

*William Blair*

November 20, 2024

City of Fort Pierce

International Growth

# Overview

# The William Blair Mission: Empower. Deliver. Engage.

## Empower Colleagues

- Entrepreneurial investment-led culture encourages diverse viewpoints
- Cross-sectional teams answer key questions and drive strategic imperatives
- Mentorship, professional development, generous educational assistance program reinforce intellectual curiosity
- BrightScope® has ranked the William Blair 401(k) and Profit-Sharing Plan in the top 10-15% of its peer group over the last two years

## Deliver Client Success

- Private partnership structure aligns interests with clients
- Demonstrated track record of value-added performance
- Clients engage directly with decision makers, developing customized solutions to meet their unique objectives



## Engage In Our Communities

- Our firm has a culture of global philanthropy and volunteerism, and our colleagues are actively engaged in the community through leadership and volunteer roles
  - The firm, foundation, and employees supported over 1,100 global nonprofit organizations across 12 countries
- Our employees are empowered to engage in our communities through volunteer rewards, a volunteer paid day off program, and a nonprofit board placement program
- Nearly half of the firm's U.S.-based partners serve on non-profit boards, demonstrating leadership through their actions
- Each employee may receive matching gifts on an annual basis: \$1,500 via employee match program and \$10,000 in board match program for those who serve on non-profit boards

## In 2023, Our Colleagues:

- Volunteered **over 2,300 hours** with William Blair's Global Community Partners and nonprofit organizations through 30+ firm-sponsored volunteer events
- Volunteered **over 12,000 hours** through Volunteer Paid Day Off, nonprofit board service, and other personal volunteering
- Exhibited leadership and commitment to service, with **thirty-six** colleagues joining non-profit boards in their communities

William Blair Investment Management was listed among investment management firms with 100 to 499 employees. The list was published in the December 11th issue of P&I and was based on employee surveys and an employer questionnaire. Pensions & Investments partners with Best Companies Group to conduct the survey and to tabulate the survey's rankings. William Blair Investment Management pays a licensing fee for unlimited rights to use the Pensions & Investments digital reprint and the multiyear logo badge.

# William Blair Investment Management: Active Never Rests

## Investment Management

- 100% active-employee owned
- Entrepreneurial, investment-led and client-focused culture
- Long-term expertise across asset classes globally
- Holistic, investment-led ESG integration
- 340 employees (57 partners)
- 105 investment professionals
- \$74.8 billion under management

## Tenured & Experienced Teams

Average Years of Experience:

### Portfolio Managers

25 In the industry

12 At WB

### Analysts

19 In the industry

10 At WB

## Sophisticated Global Investor Base



## Core Investment Tenets



Active Management



Alpha Seeking



Long-Term Focus



Fundamental Orientation



Disciplined Process



Research Intensive

Data as of September 30, 2024.

<sup>1</sup>Wo Bai Business Consulting (Shanghai) Co., Ltd. is an affiliated company solely providing research to other William Blair affiliates on a consultative basis.

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# Investment Strategies

## Global Reach and Wide Array of Strategies and Vehicles

Teams	Strategies	Investment Professionals	AUM	
Global Equity	<ul style="list-style-type: none"> <li>Global Strategies</li> <li>International Strategies</li> <li>Emerging Markets Strategies</li> <li>China Strategies</li> </ul>	<ul style="list-style-type: none"> <li>Leaders Strategies</li> <li>All Cap Strategies</li> <li>Small Cap Strategies</li> </ul>	<p>11 PMs 17 Analysts</p>	\$40.4b
U.S. Growth & Core Equity	<p>U.S. Growth</p> <ul style="list-style-type: none"> <li>All Cap Growth</li> <li>Large Cap Growth</li> <li>SMID Growth</li> <li>Small Cap Growth</li> </ul>	<p>U.S. Core</p> <ul style="list-style-type: none"> <li>U.S. Equity Sustainability</li> <li>SMID Core</li> </ul>	<p>7 PMs 17 Analysts</p>	\$30.8b
U.S. Value Equity	<ul style="list-style-type: none"> <li>Mid Cap Value</li> <li>SMID Value</li> <li>Small Cap Value</li> </ul>		<p>2 PMs 6 Analysts</p>	\$3.8b
Emerging Markets Debt	<ul style="list-style-type: none"> <li>Hard Currency</li> <li>Local Currency</li> <li>Corporate Debt</li> </ul>	<ul style="list-style-type: none"> <li>Frontier</li> <li>Blended</li> </ul>	<p>10 PMs 2 Analysts</p>	\$505m

Assets as of September 30, 2024.

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# Global Portfolio Strategies

Our single, integrated investment platform is directed toward achieving portfolio objectives across all of our strategies

		Global	International	Emerging Markets
<b>Leaders</b>	High quality portfolios of leading companies across the corporate life cycle	Global Leaders \$2.3 billion	International Leaders \$11.2 billion	Emerging Markets Leaders \$3.8 billion
		Global Leaders Concentrated \$6 million	International Leaders Concentrated \$72 million	Emerging Markets Leaders Concentrated \$121 million
		Global Leaders Sustainability \$95 million	International Leaders ADR \$214 million / \$389 million AUA <sup>1</sup>	
<b>All Cap</b>	Broad exposure across all market caps		International Growth \$10.4 billion	Emerging Markets Growth \$8.3 billion
				Emerging Markets Ex China Growth \$34 million
<b>Small Cap</b>	Broad exposure to small cap companies		International Small Cap Growth \$1.9 billion	Emerging Markets Small Cap Growth \$1.1 billion
<b>China</b>	Broad exposure to high quality China-domiciled companies			China A-Shares Growth \$8 million
				China Growth \$2 million

Assets as of September 30, 2024.

<sup>1</sup>Assets Under Advisement (AUA) consists of assets managed by third parties in accordance with model portfolios provided by William Blair. William Blair does not have investment discretion or trading authority over these assets.

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# Highlights Around William Blair

## Firm Updates

- Stephanie Braming, CFA, partner, global head of William Blair Investment Management, was named to Forbes' fourth annual 50 Over 50 list, which is dedicated to spotlighting women across industries.
- Vivian Lin Thurston, CFA, partner, portfolio manager, was named a *Pensions & Investments* 2024 Influential Woman in Institutional Investing on September 9. The list honors and celebrates women across the industry who have an outsize impact and are driving positive change.
- Ward Sexton, CFA, partner, portfolio manager on William Blair's Small Cap Growth and Small-Mid Cap Core strategies, and Dan Crowe, CFA, partner, portfolio manager on William Blair's Small-Mid Cap Growth and Small-Mid Cap Core strategies, have been listed among Europe's top fund managers in *Citywire's* Euro Stars 2024 list.<sup>1</sup>

## Thought Leadership

Alaina Anderson, CFA, partner, portfolio manager, recently appeared on the podcast Money Life with [Chuck Jaffe](#). In her segment of this episode, Alaina discusses why investors may find good opportunities and stability investing overseas.



Stephanie Braming, CFA, partner, global head of investment management, discusses a wide range of topics with *Pensions & Investments*, including the firm's culture and focus on client service.



David Ricci, CFA, partner, discusses the future of growth investing on Orion's *The Weighing Machine* podcast.



<sup>1</sup>The Euro Stars guide, published in June 2024, is based on a fund manager's performance over the three years ended 28 February 2024. Managers are ranked according to the Citywire Manager Ratio, a modified version of the information ratio, which considers all eligible funds managed by an individual. The complete methodology is available [here](#). **Past performance is not indicative of future returns.** Investing involves risks, including the possible loss of principal. William Blair did not pay a fee to be considered for the awards or ratings included.

# Investment Team Update

# Global Equity Team Updates

## 3Q24 Updates

- The Global Equity Team welcomes Greg Bragg as our new sustainability analyst supporting ESG integration across the team's investment strategies



## William Blair Blog



NEWS

### Navigating Global Shifts – Views From Our Global Equity Team

William Blair News

U.S. equities have outperformed non-U.S. equities over the past decade, but our global equity team believes several factors...



GLOBAL EQUITY

### Global Markets Regain Their Footing

Ken McAtamney, Partner

Global markets regained their footing in the second quarter, thanks to a decisive pivot from the U.S. Federal...

## Active Never Rests Podcast



As of September 30, 2024.

# Global Investment Team – One Integrated Global Platform

## Portfolio Management<sup>1</sup>

-  **Alaina Anderson, CFA, Partner (18/23)**  
International Leaders/ADR
-  **Paul Birchenough (<1/21)**  
Emerging Leaders
-  **Simon Fennell, Partner (14/32)**  
International Leaders, International Growth  
International Small Cap Growth
-  **Hugo Scott-Gall, Partner (6/31)<sup>3</sup>**  
Global Leaders, Emerging Leaders
-  **Ken McAtamney, Partner (20/35)**  
Global Leaders, International Leaders  
International Growth
-  **Todd McClone, CFA, Partner (24/32)**  
Emerging Leaders, Emerging Markets  
Growth, Emerging Markets Small Cap
-  **D.J. Neiman, CFA, Partner (23/26)<sup>3</sup>**  
International Small Cap  
Emerging Markets Small Cap
-  **Casey Preyss, CFA, Partner (24/25)**  
Emerging Markets Growth,  
Emerging Markets Small Cap
-  **Andrew Siepker, CFA, Partner (19/20)**  
International Growth
-  **Ian Smith (<1/24)**  
Emerging Leaders
-  **Vivian Lin Thurston, CFA, Partner (10/28)**  
Emerging Markets Growth, China

## Global Fundamental Research Analysts<sup>2</sup>

### Consumer

-     
**Daria Fomina (2/15)**  
**Adam Dettmer, CFA (7/10)**  
**Michael Patchen, CFA (5/12)**  
*Emily Moore, CFA (7/9)*  
*Grant Parsons, CPA (5/9)*  
*Hongjia Chen (1, 1)*

### Financials

-    
**Daniel Hill, CFA (20/20)**  
**Esteban Gonzalez-Rosell (5/15)**  
*Kalpit Shah, CFA (5/9)*  
*Paul O'Toole (4/7)*  
*Madeline Lunn (1/1)*

### Healthcare

-     
**Thomas Sternberg, CFA, Partner (20/22)**  
**Richard Reznick, Ph.D. (14/14)**  
**Jonathan Kaufman, CPA (9/9)**

### Industrials, Energy & Materials

-      
**Monika Budyn (11/15)**  
**Anil Daka, CFA, Partner (13/16)**  
**Ben Loss, CFA (13/14)**  
**Bryan Shea (15/15)**  
*Stephen Van Buren (2/5)*  
*Koray Yesilli, CFA (2/2)*  
*John Heilenbach (1/3)*

### Information Technology

-      
**Bill Benton, CFA, CPA, Partner (27/27)**  
**Greg Scolaro, CFA, CPA (11/11)**  
**Drew Buckley, CFA, CPA, Partner (16/18)**  
**Jayesh Kannan, CFA (6/11)**  
*Anshuman Anand (<1/7)*  
*Nupur Balain (3/3)*  
*Haley Gaffner (1/1)*

### U.S. Generalist

-   
**Gurvir Grewal (5/10)**

### China Specialists IT & Industrials, Energy & Materials

- Sophie Gao, CFA (3/12)*

### Consumer, Financials & Healthcare

- Evelyn Kong, CFA, CPA (3/8)*

## Strategy Research

-      
**Hugo Scott-Gall, Partner (6/31)<sup>3</sup>**  
**Olga Bitel, Partner (15/22)**  
**Andrew Wickman, CFA (10/14)**  
**Alexa Davis (7/9)**

## Systematic Research

-      
**Spiro Voulgaris, Partner (17/34)**  
**Andrew Kominik, CFA (21/25)**  
**Darragh Grogan (16/18)**  
**Caroline Karanu (<1, 18)**  
*Scott Akeson (9/9)*  
*Kathy Matos (18/18)*

## Sustainability Research

-     
**Blake Pontius, CFA (19/27)<sup>4</sup>**  
**Rita Spitz, CFA, Partner (38/46)**  
**Greg Bragg, CFA (<1/5)**

## Portfolio Specialists

-       
**Ryan Dimas, CFA, CAIA, Partner (25/30)**  
**Romina Graiver, Partner (12/25)**  
**Jeremy Murden, CAIA (14/19)<sup>5</sup>**  
**Emily George (13/14)**  
**Kyle Concannon, CFA, CAIA (9/17)**  
*Jennifer Stange (10/14)*  
*Amanda Schwartz (10/16)*

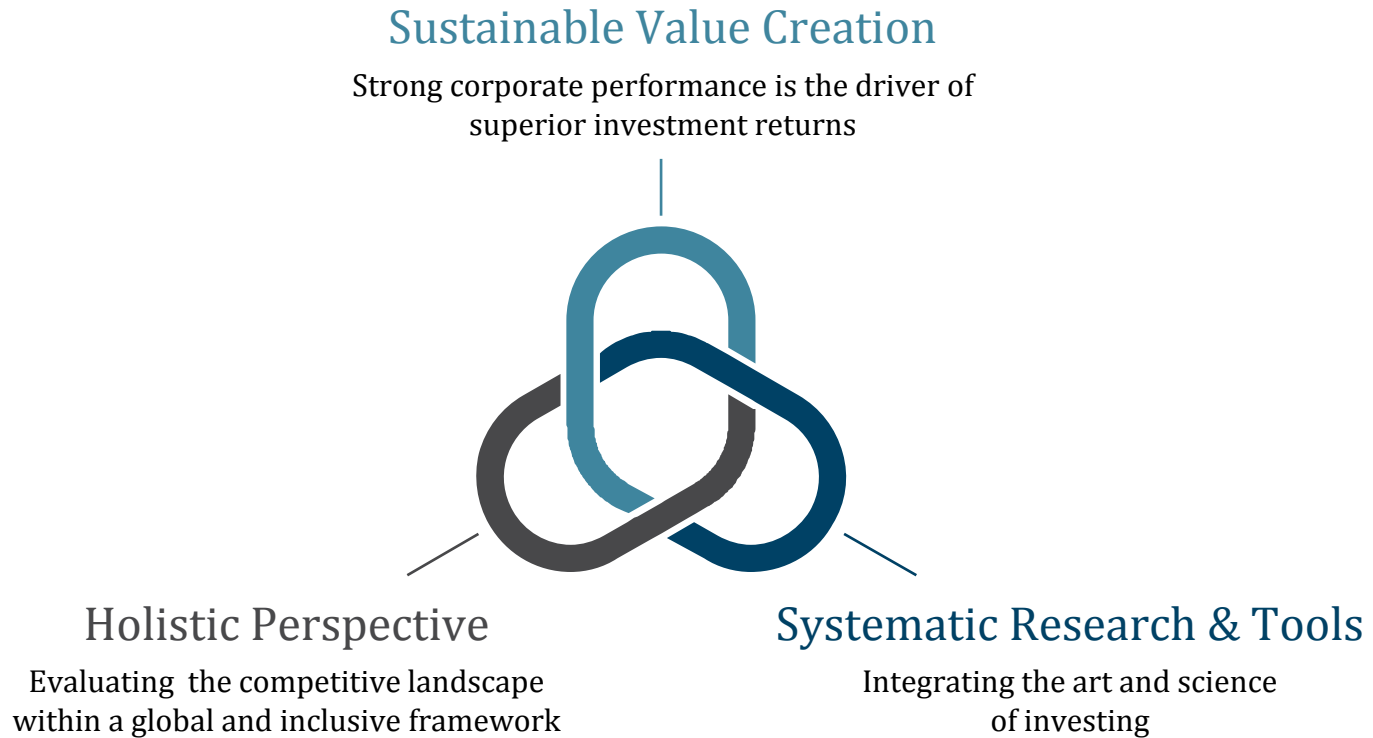
## Global Trading – Based In Chicago & London

*Italics indicate Associate role.* As of September 30, 2024. (Years at William Blair/Years in Industry)

<sup>1</sup>Portfolio Management team average 14 years at William Blair and 27 years in the industry. <sup>2</sup>Global Fundamental Research Analysts average 11 years at William Blair and 15 years in the industry. <sup>3</sup>D.J. Neiman and Hugo Scott-Gall also serve as Co-Directors of Research. <sup>4</sup>Blake Pontius is Director of Sustainable Investing for Investment Management. <sup>5</sup>10 years of experience at William Blair from April 2007 to 2016. Rejoined the firm in July 2021.

# Investment Philosophy

We believe an integrated investment platform directed towards identifying companies with strong corporate performance will drive superior long-term investment returns



# Fund Attributes

## International Growth CIT

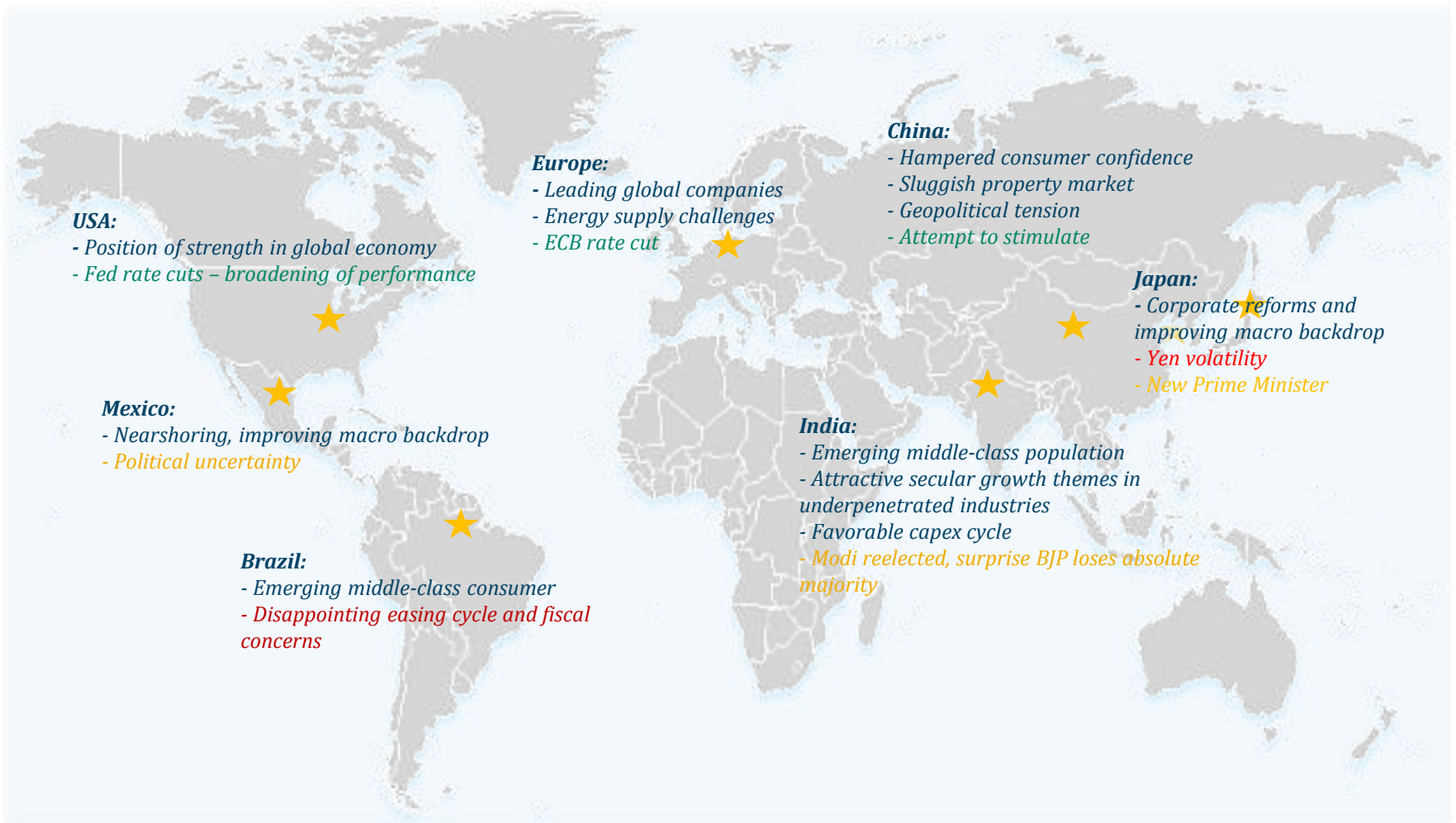
### As of September 30, 2024

	International Growth Collective Investment Trust	MSCI AC World ex US IMI (net)	Difference
<b>Quality</b>			
WB Quality Model (Percentile)	26	36	
Return on Equity (%)	19.3	14.7	32%
Cash Flow ROIC (%)	19.9	16.4	21%
Debt/Equity (%)	60.5	87.0	-30%
<b>Growth</b>			
WB Growth Model (Percentile)	48	55	
EPS 3Y Forward CAGR (%)	15.1	12.2	24%
5-Year Historic EPS Growth (%)	10.4	9.2	13%
Reinvestment Rate (%)	13.4	9.0	49%
<b>Earnings Trend</b>			
WB Earnings Trend Model (Percentile)	42	48	
EPS Est Rev Breadth (%)	-4.5	-4.4	-0.1
<b>Valuation</b>			
WB Valuation Model (Percentile)	76	55	
P/E (next 12 months)	20.1	13.8	45%
Dividend Yield (%)	1.5	2.8	-48%

Calculated by William Blair. Aggregate scores shown above based on William Blair's quantitative model. For individual and composite ranks, 1 is best and 100 is worst. Yield is only one component of expected performance and is not and should not be viewed as a statement of the future performance of the strategy. Please refer to the performance summary for complete performance information. The index is comparable to the strategy in terms of investment approach but contains significantly more securities. The Morgan Stanley Capital International (MSCI) All Country World ex-US Investable Market Index (IMI) (net) is a free float-adjusted market capitalization index that is designed to measure equity market performance net of withholding taxes in the global developed and emerging markets, excluding the US.

# Market Environment

# Around the World

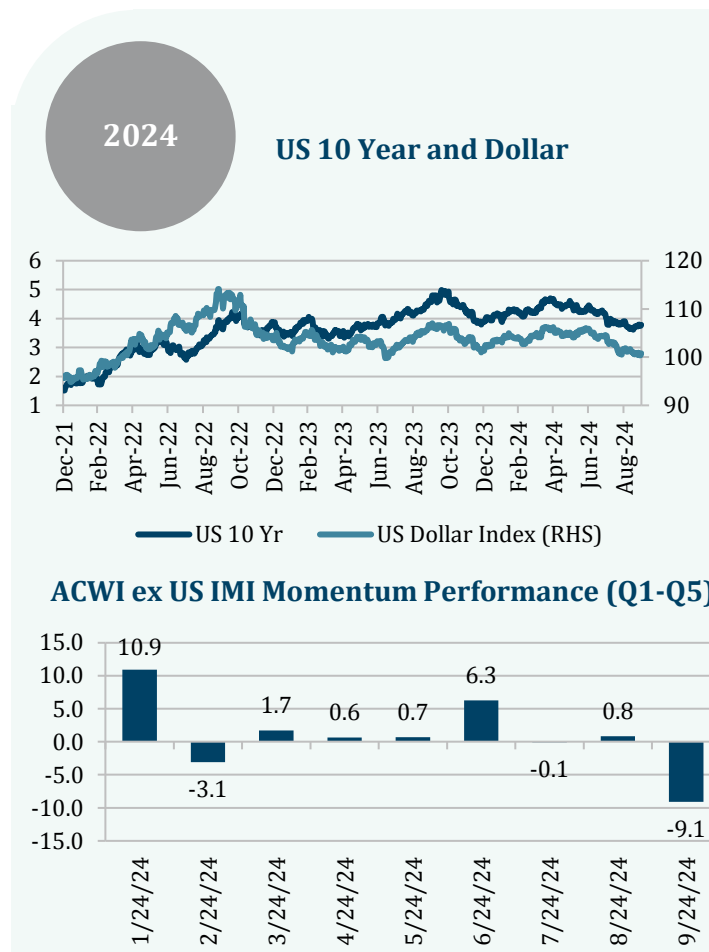


As of September 30, 2024.

# Market Performance – Global Equity Markets

September 30, 2024

	QTD	YTD	2023
<b>Regions</b>			
AC World (DM+EM)	6.8	17.8	21.6
Developed Markets (DM)	6.7	18.0	22.9
Pacific ex JP	14.1	14.6	6.1
Japan	7.0	12.2	19.0
Europe ex UK	6.3	11.7	21.2
UK	8.6	15.5	14.4
Canada	11.7	14.2	14.4
USA	6.1	20.3	25.6
Emerging Markets (EM)	8.2	16.3	11.7
Asia	8.9	20.7	9.9
China	23.2	28.4	-11.8
India	7.6	26.4	25.1
Korea	-5.1	-4.4	24.0
Taiwan	0.1	26.2	32.7
EMEA	6.8	10.5	9.0
South Africa	17.0	23.3	0.8
Latin America	3.4	-12.9	32.9
Brazil	7.0	-13.2	32.6
Mexico	-4.5	-19.1	41.4
Frontier Markets (FM)	4.4	9.1	13.5
<b>Size</b>			
Large Cap	6.1	19.6	23.4
Small Cap	8.8	11.3	16.8
<b>Sectors</b>			
Communication Svcs	4.7	24.7	36.0
Discretionary	9.4	13.5	28.1
Staples	9.4	12.2	3.2
Energy	-2.6	5.8	5.4
Financials	10.9	20.7	15.3
Healthcare	6.6	13.7	3.9
Industrials	9.8	17.4	22.2
IT	1.1	24.9	49.7
Materials	9.6	8.3	13.1
Real Estate	16.9	12.0	8.4
Utilities	16.0	21.6	0.3
<b>Style</b>			
Quality	0.2	6.5	4.0
Valuation	2.9	4.3	11.0
Etrend	-2.6	1.4	5.1
Momentum	-5.7	11.1	-2.4
Growth	-0.7	4.0	-5.8



Regional performance is based on IMI region/country indexes. Sector and style values are based on the MSCI ACWI IMI Index. Size values are based on the MSCI ACWI Index. Style values reflect the Quintile 1 minus Quintile 5 spread of William Blair’s proprietary quantitative models. Sectors are based on Global Industry Classification (GICS) sectors. Large Cap and Small Cap based on MSCI Global Investable Market Index Methodology. Data in blue reflects the top 20% (highest) values by region, country, sector, and style. Data in red reflects the bottom 20% (lowest) values by region, country, sector, and style.

**Past performance is not indicative of future returns.** A direct investment in an unmanaged index is not possible. The Morgan Stanley Capital International (MSCI) All Country World IMI Index is an unmanaged index that includes developed markets and emerging markets. Calculated in FactSet. Index returns are net total returns, which approximate the minimum possible dividend reinvestment.

# Performance

# Performance Summary

For periods ending September 30, 2024

Performance (%)	QTD	YTD	Annualized							Since Inception <sup>1</sup>
			1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	20 Yr		
City of Fort Pierce <sup>2</sup> (net)	4.68	9.65	24.76	-2.73	7.83	5.85	7.09	6.89	7.25	
MSCI AC World ex-US IMI Index (net)	8.18	13.90	25.06	3.74	7.66	5.33	5.65	6.32	6.93	

Calendar Year Performance (%)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
City of Fort Pierce <sup>2</sup> (net)	15.38	-28.28	9.39	32.47	30.75	-17.50	29.53	-2.40	0.09	-2.66	18.90
MSCI AC World ex-US IMI Index (net)	15.62	-16.58	8.53	11.12	21.63	-14.76	27.81	4.41	-4.60	-3.89	15.82

Calendar Year Performance (%)	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003 <sup>1</sup>
City of Fort Pierce <sup>2</sup> (net)	24.11	-13.66	20.10	42.83	-51.99	18.49	23.45	22.76	18.15	11.76
MSCI AC World ex-US IMI Index (net)	17.04	-14.31	12.73	43.60	-45.99	16.13	26.51	17.68	21.93	13.43

1. Fort Pierce Inception Date: 10/2/2003

2. On 2/28/23 the account transitioned from the Institutional International Growth Mutual Fund to the Collective Investment Trust. Net performance shown links the two vehicles.

**Net performance cited represents past performance. Past performance does not guarantee future results and current performance may be lower or higher than the data quoted. Returns shown assume reinvestment of dividends and capital gains. Investment returns and principal will fluctuate with market and economic conditions and you may have a gain or loss when you sell shares.**

The Morgan Stanley Capital International (MSCI) AC World ex-U.S. IMI Index (net) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding the United States. This series approximates the minimum possible dividend reinvestment. An index is unmanaged, does not incur fees or expenses, and cannot be invested in directly.

# City of Fort Pierce Retirement and Benefit System Portfolio

As of September 30, 2024

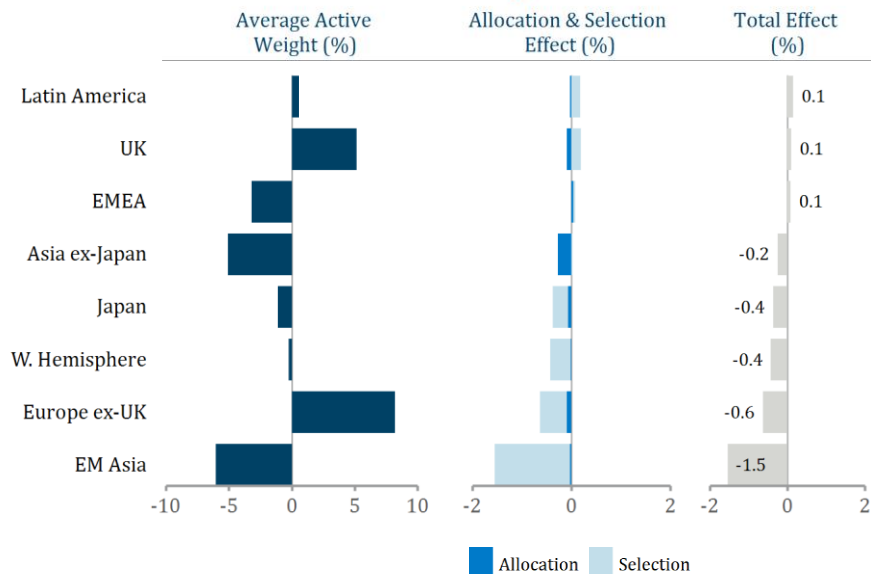
Original Investment (10/2/2003)	\$10,392,820
+ Contributions	\$9,800,000
- Withdrawals	-\$20,727,816
- (Investment Management Fees & Other Expenses <sup>1</sup> )	-\$3,044,005
+ Dividend Income and Capital Gain Distribution	\$21,099,274
+/- Market Appreciation/(Depreciation)	\$12,163,264
<b>Market Value</b>	<b>\$29,683,538</b>

1. The investment management fee and other expenses are estimates.

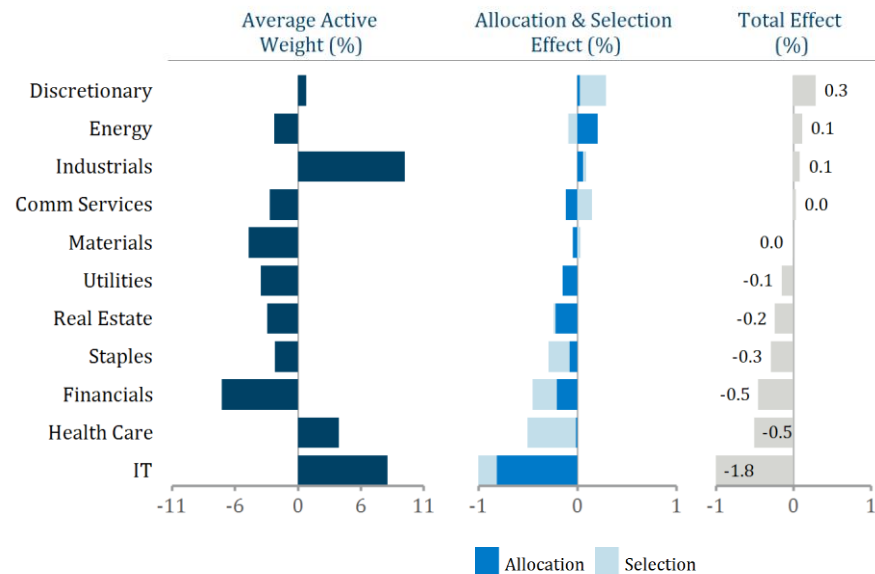
# Performance Attribution QTD

## International Growth CIT

### Region



### Sector



### Top 5 Contributors

Security	Sector	Country	Total Return	Total Effect
DSV A/S	Industrials	Denmark	35.1	0.19
Chugai Pharmaceutical Co Ltd	Health Care	Japan	36.2	0.18
MercadoLibre Inc	Discretionary	Brazil	22.1	0.14
Haleon PLC	Staples	UK	29.8	0.13
MTU Aero Engines AG	Industrials	Germany	22.1	0.12

### Top 5 Detractors

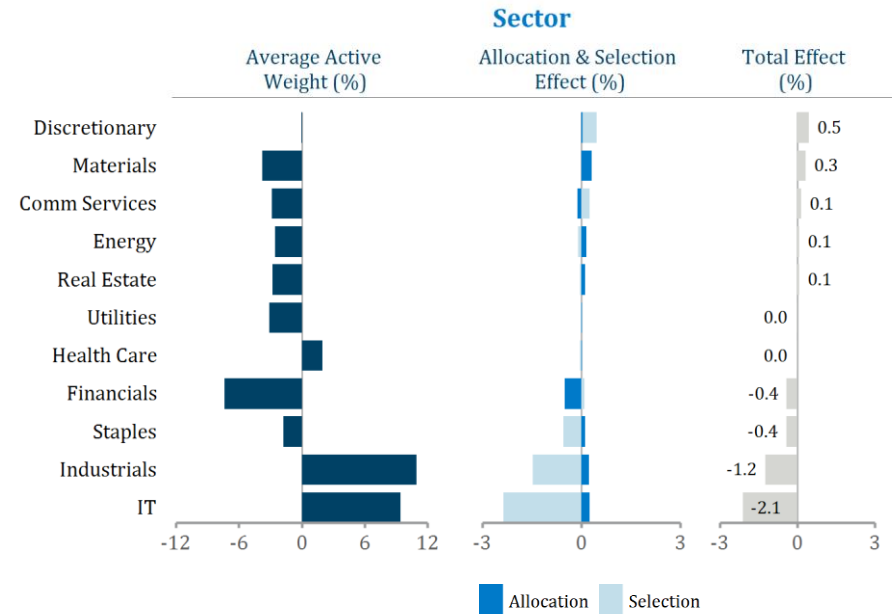
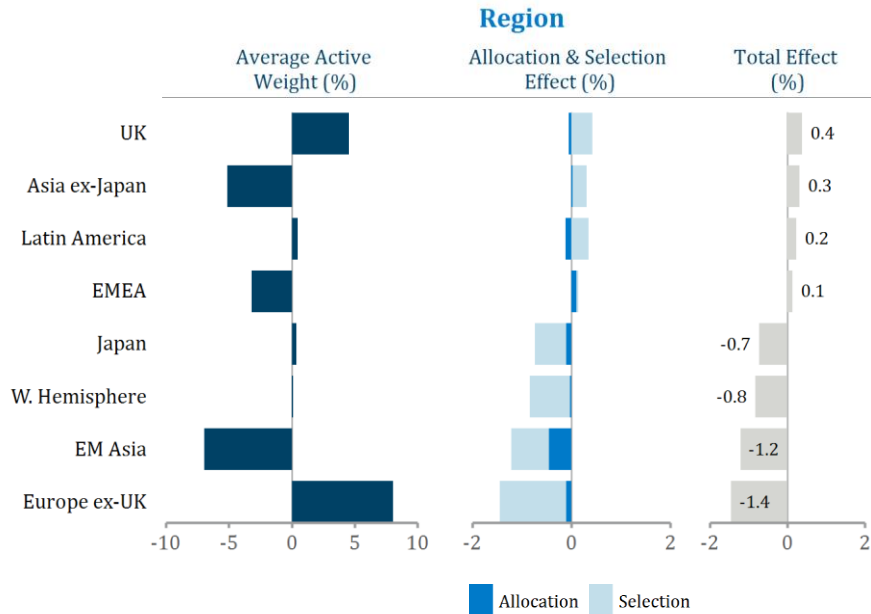
Security	Sector	Country	Total Return	Total Effect
Novo Nordisk A/S	Health Care	Denmark	-18.3	-0.29
ASML Holding NV	IT	Netherlands	-18.9	-0.24
SK Hynix Inc	IT	Korea	-22.2	-0.23
Disco Corp	IT	Japan	-30.3	-0.22
ICON PLC	Health Care	Ireland	-8.0	-0.22

As of September 30, 2024.

**Past performance is not indicative of future returns.** Gross investment performance assumes reinvestment of dividends and capital gains, is gross of investment management fees and net of transaction costs. Performance results will be reduced by the fees incurred in the management of the account. We calculate attribution using our proprietary attribution system. Attribution effects are calculated with gross of fee portfolio performance using the Selection Plus methodology. Sector diversification calculated in Eagle by William Blair based on Global Industry Classification Sectors (GICS). Geographic distribution is calculated in Eagle by William Blair. Attribution by segment is based on estimated returns of equities held within the segments listed. All stocks held during a measurement period, including purchases and sales, are included. Cash is not allocated among segments. Calculations are for attribution analysis only and are not intended to represent simulated performance history. The actual returns may be higher or lower. Weights may vary over time as benchmark index weights shift. International investing involves special risk considerations, including currency fluctuations, lower liquidity, economic and political risk. Individual securities listed in this report are for informational purposes only. Holdings are subject to change at any time. This information does not constitute, and should not be construed as, investment advice or recommendations with respect to the securities listed. The Morgan Stanley Capital International (MSCI) All Country World ex-US Investable Market Index (IMI) (net) is a free float-adjusted market capitalization index that is designed to measure equity market performance net of withholding taxes in the global developed and emerging markets, excluding the US.

# Performance Attribution YTD

## International Growth CIT



### Top 5 Contributors

Security	Sector	Country	Total Return	Total Effect
Taiwan Semiconductor Manufacturing	IT	Taiwan	67.9	0.51
3i Group PLC	Financials	UK	45.1	0.30
Tokio Marine Holdings Inc	Financials	Japan	50.8	0.26
MTU Aero Engines AG	Industrials	Germany	45.8	0.24
Pro Medicus Ltd	Health Care	Australia	89.6	0.24

### Top 5 Detractors

Security	Sector	Country	Total Return	Total Effect
Dassault Systemes SE	IT	France	-18.3	-0.42
Lasertec Corp	IT	Japan	-53.6	-0.36
Lululemon Athletica Inc	Discretionary	Canada	-31.8	-0.31
Wal-Mart de Mexico SAB de CV	Staples	Mexico	-28.1	-0.28
Tencent Holdings Ltd	Comm Services	China	16.8	-0.26

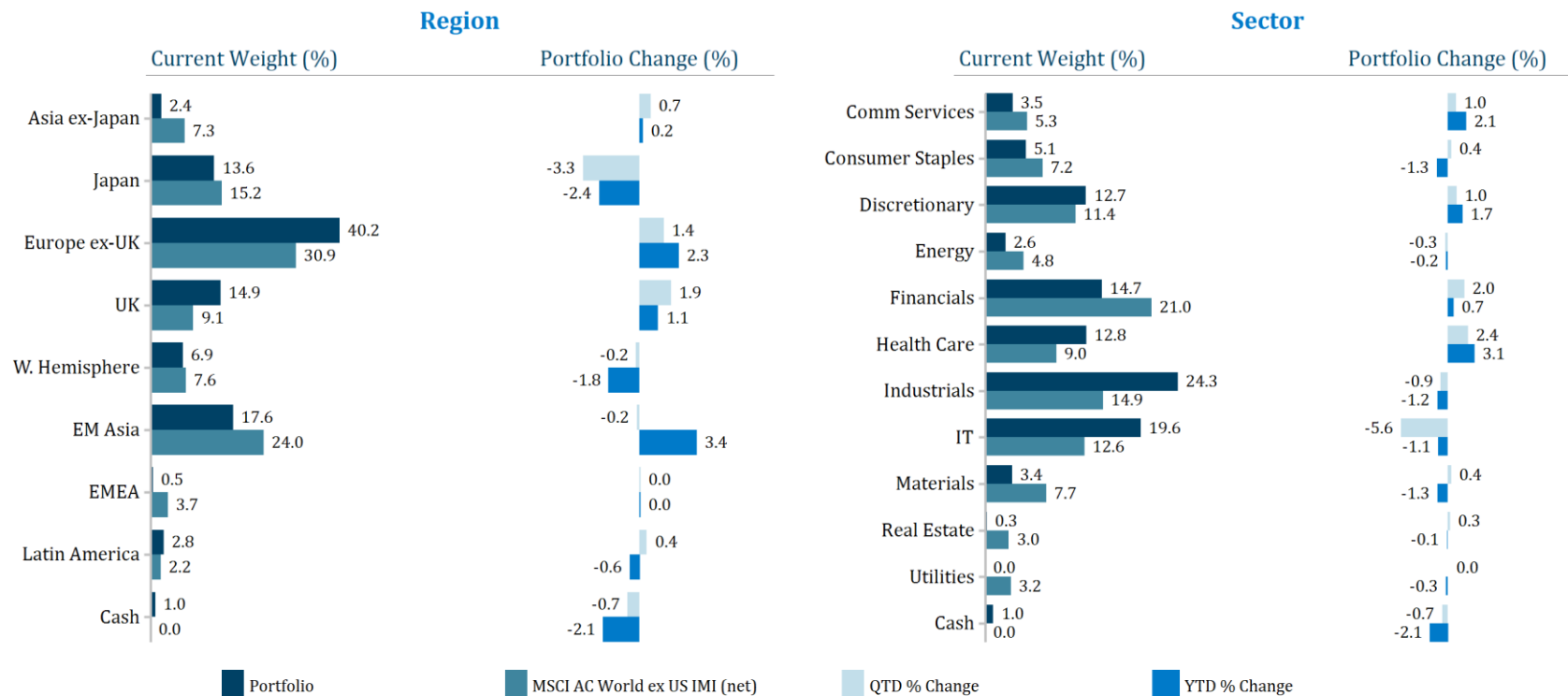
As of September 30, 2024.

**Past performance is not indicative of future returns.** Gross investment performance assumes reinvestment of dividends and capital gains, is gross of investment management fees and net of transaction costs. Performance results will be reduced by the fees incurred in the management of the account. We calculate attribution using our proprietary attribution system. Attribution effects are calculated with gross of fee portfolio performance using the Selection Plus methodology. Sector diversification calculated in Eagle by William Blair based on Global Industry Classification Sectors (GICS). Geographic distribution is calculated in Eagle by William Blair. Attribution by segment is based on estimated returns of equities held within the segments listed. All stocks held during a measurement period, including purchases and sales, are included. Cash is not allocated among segments. Calculations are for attribution analysis only and are not intended to represent simulated performance history. The actual returns may be higher or lower. Weights may vary over time as benchmark index weights shift. International investing involves special risk considerations, including currency fluctuations, lower liquidity, economic and political risk. Individual securities listed in this report are for informational purposes only. Holdings are subject to change at any time. This information does not constitute, and should not be construed as, investment advice or recommendations with respect to the securities listed. The Morgan Stanley Capital International (MSCI) All Country World ex-US Investable Market Index (IMI) (net) is a free float-adjusted market capitalization index that is designed to measure equity market performance net of withholding taxes in the global developed and emerging markets, excluding the US.

# Positioning

# Fund Positioning

## International Growth CIT



### Top Portfolio Additions During the Quarter<sup>1</sup>

Security Name	Country	Sector	Corp Lifecycle	Trans
Sandoz Group Ag	Switzerland	Health Care	Sustained	Buy
Unilever Plc	UK	Staples	Sustained	Buy
Teva Pharmaceutical Industries Ltd	Israel	Health Care	Sustained	Buy
Recruit Holdings Co Ltd	Japan	Industrials	Expanding	Buy
Arch Capital Group Ltd	Bermuda	Financials	Expanding	Buy

### Top Portfolio Reductions During the Quarter<sup>1</sup>

Security Name	Country	Sector	Corp Lifecycle	Trans
Canadian National Railway Co	Canada	Industrials	Sustained	Sell
Asml Holding Nv	Netherlands	IT	Expanding	Trim
Lasertec Corp	Japan	IT	Expanding	Sell
Dassault Systemes Se	France	IT	Expanding	Trim
Evolution Ab	Sweden	Discretionary	Emergent	Trim

As of September 30, 2024.

1. Reflects largest purchases and sales quarter to date.

Sector diversification calculated in Eagle by William Blair based on Global Industry Classification Sectors (GICS). Geographic distribution is calculated in Eagle by William Blair. Cash incorporates cash equivalents and accruals. Weights may vary over time as benchmark index weights shift. Individual securities listed in this report are for informational purposes only. Holdings are subject to change at any time. This information does not constitute, and should not be construed as, investment advice or recommendations with respect to the securities listed. Specific securities identified do not represent all of the securities purchased, sold, or recommended and you should not assume that investments in the securities identified were or will be profitable. Lifecycle category assignments are based on analysts' opinions of companies using both qualitative and quantitative characteristics. Lifecycle categories are provided for illustrative purposes only and are not intended as investment advice or as projections of future returns. The Morgan Stanley Capital International (MSCI) All Country World ex-US Investable Market Index (IMI) (net) is a free float-adjusted market capitalization index that is designed to measure equity market performance net of withholding taxes in the global developed and emerging markets, excluding the US.

# Market Outlook

# Outlook

## **Growth**

Disinflation continues to buoy real incomes, driving consumption growth

Goods producers' growth will likely remain challenged into 2025 as consumers continue to shift their spending to services

Growth in the US is expected to be stronger than in Europe but consistent with expansion, delivering real GDP growth rates around 1.5-2%. China's growth will likely continue to remain challenged

In Japan, real wages are sequentially accelerating, which should support improvement in consumption spend

## **Inflation**

The Fed and ECB began their rate cutting cycles as inflation has converged to pre-GFC levels

## **Corporate Earnings**

Earnings growth in the three demand centers (US, Europe, and China) is consistent with expansion and expected to broaden into 2025

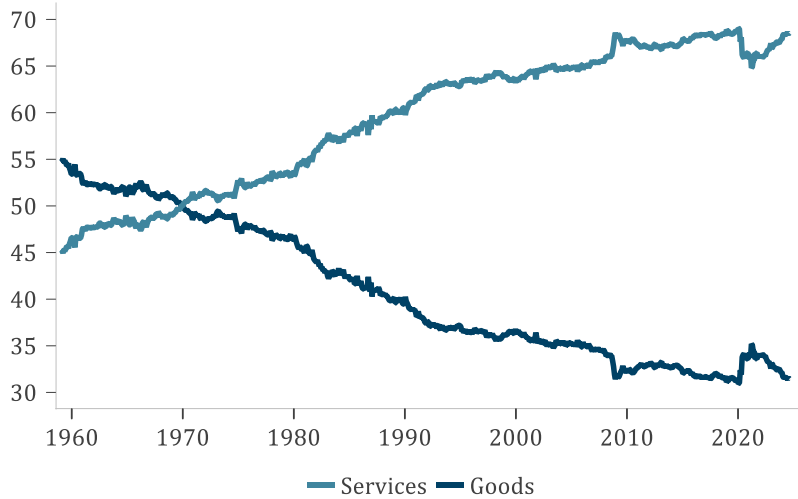
## **Intermediate-Term Outlook**

The world's principal demand centers can maintain modest but sustainable economic growth, entering an era that more closely resembles the pre-GFC environment

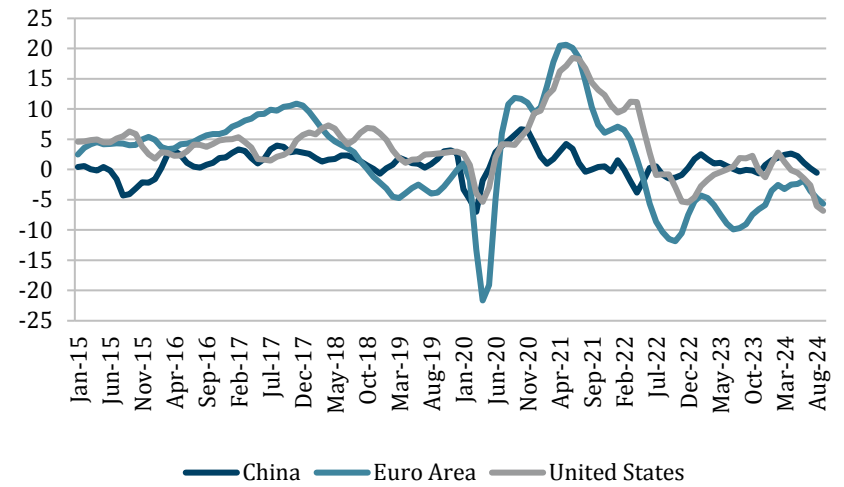
Source: William Blair estimates. Information is subject to change without notice. Due to a variety of factors, actual events may differ significantly from the estimates or outlooks presented.

# Growth

### Rebalancing from Goods to Services



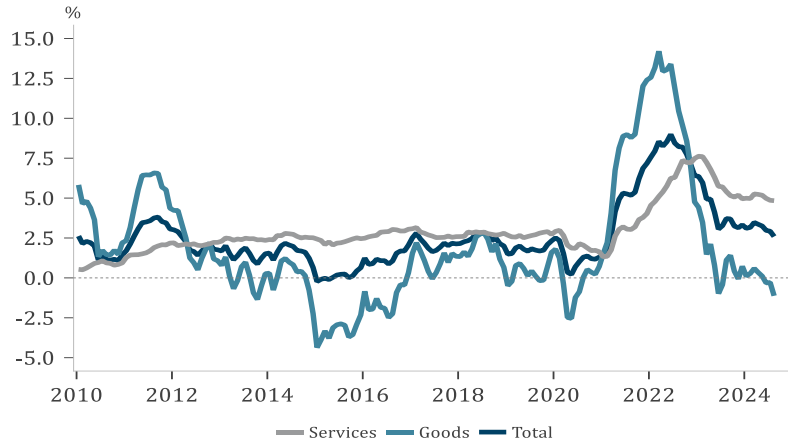
### Manufacturing PMIs Orders-Inventories



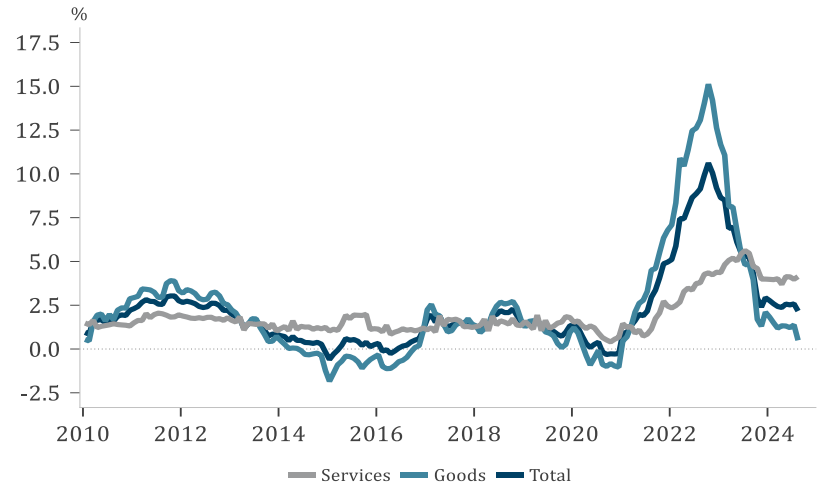
As of September 2024.  
Source: BEA, IHS Markit.

# Stabilization in Real Wage Growth

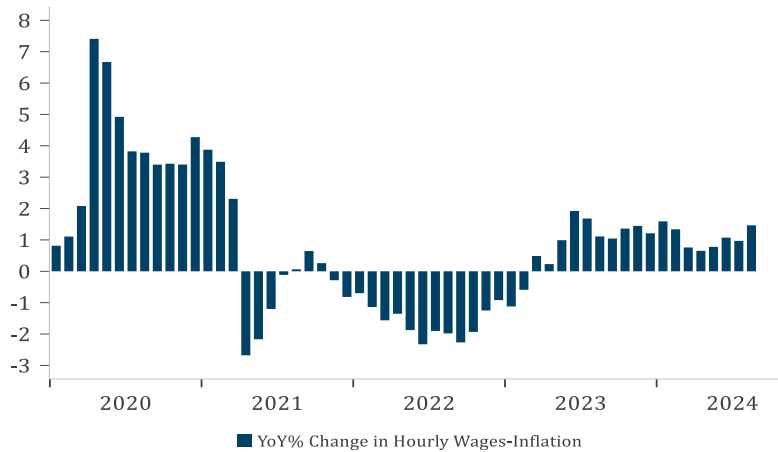
### U.S. CPI YoY%



### Euro Area CPI YoY%



### U.S. Real Wage Growth



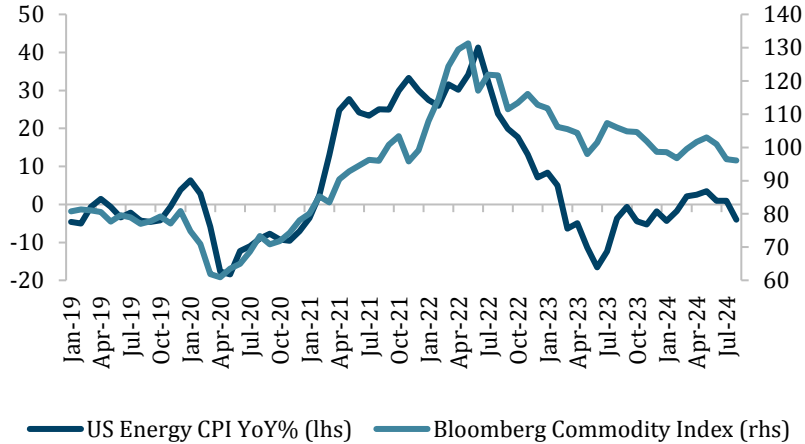
### Euro Area Real Wage Growth



As of September 2024.  
Source: BLS, Eurostat

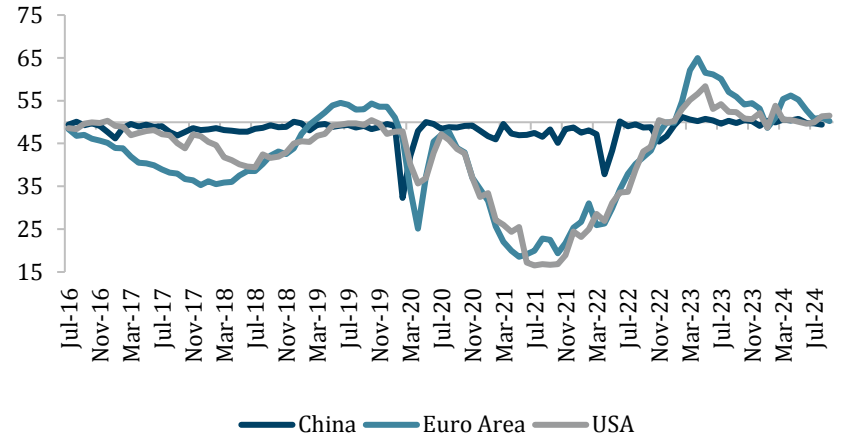
# Inflation Pressures are Easing

## Energy Prices



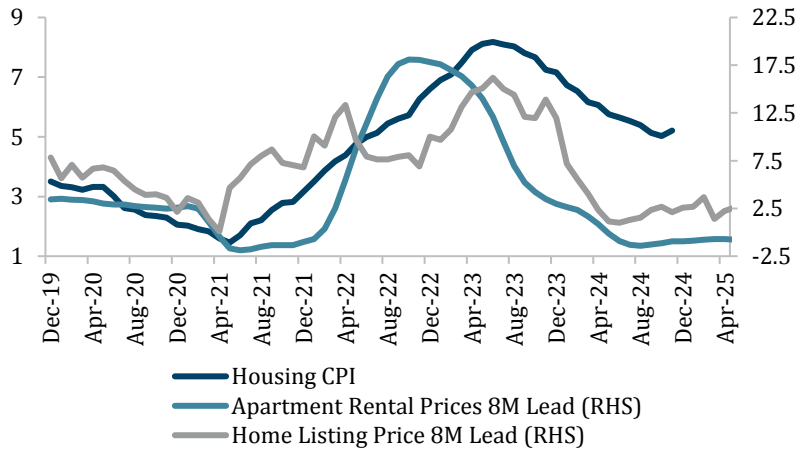
## Goods

### Manufacturing PMI Suppliers Delivery Times Index



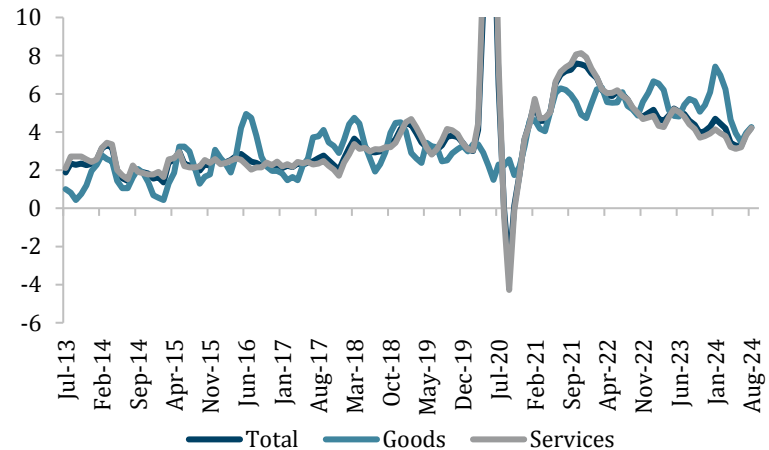
## YoY% Change in US Housing Prices

Zillow Listing & Rental Prices Lead by 8 Months:  $r = .9$



## Services

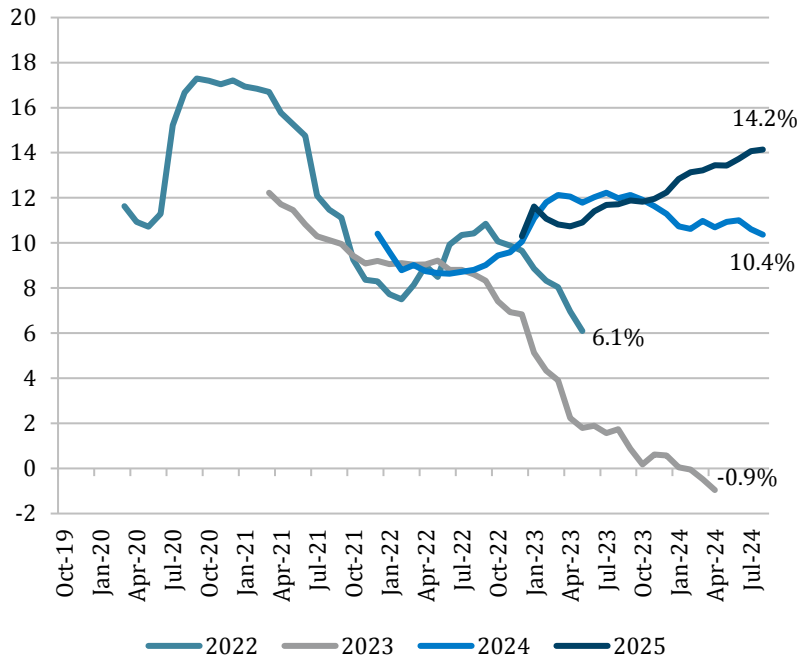
### US Wages 3M/3M Annualized Growth



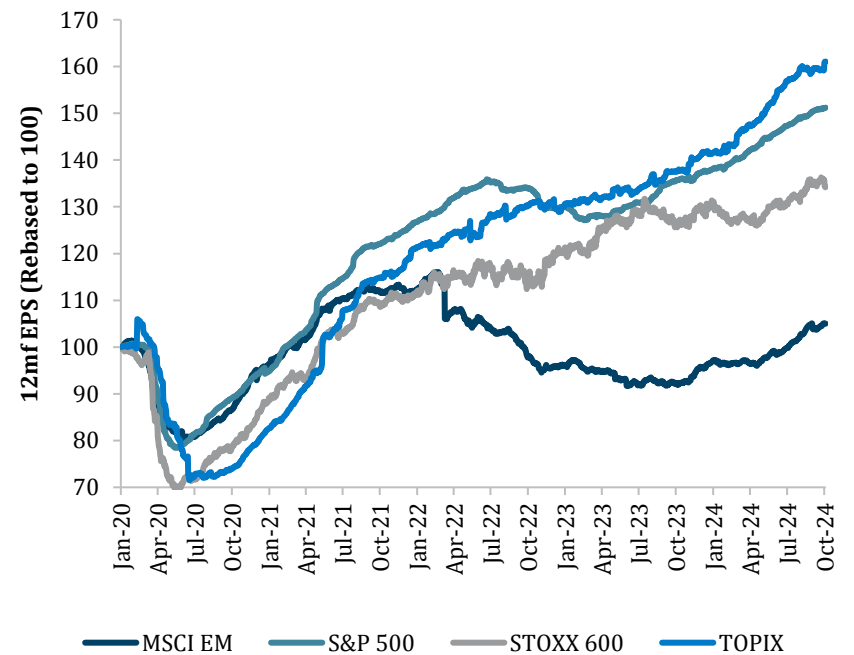
As of September 2024.  
Source: BLS, Zillow, Apartment List, IHS Markit.

# Earnings

### MSCI ACWI IMI EBIT Expectations (YoY % Change)



### EPS Revisions for US, Europe, Japan and Emerging Markets

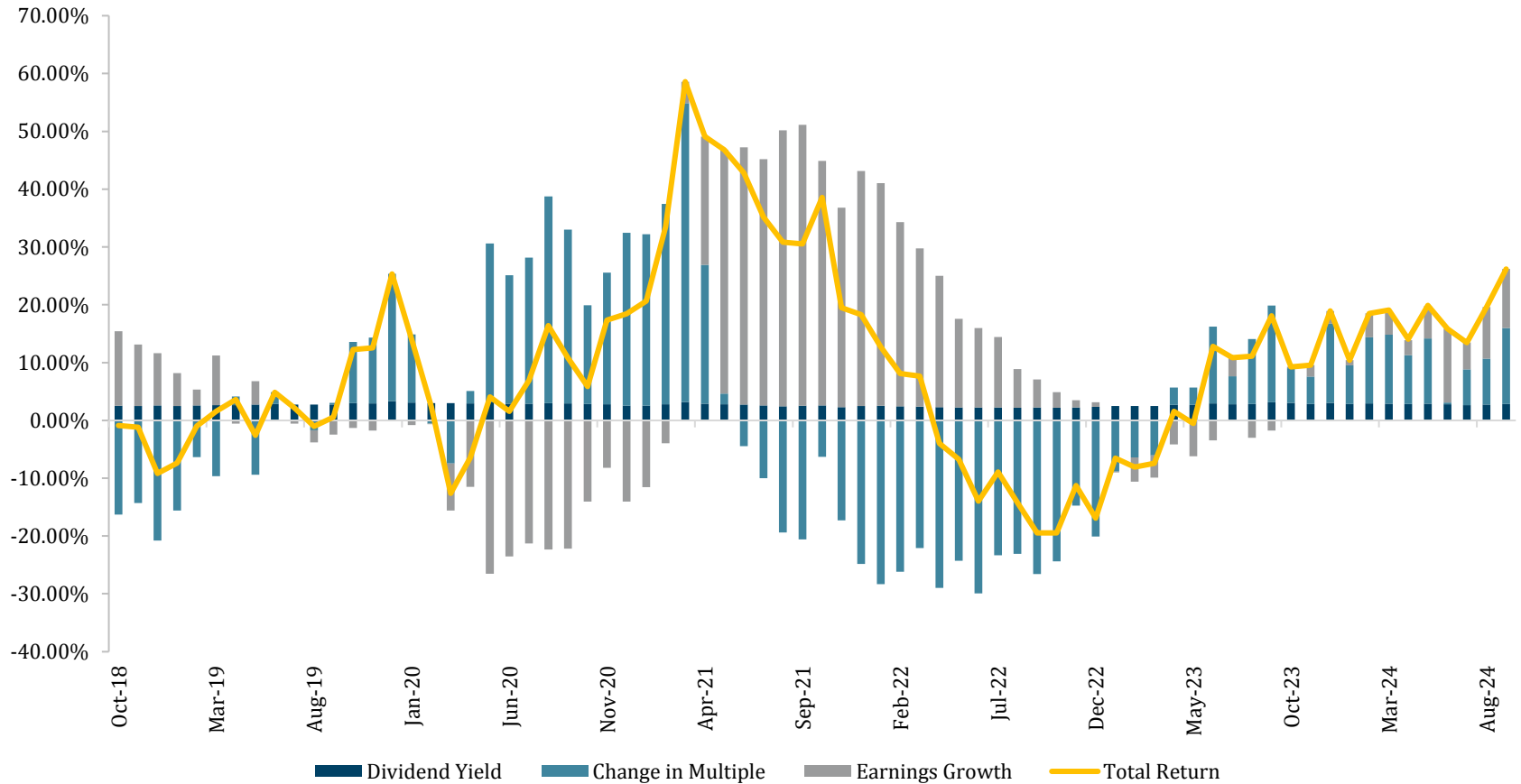


As of September 2024.

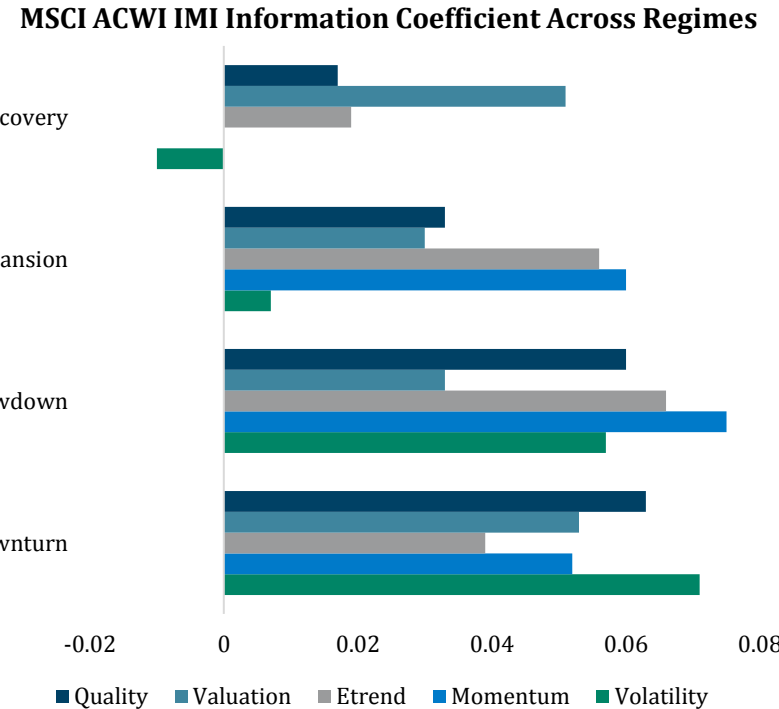
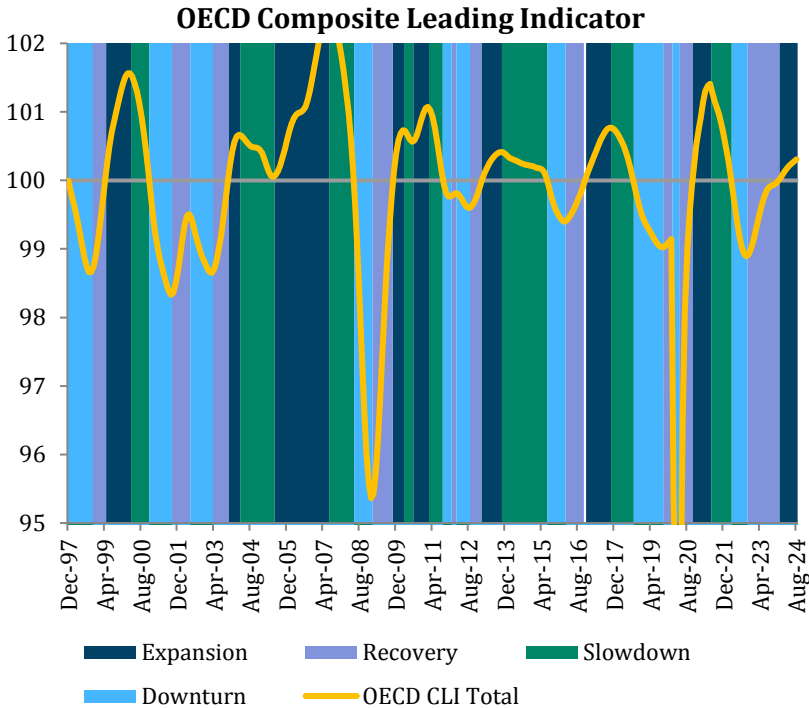
Source: MSCI, Morgan Stanley. A direct investment in an unmanaged index is not possible.

# Corporate Earnings & Multiples

## Global Equity Return Decomposition



# Expansionary Environment Expected to Continue



Data as of September 2024.  
Source: William Blair, MSCI.

**Past performance is not indicative of future returns.** Fundamental model performance is provided for illustrative purposes only. Information is based on William Blair's proprietary quantitative models and does not in any way relate to actual results of any account or strategy. Information Coefficient – represents the Spearman ranked correlation between factor score and future performance. A positive IC suggests that a given factor has exhibited predictive power of future performance during the backtest period.

# China Outlook

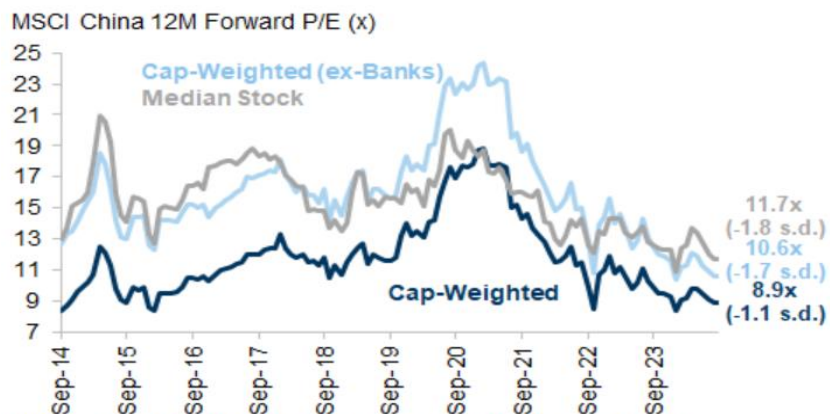
## POSITIVE

- Easing of regulatory pressure – refocus on growth
- Increased monetary stimulus with further reduction of RRR and policy rates
- Increased support for property market with mortgage rate cuts, reduced downpayment and other purchase restrictions
- Additional fiscal spending to support consumption
- Large and growing excess savings
- Attractive valuations

## NEGATIVE

- Continued consumer weakness
- Property sector weakness continuing
- Weak employment and income outlook
- Geopolitical risk

MSCI China – Forward P/E



Note: Based on latest constituents; z-score over past 10 years (monthly)

Data as of September 2024.  
Source: Goldman Sachs, Autonomous.

China Consumer Confidence Index



# Let's Dig A Little Deeper

# India Outlook

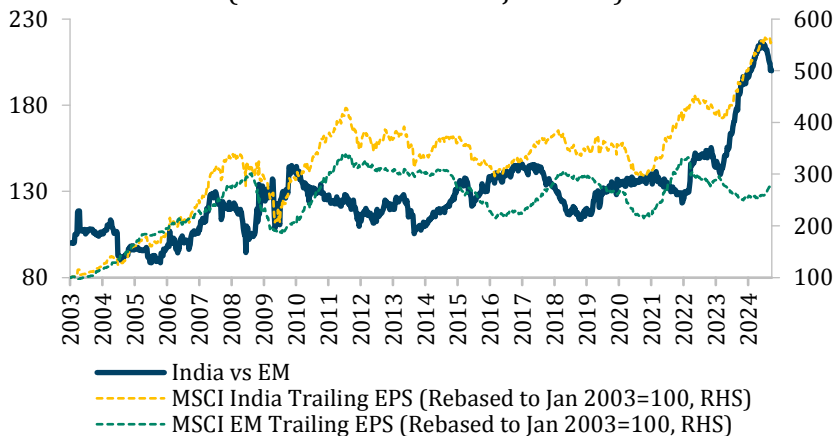
## POSITIVE

- Favorable demographics and well-educated population
- Strong economic growth
- Consumer spending at an inflection point to disposable income (2,000 USD)
- Secular growth and innovative trends in financials
- Pro-business, pro-growth government
- Western ally
- Strong Capex Investment Cycle - Make in India/PLI
- Inclusion in Global Bond Indices

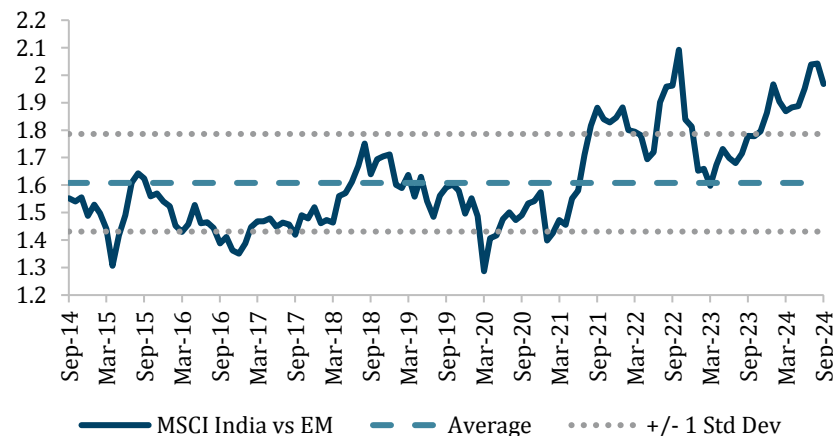
## NEGATIVE

- Net commodity importer
- Current account deficit
- Higher valuation vs. Emerging Markets

**India EPS Outperformance**  
(Rebased to 100 as of Jan 2003)



**MSCI India Premium vs EM**

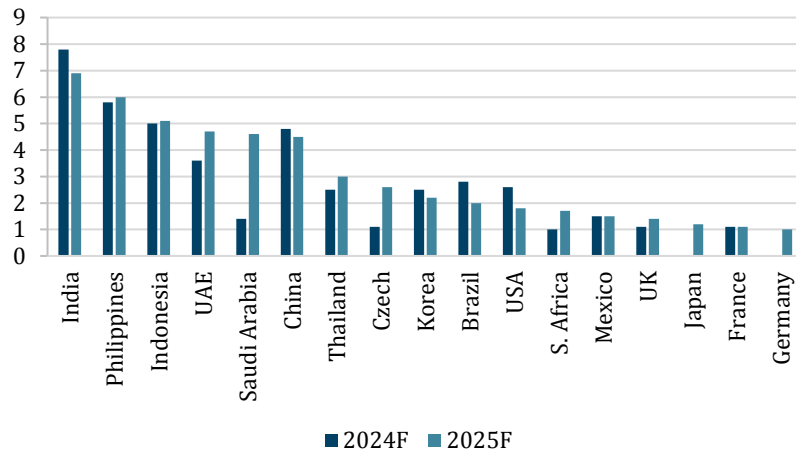


Data as of September 2024.

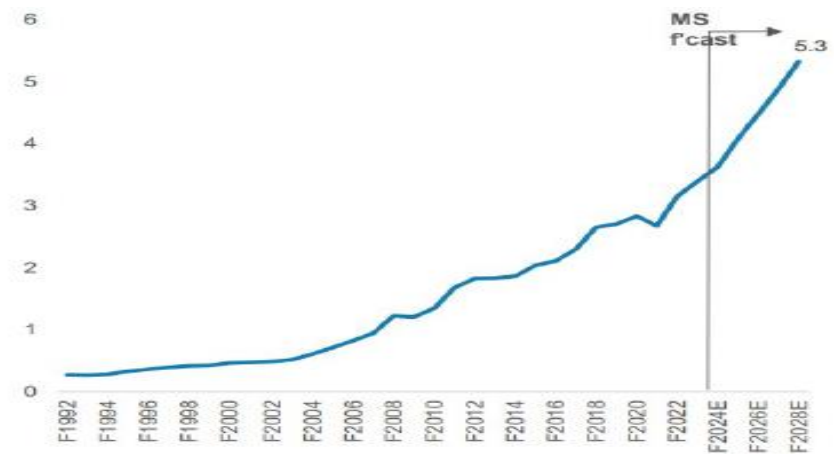
Source: Morgan Stanley, Bloomberg. **Past performance is not indicative of future returns.** A direct investment in an unmanaged index is not possible.

# India to be Key Driver of Global Growth

Real GDP Growth Forecasts Across DM and EM



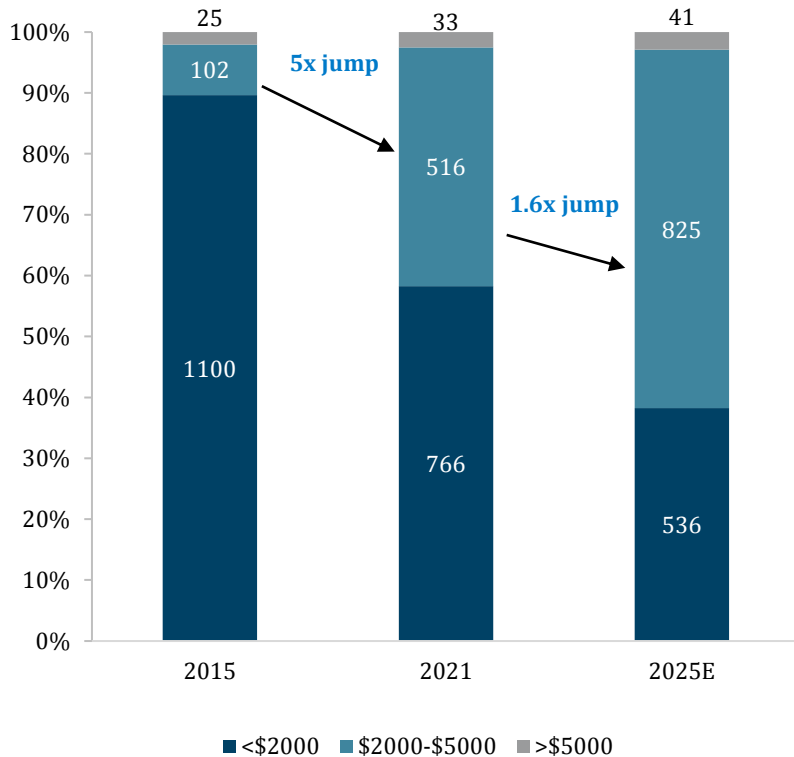
India Nominal GDP (US\$trn)



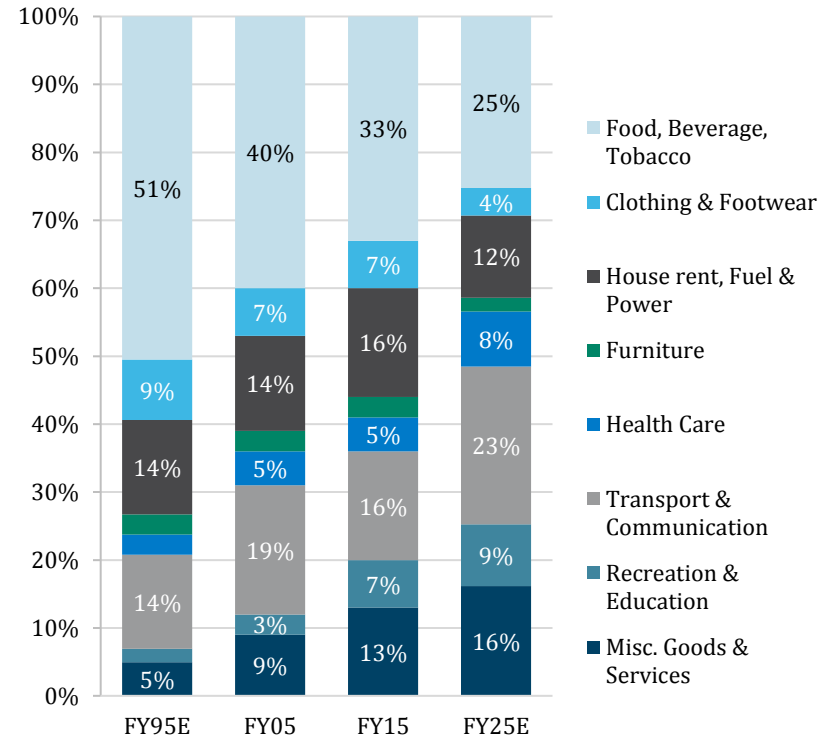
Data as of September 2024.  
Source: Morgan Stanley.

# India's Emerging Middle Class

**Population Distribution (million) Per Capita Income**



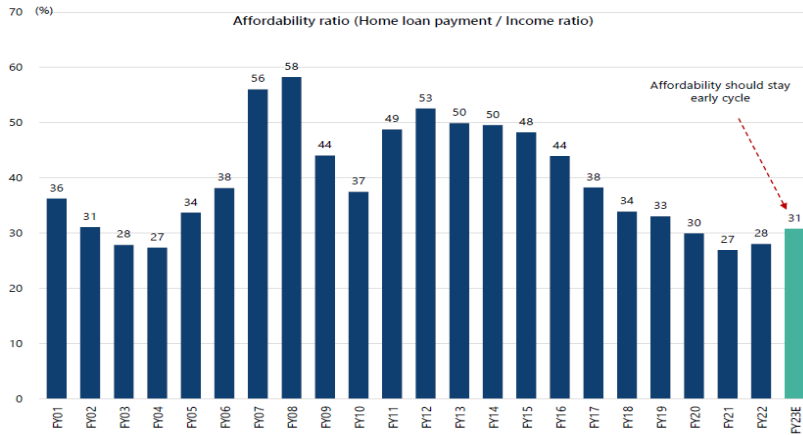
**Discretionary Spending Shift**



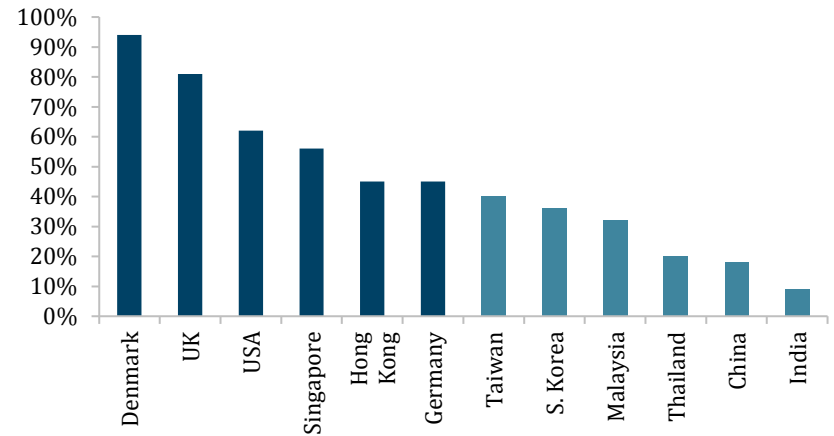
Data as of December 2021.  
Source: Spark Capital.

# Improving Trends and Long-Term Growth Opportunity Indian Financials

## India Housing Affordability



## Low Mortgage Penetration



Data as of March 2024.

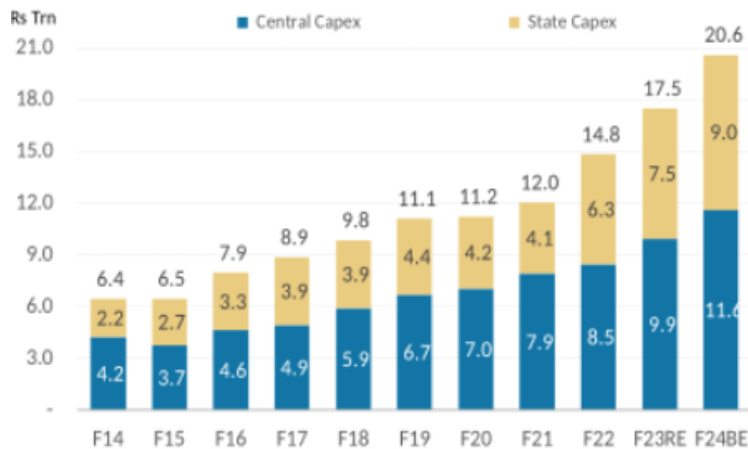
Source: Jefferies, European Mortgage Federation, HDFC, Citi.

# India's Strong Capex Cycle to Drive Infrastructure Growth

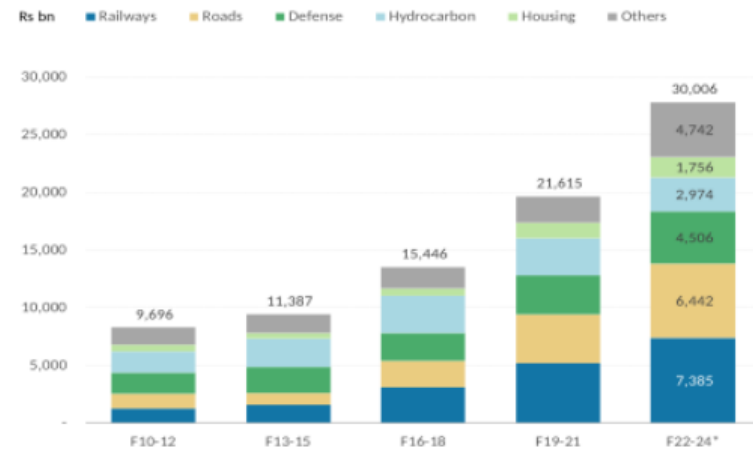
## Public Capex Targets for 2025



## Consistent Rise in Public Capex



## Rising Spending in Central Budget



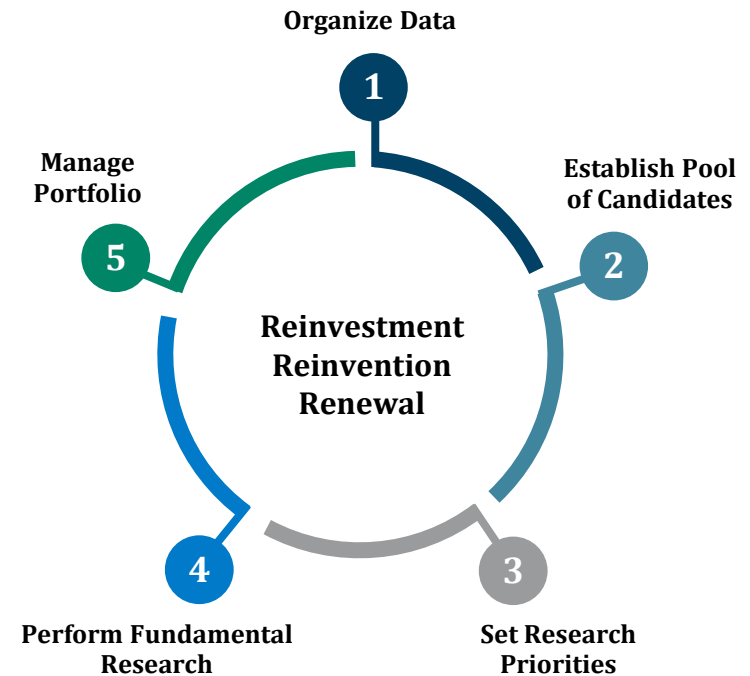
Data as of September 2023.  
Source: Morgan Stanley.

# Appendix

# Investment Process

Integrated Fundamental, Systematic and Strategy Research Throughout the Investment Process

- 1 Organize Data**  
Rank order global universe of equities by fundamental and technical attributes and utilize systematic research to analyze information
- 2 Establish Pool of Candidates**  
Create Eligibility List of 2,000- 2,500 companies through quantitative screens and fundamental analysis
- 3 Set Research Priorities**  
Establish Research Agenda of 30-60 companies by identifying opportunities and risks through bottom up research, top down strategy, and portfolio objectives
- 4 Perform Fundamental Research**  
Analyze sustainable value creation and determine if fundamentals appear poised to change
- 5 Manage Portfolio**  
Weigh risk/reward of buy/sell decision to seek desired outcomes



# International Growth Composition Snapshot

As of September 30, 2024

Top 10 Holdings	Sector	Country	Position Size (%)
Taiwan Semiconductor Manufacturing Co Ltd	IT	Taiwan	3.2
Novo Nordisk A/S	Health Care	Denmark	2.1
Sap Se	IT	Germany	1.8
Asml Holding Nv	IT	Netherlands	1.5
London Stock Exchange Group Plc	Financials	UK	1.5
3i Group Plc	Financials	UK	1.5
Astrazeneca Plc	Health Care	UK	1.4
Keyence Corp	IT	Japan	1.4
Safran Sa	Industrials	France	1.3
Tencent Holdings Ltd	Communication Svcs.	China	1.3

## Benchmark

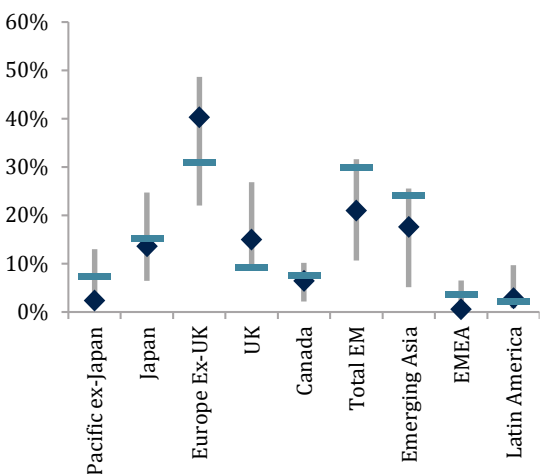
MSCI AC World ex-US IMI

<b>Maximum Position Size</b>	5%
<b>Active Share</b>	77.3%
<b>Number of Holdings</b>	173
<b>Weighted Avg. Mkt Cap (\$b)</b>	\$95.8

## Regions

Exposure to major countries typically ranges from 0.5 to 2x the benchmark weight

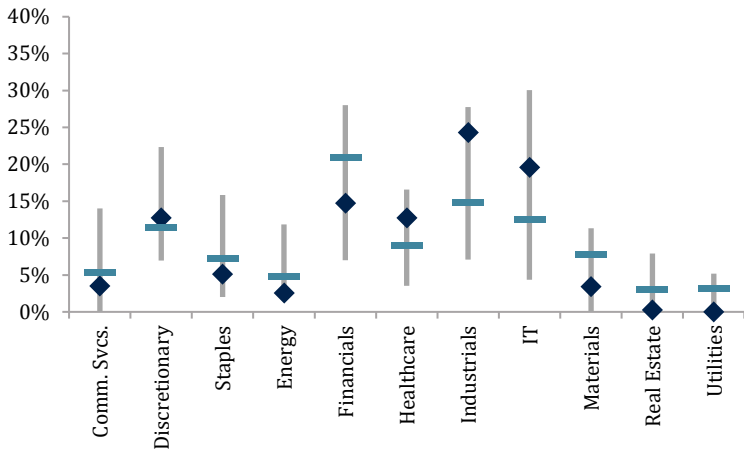
Exposure to EM max 35% or 2x the benchmark weight



## Sectors

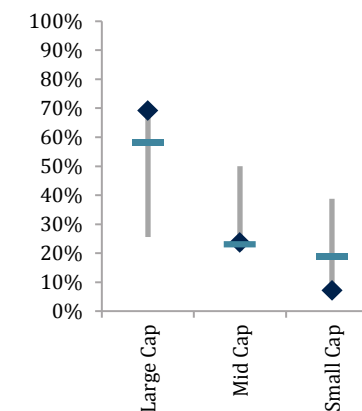
Exposure to major sectors typically ranges from 0.5 to 2x the benchmark weight

Maximum weight to any individual sector is 40%



## Market Cap

Exposure to small cap typically >10%



◆ Current Portfolio Weight    ■ Current Benchmark Weight    ■ Historic Range<sup>1</sup>

<sup>1</sup>Historic range dates back to 1/1/2000.

Sector diversification calculated in Eagle by William Blair based on Global Industry Classification Sectors (GICS). Market capitalization and geographic distribution are calculated in Eagle by William Blair. Weights may vary over time as benchmark index weights shift. Individual securities listed in this report are for informational purposes only. Holdings are subject to change at any time. The data shown above is based on the strategy's representative portfolio excluding cash. Small cap is defined as \$0-\$5 billion, mid cap \$5 billion to \$20 billion, and large cap over \$20 billion. The MSCI AC World ex-US IMI Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets, excluding the U.S. This information does not constitute, and should not be construed as, investment advice or recommendations with respect to the securities listed.

# Holdings - International Growth CIT

September 30, 2024

	Portfolio Weight		Portfolio Weight		Portfolio Weight
<b>DEVELOPED/ASIA - EX JAPAN</b>	<b>2.37</b>	Japan Exchange Group Inc	0.46	Valmet Oyj	0.15
<b>Australia</b>	<b>1.24</b>	Monotaro Co Ltd	0.44	<b>France</b>	<b>9.99</b>
Pro Medicus Ltd	0.56	Smc Corp	0.43	Safran Sa	1.31
Goodman Group	0.27	Daifuku Co Ltd	0.42	Hermes International	1.25
Technology One Ltd	0.22	Nomura Research Institute Lt	0.29	Lvmh Moet Hennessy Louis Vui	1.25
Steadfast Group Ltd	0.19	Matsukiyococokara & Co	0.24	Schneider Electric Se	1.05
<b>Hong Kong</b>	<b>0.27</b>	Technopro Holdings Inc	0.21	Thales Sa	0.98
Hong Kong Exchanges & Clear	0.27	Internet Initiative Japan	0.19	Totalenergies Se	0.95
<b>Singapore</b>	<b>0.86</b>	Kurita Water Industries Ltd	0.19	Airbus Se	0.77
Dbs Group Holdings Ltd	0.86	Baycurrent Inc	0.19	Publicis Groupe	0.64
<b>DEVELOPED/ASIA - JAPAN</b>	<b>13.56</b>	Japan Elevator Service Holdi	0.19	Capgemini Se	0.62
<b>Japan</b>	<b>13.56</b>	Sundrug Co Ltd	0.17	Dassault Systemes Se	0.51
Keyence Corp	1.40	Harmonic Drive Systems Inc	0.16	L'oreal	0.50
Chugai Pharmaceutical Co Ltd	0.94	Rakuten Bank Ltd	0.15	Vusiongroup	0.18
Tokio Marine Holdings Inc	0.92	Rakus Co Ltd	0.14	<b>Germany</b>	<b>5.16</b>
Daiichi Sankyo Co Ltd	0.78	Screen Holdings Co Ltd	0.11	Sap Se	1.83
Hoya Corp	0.78	Kokusai Electric Corp	0.10	Mtu Aero Engines Ag	1.05
Sumitomo Mitsui Financial Gr	0.76	<b>DEVELOPED/EUROPE - MIDDLE EAST - EX U.K.</b>	<b>40.23</b>	Hannover Rueck Se	0.76
Advantest Corp	0.62	<b>Belgium</b>	<b>0.14</b>	Symrise Ag	0.61
Shin-Etsu Chemical Co Ltd	0.61	D'ieteren Group	0.14	Cts Eventim Ag & Co Kгаа	0.57
Pan Pacific International Ho	0.60	<b>Denmark</b>	<b>3.06</b>	Nemetschek Se	0.24
Itochu Corp	0.56	Novo Nordisk A/S-B	2.06	Siltronic Ag	0.11
Tokyo Electron Ltd	0.55	Dsv A/S	1.00	<b>Ireland</b>	<b>4.10</b>
Recruit Holdings Co Ltd	0.50	<b>Finland</b>	<b>0.31</b>	Linde Plc	1.27
Disco Corp	0.47	Metso Corp	0.16	Icon Plc	1.14

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# Holdings - International Growth CIT

September 30, 2024

	Portfolio Weight		Portfolio Weight		Portfolio Weight
Accenture Plc-Cl A	0.89	Hemnet Group Ab	0.31	Haleon Plc	0.86
Kingspan Group Plc	0.80	Evolution Ab	0.19	Relx Plc	0.86
<b>Israel</b>	<b>0.76</b>	Addtech Ab-B Shares	0.17	Unilever Plc	0.80
Teva Pharmaceutical-Sp Adr	0.76	Hexagon Ab-B Shs	0.15	Diploma Plc	0.65
<b>Italy</b>	<b>1.48</b>	<b>Switzerland</b>	<b>7.06</b>	Intermediate Capital Group	0.56
Ferrari Nv	0.66	Lonza Group Ag-Reg	1.25	Smith & Nephew Plc	0.49
Brunello Cucinelli Spa	0.37	Sandoz Group Ag	1.13	Convatec Group Plc	0.45
Moncler Spa	0.31	Sika Ag-Reg	0.77	Bunzl Plc	0.45
Azimut Holding Spa	0.14	Partners Group Holding Ag	0.77	Greggs Plc	0.31
<b>Netherlands</b>	<b>3.42</b>	Abb Ltd-Reg	0.75	Beazley Plc	0.31
Asml Holding Nv	1.52	Chubb Ltd	0.51	Rotork Plc	0.28
Wolters Kluwer	0.76	Vat Group Ag	0.44	Weir Group Plc/The	0.22
Imcd Nv	0.48	Siegfried Holding Ag-Reg	0.41	Softcat Plc	0.18
Euronext Nv	0.42	Belimo Holding Ag-Reg	0.40	Spirax Group Plc	0.15
Be Semiconductor Industries	0.25	Chocoladefabriken Lindt-Pc	0.38	Hill & Smith Plc	0.14
<b>Norway</b>	<b>0.17</b>	Galenica Ag	0.25	<b>DEVELOPED/N AMERICA</b>	<b>6.92</b>
Kongsberg Gruppen Asa	0.17	<b>DEVELOPED/EUROPE - U.K.</b>	<b>14.94</b>	<b>Bermuda</b>	<b>0.50</b>
<b>Spain</b>	<b>1.52</b>	<b>United Kingdom</b>	<b>14.94</b>	Arch Capital Group Ltd	0.50
Industria De Diseno Textil	0.96	London Stock Exchange Group	1.51	<b>Canada</b>	<b>6.42</b>
Amadeus It Group Sa	0.56	3i Group Plc	1.49	Intact Financial Corp	1.05
<b>Sweden</b>	<b>3.05</b>	Astrazeneca Plc	1.41	Constellation Software Inc	1.00
Atlas Copco Ab-A Shs	0.79	Compass Group Plc	1.08	Canadian Pacific Kansas City	0.97
Beijer Ref Ab	0.57	Bae Systems Plc	1.01	Dollarama Inc	0.95
Lifco Ab-B Shs	0.44	Halma Plc	0.89	Toromont Industries Ltd	0.54
Indutrade Ab	0.43	Experian Plc	0.86	Cameco Corp	0.42

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# Holdings - International Growth CIT

## September 30, 2024

	Portfolio Weight		Portfolio Weight		Portfolio Weight
Alimentation Couche-Tard Inc	0.41	Titan Co Ltd	0.16	<b>Brazil</b>	<b>1.93</b>
Tfi International Inc	0.38	Nestle India Ltd	0.15	Mercadolibre Inc	1.12
Shopify Inc - Class A	0.35	Varun Beverages Ltd	0.15	Weg Sa	0.39
Parkland Corp	0.23	<b>Indonesia</b>	<b>1.77</b>	Rumo Sa	0.22
Boyd Group Services Inc	0.12	Bank Central Asia Tbk Pt	1.27	Raia Drogasil Sa	0.21
<b>EMERGING/ASIA</b>	<b>17.60</b>	Sea Ltd-Adr	0.50	<b>Mexico</b>	<b>0.67</b>
<b>China</b>	<b>2.90</b>	<b>South Korea</b>	<b>2.05</b>	Walmart De Mexico Sab De Cv	0.48
Tencent Holdings Ltd	1.28	Samsung Electronics Co Ltd	1.15	Grupo Aeroportuario Sur-Adr	0.19
Meituan-Class B	0.79	Sk Hynix Inc	0.66	<b>Peru</b>	<b>0.21</b>
Trip.Com Group Ltd	0.36	Hanwha Aerospace Co Ltd	0.21	Credicorp Ltd	0.21
Fuyao Glass Industry Group-A	0.28	Hanwha Industrial Solutions	0.03	<b>Cash &amp; Equivalents</b>	<b>1.03</b>
Airtac International Group	0.18	<b>Taiwan</b>	<b>4.69</b>	<b>Total</b>	<b>100.00</b>
<b>India</b>	<b>6.19</b>	Taiwan Semiconductor-Sp Adr	3.19		
Reliance Industries Ltd	0.98	Mediatek Inc	0.53		
Hdfc Bank Limited	0.88	Delta Electronics Inc	0.29		
Icici Bank Ltd	0.76	Wiwynn Corp	0.17		
Mahindra & Mahindra Ltd	0.75	Alchip Technologies Ltd	0.17		
Tata Consultancy Svcs Ltd	0.47	Globalwafers Co Ltd	0.14		
Interglobe Aviation Ltd	0.39	Unimicron Technology Corp	0.11		
Trent Ltd	0.34	Global Unichip Corp	0.10		
Havells India Ltd	0.33	<b>EMERGING/EMEA</b>	<b>0.54</b>		
Indian Hotels Co Ltd	0.27	<b>South Africa</b>	<b>0.54</b>		
Britannia Industries Ltd	0.23	Bid Corp Ltd	0.36		
Max Healthcare Institute Ltd	0.17	Clicks Group Ltd	0.18		
Apollo Hospitals Enterprise	0.17	<b>EMERGING/LATIN AMERICA</b>	<b>2.80</b>		

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# Glossary – Indices

**MSCI (Morgan Stanley Capital International):** MSCI indices are the most widely used benchmarks by global portfolio managers. MSCI offers international investors performance benchmarks for 51 national stock markets as well as regional, sector, industry group, and industry aggregations.

**MSCI China All Shares Index:** a free-float weighted equity index designed to capture large and mid-cap representation across China A-shares, B-shares, H-shares, Red-chips, P-chips and foreign listings (e.g. ADRs). The index aims to reflect the opportunity set of China share classes listed in Hong Kong, Shanghai, Shenzhen and outside of China.

**MSCI China A Onshore Index:** A free-float weighted equity index, designed to measure performance of China A share securities listed on either the Shanghai or Shenzhen Stock Exchanges.

**MSCI All Country World ex-US EAFE Index:** An unmanaged index that includes developed and emerging markets outside the United States.

**MSCI All Country World ex-US Small Cap Index:** A free float-adjusted market capitalization index designed to measure global developed and emerging market small capitalization equity performance, excluding the U.S.

**MSCI All Country World ex-US Index:** An unmanaged index that includes developed and emerging markets, excluding the U.S.

**MSCI All Country World ex-US Growth Index:** A free float-adjusted market capitalization index that is designed to provide a broad measure of equity-market performance throughout the world, excluding the U.S. It includes those MSCI All Country World ex-US securities with higher price-to-book ratios and higher forecasted growth rates.

**MSCI All Country World ex-US IMI Index:** A free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets, excluding the U.S.

**MSCI All Country World IMI Index:** A free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets.

**MSCI All Country World ex-US IMI Growth Index:** A free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets, excluding the U.S. It includes those MSCI All Country World ex-US IMI Index securities with higher price-to-book ratios and higher forecasted growth rates.

**MSCI EAFE Index:** A free float-adjusted market capitalization index which captures large and mid cap representation across Developed Markets countries around the world, excluding the U.S. and Canada.

**MSCI EAFE IMI Index:** A free float-adjusted market capitalization index which captures large, mid and small cap representation across Developed Markets countries around the world, excluding the U.S. and Canada.

**MSCI EAFE Growth Index:** A free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. & Canada.

**MSCI Emerging Markets Index:** A free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

**MSCI Emerging Markets IMI Index:** A free float-adjusted market capitalization index which captures large, mid and small cap equity market performance in the global emerging markets.

**MSCI Emerging Markets ex-China IMI Index:** A free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets excluding China.

**MSCI Emerging Markets Small Cap Index:** A free float-adjusted market capitalization index that is designed to measure equity market performance of small cap companies in emerging markets.

**MSCI Emerging Markets Large Cap Index:** A free float-adjusted market capitalization index that is designed to measure equity market performance of large cap companies in emerging markets.

**MSCI World ex-US Growth Index:** A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets, excluding the U.S., with higher price-to-book ratios and higher forecasted growth rates.

**MSCI World ex-US Index:** A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets, excluding the U.S.

**MSCI World ex-US Small Cap Index:** An unmanaged index that includes non-US developed markets.

**Russell 1000 Index:** Measures the performance of the 1000 largest companies in the Russell 3000 Index, which represents approximately 90% of the total market capitalization of the U.S. market.

**Russell 1000 Growth Index:** Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

**Russell 1000 Value Index:** Measures the performance of the large cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

**Russell 2000 Index:** Measures the performance of the 2000 smallest companies in the Russell 3000 index, which represents approximately 8% of the total market capitalization of the Russell 3000 index.

**Russell 2000 Growth Index:** Measures the performance of those Russell 2000 companies with higher price-to book ratios and higher forecasted growth values.

**Russell 2000 Value Index:** Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

**Russell 2500 Index:** Measures the performance of the 2500 smallest companies in the Russell 3000 Index.

**Russell 2500 Growth Index:** Measures the performance of those Russell 2500 companies with higher price-to book ratios and higher forecasted growth values.

**Russell 2500 Value Index:** Measures the performance of those Russell 2500 companies with lower price-to book ratios and lower forecasted growth values.

**Russell 3000 Index:** Measures the performance of the 3000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

**Russell 3000 Growth Index:** Measures the performance of those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values.

**Russell Midcap Index:** Measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 27% of the total market capitalization of the Russell 1000 companies.

**Russell Midcap Growth Index:** Measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values.

**Russell Midcap Value Index:** Measures the performance of the mid-cap value segment of the U.S. equity universe. It includes those Russell Midcap Index companies with lower price-to-book ratios and lower forecasted growth values.

**S&P 500 Index:** The Standard & Poor's 500 Index (S&P 500) is an index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe. Companies included in the index are selected by the S&P Index Committee, a team of analysts and economists at Standard & Poor's. The S&P 500 is a market value weighted index—each stock's weight is proportionate to its market value.

A direct investment in an unmanaged index is not possible.

# Glossary – Terms

**Active Share:** A measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index.

**Alpha:** A measure of a portfolio's return in excess of the market return, after both have been adjusted for risk. It is a mathematical estimate of the amount of return expected from a portfolio above and beyond the market return at any point in time. For example, an alpha of 1.25 indicates that a stock is projected to rise 1.25% in price in a year over the return of the market, or the return when the market return is zero. When an investment price is low relative to its alpha, it is undervalued, and considered a good selection.

**Beta:** A quantitative measure of the volatility of the portfolio relative to the overall market, represented by a comparable benchmark. A beta above 1 is more volatile than the overall market, while a beta below 1 is less volatile, and could be expected to rise and fall more slowly than the market.

**CFROIC (Cash Flow Return on Invested Capital):** A measure of how effectively a company generates cash flow based on legacy capital investment.

**Convexity:** A measure of the sensitivity of a fixed income investment's duration to changes in yield.

**Developed Markets:** Using the Morgan Stanley Capital International (MSCI) geographic definition, this region includes: United Kingdom, Europe (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Spain, Sweden and Switzerland), Japan, Pacific Asia (Australia, Hong Kong, New Zealand, and Singapore) and the Western Hemisphere (Canada and other Americas).

**Debt to Total Capital Ratio:** This figure is the percentage of each company's invested capital that consists of debt. Companies with a high Debt to Total Capital level may be considered riskier. From a portfolio perspective, the portfolio Debt to Total Capital Ratio is a weighted average of the individual holdings' Debt to Total Capital Ratio.

**Duration:** A measure of the price sensitivity of a fixed income investment to a change in interest rates, stated in years.

**Emerging Markets:** Using MSCI's geographic definition, this region includes: Emerging Markets Asia (China, India, Indonesia, Malaysia, S Korea, Taiwan, and Thailand), Emerging Markets Europe, Mid-East and Africa (Czech Republic, Hungary, Poland, Russia, Turkey, Egypt, Morocco, and S Africa), and Latin America (Argentina, Brazil, Chile, Columbia, Mexico, Peru and Venezuela).

**EPS Estimate Revision Breadth:** A 1-month factor representing the trend in the direction of estimate changes. Range from -100% to +100%, it is calculated as the number of positive revisions minus the number of negative revisions divided by the total number of estimates.

**EPS (Earnings Per Share) Growth Rate (Projected):** This measure represents the weighted average of forecasted growth in earnings expected to be experienced by the stocks within the portfolio over the next year. From a portfolio perspective, the portfolio EPS Growth Rate is a weighted average of the individual holdings' EPS Growth Rate.

**EPS Growth Rate (5-Year Historic):** The weighted average earnings per share growth for stocks within the portfolio over the past 5 years.

**EV/EBITDA (Enterprise Value/Earnings Before Interest, Taxes and Depreciation-Amortization):** The EV/EBITDA ratio is useful for global comparisons because it ignores the distorting effects of individual countries' taxation policies. It's used to find attractive takeover candidates. Enterprise value is a better measure than market cap for takeovers because it takes into account the debt which the acquirer will have to assume. Therefore, a company with a low EV/EBITDA ratio can be viewed as a good takeover candidate.

**EV/IC: (Enterprise Value/Invested Capital) Ratio:** Enterprise Value (EV), which is market capitalization minus cash plus debt divided by Invested Capital (IC), which is the sum of common stock, preferred stock and long-term debt. This number will get you a simple multiple. If it is below 1.0, then it means that the company is selling below book value and theoretically below its liquidation value.

**Frontier Markets:** Less advanced capital markets in the developing world.

**FX:** In finance, an exchange rate is the rate at which one currency will be exchanged for another. It is also regarded as the value of one country's currency in relation to another currency.

**Information Ratio:** A measure of risk-adjusted return. The annualized excess return of the portfolio relative to a respective benchmark, divided by the annualized tracking error relative to that same benchmark. The higher the measure, the higher the risk-adjusted return.

**Integrated:** Constructs a portfolio of the top 20% of stocks based on William Blair's multi-factor composite model, which uses Earnings Trend, Momentum, Quality, and Valuation factors. The portfolio is rebalanced on a monthly basis and weights stocks based on relative market capitalization.

**Net Debt to EBITDA:** A measure of leverage calculated by taking interest bearing liabilities minus cash divided by earnings before interest, taxes, depreciation, and amortization.

**Option-Adjusted Spread (OAS):** A measure of the spread of a fixed income investment's yield relative to a benchmark, adjusted to take into account an embedded option.

**PBVn (Price/Book Value) Ratio:** The PBV Ratio measures the value of a company's common stock relative to its shareholder's equity. A price-to-book multiple above one means that the price of the company's common stock is higher than its common shareholder's equity. A price-to-book multiple below one means that the price of the company's common stock are less than its break-up value, and the shares may be undervalued.

**PCF (Price/CashFlow):** Some analysts favor the price/cash flow over the price-earnings (PE) ratio as a measure of a company's value. Cash flow is a measure of a company's financial health. It equals cash receipts minus cash payments over a given period of time.

**P/E (Price/Earnings) Ratio:** This is the most common measure of how expensive a stock is. Simply, it is the cost an investor in a given stock must pay per dollar of current annual earnings. A high P/E generally indicates that the market is paying more to obtain the stock because it has confidence in the company's ability to increase its earnings. Conversely, a low P/E often indicates that the market has less confidence that the company's earnings will increase rapidly or steadily, and therefore will not pay as much for its stock.

**Price to Book:** A stock's capitalization divided by its book value. This ratio compares the market's valuation of a company to the value of that company as indicated on its financial statements.

**R-squared:** A measurement of how closely the portfolio's performance correlates with the performance of its benchmark, such as the MSC AC World Free ex US Index. In other words, it is a measurement of what portion of a portfolio's performance can be explained by the performance of the overall market or index. Ranges from 0 to 1, where 0 indicates no correlation and 1 indicates perfect correlation.

**Recovery Rate:** The extent to which principal and interest on defaulted debt can be recovered, expressed as a percentage of face value.

**Risk (Standard Deviation):** A measure of the portfolio's risk. A higher standard deviation represents a greater dispersion of returns, and thus a greater amount of risk. The annualized standard deviation is calculated using monthly returns.

**Silo:** Constructs portfolios using the top 20% of stocks based on each of the four sub-models used to construct William Blair's composite model, then averages the returns coming from each of the four portfolios. The portfolios are rebalanced on a monthly basis and weights stocks based on relative market capitalization. (The Equal Weighted strategy equally weights the returns coming from each of the sub-portfolios; the Optimized approach weights Quality 5%, Valuation 60%, Earnings Treng 5%, and Momentum 30%. The optimization was based on a Monte-Carlo simulation that sought an optimal weighting of each sub-portfolios to achieve the highest return).

**Sortino Ratio:** A modification of the Sharpe ratio that differentiates harmful volatility from general volatility by taking into account the standard deviation of negative asset returns, called downside deviation. The Sortino ratio subtracts the risk-free rate of return from the portfolio's return, and then divides that by the downside deviation. A large Sortino ratio indicates there is a low probability of a large loss.

**Sharpe-Ratio:** A risk-adjusted measure calculated using standard deviation and excess return (Portfolio return – Risk Free Rate) to determine reward per unit of risk. The higher the Sharpe ratio, the better the portfolio's historic risk-adjusted performance.

**Spread Duration:** A measure of the price sensitivity of a fixed income investment to a change in credit spreads.

**Tracking Error:** Tracking Error measures the extent to which a portfolio tracks its benchmark. The tracking error of an index portfolio should be lower than that of an active portfolio. The tracking error will always be greater than zero if the portfolio is anything other than a replication of the benchmark.

**Trailing 1-Year Turnover:** This figure reflects the portfolio's trading activity by calculating the amount of the portfolio's holdings bought or sold over the prior year, expressed as a percentage of the portfolio's average market value. Turnover figures may be related to the amount of trading costs experienced by the portfolio.

**Weighted Average Market Capitalization:** Market capitalization refers to the total market value of each company's outstanding shares. The Weighted Average Market Capitalization for a portfolio is calculated as the average market capitalization of the stocks within the portfolio, weighted by the amount of each stock owned.

**Weighted Median Market Capitalization:** This calculation represents the median market capitalization of the stocks in the portfolio, weighted by the amount of each stock owned.

**Yield to Maturity:** A representation of the rate of return anticipated on a bond if held until its maturity.

**Yield to Worst:** A representation of the lowest potential yield that an investor would receive on a bond if the issuer does not default.

# Important Disclosures – International Growth Strategy

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## **Performance and Fees**

**Past performance is not indicative of future returns.** Performance is shown in U.S. dollar unless otherwise noted. Returns for periods greater than one year are annualized. Performance results assume the reinvestment of dividends and capital gains and are net of transaction costs. Net investment performance represents the deduction of a model fee equal to the highest separate account management fee. Investment management fees are described in William Blair's Form ADV Part 2A.

## **Risk**

The strategy's returns will vary, and you could lose money by investing in the strategy. International investing involves special risk considerations, including currency fluctuations, lower liquidity, economic and political risk. Investing in emerging markets can increase these risks, including higher volatility and lower liquidity. Investing in smaller and medium capitalization companies involves special risks, including higher volatility and lower liquidity. Small and mid-cap stocks are also more sensitive to purchase/sale transactions and changes in the issuer's financial condition. The strategy invests most of its assets in equity securities of international growth companies where the primary risk is that the value of the equity securities it holds might decrease in response to the activities of those companies or market and economic conditions. Diversification does not ensure against loss

## **Benchmark**

The Morgan Stanley Capital International (MSCI) All Country World Ex-U.S. IMI Index (net) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding the United States. This series approximates the minimum possible dividend reinvestment. The Index is unmanaged and does not incur fees or expenses. It is not possible to directly invest in an unmanaged index.

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# Quantitative Models – Definitions

Factor	Examples
<p><b>Quality</b></p>	
<p><b>The William Blair Quality Model</b> attempts to put into quantitative terms one of the cornerstones of the firm’s investment philosophy: identifying high quality companies. The score combines measurements of sustainable value creation, earnings quality, and financial strength.</p>	<p>Cash Flow ROIC Cash Flow Accruals Net Debt/EBITDA</p>
<p><b>Valuation</b></p>	
<p><b>The William Blair Valuation Model</b> combines varying metrics used to characterize the relationship between the stock’s trading price and its intrinsic value. By going beyond using only one or two measures, the model attempts to build a more holistic version of a stock’s worth vis-a-vis the market. The score combines measurements of earnings/cash flow based, asset-based, and model-based factors.</p>	<p>Free Cash Flow Yield Price/NTM Earnings Enterprise Value/Sales</p>
<p><b>Earnings Trend</b></p>	
<p><b>The William Blair Earnings Trend Model</b> captures information about short- and medium-term changes in analyst estimates in an attempt to anticipate future estimate changes and stock performance. The score combines measurements of earnings revisions, earnings momentum, and earnings surprise.</p>	<p>3 Month EPS Revisions Standardized Unexpected Earnings (SUE)</p>
<p><b>Momentum</b></p>	
<p><b>The William Blair Momentum Model</b> combines information about short- and medium-term performance trends for each stock in order to identify stocks that may be able to persist in outperformance over the near term.</p>	<p>12 Month Volatility Adjusted Return 6 Month Sharpe Ratio</p>
<p><b>Growth</b></p>	
<p><b>The William Blair Growth Model</b> builds a long-term growth estimate based on a combination of realized and forecast growth rates. The inputs and results of this model are not limited to earnings, but instead cast a broader net to include measures of a firm’s overall growth. In addition to providing a Growth Model score, the growth rate generated by the model is used as an input into other models.</p>	<p>Historical &amp; Expected Growth 6 &amp; 10 Year Average Trend Growth</p>
<p><b>Volatility</b></p>	
<p><b>The William Blair Volatility Model</b> captures the variability in short- and long-term fundamental returns which include ROE, Margins, and EPS.</p>	<p>ROE Range/Average Coefficient of Variation &amp; Dispersion of EPS</p>
<p><b>Composite</b></p>	
<p><b>The William Blair Composite Model</b> produces an aggregate score from the Quality, Valuation, Earnings Trend, and Momentum models using a proprietary weighting mix.</p>	

William Blair proprietary quantitative model.

# Composite Presentation Report

## International Growth

Calendar Year	Composite Gross Return (%)	Composite Net Return (%)	MSCI ACWI ex US IMI (net) – Linked Return (%)	Composite 3-Yr Std Dev (%)	Benchmark 3-Yr Std Dev (%)	Number of Portfolios	Dispersion (%)	Composite Assets End of Period \$(mm)	Total Firm Assets \$(mm)
2014	-1.40	-2.18	-3.89	12.03	12.78	38	0.23	15,481.25	63,060.05
2015	0.46	-0.34	-4.60	10.94	11.95	36	0.29	15,242.21	64,777.78
2016	-1.40	-2.18	4.41	11.22	12.38	40	0.30	14,279.91	64,872.51
2017	30.95	29.90	27.81	11.01	11.77	38	0.34	16,350.96	73,549.85
2018	-16.88	-17.54	-14.76	12.29	11.47	36	0.24	12,464.52	48,880.26
2019	32.07	31.02	21.63	12.29	11.34	30	0.34	14,348.99	58,446.29
2020	32.80	31.74	11.12	18.28	18.27	33	1.39	15,583.82	69,739.61
2021	11.00	10.11	8.53	16.64	17.13	32	1.16	14,247.23	79,683.54
2022	-28.21	-28.78	-16.58	21.69	19.64	27	0.45	8,899.77	56,036.64
2023	16.72	15.79	15.62	19.18	16.13	29	0.31	9,910.55	67,246.03

### Disclosures:

William Blair Investment Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. William Blair Investment Management has been independently verified for the periods January 1, 1993 through December 31, 2023. 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 International Growth Composite has had a performance examination for the periods from composite inception through December 31, 2023. The verification and performance examination reports are available upon request.

For purposes of compliance with GIPS, the Firm is defined as all portfolios managed by William Blair Investment Management, a distinct operating unit within William Blair. William Blair Investment Management currently operates as William Blair Investment Management, LLC, an investment adviser registered with the United States Securities and Exchange Commission ("SEC") which is a separate legal entity that is distinct from William Blair & Company, L.L.C. Registration with the SEC does not imply a certain level of skill or training.

The International Growth strategy invests in a broad range of companies based in developed and emerging markets outside of the United States. Companies have had and are expected to maintain superior growth, profitability and quality relative to local markets. The strategy will occasionally include the use of forward currency contracts to hedge some of the foreign currency exposure which accompanies investment in foreign currency-denominated securities. A portfolio manager change occurred effective 5/1/2015, 12/1/2017, 3/1/2018, and 1/1/2022. The investment strategy was not materially altered by the personnel change.

The benchmark that best reflects the composite's investment strategy is the MSCI All Country World Ex US Investable Market Index (net), which is a free float-adjusted market capitalization index that is designed to measure equity market performance, net of withholding taxes, in the global developed and emerging markets, excluding the US.

Portfolios must have an initial market value greater than or equal to \$1 million to be included in the composite. New portfolios are added to the composite at the beginning of the month following the first full calendar month under management. Portfolios will be excluded from the composite the first month immediately following the last complete month of authorized management by the Firm. Portfolios are removed from this composite, in the event of a significant cash flow, for the month during which the flow occurs. Portfolios are typically added back into the composite the following month. A portfolio is determined to have a significant cash flow if the accumulated net external flows of cash and/or securities during a month exceed the significant cash flow threshold, which was 25% of the beginning of month portfolio market value through December 31, 2020 and 10% thereafter. Additional information regarding the treatment of significant cash flows is available upon request.

Performance includes the reinvestment of dividends and other earnings. Portfolio and composite returns are calculated daily. Valuations and returns are denominated in U.S. Dollars. Accrual accounting is used for dividends. The dividend accruals included in portfolio valuations are net of applicable withholding taxes. Pending withholding tax reclaims are not accrued for in the portfolio valuations. Composite dispersion measures represent the consistency of a firm's composite performance with respect to the individual portfolio returns within a composite. The dispersion of annual returns is measured by the asset-weighted standard deviation of the gross returns in the composite. Dispersion includes only those portfolios that have been included in the composite for the entire year. The three-year annualized standard deviation measures the variability of the gross composite returns and the benchmark returns over the preceding 36-month period. This statistic is not presented until there are 36 months of performance available.

Performance results are stated gross of management fees and net of a model investment management fee for the strategy. The model fee is the maximum separate account management fee as of the time the composite return was calculated, applied by dividing that annual fee by the count of the annual calculation periods for the composite and then subtracting that quotient from the periodic gross composite returns. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. The current separate account management fee schedule is as follows: up to \$20,000,000: 0.80%, next \$30,000,000: 0.60%, next \$50,000,000: 0.50%, next \$50,000,000: 0.45%, next \$50,000,000: 0.40%, over \$200,000,000: 0.30%

The strategy is available via one or more pooled funds, which may have alternate fee schedules. The limited distribution pooled fund is William Blair International Growth Collective Investment Fund, which has a highest management fee of 0.8% and a highest expense ratio of 0.95%. The information presented above is for informational purposes only and is not an offer to sell or solicitation of an offer to buy securities or otherwise make an investment in any private fund managed by William Blair ("William Blair Fund"). Any offer to sell or a solicitation of an offer to purchase interests in a William Blair Fund will only be made by means of a confidential private placement memorandum or similar document (a "Memorandum"); no offer to purchase an interest will be accepted prior to receipt by the offeree of a Memorandum and the completion of all appropriate documentation.

The International Growth Composite was created in October 2001. The composite performance inception date is December 1, 1992.

A complete list and description of firm composites and pooled funds is available upon request. Additional information regarding valuing investments, calculating performance, and preparing GIPS reports is also available upon request. Past performance is not indicative of future results. 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 data and other information included herein has been provided for the intended recipient's review only and may not be copied, reproduced, redistributed, published, retransmitted, or otherwise shared with any third-party without written permission from William Blair. Please refer to the 'Index Disclosures' in this document for further information.