

# QUALITY PERFORMANCE OVER TIME

As the non-U.S. market may be perceived to be more inefficient in nature, this potentially translates into higher dispersion in returns and ample alpha opportunities. Investors may forget there are many high-quality companies overseas. We believe international markets are a fertile hunting ground for high-quality companies that have a durable competitive advantage, world-class management teams and robust financials.

## DRIVERS OF INTERNATIONAL EQUITY PERFORMANCE

■ Quality ■ High Dividend Yield ■ Growth ■ Value ■ Minimum Volatility

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
8.0%	5.0%	28.9%	-5.7%	31.1%	19.2%	14.8%	-2.7%	20.2%	5.7%
4.1%	3.1%	25.7%	-10.4%	27.9%	18.3%	11.3%	-5.6%	19.0%	5.4%
2.4%	-1.8%	21.6%	-11.8%	24.5%	0.1%	10.9%	-15.0%	18.6%	3.0%
-5.7%	-3.0%	21.4%	-12.8%	16.7%	-1.9%	7.1%	-19.9%	17.6%	2.1%
-6.7%	<b>-3.1%</b>	18.9%	-14.8%	16.1%	-2.6%	6.9%	-23.0%	11.8%	<b>-2.5%</b>

Source: MSCI, based on net performance of the MSCI EAFE factor indices through December 31, 2024. Past performance is no guarantee of future results.

See next page for correlating indices and definitions.

**Not FDIC-Insured. Not Bank-Guaranteed. May Lose Value.**

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### IMPORTANT INFORMATION

All investments involve risk, including the possible loss of principal. Certain investments involve greater or unique risks that should be considered along with the objectives, fees, and expenses before investing.

**Risks:** **Equities** are subject to market, market sector, market liquidity, issuer, and investment style risks, among other factors, to varying degrees. Investing in **foreign denominated and/or domiciled securities** involves special risks, including changes in currency exchange rates, political, economic, and social instability, limited company information, differing auditing and legal standards, and less market liquidity. These risks generally are greater with emerging market countries. A **concentration of companies** in a narrow sector could cause performance to be more volatile than funds invested in a broader range of industries. **Diversification cannot assure a profit or protect against loss.**

**MSCI EAFE Index** is an equity index which captures large and mid cap representation across Developed Markets countries around the world, excluding the U.S. and Canada. **MSCI EAFE Growth Index** captures large and mid cap securities exhibiting overall growth style characteristics across 21 Developed Markets countries around the world, excluding the U.S. and Canada. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and long-term historical EPS growth trend and long-term historical sales per share growth trend. **MSCI EAFE High Dividend Yield Index** is designed to reflect the performance of equities in the MSCI EAFE parent index (excluding REITs) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent. **MSCI EAFE Quality Index** aims to capture the performance of quality growth stocks by identifying stocks with high quality scores based on three main fundamental variables: high return on equity, stable year-over-year earnings growth and low financial leverage. **MSCI EAFE Minimum Volatility (USD) Index** aims to reflect the performance characteristics of a minimum variance strategy applied to the large and mid cap equity universe across Developed Markets countries around the world excluding the U.S. and Canada. The index is calculated by optimizing the MSCI EAFE Index, its parent index, in USD for the lowest absolute risk (within a given set of constraints). **MSCI EAFE Value Index** captures large and mid cap securities exhibiting overall value style characteristics across Developed Markets countries around the world, excluding the U.S. and Canada. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield.

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