quarter.

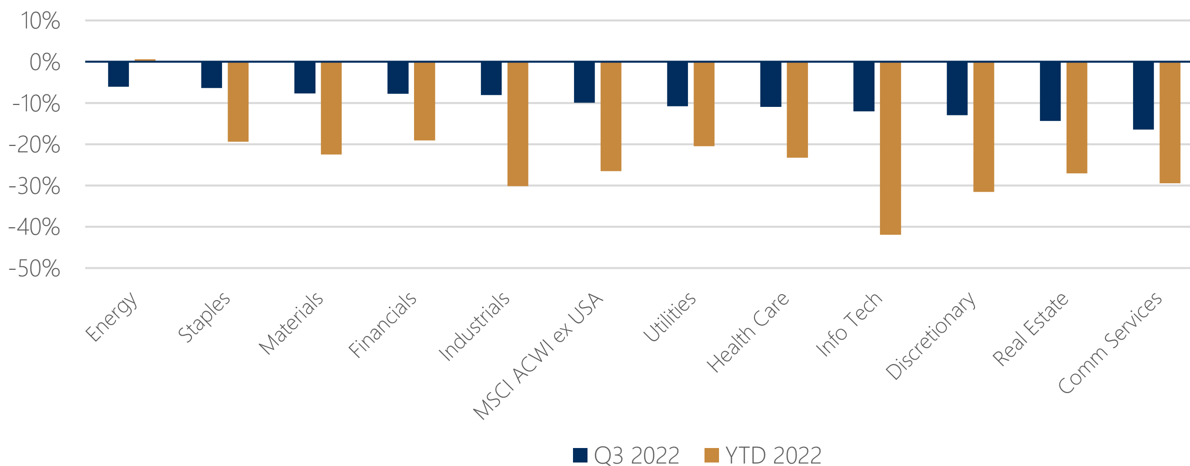
Portfolio Activity

Turnover during the quarter was below-average with no new positions initiated and no positioned liquidated. We trimmed several positions, including Dassault Systemes, HDFC Bank, MercadoLibre, Novo Nordisk, Recruit, and Sartorius. We added to positions in Heineken, Linde, SAP, Steris, Temenos, Wal-Mart de Mexico, and Infosys.

Market and Portfolio Attribution

Companies in the Energy sector performed best during the period, followed by the Consumer Staples, Materials, and Financials sectors. The worst performing sectors in Q3 were Communication Services, Real Estate, Consumer Discretionary, and Information Technology. Only six countries delivered positive returns in Q3 with Turkey being the best performing market by far, followed by strong returns in Brazil, Indonesia, and India. European and Asian markets underperformed during the period, with Poland and China being the worst performing markets. The energy crisis and political uncertainty weighed on European stocks and disruptions from China's zero-Covid policies and property market weakness weighed broadly on Chinese and Asian markets. Companies with higher growth prospects continued to underperform on the back of rising interest rates. While quality factors went unrewarded in Q3, their relative performance improved over the course of the quarter.

MSCI ACWI ex USA – Sector Returns



Source: FactSet, MSCI

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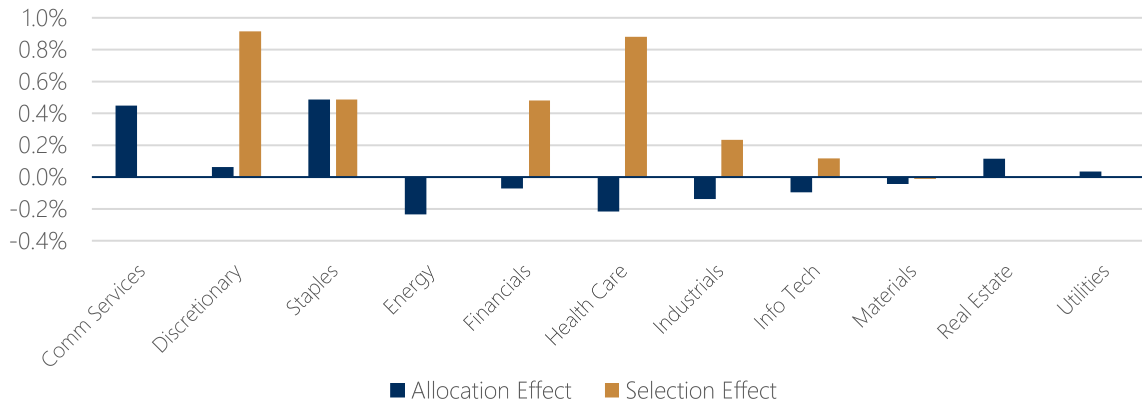
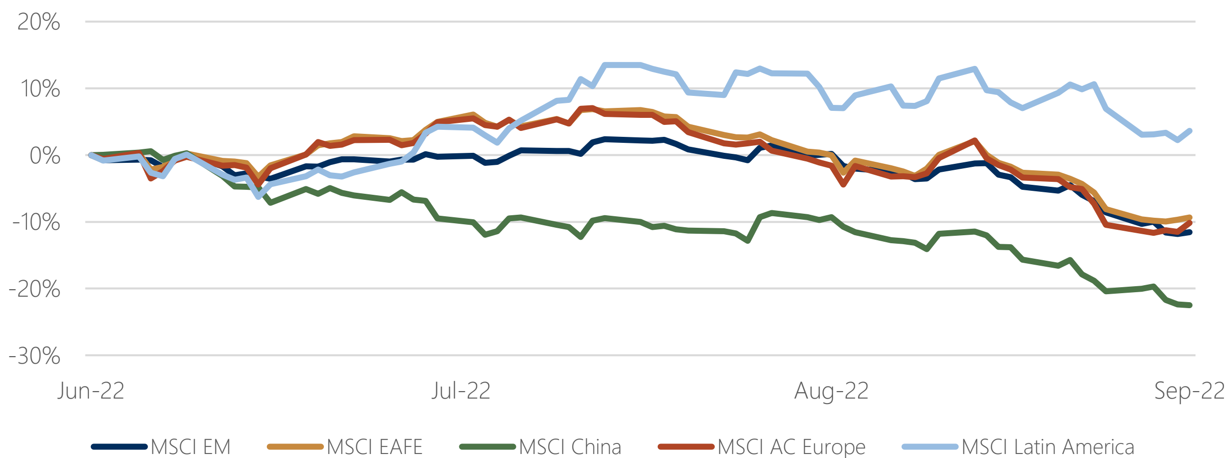


Source: FactSet, MSCI



Source: FactSet, MSCI

Summary

Tighter financial conditions on the back of aggressive global central bank tightening, weakening currencies, and concerns about growth in Europe and China weighed heavily on international markets in Q3. Despite further pressure on faster-growing companies from rising interest rates and quality factors not rewarded until the end of the quarter, the SGA International portfolio outperformed both the MSCI ACWI ex USA and MSCI ACWI ex USA Growth indices in Q3. With broad-based earnings growth expectations continuing to decline, we see the portfolio as well-positioned to deliver more attractive and resilient growth in earnings and cash flows moving forward.

We remain committed to our time-tested approach which is focused on identifying high-quality companies that possess sustainable competitive advantages that lead to predictable, resilient, and durable above-average growth in earnings and cash flows over the long-term. This approach has generated attractive returns for our clients over the long-term, with relative returns strongest during periods of weakening profit expectations as highlighted in the graphs in the beginning of this letter. While we expect the environment to be more favorable for our approach moving forward, we also recognize that relative performance is likely to continue to fluctuate over shorter time periods given the higher levels of market volatility.

We thank you for your continued confidence in our team and look forward to answering any questions you may have about the portfolio.

International Growth Commentary

The opinions expressed herein reflect the opinions of Sustainable Growth Advisers, LP and are subject to change without notice. Past performance is no guarantee for future results. This information is supplemental and complements a GIPS Report that can be found with composite performance. The securities referenced in the article are not a solicitation or recommendation to buy, sell or hold securities. This commentary is provided only for qualified and sophisticated institutional investors.

Results are presented gross and net of management fees and include the reinvestment of all income. For interest and capital gains, SGA does not withhold taxes. For dividends, SGA will withhold taxes as reported by the client's custodian. Returns are calculated net of withholding taxes on dividends. The Net Returns are calculated based on the deduction of a model fee of 0.85% being the highest applicable fee that may be charged to SGA clients for the International Growth strategy. Net Returns do not account for custodian and brokerage fees that clients pay to third parties. Actual fees charged to clients may vary depending on, among other things, the applicable fees schedule and portfolio size. SGA's fees are available upon request and may be found in Part 2A of its Form ADV. The largest contributors and detractors are determined using a ranking of the absolute contribution to portfolio return by each security held over the period under consideration. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. Upon request, free of charge, SGA can provide a list of all portfolio holdings held in SGA's International Growth portfolio for the past year. SGA's earnings growth forecast data is based upon portfolio companies' non-GAAP operating earnings.

Performance Results	Q3 2022	YTD 2022	1-Year	3-Year	5-Year	7-Year	Since Inception
SGA International Growth (Gross)	-6.2%	-26.6%	-26.0%	2.8%	4.3%	7.9%	5.8%
SGA International Growth (Net)	-6.4%	-27.1%	-26.7%	1.9%	3.5%	7.0%	4.9%
MSCI ACWI ex USA (Net TR)	-9.9%	-26.5%	-25.2%	-1.5%	-0.8%	3.3%	1.1%
MSCI ACWI Growth ex USA (Net TR)	-9.4%	-31.8%	-30.2%	-1.4%	0.2%	4.1%	2.2%

	Total Return						3 Year Standard Deviation					
Period	Before Fees	After Fees	MSCI ACWI ex-USA Net TR Index	MSCI ACWI Growth ex-USA Net TR Index	Number of Portfolios	Composite Dispersion	SGA Composite	MSCI ACWI ex-USA Net TR Index	MSCI ACWI Growth ex-USA Net TR Index	Total Assets in Composite at Period End (USD millions)	Total Firm Assets at Period End (USD millions)	Percentage of non-fee paying accounts
Mar. 1 - Dec. 31, 2015	-4.63%	-5.30%	-10.32%	-6.77%	Five or Fewer	N/A				0.096	5,318	100%
2016	0.65%	-0.21%	4.50%	0.12%	Five or Fewer	N/A				0.097	5,672	100%
2017	37.83%	36.69%	27.19%	32.01%	Five or Fewer	N/A				0.133	9,971	100%
2018	-12.42%	-13.17%	-14.20%	-14.43%	Five or Fewer	N/A	12.85%	11.38%	11.55%	89	9,096	0%
2019	30.96%	29.87%	21.51%	27.34%	Five or Fewer	N/A	12.01%	11.34%	11.50%	307	12,347	0%
2020	25.55%	24.50%	10.65%	22.20%	Five or Fewer	N/A	15.87%	17.93%	16.48%	310	18,780	0%
2021	9.53%	8.61%	7.82%	5.09%	Five or Fewer	N/A	15.11%	16.79%	15.01%			0%
2022 YTD	-26.61%	-27.10%	-26.50%	-31.84%	Five or Fewer	N/A	17.63%	18.22%	17.84%			
Since Inception (March 1, 2015)	5.78%	4.89%	1.14%	2.15%			15.20*	15.06*	14.82*			

N/A- Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.
3 Year Standard Deviation is not shown for 2015, 2016, and 2017 as 36 months of returns are not available
* Since Inception Annualized Standard Deviation. SGA Composite Dispersion based on Gross Returns.

Sustainable Growth Advisers, LP ("SGA") was formed in 2003 and is a registered investment advisor under the Investment Advisers Act of 1940. SGA manages portfolios of publicly traded equity assets according to its "Large Cap Growth Equity" investment approach for pooled funds, institutions, trusts and private accounts. SGA is an operationally independent investment management firm and an affiliate of Virtus Investment Partners. The SGA International Growth Composite was created in March 2015. The firm maintains a complete list and description of all composites, which is available upon request.

Sustainable Growth Advisers, LP claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Sustainable Growth Advisers, LP has been independently verified for the periods July 1, 2003 – December 31, 2020.

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. The SGA International Growth composite has had a performance examination for the periods March 1, 2015 - December 31, 2020. The verification and performance examination reports are available upon request.

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SGA International Growth Composite contains fee-paying and non-fee paying large cap international growth equity portfolios under full discretionary management of the firm. For comparison purposes the composite is measured against the MSCI ACWI ex-USA TR Index (Net) and MSCI ACWI Growth ex-USA TR Index (Net).

The composite calculation has been appropriately weighted for the size of each portfolio on a time-weighted, total return basis. Monthly portfolio returns have been used in the construction of the composite. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm.

The U.S. Dollar is the currency used to express performance. Results are presented gross and net of management fees and include the reinvestment of all income. For interest and capital gains, SGA does not withhold taxes. For dividends, SGA will withhold taxes as reported by the Client's custodian. Returns are calculated net of withholding taxes on dividends. The Net Returns are calculated based upon the highest published fees. The net performance has been calculated by reducing the gross performance by the amount of the highest published fee that may be charged to SGA clients, 0.85%, employing the International Growth strategy during the period under consideration. Actual fees charged to clients may vary depending on, among other things, the applicable fees schedule and portfolio size. SGA's fees are available upon request and also may be found in Part 2A of its Form ADV. The annual dispersion presented is an asset-weighted standard deviation calculated using gross returns for the accounts in the composite the entire year. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. Past performance is not indicative of future results.

The standard investment management fee schedule for the firm is 0.85% on the first $25 million and 0.65% on the next $75 million and 0.50% over $100 million. Actual investment advisory fees incurred by clients used in the composite may vary from the standard fee schedule.

Sustainability Report

Q3 2022

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Mengniu Dairy

Mengniu is the leading manufacturer and distributor of branded dairy products in China including milk, cheese, and infant formula. Operating in a largely oligopolistic industry, Mengniu's scale and vertical integration places the company in a strategic position to capitalize on the secular growth in consumption of dairy in China.

Mengniu sources milk from 40 facilities across China, with one of these being located in Xinjiang, a region at high risk of modern slavery. We consider this to represent a risk to our long-term growth thesis in the company. While we deem this level of exposure to be immaterial to the company's fundamentals, the potential for headline and regulatory risk stemming from a human rights violation could have a wide-range of impacts to our investment in the company, particularly given the geopolitical sensitivities of the U.S.- China relationship at present. Risks of this nature are very difficult to quantify, in terms of impact and probability, and we have used engagement as a means to learn more about the supply chain:

- Mengniu has a Supplier Code of Conduct that prohibits forced and child labor, consistent with the UN Convention Against Corruption and the UN Convention on Occupational Safety and Health. It also has explicit requirements regarding responsible supply chains that are included in all supplier contracts. All suppliers are certified for compliance, including in Xinjiang, and there is no sourcing outside of the company's certified supply chain. In addition, 100% of the employees of Mengniu's suppliers are subject to labor contracts, which per PRC law guarantees a minimum wage as well as health and work insurance.
- From a monitoring and auditing perspective, Mengniu has a Supplier Management System, where they periodically review supplier operations to ensure compliance with the code. Last year, the company conducted on-site audits at 485 out of 658 total suppliers.
- With regards to senior management accountability, Mengniu has a central business unit (that reports directly into the CEO) responsible for onboarding, certifying, and monitoring compliance of their raw milk suppliers. In addition, the Board has a Sustainability Committee, chaired by the CEO himself, to oversee all ESG related issues. Lastly, ESG-related KPIs, such as carbon reduction and supplier violations of the code of conduct, are tied to senior management compensation.
- Mengniu is commencing a relationship with SEDEX, one of the world's leading ethical trade membership organizations that works with businesses to create more responsible and sustainable business practices. SEDEX assesses risk at each supplier site across four main areas — labor standards, health and safety, business ethics, and environment — and uses a combination of self-assessments and third-party, ethical audits to determine both potential and actual exposure. We are very familiar with SEDEX through our due diligence on YUM! Brands, another portfolio company that collaborates with the organization.

After thorough analysis and engagement, we believe the risk of modern slavery to the Mengniu investment case is satisfactorily mitigated. However, in the interests of stakeholders, we believe there are additional actions the company can take to reduce the risk even further. For example, we encouraged Mengniu to conduct an independent external audit of the plant in Xinjiang and make these results publicly available to investors. We also expressed our opinion that investors would benefit from the publication of annual supplier audits to increase transparency into the company's supply chain. We have expressed our opinions with management on these topics and hope to see positive developments from the company in time.

Stock-Based Compensation

Stock-Based Compensation (SBC) is a common tool utilized by technology companies to attract and retain top talent in a highly competitive field. We believe SBC can be a highly effective incentive scheme for key executives. However, in some instances, the resulting equity dilution from SBC can compound over time to the detriment of existing shareholders if taken too far. We see this prevalent in the software industry where we own a number of companies including Salesforce, Intuit, Autodesk, and Workday. We believe the best practice to mitigate the detrimental impacts to shareholders of SBC is to cap gross share dilution.

ServiceNow, a company on our Qualified Company List, is among the leaders in the practice of capping growth share dilution, and we are seeing more interest from companies in adopting this approach. For example, Workday is considering the merits of this practice, and we recently took the opportunity to raise the subject during a meeting with the management of Intuit, a financial and tax preparation software provider. We explained our preference for a cap to gross share dilution, as opposed to net dilution, as we seek to guard against companies incurring inappropriately high levels of gross share dilution which would then require the diversion of inappropriately high levels of cash flows to fund offsetting share repurchases. Minimizing gross share dilution also potentially allows for more of a company's free cash flow to be returned to shareholders through buybacks and dividends. With buyback taxes likely to rise from here, achieving net dilution may become more expensive over time. Hence, companies should seek to limit gross dilution in the first instance. Furthermore, if inflation becomes more endemic and interest rates remain high, dividends may become more sought after by the investment community. Hence minimizing gross dilution can allow for a higher dividend payout to shareholders and may support the share price over the long term. Intuit management was open to receiving our comments, and we will continue to engage with the company and others under our coverage, on this pertinent topic.

Sherwin-Williams

We engaged with the management of Sherwin-Williams, a leading American paint manufacturer and distributor, for a broad ESG update over the quarter.

On the environmental front, the company has been working on a project to calculate its Scope 3 emissions. Far too few companies report Scope 3 emissions today and given their magnitude relative to Scope 1 & 2 emissions, we believe measurement and reporting is prudent to lower climate risk. For example, in the case of Sherwin-Williams, management noted that Scope 3 emissions are approximately 10 times that of Scope 1 & 2 emissions combined. It has been difficult for management to get a firm grasp of the company's Scope 3 emissions, partly due to reporting deficiencies among its supplier base, but after significant work they now have the confidence in the data and will be publishing to investors later this year. Following on from this, we raised the topic of Science Based Targets (SBTs), and pleasingly management confirmed they are looking to commit to establishing SBTs over the next year now that they have a measure of their complete emissions set. We emphasized the importance we place on emissions disclosure and SBTs and will follow up in the future to make sure they are on track with their commitments.

On physical climate risk, the paint industry's supply chain was largely disrupted in 2021 by hurricanes and winter storms and is a reminder that the company continues to face physical risks related to weather. Management is thinking and acting strategically to mitigate these risks. For example, the recent acquisition of Special Polymers not only added 50 million gallons of capacity to the company's system, but also diversified its supply base away from the Gulf of Mexico which is prone to weather events. It sounds like future acquisitions will also be evaluated through this additional lens and we expressed our support for efforts to diversify the company's supply chain further in the future.

Lastly on compensation, we noted there is a lack of direct links between executive compensation and ESG KPIs. Currently, the senior management team is evaluated on developing and executing the company's ESG strategy. However, the evaluation is qualitative rather than quantitative. The argument the company makes is that it can be difficult to set 12-month targets on longer term goals such as a 30% representation in management by women and minorities. While we see the merits of this argument in certain contexts, we expressed our preference to see the establishment of interim targets to make sure management remains on track with its ESG and D&I agenda.

Danaher

We spoke with management of Cytiva, the largest division of healthcare instrument and consumables company Danaher, over the quarter for an update on its environmental policies. The company is making efforts to reduce its environmental impact on a number of fronts. On product design, it is looking to minimize its usage of plastic. While not an easy task, the company is currently working with customers to design alternative options. On manufacturing, Danaher seeks to be powered with 100% renewable energy by 2025 and is exploring ways to cut its water usage. And lastly in distribution, Danaher has ceased using polyurethane for shipping cold products and is now using more environmentally friendly packaging. We are pleased to see small steps being taken in the right direction and will continue to monitor developments in this space.

Proxy Voting Summary Q3 2022

	Number of Resolutions	For	%	Against	%	Abstain	%
U.S. Large Cap Growth	7	6	86%	1	14%	NIL	0%
Global Growth	26	26	100%	NIL	0%	NIL	0%
International Growth	42	42	100%	NIL	0%	NIL	0%
Emerging Markets Growth	3	3	100%	NIL	0%	NIL	0%
Global Mid-Cap Growth	28	28	100%	NIL	0%	NIL	0%

Source: SGA, ISS

Carbon Risks Q3 2022

	Carbon Emissions	Carbon Intensity	Weighted Average Carbon Intensity
SGA Global Growth	17.6	65.9	59.1
MSCI ACWI	105.5	187.6	167.1
SGA Relative Exposure	-83%	-65%	-65%
SGA U.S. Large Cap Growth	6.8	30.7	29.5
Russell 1000 Growth	17.1	67.4	51.7
SGA Relative Exposure	-60%	-54%	-43%
SGA Emerging Markets Growth	26.7	49.5	50.3
MSCI EM	305.4	379.4	345.0
SGA Relative Exposure	-91%	-87%	-85%
SGA International Growth	27.2	76.0	91.2
MSCI ACWI ex-USA	189.5	219.6	200.3
SGA Relative Exposure	-86%	-65%	-54%
SGA Global Mid Cap	20.3	57.3	45.7
MSCI ACWI Mid Cap	208.9	269.9	259.1
SGA Relative Exposure	-90%	-79%	-82%
	t CO_2e/$M Invested	t CO_2e / $M Sales	t CO_2e / $M Sales

Source: SGA, MSCI. Carbon data includes Scope 1 and 2 emissions.

SGA integrates ESG factors, including ESG risks and opportunities, into its investment process. SGA believes environmental, social and governance factors inherently impact a company's brand equity, employee satisfaction, competitive position, financial performance, and ultimately long-term shareholder value. Investments are made with the objective of maximizing risk-adjusted financial returns to its clients. SGA does not place a premium on social returns, nor does SGA allocate its clients' capital based on thematic or top-down views. The opinions expressed herein reflect the opinions of Sustainable Growth Advisers, LP and are subject to change without notice. The securities referenced in the article are not a solicitation or recommendation to buy, sell or hold securities. These materials are provided only for qualified and sophisticated institutional investors.