Southeastern Asset Management

Non-US Strategy Commentary 3Q22

Portfolio Characteristics

Price-to-Value	low-50s%
# of Holdings	22
% of Cash	3.7%

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			Annualized Total Return				
	3Q (%)	YTD (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)
Non-US Strategy (Gross)	-11.96	-30.06	-28.87	-6.46	-3.71	4.07	5.80
Non-US Strategy (Net)	-12.10	-30.42	-29.38	-7.18	-4.46	3.23	4.76
MSCI EAFE	-9.36	-27.09	-25.13	-1.83	-0.84	3.67	4.69
MSCI EAFE Value	-10.21	-21.08	-20.16	-2.79	-2.74	2.39	4.15

*Since Inception 6/30/2002

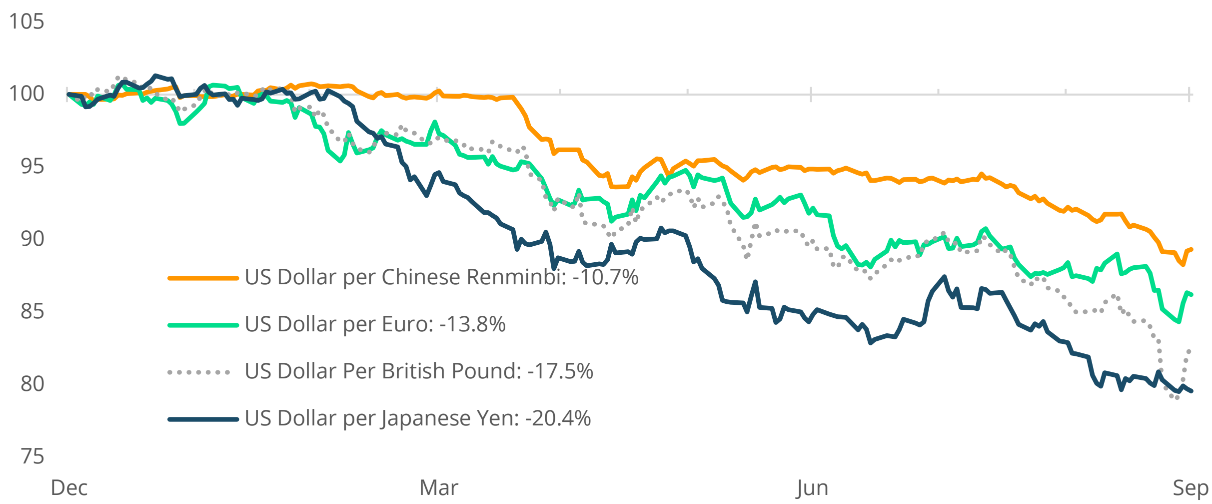
The Non-US Strategy declined 12.10% in the third quarter, while the MSCI EAFE declined 9.36%, as we saw a continuation of persistent macro headwinds in Europe and Asia. The ongoing war in Ukraine, soaring energy costs, currency weakness versus the US dollar, rising inflation and fears of a recession have weighed heavily and indiscriminately on UK and European-listed businesses. Similarly in Asia, a slump in the property sector driven by higher interest rates, Chinese consumer weakness and the ongoing pressure of China's zero-COVID policy weighed broadly on markets, with the Hang Seng Index (HSI) falling 20%, an even larger decline than the 16% drawdown experienced in 1Q 2020 when COVID broke out in China.

Globally, investors were surprised by the hawkish stance of the European Central Bank with its 0.75% hike in September and a commitment to keep hiking rates aggressively to curb inflation. In the US, Chairman Powell's comment post the Federal Open Market Committee meeting about "taking forceful and rapid steps to moderate demand so that it comes into better alignment with supply" pushed treasury bond yields to decade highs.

As inflation continued to surprise on the upside, global markets weakened as the expectation of more interest rate hikes increased amidst talk of "demand destruction," higher unemployment, and slower growth. With the US rate hikes, the widening yield differentials between the US and foreign yield curves put further pressure on foreign exchange rates. The real yield spread between the US dollar and European and Asian currencies has increased significantly this year, as shown in the chart below:

Foreign Currency Weak vs. US Dollar

1/1/2022 to 9/30/2022



Source: FactSet

This disconnect is creating compelling investment opportunities. We believe the US dollar is extremely overvalued relative to global currencies and could provide a multi-year tailwind to Asian and European currencies if conditions reverse.

The portfolio is trading at a price-to-value in the low-50s%, a level only seen a handful of times in our history – during the Asian Financial Crisis and dotcom bubble in the late 90s – early 2000s (when the strategy was formed), in the global financial crisis in 2008-09 and briefly during COVID in early 2020. The performance rebound coming out of similar historically low levels has been significant and extended well beyond a one-year rebound.

The current environment is yielding opportunities as compelling as we have seen in the history of the strategy. Our companies are in strong financial positions, and management teams are going on offense with self-help measures, such as spinning or selling assets, buying back heavily discounted shares and/or considering mergers and acquisitions for whole businesses. Additionally, insiders are investing personally at an elevated level, indicating a high level of management confidence.

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

Contribution to Return

3Q Top Five

Company Name	Total Return (%)	Contribution to Return (%)
Glanbia	7	0.26
EXOR	3	0.24
Melco International	5	0.22
Jollibee	5	0.11
Holcim	4	0.05

3Q Bottom Five

Company Name	Total Return (%)	Contribution to Return (%)
Alibaba	-30	-1.22
Domino's Pizza Group (UK)	-26	-1.04
Accor	-22	-1.01
CK Hutchison	-17	-0.84
Premier Foods	-22	-0.80

Performance Commentary

- Alibaba: Alibaba, the largest e-commerce and cloud services provider in China, was the top detractor for the quarter in the face of China and Hong Kong macro concerns. The biggest value driver for Alibaba is domestic consumption, which has been softening in recent months in the face of property sector weaknesses, continuing pressure from the government's zero-COVID policy and a significant spike in youth unemployment rates (reaching almost 20% in the quarter). We have begun to see some progress, with policies announced to make more financing available to developers to finish uncompleted units. Additionally, COVID containment measures are beginning to ease with Hong Kong recently announcing an end to all quarantine requirements for international arrivals. While we recognize that top-line growth may be constrained in the near term, we believe Alibaba is still well positioned to grow its bottom line at a double-digit rate in coming quarters by reducing costs and reducing spend on strategic initiatives. Our management partners are going on offense through smart capital allocation and increased the buyback authorization in the quarter to $25 billion dollars.

- Domino's Pizza Group (UK): UK-listed Domino's Pizza Group (DPG) was one of the largest detractors in the quarter. DPG announced last quarter that CEO Dominic Paul was stepping down, driving a steep share price decline. This price weakness was further impacted in the third quarter by concerns over the UK consumer in the face of double-digit inflation and a weak pound for this business whose underlying ingredients are priced in dollars. Historically, fast food pizza has been very recession resistant. Although DPG is coming off COVID work from home highs, we believe the UK consumer concerns are more than priced in today. Additionally, in the quarter DPG announced that Elias Diaz will take over as Interim CEO. We helped place Elias on the board in 2019 and were also involved in the decision to appoint him interim CEO. He has extensive experience in the industry, understands capital allocation, has a great long-term track record of cost cutting and managing QSR brands and is an owner operator. The company is trading at 12x earnings power, has a robust balance sheet and has been buying back stock aggressively in the face of share price weakness.

- Accor: French hospitality company Accor was a top detractor in the quarter in the face of top-down macro worries in Europe. However, the company reported solid operating performance in the quarter with revenue per average room (RevPAR) and EBITDA coming in ahead of expectations. CEO Sébastien Bazin is taking steps to monetize assets, including the recently announced sale of 10% of Accor's luxury and lifestyle business, as well as the sale of the company's Parisian headquarters at an impressive price. These transitions will bring over a half a billion of capital under the balance sheet, allowing management to go on offense in the current environment. We believe we have the right partners in place to navigate today's macro headwinds and to take advantage of the strategic opportunity in the company.

Portfolio Activity

Summary of Trade Activity in 3Q

New Purchases	Full Exits
No New Purchases	adidas
	Holcim

Market volatility has expanded our universe of compelling opportunities, but we currently have more ideas than cash. We exited two holdings in the quarter. First, our small position in adidas when it was announced that Kasper Rorsted would step down as CEO in 2022. We also exited our position in Holcim to fund other more compelling opportunities. We still regard both businesses highly but had more immediate highest and best use of capital in the portfolio.

Outlook

The portfolio is fully invested with 3.7% cash, and our on-deck list is growing longer and broader amid market volatility. The portfolio ended the quarter at a rare P/V ratio in the low-50s%, a level from which the strategy has historically rebounded in a meaningful and sustained fashion. Our businesses have pricing power in the face of inflation, strong balance sheets with the ability to put cash to work in a distressed environment and clear paths to organic growth. Our management partners are actively pursuing catalysts that could drive significant performance payoffs.

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 September 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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Southeastern is an independent investment management firm that is not affiliated with any parent organization. Southeastern invests primarily in equities.

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.