

3 COMPANIES EXCLUSIVE TO INTERNATIONAL MARKETS

INVESTMENT VIEWS
FROM OUR PARTNERS AT WALTER SCOTT

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We believe investors should have exposure to both the US and international equity markets. By complementing US exposure with holdings in leading international companies, investors can potentially upgrade the quality of their portfolio and achieve greater diversification. We spotlight three international companies that we believe are unmatched in their industries.

Pursue top-tier investment opportunities regardless of where they happen to be listed:

- **International markets are home to a host of excellent companies that may help shape or may benefit from powerful structural growth trends in the global economy.**
- **Generally, these businesses are not narrow plays on their domestic economies. They are typically global multinationals deriving a significant portion of their earnings from overseas.**

- **Many leading international companies have no US equivalent. To be solely exposed to the US may mean missing out on valuable investment opportunities.**

We believe the key to international investing is a selective investment approach that prioritizes high-quality businesses capable of generating, and sustaining, high levels of earnings. Walter Scott's deep company research continues to identify potential long-term growth opportunities across a spectrum of countries and sectors.

AMADEUS IT

By 2043, the International Air Transport Association predicts the number of global passenger journeys will have more than doubled to 8.6 billion.¹ One way investors can align with this trend is to invest in key enablers of the air travel industry, such as Amadeus IT.

Most people may not have heard of Amadeus IT, but chances are they've used its services without even realizing it. Its technology brings together airlines, travel providers, platforms and passengers. Market-leading global distribution and passenger service systems facilitate everything from online transactions and reservations to check-in and boarding.

Based on today's run rate, Madrid-based Amadeus will board nearly half of the 8.6 billion airline journeys in 2043. It boasts more than double the revenues of Sabre, its closest US peer, and is considerably more profitable, with superior margins and a far stronger balance sheet.

AIA GROUP

Ten years ago, half of the global middle class, some 1.5 billion people, was in Asia. Five years later, the figure had risen to 2 billion. By 2030, the number is expected to increase by 75% to 3.5 billion.²

One by-product of this rising prosperity is greater demand for insurance and savings products that can protect and enhance wealth. The need for private insurance provision is particularly acute in Asia due to inadequate state-funded retirement incomes and medical and welfare services.

With a presence in 18 markets across the region, few companies, in our opinion, are as well-placed to capture this huge opportunity as AIA Group, the largest listed company on the Hong Kong stock exchange and one of the world's leading life insurers. In our view, no US company can match the scale of its exposure to Asia's life insurance opportunity.

¹ IATA, Global Outlook for Air Transportation, June 2024.

² World Economic Forum, July 2020.

ATLAS COPCO

The proliferation of semiconductors is generally considered one of the most powerful long-term growth trends in the global economy. While the US dominates certain steps of the industry's supply chain, it has only a limited presence in others. Taiwan Semiconductor Manufacturing (TSMC), for example, manufactures 90% of the most advanced chips.

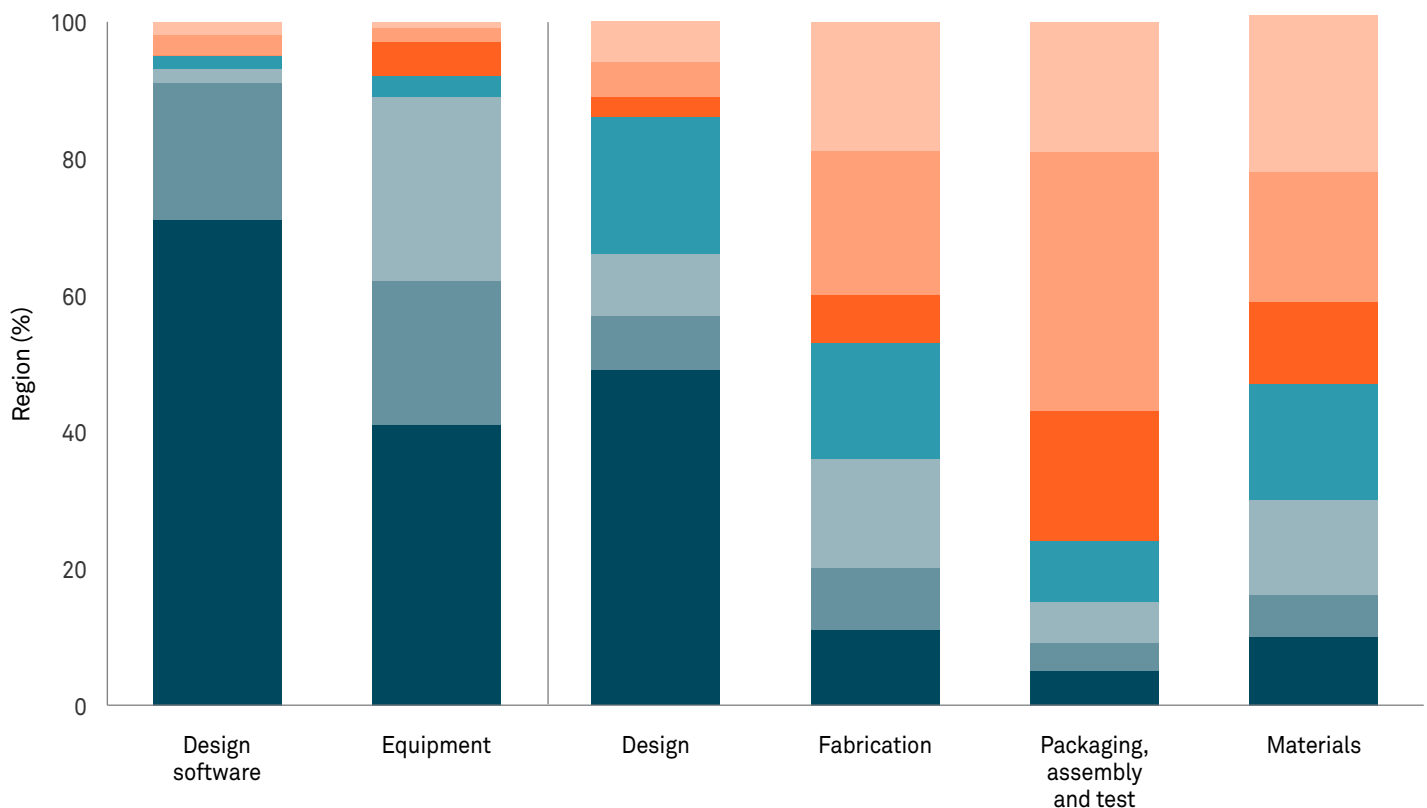
But the likes of TSMC and the Silicon Valley tech giants couldn't do what they do without a complex chain of suppliers providing pivotal products and services. Many of these companies are located outside the US (see chart below).

Sweden's Atlas Copco manufactures and services productivity solutions across a range of industries. It is the dominant producer of vacuum technologies used at multiple stages of the semiconductor manufacturing process.

Vacuums maintain the clean, often particle-free, conditions required for semiconductor fabrication. As chips continue to shrink in size and the manufacturing process increases in complexity, the number of steps using vacuums also increases, driving ongoing demand.

THE SEMICONDUCTOR SUPPLY CHAIN IS TRULY GLOBAL

■ US ■ Europe ■ Japan ■ South Korea ■ Other ■ China ■ Taiwan



Source: Semiconductor Industry Association, November 2022. Chart is for illustrative purposes only.

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