Non-US Strategy Commentary 2Q22

Portfolio Characteristics

Price-to-Value	low-50s%
# of Holdings	24
% of Cash	3.3%
Portfolio Yield	1.8%

			Annualized Total Return				
	2Q (%)	YTD (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)
Non-US Strategy (Gross)	-12.03	-20.56	-25.90	-4.26	0.00	6.40	6.55
Non-US Strategy (Net)	-12.17	-20.84	-26.45	-5.00	-0.79	5.53	5.50
MSCI EAFE	-14.51	-19.57	-17.77	1.07	2.20	5.40	5.27
MSCI EAFE Value	-12.41	-12.12	-11.95	0.18	0.52	4.25	4.77

*Since Inception 6/30/2002

The Non-US Strategy declined 12.17% in the second quarter, outperforming the MSCI EAFE, which declined 14.51%, and the MSCI EAFE Value, which fell 12.41% in the period. The portfolio's position in Hong Kong/China, which drove relative and absolute underperformance in the last year, was the largest driver of outperformance in the second quarter. Sentiment around Chinese equities started recovering from the extreme pessimism we witnessed in the first quarter as COVID lockdowns eased, regulatory pressure abated, and government crackdowns were replaced with stimulus. Top-down China fears around government regulation and ongoing COVID lockdowns reached a peak in March, but as geopolitical and macro pressures began to ease in the second quarter, sentiment improved, and stock prices began to re-rate in the period. Weakness in international currencies – particularly the euro and the Japanese yen – was the largest single performance detractor in the quarter, accounting for nearly one-third of the quarter's negative returns, as interest rate and inflation differentials between the US, European and Asian countries increased. The euro is now almost at parity with the US dollar for the first time since 2002, driven by fear of a deep recession in the eurozone caused by higher inflation and declining export demand. These factors are weighing heavily on the share prices of many of our European businesses, which comprised our top detractors in the period. The Japanese yen hit a 24-year low against the US dollar as the Bank of Japan continued to suppress the Japanese yield curve, while the US yield curve climbed in response to rising inflation and quantitative tightening, making it compelling for investors to take advantage of the yen carry trade and creating some potentially interesting investment opportunities in Japan. Today the US dollar is nearly three standard deviations more than yen and more than two time versus the euro – an overstretched level that we believe is unsustainable and will likely become a performance tailwind in the near-to-medium term.

We encourage you to watch our video with Portfolio Managers Ken Siazon, Josh Shores and Staley Cates for a more detailed review of the quarter.

Contribution to Return

2Q Top Five

Company Name	Total Return (%)	Contribution to Return (%)
Prosus	21	0.78
WH Group	22	0.78
Juventus	3	0.12
Undisclosed	2	0.05
Alibaba	0	0.01

2Q Bottom Five

Company Name	Total Return (%)	Contribution to Return (%)
flatexDEGIRO	-54	-2.31
Domino's Pizza Group (UK)	-30	-1.71
Millicom	-31	-1.53
EXOR	-19	-1.28
Accor	-17	-0.94

Performance Commentary

- Prosus: The holding company for Tencent and other digital investments, was the top contributor in the quarter. Prosus announced it would sell Tencent stock to repurchase its own discounted shares with authorization for up to a 50% buyback to help address the enormous price-to-value gap. We believe this is a highly accretive transaction with Prosus (and Naspers) repurchasing and canceling shares at a deep discount to net asset value, while increasing exposure to Tencent on a per-share basis. The magnitude of the buyback could be sizable ($10-$30 billion per annum), and the stock price reacted accordingly (up 16% on the day for this €170 billion mega-cap). Additionally, management is reworking its compensation program to tie incentives directly to closing the discount, creating much better alignment with shareholders and highlighting the strength of the management team at Prosus.

- WH Group: Global pork packaged meat company WH Group was a top contributor for the quarter after reporting strong first-quarter results with double-digit EBITDA net profit growth ahead of expectations, driven primarily by the solid performance of its Smithfield US operations. Despite input cost headwinds, we remain optimistic about the company's outlook. The company can more than offset input cost inflation by increasing prices and shifting its product mix. Unlike the US packaged meat business that grew year-over-year, its China packaged meat business saw single-digit revenue declines in the face of COVID-related logistics disruptions but double-digit operating profit growth.

- flatexDEGIRO: German-listed digital broker flatexDEGIRO was the top detractor in the quarter. Flatex is a company that correlates directly with market volatility in the short term. We believe the price reaction is overblown, and the company now trades at single-digit multiples on what we expect to be double-digit free cash flow per share earnings power for a business that is competitively entrenched as the low-cost provider of online trading and brokerage services. Flatex is going on offense, investing to add new customers. Although the market is punishing the stock price for the short-term negative impact on margins, we believe it is the right move for long-term growth. Flatex should benefit over the longer term as funding dries up for its overvalued Robinhood-equivalent peers. Additionally, the company has a strong customer base to which it can expand its services offered, offering strong growth potential. We have owner operators in place that have a great track record of growing value per share and getting that value recognized.

- Domino's Pizza Group (UK): Domino's Pizza Group (DPG) declined in the quarter in line with broader concerns over the UK consumer, but the underlying fundamentals of the business remain compelling. This asset light, high cash generation business has significant growth potential. Shortly after quarter end, the company announced that CEO Dominic Paul will be stepping down to join FTSE 100 company Whitbread. The CEO was an important factor in our fundamental case for DPG, and we are in close dialogue with the Board and other key stakeholders on potential strategic options for the business from here.

- Millicom: Latin American cable company Millicom detracted in the quarter. In 4Q21, Millicom announced a rights issue to fund a strategic acquisition of the half of its Guatemala business that Millicom didn't already own. The rights offering was only completed this quarter, and the strike price was (in our view, unnecessarily) set at an almost 50% discount to what the market was expecting, resulting in a sharp stock price decline. EBITDA performance remains on target, and guidance for the full one- and three-year targets remain intact. This company produces substantial free cash flow per share, which is being allocated mostly to grow the fiber/cable business double-digits in terms of subscribers and revenues. CEO Mauricio Ramos has multiple options beyond free cash flow to deleverage the balance sheet, including sales of the company's cell tower and fintech assets.
- EXOR: European holding company EXOR declined in the quarter in the face of euro weakness against the dollar and a resurgence in worry about the "Italian" exposure of the business, given its dual-listing in Netherlands and Italy. The market has also taken a "show me" approach to the announced €9 billion sale of PartnerRe to Covea, but the deal closed shortly after quarter end, removing that additional overhang. The company now has roughly half its market cap in cash, allowing EXOR to be a liquidity provider in a distressed world amidst a massive liquidity tightening. We are confident in CEO John Elkann's ability to intelligently allocate the capital to add significant value for shareholders.

Portfolio Activity

Summary of Trade Activity in 2Q

New Purchases	Full Exits
Undisclosed	Seria
Ferrovial	
Undisclosed	

We have taken advantage of the market volatility this year to initiate three new positions in top quality businesses that have become attractively priced due to short term issues. Ferrovial, a global infrastructure and services company based in Spain, is a new portfolio position but a recycled name for Southeastern. We are also seeing opportunities in the European luxury and lifestyle sectors with extraordinarily high-quality brands and great management teams. We purchased a “recycled” company that Southeastern successfully owned in the past, along with another business in this area that we have long admired. We also exited our smaller position in Seria, as we were able to upgrade into better opportunities with a higher margin of safety.

Outlook

The portfolio is fully invested with 3.3% cash, and our on-deck list is growing longer amid market volatility. New investments have a high hurdle to qualify given our conviction in our current holdings and the steep discount of the portfolio, which trades at a rare and attractively discounted price-to-value (P/V) in the low-50s%. We expect to see continued progress in our individual holdings, as our management partners pursue catalysts that could drive significant near-term payoffs. We own companies that have pricing power, strong balance sheets and clear paths to organic growth, and we are partnered with aligned management teams that are proactively taking steps to add value in ways they can control and close the (near historically wide) value gap. We believe that our largest macro headwinds over the last decade could soon become tailwinds.

See following page for important disclosures.

Southeastern Asset Management can be found in our ADV Part 2, available at www.southeasternasset.com. Statements regarding securities are not recommendations to buy or sell the securities discussed. The statements and opinions expressed are those of the author and are as of the date of this report. Holdings identified do not represent all of the securities purchased, sold, or recommended for advisory clients. Current and future holdings are subject to risk and past performance does not guarantee future results. Strategy information is based on a sample account at June 30, 2022. Portfolio makeup and performance will vary on many factors, including client guidelines and market conditions.

P/V ("price-to-value") is a calculation that compares the prices of the stocks in a portfolio to Southeastern's appraisal of their intrinsic values. The ratio represents a single data point about a strategy and should not be construed as something more. P/V does not guarantee future results, and we caution investors not to give this calculation undue weight.

"Margin of Safety" is a reference to the difference between a stock's market price and Southeastern's calculated appraisal value. It is not a guarantee of investment performance or returns.

SOUTHEASTERN ASSET MANAGEMENT, INC.
INSTITUTIONAL NON-U.S. EQUITY
COMPOSITE GIPS REPORT

Year End	Total Firm Assets (USD) (millions)	Composite Assets (USD) (millions)	Number of Accounts	MSCI EAFE (with net dividends)	Annual Performance Results Composite		Composite Dispersion	Composite 3-Yr Annualized EX-Post Standard Deviation	Benchmark 3-Yr Annualized EX-Post Standard Deviation
					Gross	Net			
2021	10,816	151	<5	11.3%	2.6%	1.8%	na1	22.8%	16.9%
2020	10,270	465	5	7.8%	2.0%	1.2%	1.8%	22.7%	17.9%
2019	12,481	451	5	22.0%	18.6%	17.6%	1.3%	13.4%	10.8%
2018	13,881	386	5	-13.8%	-5.7%	-6.4%	0.8%	13.1%	11.2%
2017	18,203	453	5	25.0%	28.0%	27.0%	1.9%	15.1%	11.8%
2016	19,302	354	5	1.0%	13.4%	12.5%	1.3%	15.4%	12.5%
2015	20,315	298	5	-0.8%	-4.0%	-4.8%	2.0%	14.0%	12.5%
2014	30,542	313	5	-4.9%	-7.5%	-8.2%	1.3%	13.9%	13.0%
2013	34,914	325	<5	22.8%	30.0%	28.8%	na1	16.5%	16.3%
2012	31,752	281	<5	17.3%	24.2%	22.8%	na1	18.4%	19.3%

na1 - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

Institutional Non-US Equity Composite - Portfolios included in this composite contain not only companies headquartered outside of the U.S., but also U.S. domiciled companies with more than half of revenues, profits, or appraised value derived from non-U.S. locations. These portfolios normally contain 18-22 securities. Country and industry weightings and market cap size are a by-product of bottom-up investment decisions. Cash is a by-product of a lack of investment opportunities that meet Southeastern's criteria. The benchmark used for comparison is the MSCI EAFE Index with net dividends.

Southeastern Asset Management, Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Southeastern Asset Management, Inc. has been independently verified for the periods January 1, 2001 through December 31, 2021. 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 Institutional Non U.S. Equity Composite has had a performance examination for the periods July 1, 2002 through December 31, 2021. The verification and performance examination reports are available upon request.

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Results are based on fully discretionary portfolios under management that are managed without regard to tax considerations. Past performance is not indicative of future results.

A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request.

The U.S. dollar is the currency used to express performance. Returns are presented gross and net of management and performance fees and include the reinvestment of income. Dividends are recorded either gross or net of foreign withholding taxes based on the treatment of these taxes by the accounts' custodian. Net of fee performance is calculated using actual management and performance fees. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the portfolios in the composite the entire year. Composite dispersion and 3 year annualized ex-post standard deviation are reported using gross returns. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

The investment management fee schedule for accounts with a market value less than $100 million is 1.0% on the first $50 million and 0.875% on the next $50 million. The fee schedule for accounts with a market value exceeding $100 million is 0.75% on all assets. Actual investment advisory fees incurred by clients may vary.

The Institutional Non-U.S. Equity Composite was created on July 1, 2011. The inception date for this composite is June 30, 2002.