

# International Growth

## MANAGEMENT TEAM

Aziz V. Hamzaogullari, CFA

## OBJECTIVE

Seeks to produce long-term, excess returns vs. the MSCI All Country World ex-USA Index on a risk-adjusted basis over a full market cycle (at least 5 years) through bottom-up stock selection.

## HIGHLIGHTS

- Active management with a long-term, private equity approach to investing
- Seven-step research framework focuses on quality, growth and valuation
- High-conviction portfolio of typically 30 to 45 stocks
- Low turnover: 0-25% annualized
- High active share: typically greater than 90%\*
- Top 10 holdings: typically 40% - 50%
- Up to 20% holdings to US companies
- Looks to identify high-quality companies – those with difficult-to-replicate business models
- Team must view cash flow growth as sustainable and profitable
- Stock values are modeled and regularly updated based on our four valuation scenarios: Best, Base, Bear and Worst
- Seeks to create a margin of safety by investing only when the company is selling meaningfully below the team's estimate of intrinsic value
- Active risk management defines risk as a permanent loss of capital, not tracking error or short-term relative underperformance
- Bottom-up stock selection drives excess returns

## BENCHMARK

Primary Benchmark:  
MSCI ACWI ex-USA Index

Secondary Benchmark:  
MSCI ACWI ex-USA Growth Index

### FACTS

Composite inception	1/1/20
Strategy assets	\$34.5M

## COMPOSITE PERFORMANCE (%)

	CUMULATIVE RETURN		AVERAGE ANNUALIZED RETURN				SINCE INCEPTION
	3 MO	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	
<b>GROSS</b>	-0.60	-0.60	51.29	-	-	-	21.30
<b>NET</b>	-0.80	-0.80	50.13	-	-	-	20.35
<b>BENCHMARK</b>	3.60	3.60	50.03	-	-	-	11.93

\*Active share indicates the proportion of portfolio's holdings (by market value) that are different than the benchmark. A higher active share indicates a larger difference between the benchmark and the portfolio.

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**Performance data shown represents past performance and is no guarantee of future results. Current performance may be lower or higher than quoted.** Returns are shown in US dollars and are annualized for one and multi-year periods. Gross returns are net of trading costs. Net returns are gross returns less effective management fees.

**There is no guarantee that the investment objective will be realized or that the strategy will generate positive or excess return.**



## PORTFOLIO CHARACTERISTICS

	Rep. Account	Index
Price/earnings (trailing 12 mths)	29.24x	18.59x
Est. P/E (forward 12 months)	28.45x	16.33x
ROE (1-yr equal wtd)	21.75%	13.57%
3-5 yr EPS growth	16.88%	14.16%
Price/Cash Flow	20.31%	7.62%
Price/book	4.68	1.73
Dividend Yield	1.15%	2.26%
Wtd avg market cap	\$180.64B	\$103.44B
Median market cap	\$51.68B	\$9.57B
Median active share (since inception)	89.12%	-

## TOP 10 HOLDINGS (%)

	Rep. Account
Tencent Holdings Ltd	7.1
MercadoLibre Inc	6.4
Alibaba Group Holding Ltd	5.5
Roche Holding AG	5.1
Adyen NV	4.7
Kweichow Moutai Co Ltd	4.5
Novartis AG	4.5
Fanuc Corp	4.0
Trip.com Group Ltd	3.9
Baidu Inc	3.7
Total	49.2

## SECTOR DISTRIBUTION (%)

	Rep. Account	Index
Consumer Discretionary	28.4	13.7
Consumer Staples	22.8	8.4
Information Technology	13.4	12.8
Healthcare	11.8	8.9
Communication Services	10.8	7.1
Industrials	8.5	11.7
Energy	1.6	4.5
Financials	-	18.9
Materials	-	8.2
Utilities	-	3.2
Real Estate	-	2.6
Cash	2.7	-

## COUNTRY DISTRIBUTION (%)

	Rep. Account	Index
China	29.6	11.6
Switzerland	14.7	5.7
United Kingdom	9.4	8.9
Netherlands	7.6	2.6
Argentina	6.4	-
United States	5.0	0.4
Japan	4.9	15.5
France	4.6	6.9
Brazil	3.5	1.4
Other	25.4	47.0

## MARKET CAPITALIZATION (%)

	Rep. Account	Index
> \$50 Billion	63.1	47.1
\$25 to 50 Billion	16.2	18.8
\$10 to 25 Billion	13.4	21.0
< \$10 Billion	4.6	13.0
Cash	2.7	-

## KEY RISKS

Equity Risk, Market Risk, Non-US Securities Risk, Liquidity Risk. Investing involves risk including possible loss of principal.

Due to rounding, **Market Capitalization**, **Sector Distribution** and **Regional Distribution** totals may not equal 100%. This portfolio is actively managed and characteristics are subject to change. **Top 10 Holdings** may combine more than one security from the same issuer and related depositary receipts. Portfolio weight calculations include accrued interest. Holdings are based on total gross assets before any fees are paid; any cash held is included. Reference to specific securities or holdings should not be considered recommendations for action by investors. There is no guarantee the account continues to invest in the securities referenced. **Cash** may include unsettled trades, fees and/or derivatives. **Median Active Share (since inception)** indicates the proportion of the portfolio's holdings (by market value) that is different than the benchmark. A higher active share indicates a larger difference between the benchmark and the portfolio.

Characteristics are shown for a representative account. Due to systems limitations, it is difficult to analyze characteristics on a composite basis. The representative account was selected because it closely reflects the Loomis Sayles International Growth investment strategy. Due to guideline restrictions and other factors, there is some dispersion between the returns of this account and other accounts in the Composite.

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The International Growth Composite includes all discretionary accounts with market values greater than \$1 million managed by Loomis Sayles that seek to produce long-term excess returns at or below benchmark risk over a full market cycle relative to the MSCI ACWI (ex-USA) and generally within the market capitalization range of the Index. The Composite inception date is January 1, 2020. The Composite was created in 2020. For additional information on this and other Loomis Sayles strategies, please visit our web site at [www.loomisayles.com](http://www.loomisayles.com).