Global Growth Commentary

Q3 2023

Performance

The Global Growth portfolio returned -2.0% (Gross) in Q3 and -2.2% (Net) versus -3.4% for the MSCI All Country World Index (ACWI) and -4.9% for the MSCI All Country World Growth Index (ACWI Growth). Q3 Index leadership broadened as the market's excitement over expected Artificial Intelligence beneficiaries moderated. The Energy sector performed best followed by Communication Services, while Information Technology and related stocks lagged significantly. Fear of higher rates for a longer period weighed on U.S. markets while China and other emerging markets were dragged down by weak economic data.

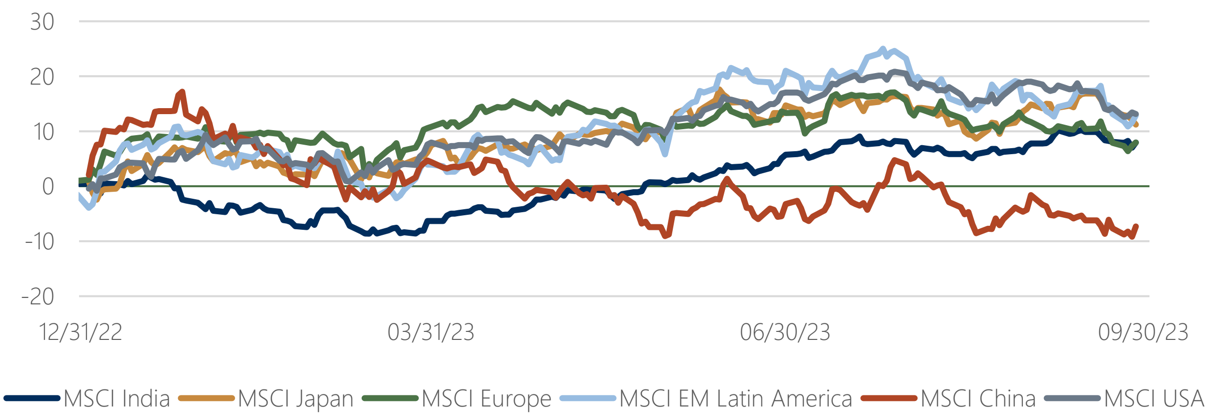
Highlights

- Portfolio outperformed the MSCI All Country World Index (ACWI) in Q3 primarily due to stock selection in the Information Technology sector.
- Pressure on stocks with higher levels of sales stability created a headwind.
- The largest contributors to performance were Atlassian, Novo Nordisk and Intuit; the largest detractors were HDFC Bank, AIA Group, and Microsoft.
- We liquidated positions in Adobe and Intuitive due to valuation and reinvested the capital in Universal Music Group.
- We added to positions in Mengniu Dairy, Amazon and NVIDIA on weakness and continued building our position in UnitedHealth; trimmed positions in Alphabet and FleetCor on strength.
- Portfolio revenues and earnings are expected to grow by 11% and 16% respectively over the next three years versus 5% and 10% for the ACWI as we continue to expect gradual slowing in global macroeconomic and profit growth.

Rising Interest Rates and China Weakness Weigh on Markets

Global markets finished the quarter down despite a strong start as concerns about interest rates staying "higher for longer" in the U.S. weighed on companies with a longer duration of growth and a deteriorating economic backdrop in China weighed on emerging markets stocks. The quarter started off strongly as rising expectations for an economic "soft landing" in the U.S. and nascent signs of increasing Chinese stimulus efforts supported global markets in July. Chinese stocks led the way during the initial rally and emerging markets outperformed developed markets as risk appetites were high. Optimism about a turnaround in China's economy quickly faded, however, as weak economic data and underwhelming stimulus efforts raised doubts about the sustainability of a rebound. The MSCI China Index closed the quarter down over 20% from its highs in late January when optimism around the country's re-opening peaked. Concerns around Chinese demand also weighed on Latin American markets which were among the worst performing in Q3 despite moderating inflation pressures and easing monetary policies. Leading economic indicators continued to worsen in Europe as well, which combined with rising energy costs and a still hawkish European Central Bank made Europe the worst performing region for the quarter. In contrast, the strong and improving economic growth in India provided a boost for Indian stocks in Q3.

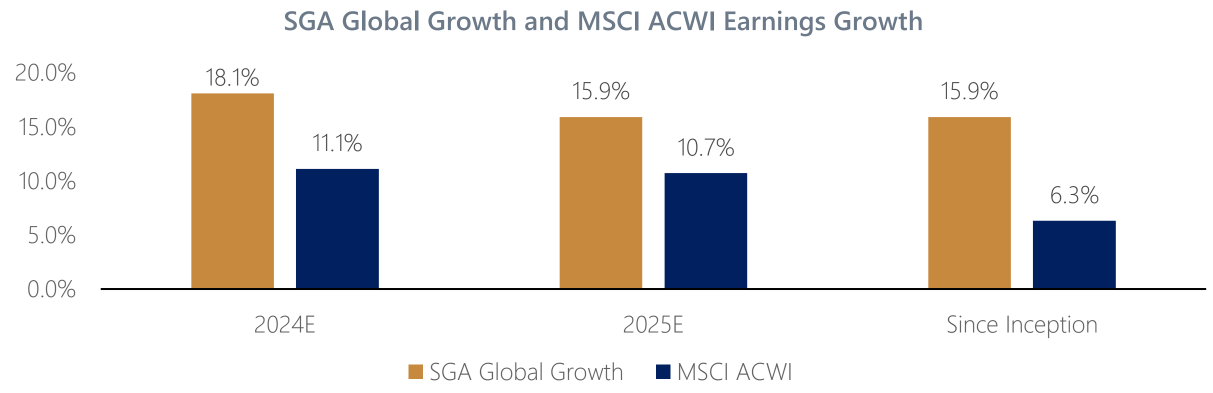
YTD 2023 Select Regional Returns



Source: FactSet, MSCI. Please see table included in this commentary for full performance presentation.

Global Growth Commentary

Growth expectations improved in the U.S. but were offset by a deteriorating growth outlook in non-U.S. markets, most notably in emerging markets. Looking ahead, expectations for the next couple of years remain above the long-term trend, and somewhat optimistic in our view given continued restrictive monetary policies in the developed world, tighter lending and credit standards, rising energy costs, depleting consumer savings, and weakening demand from China.



Source: FactSet, Bloomberg, SGA Earnings Estimates and Adjustments.

Key Contributors

Atlassian was the largest contributor to performance this quarter after reporting solid results, with cloud revenue growth, margins, and free cash flow all beating expectations. Revenues increased 24% driven by strong cloud revenues which were up 30% and data center revenues which were up 46% year-over-year. Operating margins reached 21.6% which beat management's guide of 17%, and free cash flow increased 42% year-over-year driven by more multi-year deals, partially attributed to the end of royalty discounts to drive cloud migration. Management's expectation that margins would be trending back towards historical levels by FY 2025 was earlier than expected therefore a positive surprise, and guidance for FY 2025 cloud growth to be in the 25-30% range was reassuring. Management's strategic decision to focus on cloud migration, larger enterprises, and IT service management (ITSM) growth opportunities are bearing fruit in the near term with enterprise sales up 50% year-over-year and ITSM for enterprises up 80% year-over-year. In addition, the end of the company's server product by Feb 2024 will lead to customer migration to higher priced cloud and data center products which provide better visibility for revenue and free cash flow growth in the near term despite a more volatile macro backdrop. After having added to our position in the stock on weakness last quarter, we maintained a below-average weight position recognizing its valuation.

Novo Nordisk was the second largest contributor to portfolio performance as positive results from the SELECT trial demonstrated that its obesity drug Wegovy cut cardiovascular risk in obese patients by 20%, setting the stage for broader reimbursement of the obesity category. Also, Novo Nordisk delivered strong Q2 results, with sales up 36% in Q2 and earnings per share rising 46% while management raised its full year guidance. Both Ozempic for diabetes and Wegovy for obesity are seeing strong demand, although the company is not currently able to meet the full demand for these products due to capacity constraints. While we are cognizant of some risks posed by the Inflation Reduction Act in 2027, we continue to see secular global growth opportunities for Novo Nordisk as the incidences of obesity and diabetes continue to rise in developing countries. We maintained our average weight position in the company during the quarter.

Intuit was the third largest contributor to performance in Q3 after the company posted a solid report beating expectations across each of its key business segments and raised its consolidated revenue and earnings guidance for 2024 beyond our and most analysts' expectations. Management guided to 11% revenue growth and 13% operating income growth. We were encouraged by stabilizing growth in the mid-teens at MailChimp ahead of its major new product cycle. The stock also benefited from rising expectations relative to its generative AI opportunities. We maintained our average weight position in the company given our continued positive growth outlook.

The fourth and fifth largest contributors to performance for the period were **Alphabet** and **MSCI**.

Key Detractors

HDFC Bank was the largest detractor from performance in Q3. The company completed its merger with the Housing Development Finance Corporation on July 1st following shareholder and regulatory approvals. Short term concerns tied to this closing created initial disappointment. Its quarterly loan and deposit statistics for the quarter ending in June were weaker-than-expected and the parent entity decided to maintain excess liquidity into the merger to mitigate any withdrawal risks. The latter is expected to weigh on the Net Interest Margins for the short-term. In addition, there were some one-time accounting adjustments as the two entities merged their books and some of them, while small, were not anticipated by the investor community. However, most of this noise is now behind us and the merged entity has a stronger capital base and improved liquidity. We remain confident in the opportunity ahead for HDFC Bank and view it as being well-positioned to benefit from growing demand for banking services in India.

AIA Group was the second largest detractor from performance for the quarter as the company was negatively impacted by concerns over the disappointing pace of China's economic rebound and the company's future growth opportunity in China. However, the company reported a rebound in its new sales with the value of new business rising 37%+ and the annualized new premiums growing by 49%+. The strong growth is partly driven by a reversal of difficulties they had faced during the pandemic from mainland Chinese visitors' purchases of protection policies in Hong Kong, however they saw double-digit growth in most of their markets. Operating profits grew only 4% after taxes given higher expenses and a higher tax rate. Even though the company continues to demonstrate resilient growth in China, some concerns on new business margins arose, due to stronger growth of savings products (vs protection) and higher growth in the lower margin bank channel. The company quantified its exposure to the Chinese real estate market as being minimal, and we believe the lower rate environment is manageable for AIA. While we recognize the difficult macro-economic environment in China, we view AIA as a resilient business with strong growth prospects both within and outside of China (about 45% of the company's business is based outside of China/Hong Kong), and we maintained a below-average weight position in the company.

Microsoft was the third largest detractor from performance in Q3. The company posted a strong Q2 report, and we were pleased to see all business segments providing in line or better returns. Operating income increased by 21% on a constant currency basis with the company growing at a mid-teens rate overall. But its stock was out of favor during the period as market enthusiasm over AI took a breather. The investor community came to terms with a realistic timeline and eventual financial materiality for their initiatives in AI. While these are in line with our expectations, they perhaps disappointed some with shorter investment horizons. For Azure, despite corporate optimizations presenting a short-term headwind, we continue to see plenty of room for growth even aside from its attractive AI opportunities. While capex is expected to increase in FY 2024 as the company invests in its AI capabilities among other things, we see clear focus by management on maintaining margins. We maintained an above-average weight position in the company.

The fourth and fifth largest detractors from performance in the quarter were **Heineken** and **S&P Global**.

Portfolio Activity

We liquidated the portfolio's positions in Adobe and Intuitive to manage valuation risk as they had rebounded strongly and now look expensive based on our cash flow valuation metrics. We initiated a new position in Universal Music Group, and added to positions in Mengniu Dairy, Amazon and NVIDIA on weakness while continuing to build our position in UnitedHealth. Positions in Alphabet and FleetCor were trimmed on strength.

Sales

The portfolio's position in **Adobe** was sold following a significant price advance tied to the market's focus on potential AI beneficiaries, a positive Q2 report and a rise in management's full year guidance. This led its valuation to rank near the bottom of our rankings relative to other opportunities on our Qualified Company List. This, and remaining questions over its recent acquisition of Figma and the actual AI benefits likely to occur, led us to sell the stock and reinvest the capital in another high confidence growth opportunity.

We liquidated the portfolio's position in **Intuitive** due to valuation following strong appreciation in the stock. Intuitive reported strong Q2 results with 15%+ revenue growth, 25%+ earnings per share growth and 22%+ procedure growth, while also raising guidance. While we like the company and its growth opportunity, we believe much of that was already reflected in the stock's price, given that it ranked in the bottom quartile of our Qualified Company List in terms of valuation. Consistent with our valuation discipline we redeployed the capital to other higher opportunity investments.

Purchases

We initiated a new position in **Universal Music Group** (UMG) in Q3. UMG is the leading music label in the world, with about one third of the global music industry share. It was spun out of Vivendi in 2021 and has several notable record labels under its ownership including Republic, Interscope Record, Capitol Music, Def Jam, and EMI. It represents artists across lifecycles and genres such as current superstars like Drake, Taylor Swift, and The Weekend and owns the rights to the industry's leading catalogue including legends such as ABBA, The Beatles, Elton John, Louis Armstrong, Marvin Gaye, and The Rolling Stones. About 61% of recorded music sales come from this back catalogue. UMG's business is split among recorded music, music publishing and merchandising, with 77% of its revenues coming from the recorded music business where it promotes and markets recorded music for its artists and shares in the economics. The advent of streaming has shifted the music label business to become more repeatable and drive growth as the labels now get paid every time a song is played versus the previous transactional process that relied on the one-time sale of an individual song or album. We estimate about 60% of revenues are recurring and expect this to increase as subscription streaming revenue continues to grow. The company has demonstrated low churn rates.

The company has attractive pricing power given the strength of its superstar lineup and catalogue which provide advantages versus other music distributors and platforms that need their music. UMG's scale, scope and geographic reach would be very difficult to replicate, and the label remains an artist's best chance at reaching global stardom, allowing it to earn attractive margins and returns on capital. With about 30% of the developed markets' population subscribing to streaming platforms, and much lower levels in developing countries, we see an attractive growth runway. The company also has a large opportunity to grow with new and emerging platforms such as gaming, digital fitness, and social media.

Among the key risks we have identified for UMG is a potential deceleration in streaming revenues if the digital streaming providers were to reduce marketing expenditures to drive margins higher. An increase in the popularity of independent labels or artist self-distribution versus major labels would pose a threat and requires the labels to continue to invest to build out their capabilities and deliver on their value proposition. With emerging markets expected to be a significant driver of growth in streaming revenues, any major slowdown in those markets and their interest in moving toward the streaming model would pose a risk.

Outlook

With the unprecedented monetary and fiscal stimulus applied during Covid, the significant supply chain blockages, and demographics constricting labor force growth, this positive economic cycle has defied expectations. While impossible to predict the market's path over the next 6-12 months, we continue to see the ingredients for slower macroeconomic and profit growth ahead given the lagged effects of the significant monetary tightening. While certainly not immune to macroeconomic forces, our approach has traditionally excelled in periods of slowing economic growth and increased uncertainty, and we believe that the combination of recurring revenues, sustainable growth and high business quality together with a focus on valuation will benefit our clients in the years ahead. Over the coming three years, our portfolio is expected to generate 11% revenue and 16% earnings growth. The ACWI is expected to earn revenue and earnings growth of 5% and 10% respectively, which we believe is optimistic given the secular economic headwinds on the horizon.

We thank you for your continued support and look forward to answering any questions you may have.

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 Global 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 Global Growth portfolio for the past year. SGA's earnings growth forecast data is based upon portfolio companies' non-GAAP operating earnings.*

Performance Results	Q3 2023	YTD 2023	1-Year	3-Year	5-Year	10-Year	Since Incep.
SGA Global Growth (Gross)	-2.0%	15.0%	25.0%	1.6%	8.2%	10.8%	11.3%
SGA Global Growth (Net)	-2.2%	14.2%	24.0%	0.8%	7.3%	9.8%	10.4%
MSCI ACWI Index (Net TR)	-3.4%	10.1%	20.8%	6.9%	6.5%	7.6%	7.5%
MSCI ACWI Growth Index (Net TR)	-4.9%	18.2%	24.4%	3.8%	8.4%	9.5%	9.2%

	Total Return						3 Year Standard Deviation				
Period	Before Fees	After Fees	MSCI ACWI Net TR Index	MSCI ACWI Growth Net TR Index	Number of Portfolios	Composite Dispersion	SGA Composite	MSCI ACWI Net TR Index	MSCI ACWI Growth Net TR Index	Total Assets in Composite at Period End (USD millions)	Total Firm Assets at Period End (USD millions)
Feb. 1 - Dec. 31, 2011	4.91%	4.10%	-8.78%	-7.85%	Five or Fewer	N/A				1	2,686
2012	17.61%	16.63%	16.13%	16.69%	8	N/A				1,204	4,278
2013	21.77%	20.75%	22.80%	23.17%	10	0.3%				1,482	5,611
2014	2.40%	1.53%	4.16%	5.43%	12	0.3%	11.26%	10.50%	10.53%	1,368	5,332
2015	9.82%	8.89%	-2.36%	1.55%	13	0.2%	11.99%	10.79%	10.73%	949	5,318
2016	4.47%	3.59%	7.86%	3.27%	14	1.0%	12.92%	11.06%	11.28%	1,234	5,672
2017	34.27%	33.16%	23.97%	30.00%	15	0.5%	12.36%	10.36%	10.72%	2,309	9,971
2018	-0.87%	-1.72%	-9.41%	-8.13%	21	0.3%	12.00%	10.48%	11.47%	2,935	9,096
2019	33.42%	32.32%	26.60%	32.72%	24	0.4%	11.58%	11.22%	12.09%	3,727	12,347
2020	31.88%	30.79%	16.25%	33.60%	24	0.8%	16.67%	18.13%	18.16%	6,238	18,780
2021	9.86%	8.93%	18.54%	17.10%	30	0.5%	16.16%	16.84%	16.55%	8,078	22,899
2022	-25.32%	-25.97%	-18.36%	-28.61%	30	0.4%	20.76%	19.86%	21.51%	6,469	18,407
Since Inception (Feb. 1, 2011)	10.79%	9.86%	7.17%	8.32%			15.29%*	14.55%*	15.41%*		

N/A- Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.
The 3 Year Annualized Standard Deviation for years 2011, 2012, and 2013 is not shown as 36 months or returns 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 is an affiliate of Virtus Investment Partners. The SGA Global Growth Composite was created in February 2011. 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, 2022.

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 Global Growth composite has had a performance examination for the periods February 1, 2011 - December 31, 2022. The verification and performance examination reports are available upon request.

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

Effective March 31, 2014 SGA has elected to retroactively change the primary performance benchmarks for the firm's Global Growth equity strategy from the MSCI All Country World Index (ACWI) Gross and MSCI All Country World Growth Index (ACWI Growth Gross) with the MSCI ACWI Growth Net Total Return and MSCI ACWI Net TR as a secondary benchmark. The reason for the change from the gross version of the benchmarks to the net version of the benchmarks is to present a more appropriate comparison benchmark and better align with industry standards in terms of performance calculations and reporting for global equity products. The MSCI ACWI and MSCI ACWI Growth net total return indices reinvest dividends after the deduction of withholding taxes, using a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. The net total return indices are most representative of what a passive investor in the index could expect to achieve taking into account the price level movements, dividends and taxes that are withheld on those dividends.

Global Growth Commentary

Effective June 30th, 2013 SGA had elected to change the primary performance benchmark for the firm's Global Growth equity strategy from the MSCI World Growth Index and MSCI World Total Return Index to the MSCI All Country World Index (ACWI) with the MSCI All Country World Growth Index (ACWI Growth) as a secondary benchmark. This change was made in recognition of the fact that SGA's investment team has the ability to invest in emerging market domiciled companies and a benchmark that includes both developed and emerging markets such as the MSCI ACWI most accurately reflects the opportunity set from which client portfolios in the composite are built. It should be noted that SGA is benchmark indifferent in terms of stock selection and portfolio construction and this change was made in order to reflect current industry standards for performance reporting and benchmarking of Global mandates that have the ability to invest in both developed and emerging markets.

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 Global 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 2023

Ceres

During the quarter, we were pleased to join the Ceres Investment Network, an association of approximately 220 institutional investors managing more than $60 trillion in assets. Ceres leverages networks and collaborations to effect sustainability solutions through both the markets and policy with the ultimate goal of achieving a "just, sustainable, net zero emissions economy". We are excited for the opportunity to integrate Ceres' resources and data into our processes, advancing our ESG education and peer collaboration efforts. To that end, we joined Ceres' Paris Aligned Investment Working Group, a regularly scheduled forum to discuss the best practices, frameworks, and resources for setting and implementing investor climate action plans and net zero portfolio targets.

Visa

We met with Visa's ESG leadership team over the quarter to discuss pertinent topics, including Scope 3 emissions, merchant category codes for controversial retailers, and talent retention.

We engaged with the company to better understand its path to Net Zero, particularly as it relates to addressing Scope 3 emissions. Overall, the company is doing well to address GHG emissions. It has met its 2030 Science-Based Target ("SBT") for a 50% reduction in Scope 1 and 2 emissions as 100% of its electricity needs are now supplied by renewable sources, and it is on track to meet its 2030 SBT for a 42% reduction in Scope 3 emissions. Visa has also established a 2040 Net Zero target. Scope 3 represents 95% of total emissions, and by far the biggest category is purchased goods & services (90% of total). Pleasingly, the company is making progress to ensure their suppliers are on track to meet their Net Zero needs. For example, the company participates in CDP's Supply Chain program, through which Visa engages with suppliers regarding measuring emissions, setting reduction targets and reporting to CDP. Visa now reaches suppliers who represent 80% of the company's emissions as calculated by spend, with the goal to reach 85% by the end of the 2023 fiscal year. Of the participating suppliers, 88% reported their operational emissions, 73% reported active targets, 41% had validated SBTs, and 75% reported active initiatives to engage their own suppliers. The remaining 5% of Scope 3 emissions is mostly travel and commuting, and the company has multiple programs in these areas including membership in the United Airlines Eco-Skies Alliance (which allows corporate clients to collectively contribute to the purchase of sustainable aviation fuel), subsidies for public transit and bicycle commuting, and EV chargers at some facilities.

We also discussed the recent controversy regarding Merchant Category Codes ("MCCs") for gun retailers. We engaged with the company on the controversial topic of MCCs for gun shops, worried it might lead to consumer backlash from one side or the other. A gun retailer MCC would allow the company (and government) to track total purchase values at gun retailers, but not SKU-level information. Not surprisingly, some people see it as a way to identify suspicious firearms and ammunition purchases, while others see it as a threat to personal privacy and the right to bear arms. Visa's policy is legal compliance. Seven states have banned gun shop MCCs, while California will make it a legal requirement. The issue is MCCs are global, and Visa's system is currently not set up to work on a state-by-state basis. It sounds like it's not an insurmountable technological challenge, however the situation is fluid. There is risk for negative publicity to Visa, and the card industry, given the political sensitivity of gun rights and sales.

Lastly, we discussed talent recruitment and retention where conditions are easing following the pandemic. The bursting of the fintech bubble is also easing pressure on recruitment and retention.

ICON

We met with the clinical research health provider, ICON to discuss an upcoming proxy vote as it relates to an abnormal level of non-audit fees paid to the company's auditor, KPMG. Proxy advisory group ISS is recommending shareholders vote against the re-election of select Board members and the ratification of the company's audit firm due to the high level of non-audit fees paid which ISS believes may call into doubt the independence of the audit firm.

We discussed the matter with the company in depth and learned that the non-audit fees paid to KPMG, which accounted for slightly over half the total fees paid to KPMG, were primarily associated with tax advisory relating to the company's merger with PRA Health. Given the scale and complexity of the transaction, most of the fees were related to the consolidation of legal entities, and the company's transfer pricing model, which is the basis for the ICON's tax structure in Ireland. Management views KPMG as being uniquely qualified to advise them on these matters and hence justified the fees paid. Based on management's response, and subsequent disclosure of more granular information on non-audit fees in an additional filing, we decided to vote with the company's recommendation and against ISS's recommendation.

Nestlé

Over the quarter, we met with the outgoing Chief Financial Officer of Nestlé, François-Xavier Roger, to discuss the business and recent ESG progress. Nestlé is now two years into its five-year plan to invest $5bn into ESG initiatives. These investments, while at a cost to short-term profits, are part of Nestlé's plan to combat climate change and reduce greenhouse gas emissions 20% by 2025 and 50% by 2030, with the goal of reaching Net Zero emissions by 2050. The company has done important groundwork identifying its GHG emissions including Scope 2 and 3. Most of its carbon footprint comes through sourcing agricultural commodities and Nestlé has been working on regenerative agriculture in its supply chain. Nestlé is also making progress to address the key challenge of plastic packaging. Nestlé has adopted a five-pronged approach to tackle the issue, including reducing the use of plastic packaging materials, increasing the adoption of reusable systems, designing alternative packaging materials, supporting recycling infrastructure, and shaping new consumer behaviors. Furthermore, the sale of its packaged water business in North America is expected to make a significant reduction to the emissions of the business.

Proxy Voting Summary Q3 2023

	Number of Resolutions	For	%	Against	%	Abstain	%
U.S. Large Cap Growth	0	0	0	0	0	0	0%
Global Growth	45	45	100%	0	0	0	0%
International Growth	88	88	100%	0	0	0	0%
Emerging Markets Growth	1	1	100%	0	0	0	0%
Global Mid-Cap Growth	51	51	100%	0	0	0	0%

Source: SGA, ISS

Carbon Risks Q3 2023

	Carbon Emissions*	Carbon Intensity	Weighted Average Carbon Intensity
SGA Global Growth	15.3	65.5	72.1
MSCI ACWI	98.8	176.8	134.6
SGA Relative Exposure	-85%	-63%	-46%
SGA U.S. Large Cap Growth	7.0	32.4	42.0
Russell 1000 Growth	11.7	49.6	31.1
SGA Relative Exposure	-40%	-35%	+35%
SGA Emerging Markets Growth	22.6	44.6	38.6
MSCI EM	311.2	387.4	322.1
SGA Relative Exposure	-93%	-88%	-88%
SGA International Growth	21.1	71.1	93.9
MSCI ACWI ex-USA	176.1	215.7	176.3
SGA Relative Exposure	-88%	-67%	-47%
SGA Global Mid Cap	14.4	44.9	35.1
MSCI ACWI Mid Cap	220.1	264.7	207.2
SGA Relative Exposure	-93%	-83%	-83%
	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. *Carbon Emissions are based on portfolio investment of $1,000,000,000 and benchmark investment of $1,000,000,000.*

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.