



WALTER SCOTT

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✦ BNY MELLON | INVESTMENT MANAGEMENT

*Investment Review*

VENTURA COUNTY EMPLOYEES'  
RETIREMENT ASSOCIATION

*29 July 2024*

WALTER SCOTT

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*Investment Review*

**VENTURA COUNTY EMPLOYEES'  
RETIREMENT ASSOCIATION**

*29 July 2024*

***Private and confidential***

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## BIOGRAPHY



### MARGARET FOLEY

Margaret is a Client Investment Manager. She joined Walter Scott\* in 2011 having worked in the investment industry for more than 25 years. Prior to this, she was the director of BNY Mellon Asset Management's Endowments and Foundations Resource Center and also spent 11 years at Wellington Management Company, LLP. She holds an MBA in Finance from the University of Chicago Booth School of Business and a BA in Economics from Georgetown University where she played varsity tennis. Margaret is a CFA charterholder.

*As at 30 June 2024. \*While Margaret is an employee of BNY, she is 100% focused on supporting Walter Scott clients.*

## PERFORMANCE AS AT 30 JUNE 2024

**CLIENT:** Ventura County Employees' Retirement Association  
**STRATEGY:** International  
**AUM:** \$299,080,240  
**INCEPTION DATE:** 15 December 2010

	Portfolio (Net) %	MSCI EAFE (ndr) %
SIMPLE RETURN		
Q2 2024	-0.4	-0.4
Year to date	3.9	5.3
One year	6.2	11.5
COMPOUND ANNUAL GROWTH RATE		
Three years	0.0	2.9
Five years	6.8	6.5
Ten years	6.6	4.3
SINCE INCEPTION (15 DECEMBER 2010)		
Cumulative Return	141.6	105.2
Annual Return	6.7	5.5

*Source: Walter Scott, MSCI. Returns shown in USD. Please be advised that the net returns provided have been calculated by Walter Scott based on Northern Trust NAVs, which have been reduced by management fees payable over the period. Past performance is not a guide to future performance and returns may also increase or decrease as a result of currency fluctuations. Please refer to the appendix for important information and related performance disclosure in section 17.4.*



## COMPANY OVERVIEW

BESPOKE EQUITY PORTFOLIO MANAGER

BASED IN EDINBURGH, SCOTLAND & BOSTON, USA<sup>†</sup>

100% OWNED BY BNY SINCE 2007

US\$84.1BN ASSETS UNDER MANAGEMENT,  
291\* CLIENT RELATIONSHIPS

LONGEVITY OF CLIENTS, STAFF & PHILOSOPHY

*As at 30 June 2024. \*291 consists of 136 Clients and 155 Fund Investors.*

*†All operations are based in Edinburgh, Scotland with a client service presence in the United States.*

## INVESTMENT TEAM

### EXECUTIVE DIRECTORS



Roy Leckie <sup>Δ</sup>  
*Executive Director –  
Investment & Client Service*



Jane Henderson <sup>Δ</sup>  
*Managing Director*



Charlie Macquaker <sup>Δ</sup>  
*Executive Director –  
Investment*

### RESEARCH TEAM

#### EMEA



Alan Edington\*\*



Ashley-Jane Kyle



Paul Loudon



Lindsay Scott



Jamie Zegleman

#### ASIA PACIFIC



Fraser Fox <sup>Δ</sup>



Lucia Gibbard



Connor Graham



Alan Lander\*



Jay McLeod



Michael Scott

#### AMERICAS



Des Armstrong



Oriana Beaumont



Laura Clark



Matthew Gerlach



Tom Miedema



Maxim Skorniakov <sup>Δ</sup>

*As at 30 June 2024. <sup>Δ</sup>Member of the Investment Executive. \*Head of Research. \*\*Investment Manager – ESG Integration.  
The wider investment team includes Research Operations, Dealing, Portfolio & Cash Management not listed here.*

## INVESTMENT TEAM EXPERIENCE

*Stable and experienced team. Average firm tenure 13 years*

Name	Title	Year Joined Firm	Firm Tenure (yrs)	Industry Experience (yrs)
Jane Henderson	Managing Director	1995	28	28
Charlie Macquaker	Executive Director - Investment	1991	32	32
Roy Leckie	Executive Director - Investment and Client Service	1995	28	28
Alan Lander, CFA	Head of Research	2006	17	17
Alan Edington, CFA	Investment Manager, ESG Integration	2012	12	14
Lindsay Scott	Investment Manager	2004	20	22
Maxim Skorniakov, CFA	Investment Manager	2003	20	20
Fraser Fox, CFA	Investment Manager	2003	20	20
Des Armstrong	Investment Manager	2004	20	20
Thomas Miedema, CFA	Investment Manager	2007	16	17
Jamie Zegleman, CFA	Investment Manager	2008	15	15
Paul Loudon	Investment Manager	2014	9	11
Ashley-Jane Kyle, CFA	Investment Manager	2017	7	9
Matthew Gerlach	Investment Manager	2016	8	8
Laura Clark, CFA	Investment Manager	2017	7	7
Lucia Gibbard	Investment Manager	2023	<1	7
Michael Scott, CFA	Investment Analyst	2016	8	8
Connor Graham	Investment Analyst	2021	3	4
Jay McLeod	Investment Analyst	2021	3	3
Oriana Beaumont	Investment Analyst	2023	<1	<1

*As at 30 June 2024.*

## INVESTMENT PHILOSOPHY AND APPROACH

*Returns derived from investing in the shares of a company will reflect the internal wealth generated by that business*



### PROPRIETARY PROCESS

Disciplined, rigorous,  
in-house company  
research following a  
proprietary process



### TEAM APPROACH

All proposals challenged  
and debated by an  
experienced and stable  
investment team



### LONG TERM INVESTMENT HORIZON

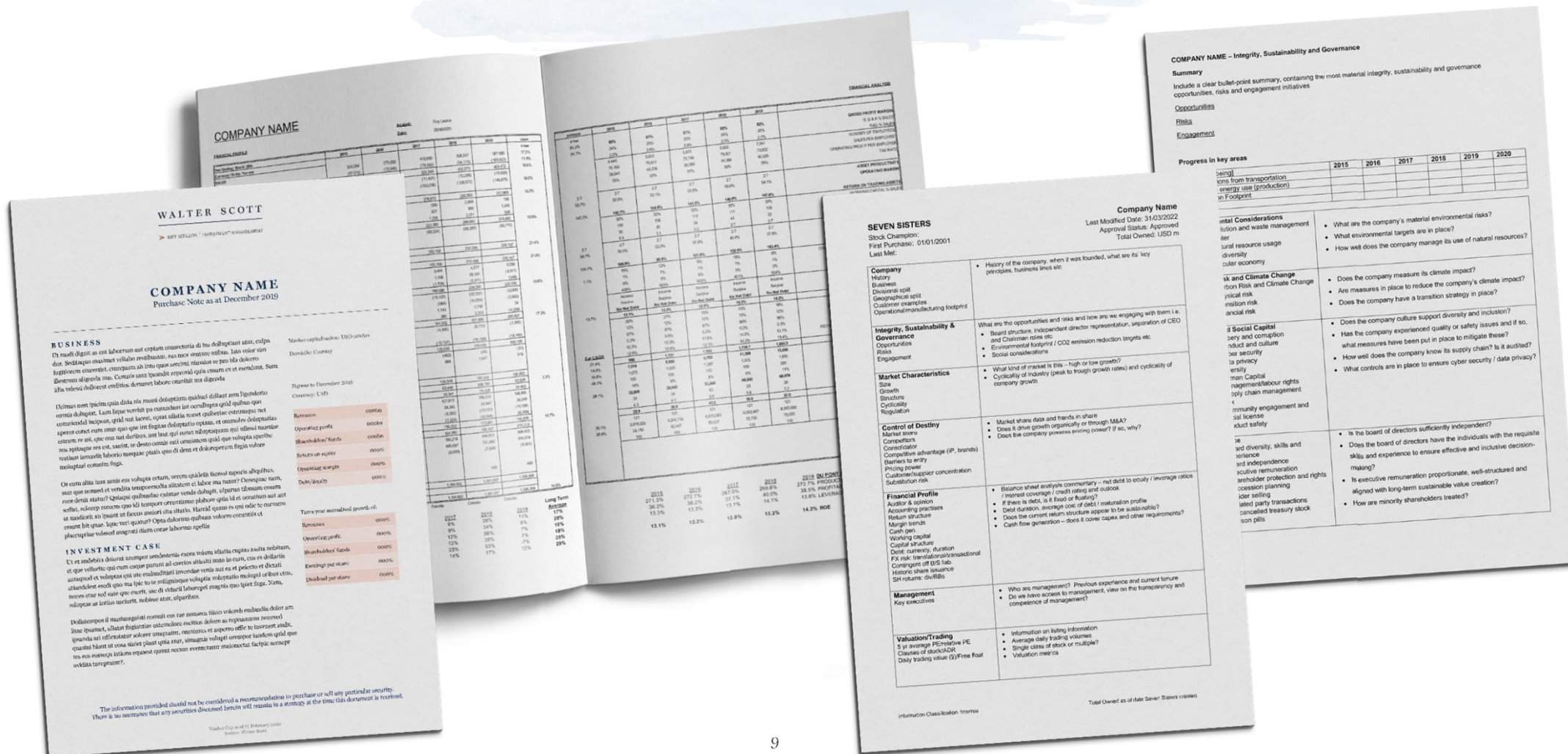
A buy-and-hold  
approach focused on  
compound growth

*We believe the interests of all our stakeholders are best served by actively investing in responsibly managed companies capable of delivering exceptional levels of wealth generation*



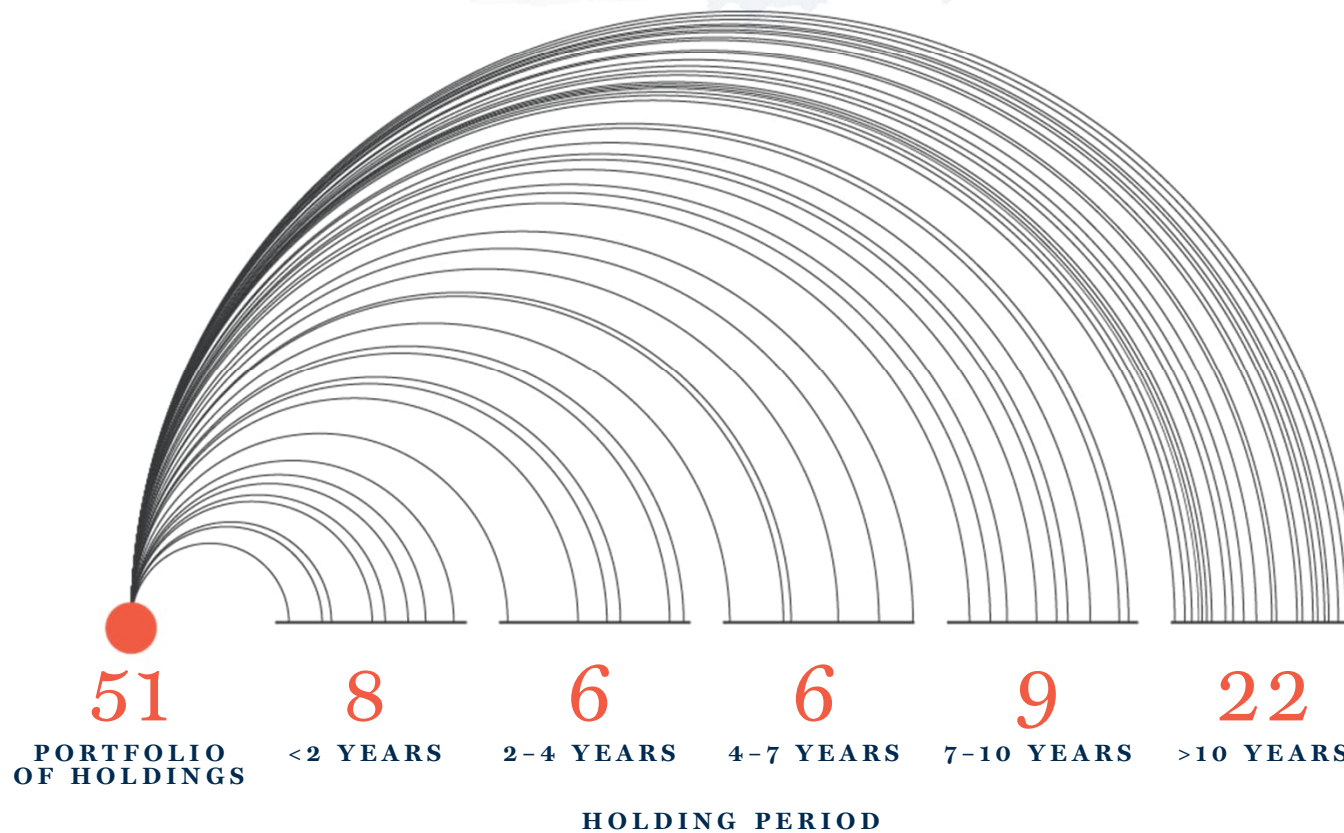
# PROPRIETARY PROCESS APPLIED CONSISTENTLY OVER OUR 40-YEAR HISTORY

*Our proprietary research process breaks company analysis into key constituent parts. It forces rigour and rationality over any bias*



## INVESTING FOR THE LONG TERM

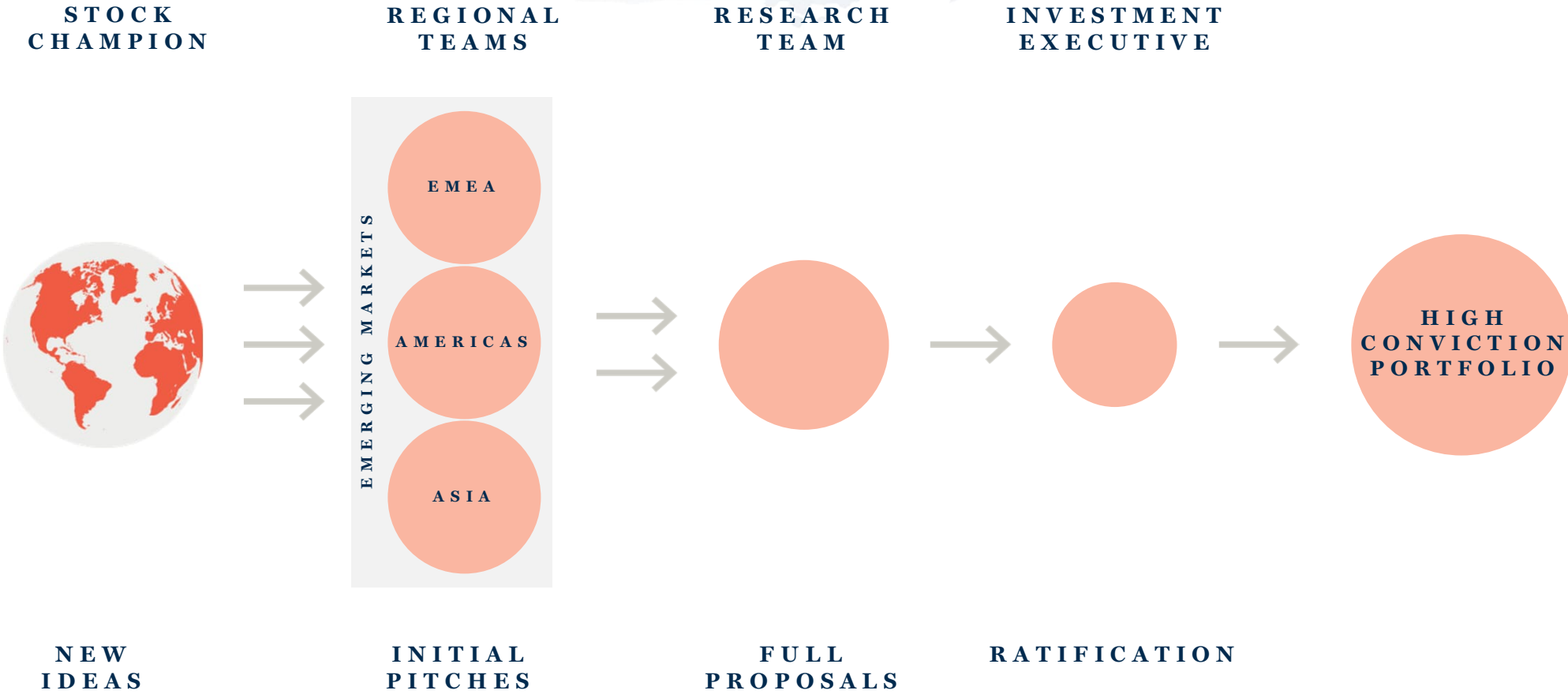
*We invest with the intention to buy and hold stocks for the long term in order to exploit the power of compound growth*



*As at 31 December 2023. Source: Walter Scott. A representative international portfolio was used to illustrate this strategy. Stocks sold and then re-purchased only include the duration held since most recent purchase. Please refer to the appendix for important information.*

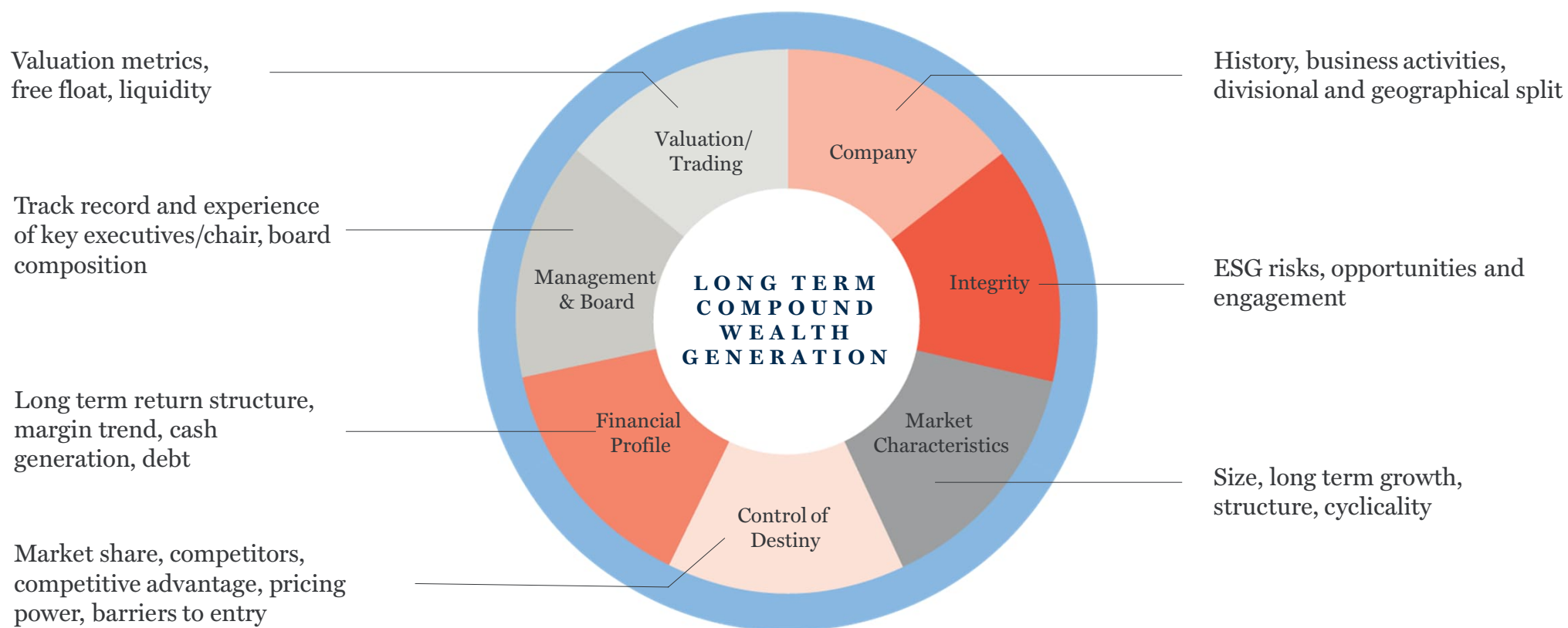
TEAM DECISION-MAKING – HOW WE BUY STOCKS

*All new purchases require unanimous support by the Research Team*



## ‘SEVEN SISTERS’ ANALYSIS

*Our analysis challenges each element of an investment including relevant and material ESG risks & opportunities*



## HEALTHCARE — POWERFUL TRENDS DRIVING LONG-TERM GROWTH

*Our diversified healthcare exposure comprises some of the sector's most important and innovative companies, from diversified pharmaceuticals and hearing implants to blood plasma and DNA sequencing\*.*

<b>COCHLEAR</b> <i>Implantable Hearing Devices</i> Global market share of over 60% in an underpenetrated market	<b>CSL</b> <i>Human Blood Plasma &amp; Biotechnology</i> Operates one of the world's largest and most sophisticated plasma collection networks	<b>LONZA</b> <i>Outsourcing Services to Global Pharmaceuticals</i> Global leader in biologics contract development and manufacturing services	<b>NOVARTIS</b> <i>Diversified Pharmaceuticals</i> Strong core portfolio and drug pipeline to drive growth for many years	<b>RECORDATI</b> <i>Diversified Pharmaceuticals</i> Strong presence in lucrative rare diseases market	<b>SYSMEX</b> <i>Diagnostic Testing</i> A world leader in haematology, with over 50% market share
<b>COLOPLAST</b> <i>Intimate Healthcare Products &amp; Services</i> Leader in the ostomy and continence care market, with ~40% share	<b>HOYA</b> <i>Eyewear &amp; High-Performance Glass Products</i> Unique portfolio of prescription lenses and speciality glass for the technology sector	<b>MERCK KGAA</b> <i>Life Science, Healthcare and Electronics</i> Global pharma business focused on immunology and oncology, with a strong EM presence	<b>NOVO NORDISK</b> <i>Diabetes &amp; Obesity Medication</i> Changing lifestyles mean diabetes is a global epidemic	<b>ROCHE</b> <i>Pharmaceuticals &amp; Diagnostics</i> Unrivalled track record of drug innovation	<b>TERUMO</b> <i>Medical care solutions</i> Global med-tech firm with strong positions across key markets

### RESILIENT CHARACTERISTICS\*\*

31%

*Average Net Debt to Equity  
(Aggregation Methodology)*

108 YEARS

*Average Company Longevity (from founding date)  
(Simple Average)*

22%

*Average Operating Margin  
(Aggregation Methodology)*

\*All company-related information comes from external sources, including but not limited to annual reports, company websites & presentations, external research. Dates vary accordingly. \*\*As at 30/06/2024  
Source: Walter Scott, FactSet. A representative EAFE equity portfolio was used as illustration. This information should not be considered a recommendation to purchase or sell any security. There is no assurance that any securities shown in this presentation will remain in a portfolio at the time you receive this information or that any securities sold have not been repurchased. It should not be assumed that any holdings referred to has been or will prove to be profitable or that any investment decisions made in the future will be profitable



## TECHNOLOGY — ONE SECTOR, MULTIPLE DRIVERS

*We invest in a diversified and resilient group of leading technology companies exposed to some of today's most powerful secular trends\**

<b>ASML</b> <i>Lithography Equipment</i> The world's leading provider of lithography equipment for the semiconductor industry.	<b>INFINEON TECHNOLOGIES</b> <i>Semiconductor Manufacturing</i> A global leader in power semiconductors used across industrial applications	<b>MURATA MANUFACTURING</b> <i>Electrical Componentry</i> Leader in high-frequency products for mobile phones. Products increasingly feature in autos and the IoT.	<b>SAGE GROUP</b> <i>Management Solutions</i> The leader in digitising business processes for accounting, payroll and HR services	<b>SHIMADZU</b> <i>Measurement equipment</i> Japan's leader in analytical and measurement equipment.
<b>DASSAULT</b> <i>3D Software</i> The market leader in 3D Product Lifecycle Management software, an industry with high barriers to entry.	<b>KEYENCE</b> <i>Sensors</i> The world's leading supplier of sensors and measuring instruments for use in factory automation.	<b>OBIC</b> <i>ERP Software</i> Leading player in the enterprise resource planning software market for Japanese SMEs.	<b>SAP</b> <i>Enterprise Software</i> The world's largest vendor of enterprise application software, forming the digital backbone of companies the world over	<b>TAIWAN SEMICONDUCTOR</b> <i>Semiconductor Manufacturing</i> The world's leading semiconductor foundry, meeting demand for smaller, faster, more energy efficient chips.

### RESILIENT CHARACTERISTICS\*\*

**-14%**

*Average Net Debt to Equity  
(Aggregation Methodology)*

**57 YEARS**

*Average Company Longevity (from founding date)  
(Simple Average)*

**27%**

*Average Operating Margin  
(Aggregation Methodology)*

\*All company-related information comes from external sources, including but not limited to annual reports, company websites & presentations, external research. Dates vary accordingly. \*\*As at 30/06/2024  
Source: Walter Scott, FactSet. A representative EAFE equity portfolio was used as illustration. This information should not be considered a recommendation to purchase or sell any security. There is no assurance that any securities shown in this presentation will remain in a portfolio at the time you receive this information or that any securities sold have not been repurchased. It should not be assumed that any holdings referred to has been or will prove to be profitable or that any investment decisions made in the future will be profitable

# ANNUAL AND ROLLING ANNUALISED PERFORMANCE

## AS AT 30 JUNE 2024

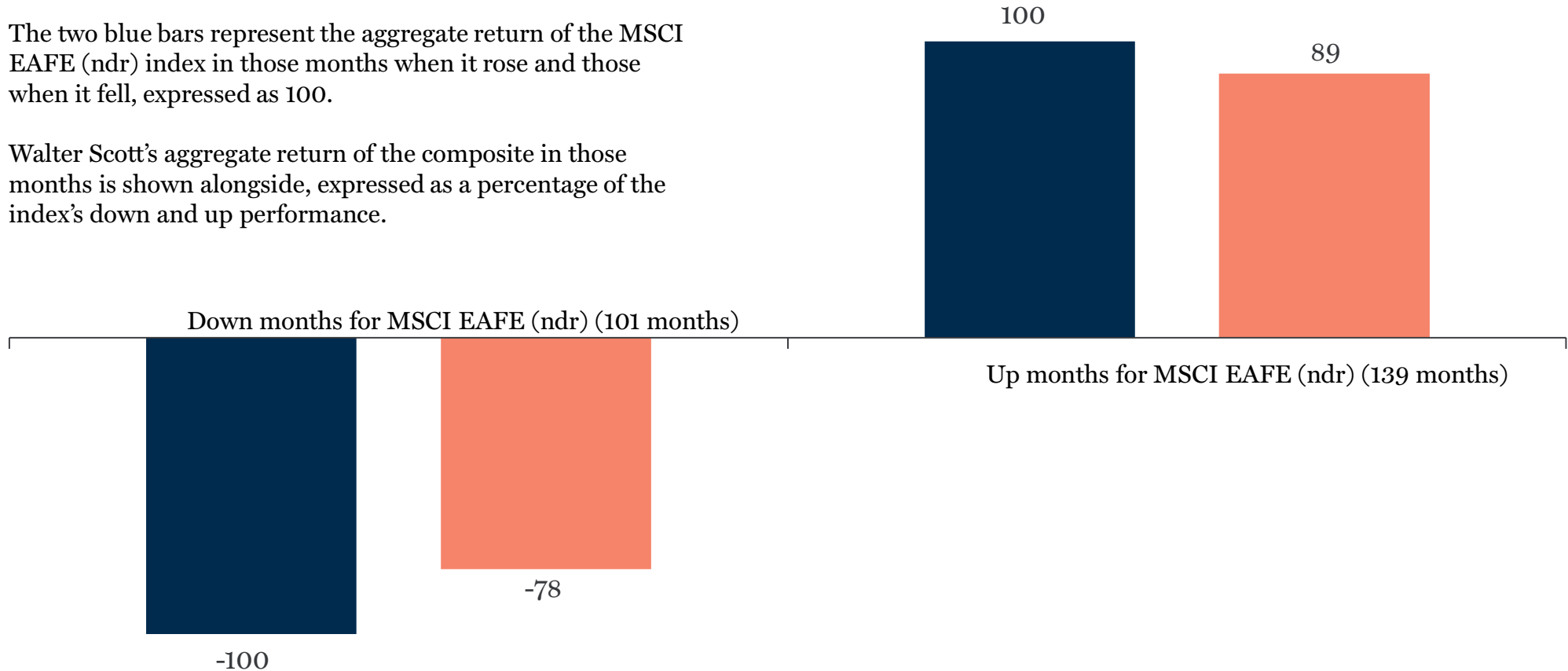
	Annual		3 Years		5 Years		7 Years		10 Years	
	WS EAFE Equities Composite (USD)	MSCI EAFE (ndr)	WS EAFE Equities Composite (USD)	MSCI EAFE (ndr)	WS EAFE Equities Composite (USD)	MSCI EAFE (ndr)	WS EAFE Equities Composite (USD)	MSCI EAFE (ndr)	WS EAFE Equities Composite (USD)	MSCI EAFE (ndr)
1986	57.8%	69.4%								
1987	11.3%	24.6%								
1988	17.2%	28.3%	27.2%	39.4%						
1989	14.6%	10.5%	14.3%	20.9%						
1990	0.4%	-23.4%	10.5%	2.8%	18.8%	18.0%				
1991	11.5%	12.1%	8.6%	-1.7%	10.8%	8.7%				
1992	3.0%	-12.2%	4.8%	-9.0%	9.1%	1.3%	15.3%	12.3%		
1993	36.5%	32.6%	16.1%	9.3%	12.5%	2.0%	13.0%	8.5%		
1994	2.7%	7.8%	13.0%	7.9%	10.0%	1.5%	11.7%	6.2%		
1995	14.1%	11.2%	17.0%	16.7%	12.9%	9.4%	11.3%	4.1%	15.8%	13.6%
1996	12.6%	6.0%	9.7%	8.3%	13.2%	8.2%	11.0%	3.5%	12.0%	8.4%
1997	0.9%	1.8%	9.1%	6.3%	12.7%	11.4%	11.1%	7.8%	10.9%	6.2%
1998	11.3%	20.0%	8.2%	9.0%	8.2%	9.2%	11.1%	8.8%	10.3%	5.5%
1999	56.2%	27.0%	20.6%	15.7%	17.7%	12.8%	17.9%	14.7%	13.8%	7.0%
2000	-12.9%	-14.2%	14.8%	9.4%	11.5%	7.1%	10.6%	7.8%	12.2%	8.2%
2001	-20.0%	-21.4%	2.9%	-5.0%	4.1%	0.9%	6.7%	3.0%	8.5%	4.5%
2002	-4.1%	-15.9%	-12.6%	-17.2%	3.0%	-2.9%	4.0%	-1.0%	7.8%	4.0%
2003	26.2%	38.6%	-1.1%	-2.9%	5.7%	-0.1%	5.7%	2.9%	6.9%	4.5%
2004	19.4%	20.2%	13.0%	11.9%	0.1%	-1.1%	8.3%	5.3%	8.5%	5.6%
2005	18.1%	13.5%	21.2%	23.7%	6.4%	4.6%	9.2%	4.5%	8.9%	5.8%
2006	20.8%	26.3%	19.4%	19.9%	15.6%	15.0%	5.3%	4.4%	9.7%	7.7%
2007	12.9%	11.2%	17.2%	16.8%	19.4%	21.6%	9.3%	8.4%	10.9%	8.7%
2008	-31.4%	-43.4%	-2.2%	-7.4%	5.7%	1.7%	6.9%	3.4%	5.7%	0.8%
2009	32.5%	31.8%	0.9%	-6.0%	7.9%	3.5%	12.0%	10.3%	4.0%	1.2%
2010	14.1%	7.8%	1.2%	-7.0%	7.2%	2.5%	10.4%	6.4%	6.8%	3.5%
2011	-8.8%	-12.1%	11.3%	7.6%	1.3%	-4.7%	6.2%	1.7%	8.2%	4.7%
2012	21.7%	17.3%	8.2%	3.6%	2.9%	-3.7%	6.7%	2.2%	10.8%	8.2%
2013	13.6%	22.8%	8.1%	8.2%	13.8%	12.4%	5.7%	1.8%	9.7%	6.9%
2014	-3.0%	-4.9%	10.3%	11.1%	6.9%	5.3%	3.5%	-0.5%	7.4%	4.4%
2015	1.1%	-0.8%	3.7%	5.0%	4.3%	3.6%	9.4%	7.8%	5.7%	3.0%
2016	5.6%	1.0%	1.2%	-1.6%	7.4%	6.5%	5.9%	3.8%	4.3%	0.7%
2017	28.1%	25.0%	11.0%	7.8%	8.5%	7.9%	7.6%	6.0%	5.7%	1.9%
2018	-6.9%	-13.8%	8.0%	2.9%	4.3%	0.5%	8.0%	5.8%	9.0%	6.3%
2019	28.3%	22.0%	15.3%	9.6%	10.3%	5.7%	8.8%	6.3%	8.6%	5.5%
2020	20.4%	7.8%	12.9%	4.3%	14.3%	7.4%	9.7%	4.4%	9.2%	5.5%
2021	12.8%	11.3%	20.3%	13.5%	15.8%	9.5%	12.1%	6.8%	11.5%	8.0%
2022	-22.0%	-14.5%	1.9%	0.9%	4.8%	1.5%	8.0%	4.5%	6.7%	4.7%
2023	19.8%	18.2%	1.8%	4.0%	10.2%	8.2%	9.9%	6.9%	7.2%	4.3%
Periods Outperformed	68%		75%		94%		100%		100%	
Number of Years	26 / 38		27 / 36		32 / 34		32 / 32		29 / 29	

Source: Walter Scott, MSCI. Returns shown in USD gross of fees. Past performance is not a guide to future performance and returns may also increase or decrease as a result of currency fluctuations. Please refer to the appendix for important information and related performance disclosure in section 17.4.

## WALTER SCOTT INTERNATIONAL EQUITIES COMPOSITE CAPTURE RATIOS TWENTY YEARS TO 30 JUNE 2024

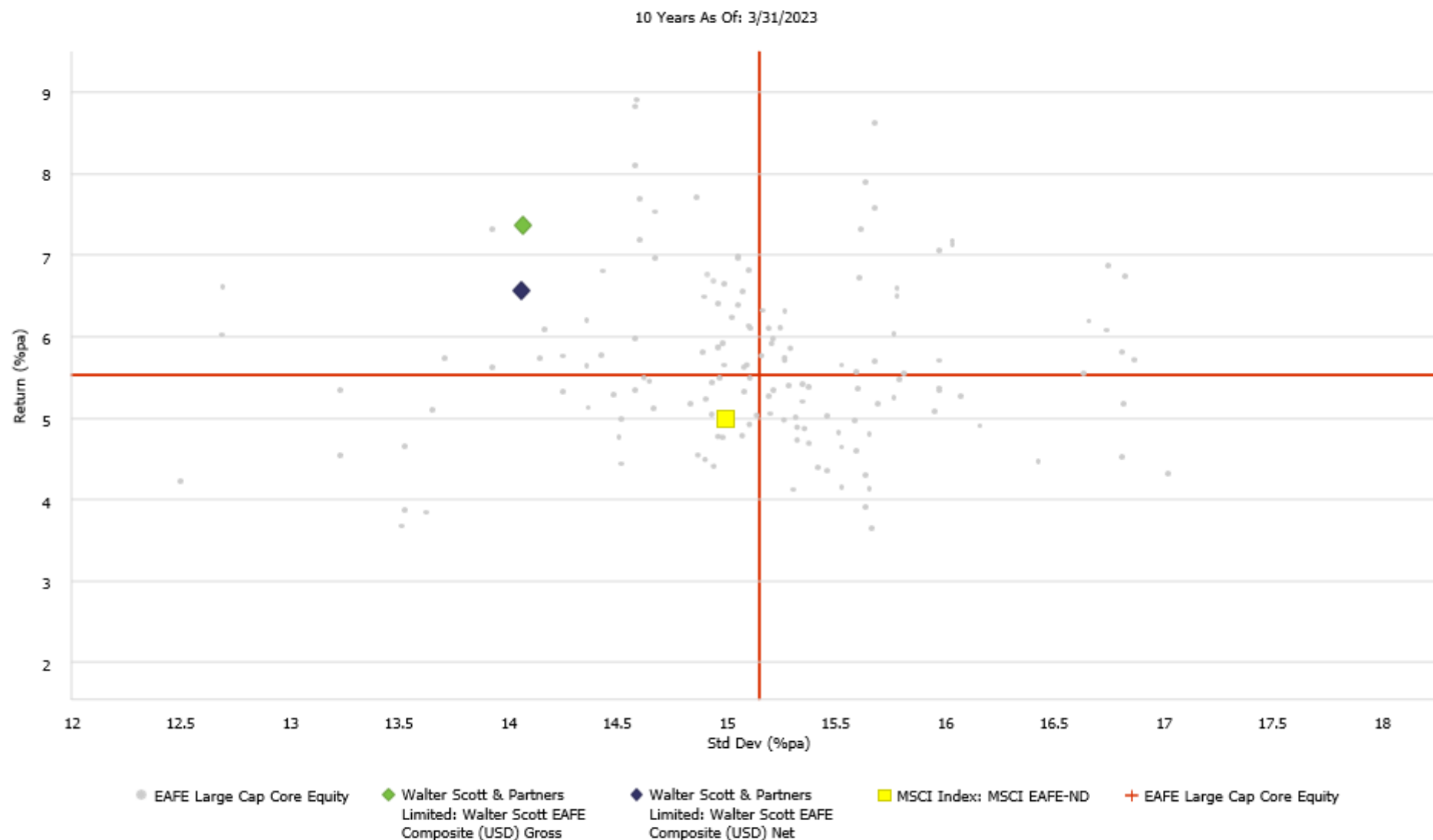
The two blue bars represent the aggregate return of the MSCI EAFE (ndr) index in those months when it rose and those when it fell, expressed as 100.

Walter Scott's aggregate return of the composite in those months is shown alongside, expressed as a percentage of the index's down and up performance.



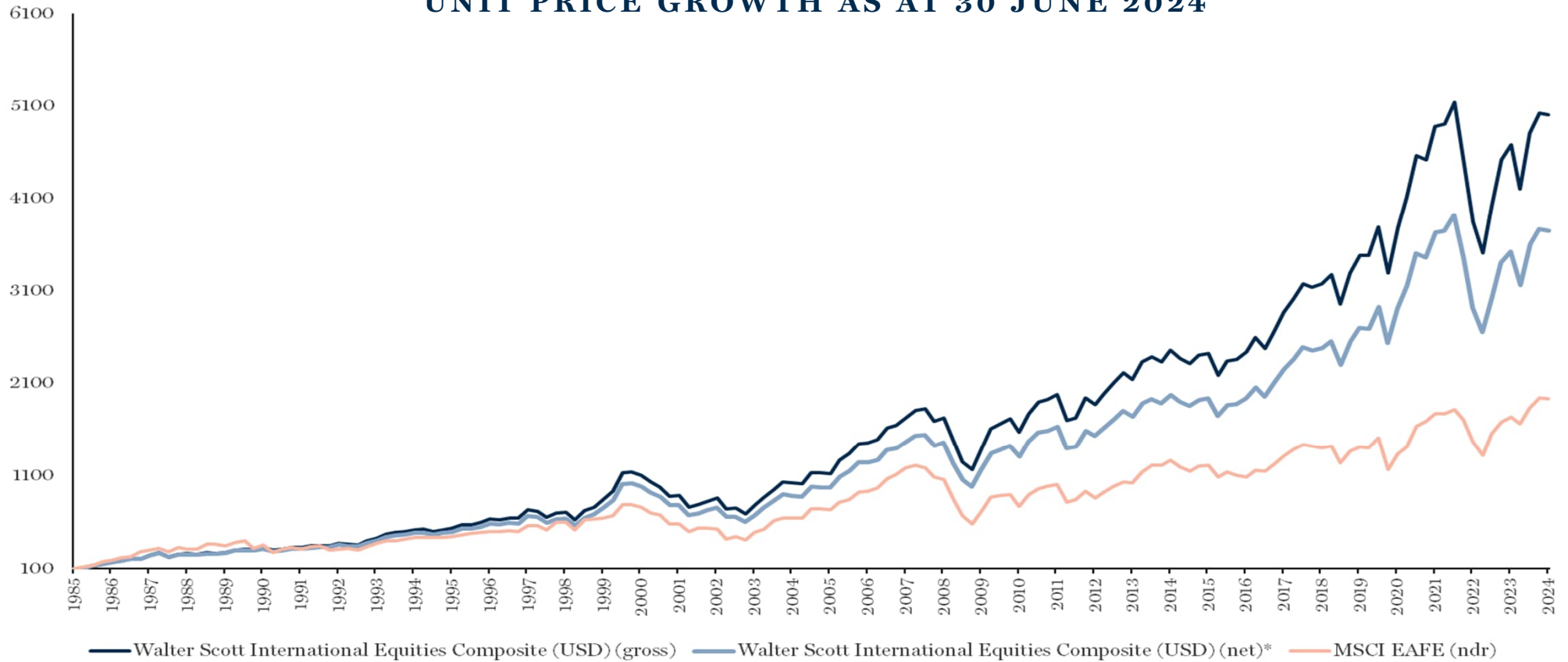
*Source: Walter Scott, MSCI. Walter Scott International Equities is also known as the Walter Scott EAFE USD Equities Composite. Capture ratios are calculated using returns in USD, net of investment management fees. Net of fee returns reflect the deduction of model management fees and are calculated in the same manner as gross of fee returns. A 0.75% model management fee has been applied. For further detail, please refer to section 5 in the appendix. Past performance is not a guide to future performance and returns may also increase or decrease as a result of currency fluctuations. Please refer to the appendix for important information and related performance disclosure in section 17.4.*

## WALTER SCOTT INTERNATIONAL EQUITIES COMPOSITE AS AT 31 MARCH 2023



*Source: eVestment Alliance, LLC, Walter Scott. Returns are shown in USD. Net of fee returns reflect the deduction of model management fees and are calculated in the same manner as gross of fee returns. A 0.75% model management fee has been applied. For further detail, please refer to section 5 in the appendix. Past performance is not a guide to future performance and returns may also increase or decrease as a result of currency fluctuations. Please refer to the appendix for important information and related performance disclosure in section 17.4 and 17.7 the eVestment Alliance, LLC Important Notices.*

## WALTER SCOTT INTERNATIONAL EQUITIES COMPOSITE UNIT PRICE GROWTH AS AT 30 JUNE 2024



Period	Quarter	Year to date	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
Walter Scott International Equities (gross)	-0.3	4.3	7.1	0.9	7.6	7.4	8.9	8.3	7.4	7.9
Walter Scott International Equities (net)*	-0.4	3.9	6.3	0.1	6.8	6.6	8.1	7.5	6.6	7.1
MSCI EAFE (ndr)	-0.4	5.3	11.5	2.9	6.5	4.3	6.8	5.6	4.5	5.1

Source: Walter Scott, MSCI. Returns shown in USD. \*Net of fee returns reflect the deduction of model management fees and are calculated in the same manner as gross of fee returns. A 0.75% model management fee has been applied. For further detail, please refer to section 5 in the appendix. Walter Scott International Equities is also known as the Walter Scott EAFE Equities Composite. Past performance is not a guide to future performance and returns may also increase or decrease as a result of currency fluctuations. Please refer to the appendix for important information and related performance disclosure in section 17.4.



# NCS GROUP TRUST - INTERNATIONAL FUND VS MSCI EAFE

## TWELVE MONTHS TO 30 JUNE 2024

### Top & Bottom Five Contributors

Stock	Total Return (%)	Contribution To Return (bps)
Novo Nordisk	81	272
Taiwan Semiconductor - ADR	75	223
ASML	44	156
SAP	50	92
VAT Group	38	70

Stock	Total Return (%)	Contribution To Return (bps)
LVMH	-18	-57
Diageo	-25	-58
Prudential Plc	-34	-72
AIA Group	-31	-74
Daikin Industries	-31	-74

### Attribution by Sector & Location

	Portfolio Average Weight (%)	Benchmark Average Weight (%)	Portfolio Total Return (%)	Benchmark Total Return (%)	Allocation Effect (%)	Selection Effect (%)	Total Effect (%)
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>6.7</b>	<b>11.5</b>	<b>-0.3</b>	<b>-4.5</b>	<b>-4.8</b>
Information technology	17.6	8.6	23.2	24.1	1.2	-0.2	1.0
Consumer discretionary	13.7	12.1	6.9	0.1	-0.3	1.0	0.8
Utilities	1.2	3.3	9.3	-0.6	0.3	0.1	0.4
Healthcare	22.6	13.1	13.2	11.5	0.0	0.4	0.4
Materials	5.6	7.4	11.9	8.5	0.1	0.1	0.2
Consumer staples	8.7	9.3	-7.5	-6.8	0.1	-0.0	0.1
Communication services	0.7	4.1	13.2	10.1	0.0	-0.0	-0.0
Energy	1.9	4.4	20.8	15.9	-0.1	0.1	-0.0
Real estate	2.5	2.3	-11.5	7.6	0.0	-0.5	-0.5
Industrials	20.0	16.4	-0.5	15.0	0.2	-3.1	-3.0
Financials	3.5	19.1	-32.9	24.2	-1.8	-2.3	-4.2
Cash	2.2	--	5.1	--	0.0	--	0.0

	Portfolio Average Weight (%)	Benchmark Average Weight (%)	Portfolio Total Return (%)	Benchmark Total Return (%)	Allocation Effect (%)	Selection Effect (%)	Total Effect (%)
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>6.7</b>	<b>11.5</b>	<b>1.6</b>	<b>-6.4</b>	<b>-4.8</b>
Emerging Markets	3.4	--	74.5	--	1.9	--	1.9
Europe ex-UK	52.2	50.6	14.1	11.5	0.0	1.3	1.4
ROW	--	0.7	--	23.6	-0.1	--	-0.1
Canada	4.7	--	4.7	--	-0.3	--	-0.3
Pacific ex-Japan	9.8	11.0	-6.1	6.8	0.0	-1.3	-1.3
United Kingdom	8.1	14.8	-8.1	12.3	-0.1	-1.8	-1.8
Japan	19.6	22.9	-8.7	13.1	-0.0	-4.6	-4.6
Cash	2.2	--	5.1	--	0.0	--	0.0

The information provided should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in a portfolio at the time this report is received or that securities sold have not been repurchased.

Source: Walter Scott, MSCI, FactSet. Returns are shown in USD. None of MSCI or its affiliates has provided the attribution information. Such data is calculated by Walter Scott as part of its attribution process. Past performance is not a guide to future performance and returns may also increase or decrease as a result of currency fluctuations. Please refer to the appendix for important information and related performance disclosure in section 17.4.

## PORTFOLIO INFORMATION

### AS AT 30 JUNE 2024

#### PORTFOLIO DISTRIBUTION

Sector	Portfolio (%)	MSCI EAFE (%)	Difference (%)
Information technology	18.5	9.5	9.0
Healthcare	21.9	13.5	8.4
Industrials	20.8	16.9	3.9
Consumer discretionary	14.0	11.5	2.5
Real estate	1.8	2.0	-0.2
Consumer staples	7.7	8.5	-0.8
Utilities	1.1	3.1	-2.0
Materials	4.7	6.7	-2.0
Energy	1.7	4.1	-2.4
Communication services	1.2	4.1	-2.9
Financials	3.1	20.0	-16.9
Liquidity	3.7		3.7

Location	Portfolio (%)	MSCI EAFE (%)	Difference (%)
Emerging Markets	4.4	0.0	4.4
Canada	4.2	0.0	4.2
Europe ex UK	52.7	50.8	1.9
Rest of World	0.0	0.7	-0.7
Asia Pacific ex Japan	8.8	10.8	-2.0
Japan	18.0	22.7	-4.7
UK	8.1	14.9	-6.8
Liquidity	3.7		3.7

#### PORTFOLIO CHARACTERISTICS

Number of securities	55
CROCE*	23.0x
P/E	27.2x
Dividend Yield	1.9%
Active Share	78%
Portfolio Turnover (12 months)**	4%
Representative Turnover (12 months)**	9%

#### REVENUE BREAKDOWN\*\*\*

North America	32%
Europe	20%
Asia Pacific	14%
Emerging Markets	26%
Rest of World	8%

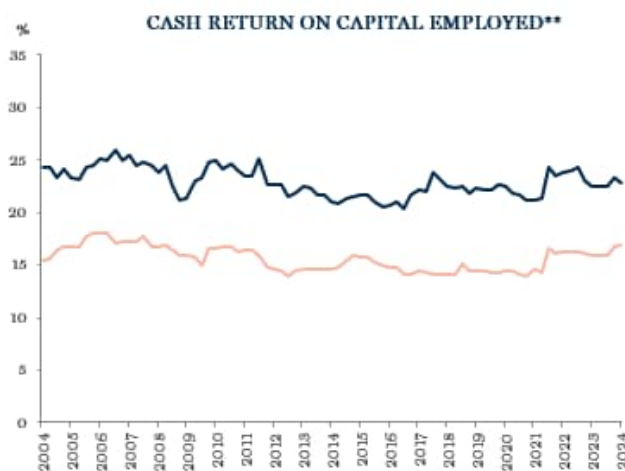
Source: Walter Scott, MSCI, FactSet. Sector and location distribution are subject to change and may not be representative of future portfolio composition. \*Cash Return on Capital Employed calculation excludes Financials and Real Estate holdings. Full details of characteristics calculation methodology available upon request. \*\*Due to frequent cash flows, turnover for the portfolio is distorted. Portfolio turnover for a representative international portfolio has been shown alongside the calculated turnover for the actual portfolio. \*\*\*A representative international portfolio was used to illustrate this strategy. Past performance is not a guide to future performance and returns may also increase or decrease as a result of currency fluctuations. Revenue breakdown is calculated based on reported sales from the most recently reported annual results and summed to a regional level based on company weights in the portfolio combined with that company's geographical breakdown of sales. Please refer to the appendix for important information on revenue breakdown and related portfolio holding and allocations in section 17.2.

## TOP TEN HOLDINGS AS AT 30 JUNE 2024

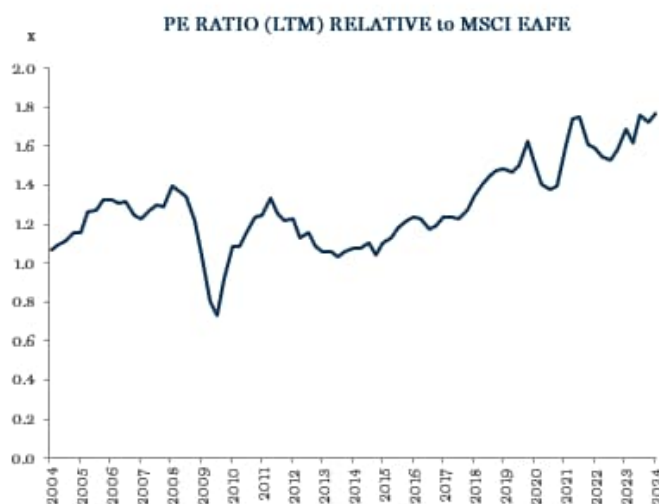
Company	Weight (%)
Novo Nordisk	4.5
Taiwan Semiconductor - ADR	4.4
ASML	3.1
Keyence	2.7
Air Liquide	2.5
Inditex	2.5
Experian	2.4
Alimentation Couche-Tard	2.3
VAT Group	2.2
LVMH	2.2
TOTAL	28.8

*Source: Walter Scott. The information provided should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in a portfolio at the time this report is received or that securities sold have not been repurchased. Please refer to the appendix for important information and related portfolio holdings and allocations in section 17.2.*

## CHARACTERISTICS: INTERNATIONAL PORTFOLIO VS MSCI EAFE AS AT 30 JUNE 2024



	Portfolio	MSCI EAFE
ROE*	14.8%	11.1%
CROCE**	23.0%	16.9%
Operating Margin	14.8%	10.5%
Net Debt to Equity***	37%	72%
P/E LTM (last 12 months)	27.1x	15.3x
Dividend Yield	1.9%	3.0%
Number of securities	55	742
Turnover (12 months)****	4%	-
Representative Turnover (12 months)****	9%	-
Active Share	78%	-



■ Portfolio ■ MSCI EAFE

Source: Walter Scott, FactSet, MSCI. A representative international portfolio was used to illustrate the long-term charts for this strategy. \*Walter Scott defined methodology which may vary from MSCI index figures. \*\*Cash Return on Capital Employed calculation excludes Financials and Real Estate holdings. \*\*\*Net Debt to Equity ex Financials. \*\*\*\*Due to frequent cash flows, turnover for the portfolio is distorted. Portfolio turnover for a representative international portfolio has been shown alongside the calculated turnover for the actual portfolio. Past performance is not a guide to future performance and returns may also increase or decrease as a result of currency fluctuations. Full details of characteristics calculation methodology available upon request.

## NOTABLE CONTENT

*The below are standout pieces of content which are well worth the read and watch.*

*Please access the full documents & video via the Insights page on our website:*

[www.walterscott.com](http://www.walterscott.com)

### Articles / stock stories



#### European Champions (May 2024)

This summer Europe will play host to the Paris Olympics, Uefa's European football championship and the phenomenon that has become Taylor Swift's New Eras tour, bringing tourists from around the world. Europe's global champions across luxury goods, consumer products and travel sectors too will be on show and in sporting terms, many of these companies are well placed for podium positions.

### Research Journal 14 - articles



#### Weighing Up the Effect of Weight-loss Drugs (March)

Novo Nordisk and Eli Lilly's ground-breaking anti-obesity drugs look set to be transformational for millions of individuals worldwide so what about the likely consequences for other companies in healthcare and beyond?

#### De-Risking – It's Complicated (April)

As governments and companies strive to de-risk critical supply chains, Tom Miedema asks what this means for the global technology industry, both financially and in terms of efficiency.

### Videos / podcasts:



#### Podcast: Talking Research Q2 2024 (June)

AI-driven technologies such as ChatGPT are being adopted at breakneck speeds. Companies are scrambling to keep up – needing smarter software, stronger networks and better computers. This has created huge opportunities for pioneering firms such as TSMC, ASML and Nvidia. Tom Miedema and Jamie Zegleman explore whether these innovative companies will maintain their competitive edge.



#### Video: Digging Deeper – Intuitive (May)

Robotic-assisted surgery has transformed the experience and outcome for millions of patients worldwide. Intuitive Surgical has been at the forefront of this technology for almost 30 years and, with the launch of its latest da Vinci 5 robot, looks set to maintain its leading-edge advantage.





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*On behalf of us all,*

**THANK YOU**

# APPENDIX

## 1. DEFINITION OF FIRM

Walter Scott & Partners Limited (“Walter Scott”) is an investment management firm authorised and regulated in the United Kingdom by the Financial Conduct Authority in the conduct of investment business. Walter Scott is a non-bank subsidiary and 100% owned by The Bank of New York Mellon Corporation. All operations are based in Edinburgh, Scotland with a client service presence in the United States. Walter Scott is responsible for portfolios managed on behalf of pension plans, endowments and similar institutional investors. Total assets under management were US\$84.1 billion as at 30 June 2024.

## 2. PRIVACY NOTICE

Personal information may be collected by Walter Scott following attendance at, or registration to attend, a Walter Scott, affiliate or partner event and will be used solely for the purpose of facilitating the provision of investment management services and managing business relationships. For more information about how Walter Scott collects, uses and shares personal information and an individual’s legal rights (including opt-out rights), please see the full privacy notice which is available on the website: [www.walterscott.com/privacy-policy](http://www.walterscott.com/privacy-policy).

## 3. FIRM COMPOSITES

Walter Scott constructs composites of portfolios invested in equities. Composites include all portfolios managed by Walter Scott where the company has full discretionary authority. No non-fee paying portfolios are included in the composites presented in this report. Portfolios where Walter Scott acts in an advisory only role are excluded from composites.

Following a review of composites, Walter Scott performed a composite restructure with base currency no longer being a criterion used to differentiate composites. This resulted in certain changes to composite constituents to meet the new, broader composite description. The creation date of composites involved in the restructure is 1 October 2019. Further details are available on request.

## 4. CALCULATION METHODOLOGY

Performance results are calculated on a total return time weighted basis and include all portfolio income, unrealised and realised capital gains, contributions and withdrawals and are geometrically linked. Cash and cash equivalents are included in total portfolio assets and in the return calculations. Trade date accounting is used for valuations. For periods less than one year, rates of return are not annualised.

The composite shown is an aggregation of portfolios representing a similar investment strategy. Composites are size-weighted using beginning of period values to weight portfolio returns. Portfolios are included in a composite beginning with the first full month of performance and until the month immediately prior to termination of an account.

Annualised return represents the level annual rate which, if earned each year in a multiple-year period, would produce the actual cumulative rate of return over the whole period.

## 5. FEES AND TRADING EXPENSES

Composites are net of trading expenses, administrative fees and non-reclaimable withholding taxes on dividends and interest. Benchmark returns are net of withholding taxes on dividends unless otherwise stated.

Net of management fee composite returns are calculated by deducting a model fee from the gross return. For all composites other than the USA composite, the model rates deducted are equivalent to the highest fee rates that would be charged to the intended audience. Model fee rates are higher than or equal to the 10-year average actual composite fee rates as at 31 December 2023. The USA composite applies the highest actual fee rate in any calendar year over the past 10 years.

After 2014, model fee rates were lower than the actual fee rates over calendar year periods as set out below.

Actual Fee Rates	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Europe	-	-	-	-	-	-	1.32%	-	-	-

Actual management fees may differ from the model fees used and performance-based fees may result in higher fees than model fees applied. For further details of fee rates see Part II of Form ADV.

## 6. INTERNAL DISPERSION

The internal dispersion measure presented is the equal-weighted standard deviation of the gross returns of all the portfolios that were included in the composite for the entire period, but is not required for five portfolios or less.

## 7. COMPOSITE CREATION DATE

The composite creation date is the date on which Walter Scott first grouped portfolios to create the composite.

## 8. MINIMUM PORTFOLIO VALUE

From 1 October 2014, a minimum asset level for inclusion in all composites has been set at US\$2m or composite currency equivalent. Portfolios that have previously been below this level must maintain a market value greater than US\$2m for three consecutive month-ends prior to being included in the composite (from the following month). Similarly, if a portfolios market value has dropped below this threshold, the month-end market value must remain below this level for three consecutive month-ends before being excluded from the next month.

## 9. STANDARD DEVIATION

Annualised standard deviation measures the variability of the composite and the benchmark returns. Standard deviation for the composite is calculated based on gross-of-fees returns. The three-year standard deviation is not presented when monthly returns were not available throughout the full 36-month period.

## APPENDIX

### 10. EXCHANGE RATES

WM/Refinitiv Closing Spot Rates (taken at 4pm London time) are used in portfolio and composite level return calculations. Prior to 1 October 2014, composite return calculations were based on custodian exchange rates at the individual portfolio level. This created additional transient dispersion between the returns of portfolios which make up the composite. Benchmark data also uses the WM/Refinitiv Closing Spot Rates.

### 11. LEVERAGE, DERIVATIVES AND SHORT POSITIONS

Walter Scott does not generally use derivatives, but American style currency options have been used occasionally for hedging purposes (most recently held in 2007). Walter Scott does not use leverage or short positions.

### 12. FIRM POLICIES

Policies for valuing portfolios, calculating performance, and preparing GIPS Reports are available upon request.

### 13. BENCHMARK DEFINITIONS

Walter Scott compares its composites against the published MSCI indices as shown in this presentation. Further information on these indices can be found at: [www.msci.com](http://www.msci.com)

### 14. COMPOSITE DESCRIPTIONS

Walter Scott applies the same investment philosophy and process across all portfolios, regardless of size, mandate type or base currency.

Walter Scott uses broad inclusion criteria for its composites. Some composites may contain portfolios that have ethical or other investment restrictions, and portfolios that are subject to different tax regimes. Although these mandate differences can lead to some performance dispersion within composites, Walter Scott believes that its composite methodology accurately reflects the firm's investment record. The returns for each composite are shown alongside the relevant benchmark.

Walter Scott has been independently verified from 1 January 1994. Performance data for the full history of composites with an inception date prior to 2012 have not been shown. This information is available on request.

A description of each composite included in this report follows. A full list of the firm's composite descriptions is available on request.

#### **Walter Scott EAFE Equities**

This composite includes all global ex USA portfolios that are predominantly invested in large and mid-cap equities. Portfolios within the composite typically hold 40 to 60 stocks.

### 15. FEE SCHEDULE

Unless otherwise stated, returns are calculated gross of advisory fees, and include the reinvestment of dividends. The effect of advisory fees could be material. If the advisory fees were reflected, the performance shown would be lower. As an example of the effect of investment advisory fees on the total value of an account, a three year compound return before the deduction of investment advisory fees of 14.75% would be 13.61% after investment advisory fees of 1.00% per annum.

### 16. COMPLIANCE STATEMENT

Communication of performance figures reflected in this document must be on a one-on-one basis, private and of a confidential nature. They may not be disseminated to the public in any print, electronic or other medium, including a web-site or any database of general circulation. The following disclosures must be provided in writing when onwardly communicating these performance figures.

Unless otherwise stated performance figures do not reflect the deduction of investment advisory fees.

Returns will be reduced by investment advisory fees and any other expenses that may be incurred in the management of an account.

### 17. IMPORTANT INFORMATION

#### **17.1 Walter Scott's Investment Approach**

This presentation contains certain statements based on Walter Scott's experience and expectations about the markets in which it invests its portfolios and about the methods by which it causes its portfolios to be invested in those markets. Those statements are not guaranties of future performance and are subject to many risks, uncertainties and assumptions that are difficult to predict. The information in this presentation is subject to change and Walter Scott has no obligation to revise or update any statement herein for any reason. The opinions expressed in this presentation are those of Walter Scott and should not be construed as investment advice.

#### **17.2 Portfolio Holdings and Allocations**

Portfolio data should not be relied upon as a complete listing of the portfolio's holdings (or top holdings) as information on particular holdings may be withheld. Portfolio holdings are subject to change without notice and may not represent current or future portfolio composition. The portfolio date is 'as of' the date indicated.

The information provided in this document should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in a portfolio at the time this report is received or that securities sold have not been repurchased. The securities discussed do not represent an entire portfolio and in the aggregate may represent only a small percentage of a portfolio holdings.

## APPENDIX

It should not be assumed that any of the securities transactions or holdings discussed were or will prove to be profitable, or that the investment recommendations or decisions Walter Scott make in the future will be profitable or will equal the investment performance of the securities discussed herein.

The allocation distribution and actual percentages may vary from time to time. The types of investments presented in the allocation chart will not always have the same comparable risks and returns. The actual performance of the portfolio will depend on Walter Scott's ability to identify and access appropriate investments, and balance assets to maximise return while minimising its risk. The actual investments in the portfolio may or may not be the same or in the same proportion as those shown above.

### 17.3 Third Party Sources

Some information contained herein has been obtained from third party sources that are believed to be reliable, but the information has not been independently verified by Walter Scott. Walter Scott makes no representations as to the accuracy or the completeness of such information and has no obligation to revise or update any statement herein for any reason.

### 17.4 Performance Statement

Past performance is not a guide to future returns and returns may increase or decrease as a result of currency fluctuations. The objective mentioned may therefore not be reached. Many factors affect investment performance including changes in market conditions, interest rates, currency fluctuations, exchange rates and in response to other economic, political, or financial developments. Investment return and principal value of an investment will fluctuate, so that when an investment is sold, the amount returned may be less than that originally invested. This presentation does not represent and must not be construed as an offer or a solicitation of an offer to buy or sell securities, commodities and/or any other financial instruments or products. This presentation may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised.

### 17.5 Performance Indices

Comparisons to the indices have limitations because the volatility and material characteristics of the indices represented in this presentation may be materially different from that of the portfolio managed by Walter Scott. Because of these differences, investors should carefully consider these limitations when evaluating the performance in comparison to benchmark data as provided herein. Where referencing MSCI or any other index performance figures:

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The term 'sector' in this document is a contraction of 'GICS Sector' unless explicitly noted otherwise.

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### 17.6 Benchmark Definitions

#### **MSCI EAFE (Europe, Australasia, Far East)**

The MSCI EAFE Index is designed to represent the performance of large and mid cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the US and Canada. With approximately 900 constituents, it covers around 85% of the free float-adjusted market capitalisation in each of the 21 countries. Further information can be found at [www.msci.com](http://www.msci.com)

## APPENDIX

### 17.7 Private Fund Information and Risks

The interests in a private fund (the "Fund" or "Interests") have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "SEC") or by the securities regulatory authority of any state or of any other jurisdiction. The Interests have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), the securities laws of any other state or the securities laws of any other jurisdiction, nor is such registration contemplated. The Fund will not be registered as an investment company under the Investment Company Act of 1940, as amended (the "1940 Act"). Consequently, limited partners of the Fund are not afforded the protections of the 1940 Act.

This material is for use with qualified investors only, and not for use with the general public. Accordingly, this document must not be acted on or relied on by persons who are not qualified persons. The Interests are offered only to qualified investors who do not require immediate liquidity of the investment. An investment in the Fund does not constitute a complete investment program. Investors must fully understand and be willing to assume the risks involved in the Fund's investment program.

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BNY Mellon Investment Management Cayman Ltd., (the "Manager") a Cayman Islands exempted company, serves as Manager to the Fund and is responsible for the overall management of the Fund. The Manager has delegated day-to-day portfolio management responsibility of the Fund to Walter Scott (the "Investment Manager").

Investments in private funds are speculative and involve special risks. Investments in private funds may be suitable only for certain investors. The following is not an inclusive list of all risk factors applicable to hedge funds and private funds: Funds often engage in investment practices that may increase the risk of investment loss. An investor could lose all or a substantial portion of his or her investment. Private funds are generally not subject to the same regulatory oversight and/or regulatory requirements as mutual funds. Due to the fund's tax structure, it may take longer to distribute important tax information. Funds may not be required to provide daily valuation information to investors. Performance may be volatile. There can be no assurance that a fund's objectives will be met. Fees and expenses may offset an investor's profits. The investment adviser has total discretion over strategy selection and allocation decisions. A lack of manager and/or strategy diversification may result in higher risk. There is generally no secondary market for an investor's interest in a privately-offered fund. Any potential risk factors discussed in connection with this presentation are not intended to be a complete list of risks associated with an investment in any fund. A more comprehensive description of the private fund's investment philosophy and the potential risk factors are outlined in the offering memorandum of each private fund.

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