

Emerging Markets Growth Commentary



Quarter 4 2025

Investment Objective

SGA builds high-conviction portfolios focused on quality growth businesses that are anticipated to achieve consistent mid-teens earnings growth with reduced variability, supported by predictable revenue and cash flow generation. The firm's investment goal is to convert this stable portfolio earnings growth into a return profile designed to protect and reliably compound client wealth over time.

Performance

The fourth quarter of 2025 highlighted extreme market divergence. Cyclical and momentum-driven assets dominated, driven by a concentrated group of beneficiaries in AI infrastructure and a resurgence in deeply cyclical sectors, while quality growth strategies faced continued headwinds from sales stability underperformance.



Source: FactSet. Data as of 12/31/2025. MSCI Indices are Net Total Return (MSCI Net Total Return Indices reinvest dividends after the deduction of withholding taxes). *It should not be assumed that future results will be reflective of past performance.*

Highlights

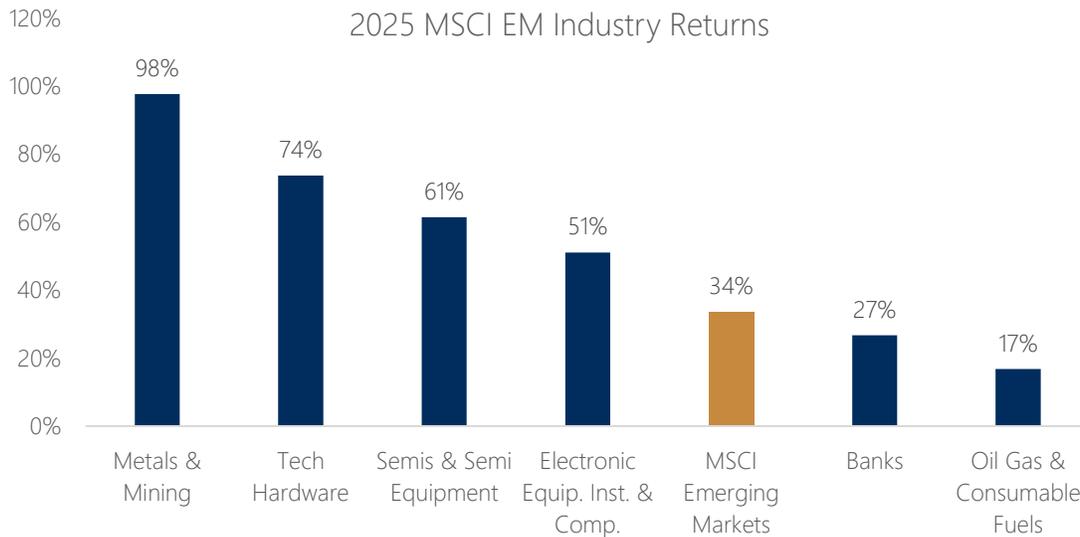
- Q4 returns were 0.8% (Gross) and 0.6% (Net) compared to the MSCI EM Net TR Index return of 4.7% and the MSCI EM Growth Net TR Index return of 3.3%.
- The portfolio delivered strong absolute returns in 2025 of 23.8% (Gross) and 22.8% (Net) but trailed the 33.6% and 34.3% returns of the MSCI EM and MSCI EM Growth Net TR indices, respectively.
- Largest contributors for the quarter were TSMC, Infosys, and Fast Retailing.
- Largest detractors for the quarter were Alibaba, Grab Holdings, and Tencent Music.
- Initiations – A new holding was introduced in Sea Limited.
- Liquidations – L'Oréal was sold in the quarter due to forced attrition.
- The Emerging Markets Growth portfolio is forecasted to achieve 13% revenue growth and 16% earnings growth annually over the next three years consistent with historical results.
- SGA's portfolio of reliable compounders is trading at its steepest ever discount relative to the MSCI EM P/E, while many cyclicals are trading at peak multiples just as CapEx growth is poised to slow. We believe this dynamic creates a favorable risk-reward opportunity in the portfolio today.

SGA Emerging Markets Growth	Since Inception	10-Year	5-Year	3-Year	1-Year
Annualized Net Returns	4.8%	6.1%	-2.4%	6.4%	22.8%

The Emerging Markets portfolio has generated 5.7% (Gross) and 4.8% (Net) annualized returns since inception, compared to 4.9% and 5.8% for the MSCI EM Index (Net TR) and MSCI EM Growth Index (Net TR), respectively. Over the trailing one-year period, the SGA portfolio returned 23.8% (Gross) and 22.8% (Net) compared to 33.6% and 34.3% for the MSCI EM and MSCI EM Growth, respectively. Returns for the quarter were 0.8% (Gross) and 0.6% (Net) compared to the MSCI EM return of 4.7% and the MSCI EM Growth return of 3.3%. The Emerging Markets Growth portfolio generated 16% revenue growth and 18% earnings growth in 2025 and is currently forecast to generate 13% revenue growth and 16% earnings growth annually over the next three years.

Economic and Market Backdrop: The Cyclical Resurgence

The rapid acceleration in artificial intelligence has been a key catalyst behind the recent cyclical resurgence across emerging markets. Large-scale capital expenditure by global hyperscalers and technology leaders has driven a sharp increase in demand for semiconductors, data-center infrastructure, power management and related manufacturing capacity, areas where several emerging market economies play a critical role in global supply chains. This surge in AI-related investment has translated into stronger export growth, improved earnings momentum, and renewed investor interest in select cyclical industries, particularly within Technology, Industrials, and Materials.



Source: FactSet. Data as of 12/31/2025. MSCI Indices are Net Total Return (MSCI Net Total Return Indices reinvest dividends after the deduction of withholding taxes). Cyclical industries shown comprise a weight of at least 3% of the MSCI EM and in aggregate over 50% of the index. **It should not be assumed that future results will be reflective of past performance.**

Importantly, the AI CapEx cycle has had meaningful second-order effects, supporting broader industrial activity and confidence across upstream and adjacent sectors. However, while this dynamic has underpinned a near-term improvement in growth expectations, it has also contributed to increasingly concentrated market leadership and elevated expectations for sustained CapEx growth; setting a higher bar for future earnings delivery as the cycle matures. We caution that the prevailing optimism is not without risk and discuss this further in the section below.

Looking more broadly across emerging markets, the economic landscape in 2025 proved more resilient than earlier pessimistic forecasts had suggested. Growth expectations across key emerging economies gradually improved, supported by firm domestic demand, stabilizing external conditions, and a shift toward more accommodative global monetary policy. Easing by the Federal Reserve, the Bank of England, and the European Central Bank helped relieve financial conditions for emerging markets by reducing funding pressures, supporting capital flows, and improving currency stability. Together with targeted policy support in China and selective fiscal measures across other emerging economies, these dynamics created meaningful tailwinds for risk assets.

This backdrop favored cyclical exposures across emerging markets while higher-quality franchises with more consistent earnings were relatively overlooked. Performance at the index level became increasingly concentrated in select industries including semiconductors and technology hardware. In this environment, the SGA Emerging Markets Growth portfolio underperformed the broader market index, while delivering a strong absolute return for the year in the face of a market driven by more speculative and momentum-oriented themes. Although recent underperformance is disappointing, historical precedent suggests that periods of significant market dislocation often lay the groundwork for future outperformance among disciplined, valuation-conscious investors.

AI Capital Expenditures Update

We believe the current trend of AI CapEx growth is unsustainable and has largely run its course. While high levels of CapEx will continue, the growth rate will likely decelerate due to structural constraints in power availability, skilled labor, and capital

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availability. Furthermore, the ability of the hyperscalers to commit to further growth in CapEx is likely to be constrained as the levels of CapEx to revenues and cash flow from operations reach a new high as per the chart below.

While the CapEx is still filtering down various cyclical industries, further upward growth revisions are challenging. Purely cyclical sectors whose growth rate is exposed to the growth rate of hyperscaler CapEx will have a shorter runway of growth left; AI export-oriented companies in South Korea and Taiwan are particularly at risk here.

Capital Expended: U.S. Hyperscalers Forecast to Utilize 90% of Operating Cash Flows



Data as of 12/31/2025. Source: FactSet, SGA analysis and estimates. Data shown for Meta, Alphabet, Amazon, and Microsoft. 2025-2027 estimates include estimated dividend and share buyback expenses. **It should not be assumed that future results will be reflective of past performance.**

We also see worrying signs of excess and weakening lending discipline from credit markets. The scale of capital required has led to greater reliance on private credit markets and off-balance-sheet structures. Transactions such as Meta's \$27 billion joint venture with Blue Owl Capital, the largest private credit deal to date, highlight both the availability of capital and the risk of excess.

From a capital cycle perspective, these structures raise legitimate questions. Elevated profitability attracts capital, which over time can compress returns. While this process unfolds gradually, SGA analysts are closely monitoring whether debt, on or off-balance sheet, is being deployed with appropriate discipline. Recent reports of losses in other, unrelated private credit-backed businesses reinforce the need for caution and selectivity.

SGA continues to believe the most attractive long-term AI opportunities reside not with companies exposed to cyclical swings, but with businesses that are building long term value. In 2025, semiconductor companies such as TSMC benefited along with Interactive Media and Services holdings such as Tencent, however, many AI beneficiaries have yet to be recognized by the market, providing significant latent potential in the portfolio.

Fourth Quarter Performance Discussion

The portfolio lagged the benchmark during the fourth quarter amid a pronounced year-end market rally, with underperformance attributable to two primary factors.

Firstly, the portfolio's underweight to South Korean semiconductor companies, including Samsung Electronics and SK Hynix, was a key driver of relative underperformance this quarter. These stocks continued to benefit from strong AI-related memory demand and elevated investor enthusiasm. Memory chips are largely a commoditized product with weak pricing power, extreme capital intensity and pronounced boom-bust cycles that lead to volatile earnings. As outlined in prior commentaries, we have avoided exposure to more speculative or short-term beneficiaries of the artificial intelligence capacity build-out, including memory chip companies, and positioned the portfolio to capture long-term structural growth in technology and digital infrastructure through higher-quality businesses, such as TSMC, Tencent, and Alibaba.

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Secondly, several of our investments in e-commerce leaders across Asia and Latin America, including MercadoLibre, Sea Limited and Alibaba, faced a more competitive operating environment which weighed on share prices during the period. As long-term investors, we have observed that competitive intensity in these markets tends to ebb and flow over shorter time horizons. History also suggests that market leaders typically emerge from such periods with strengthened strategic positions given the inherent network effects in ecommerce and benefits from scale including additional monetization opportunities in FinTech and advertising for example. While increased competition may pressure share prices in the near term, we retain strong conviction in these companies' ability to manage competitive threats effectively and emerge more resilient over the long run.

Largest Contributors

TSMC

TSMC was a top contributor during the quarter, driven by robust demand for advanced semiconductor manufacturing and improved gross margins as AI continues to grow strong and the non-AI segment showed signs of recovery. Management raised its revenue growth guidance to the mid-30% range, and given continued strength in demand, AI-related growth targets are expected to move above the current mid-40% level. TSMC's leadership in cutting-edge process nodes remains undisputed. The company raised its CapEx guidance to support future growth and is expected to increase its AI revenue growth target, reflecting confidence in the secular expansion of high-performance computing and AI workloads. Strategic steps to diversify manufacturing outside Taiwan, including new facilities in Japan, Germany, and the U.S., further strengthen TSMC's position. With its technology leadership, strong customer relationships, and disciplined execution, TSMC remains well-positioned to deliver strong double-digit revenue and earnings growth over the coming years. We added to the position on weakness during the quarter, maintaining an above-average weight.

Infosys

Infosys was a top contributor during the quarter, driven by steady execution, resilient recurring revenues, and strong performance in large-scale digital transformation projects. The company's industry-leading operating margins and high client retention supported robust free cash flow generation, while notable contract wins, such as the NHS workforce management solution in the UK, highlighted Infosys's ability to deliver innovative platforms for global clients. More recently, investor sentiment toward India has cooled due to softening domestic demand, persistent tariff uncertainty, and a rotation of foreign capital into markets more exposed to AI and semiconductor growth. Along with other outsourced IT service providers, Infosys shares have been weak as concerns grew over the potential for these business models to be disrupted by AI amid a softer demand environment. However, in our view, AI deployment in enterprises is not easy, requiring investments in governance, data integrity, and compliance, all tasks which the IT services providers are well positioned to assist with. We trimmed the position to a below-average weight due to valuation considerations.

Fast Retailing

Fast Retailing was a top contributor during the quarter, driven by strong execution across its global operations. China returned to growth in August and September, with management guiding for further improvement in both revenue and profit in the coming fiscal year, a turnaround following topline decline in China this fiscal year. International operations continued to show significant growth and margin expansion, particularly in North America and Europe, where the company continues to target good growth and further margin improvement. Fast Retailing's scale, efficient supply chain, and ability to offer quality products at attractive prices help navigate macroeconomic headwinds and currency volatility, while ongoing innovation in product design and marketing support brand strength and customer loyalty. With Japan accounting for one-third of Uniqlo's business and international regions poised for further expansion, Fast Retailing remains well positioned to capitalize on global growth opportunities across its diverse markets and deliver double-digit revenue growth in the years ahead. We maintained an average weight position during the quarter.

Largest Detractors

Alibaba

Alibaba was a detractor during the quarter after the company reported mixed fiscal Q2 results. While cloud revenue growth accelerated and margins remained stable, the core commerce business struggled with slowing growth and significant profit

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pressure, particularly in the quick commerce segment where heavy investment and intense competition led to a sharp decline in profitability. Management's strategy to prioritize market share over unit economics in quick commerce will result in higher order volume and user engagement with an increasing share of gross merchandise value expected to drive better efficiency and unit economics improvement. The company's quick-commerce segment has rapidly approached market leadership in daily food delivery, leveraging its vast Taobao user base and ecosystem assets such as Alipay and Amap, while also driving engagement and growth across core commerce. Ongoing investments in AI and cloud infrastructure are expected to increase in coming quarters, and AI demand is broad with many traditional industries and enterprises ramping adoption while cloud penetration in China remains low. We also expect ongoing investments in quick commerce and food delivery services to sustain market share and user engagement, although at a lower intensity compared to the initial investment stage. We remain confident in Alibaba's ability to generate high-teens earnings growth over the next three years given its scale, innovation, and strong position in China's digital economy. We added to the position during the quarter, maintaining an above-average weight.

Grab Holdings

Grab Holdings was a detractor during the quarter despite delivering solid Q3 results and raising full-year revenue guidance. The results were balanced across user and transaction growth, revenues, and margins, with growth in gross merchandise value and monthly transacting users accelerating from last quarter. At the segment level growth was solid in mobility and deliveries, but challenges in its newer fintech segment persisted as operating losses increased due to higher provisions. Management guided for the fintech segment to breakeven by the second half of 2026, and although we remain uncertain about the timeline, rumors of a potential merger with competitor GoTo would expand the size of Grab's user base and fintech opportunity. We believe Grab's delivery and ridesharing businesses remain well positioned for predictable growth and margin expansion opportunities supported by the company's strong brand, diversified platform, and scale advantages. We expect Grab to deliver high-teens revenue growth over the next three years as the company continues to improve efficiency and expand monetization opportunities. We added to the position during the quarter, maintaining an average weight.

Tencent Music Entertainment

Tencent Music Entertainment (TME) was a detractor during the quarter, as concerns around rising competition and margin dilution weighed on investor sentiment despite strong top- and bottom-line results. The continued growth of Soda Music, backed by Douyin's traffic, raised questions about their potential impact to the long-term competitive dynamics, particularly at the lower end of the market where monetization remains challenging. Additionally, investments in new verticals such as concerts and merchandise, while strategically valuable, are expected to pressure gross margins in the coming year. However, we view these initiatives as attractive as they are accretive to overall profits and should help further differentiate the platform to drive SVIP (Super VIP) adoption which increases average revenue per paying user (ARRPU). We continue to believe in TME's long-term growth prospects and competitive advantage given its differentiated content ecosystem, strong brand, and ability to innovate and capture new opportunities across China's evolving music industry. However, we continued to trim the position in the quarter to a below-average weight on relative valuation after strong performance in the first half of 2025.

Portfolio Activity

During the quarter we initiated a new position in Sea Limited and liquidated our position in L'Oreal. Positions in MercadoLibre, Bajaj Finance, and Bank of Central Asia, among others, were added to while positions in Tencent Music Entertainment, HDFC Bank, CP All, and Infosys were trimmed.

Purchases

Sea Limited

During the quarter, we initiated a new position in Sea Limited, a Southeast Asian consumer internet company with an integrated ecosystem combining e-commerce, digital payments, and entertainment. Sea has a diversified business model, with its Shopee e-commerce platform, a mobile-centric marketplace that provides integrated payments, logistics infrastructure, and seller services; Garena, a digital entertainment platform for users to access mobile and PC online games; and Monee digital financial services offering credit, mobile wallets, payment processing, banking, and insurtech services. Sea operates in markets with unique geopolitical, cultural, and economic complexities, and the company is ahead in localizing its products and content, making it difficult for competitors to disrupt at scale. Sea's e-commerce business benefits from low

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penetration rates and rising digital adoption, while its logistics network and localized approach create meaningful competitive advantages that are difficult for competitors to replicate. The company's digital financial services segment is scaling rapidly, leveraging accumulated user data and e-commerce use cases to drive engagement and profitability. In gaming, Sea's deep understanding of local audiences and self-developed franchises like Free Fire are favorable for emerging markets audiences where low-end smartphones dominate. While near-term margin volatility is expected as Sea invests in logistics, fulfillment, and new initiatives such as free shipping membership, management's focus on building long-term competitive advantages and expanding addressable markets positions the company well for sustainable growth.

Among the key risk considerations are increasing competition from TikTok and Lazada (backed by Alibaba) in Southeast Asia, MercadoLibre in Brazil, and Coupang in Taiwan. TikTok has been able to rapidly grow market share leveraging its user traffic on social media and the market share dynamic between Shopee, TikTok, and potential new entrants needs to be closely considered. We are also monitoring the unique political, macroeconomic, and currency risks across the multiple markets Sea operates in. Additionally, a potential slowdown in the U.S. and China could weaken the region's economic development and lead to depreciation in local currencies. We believe the company is positioned to benefit from low market penetration and an above average GDP growth rate across its geographies.

Profitability and positive free cash flow are growing strongly supported by the company's earlier investments, which we expect will continue to drive repeatable revenues from a large installed base. We plan to build the position opportunistically moving forward.

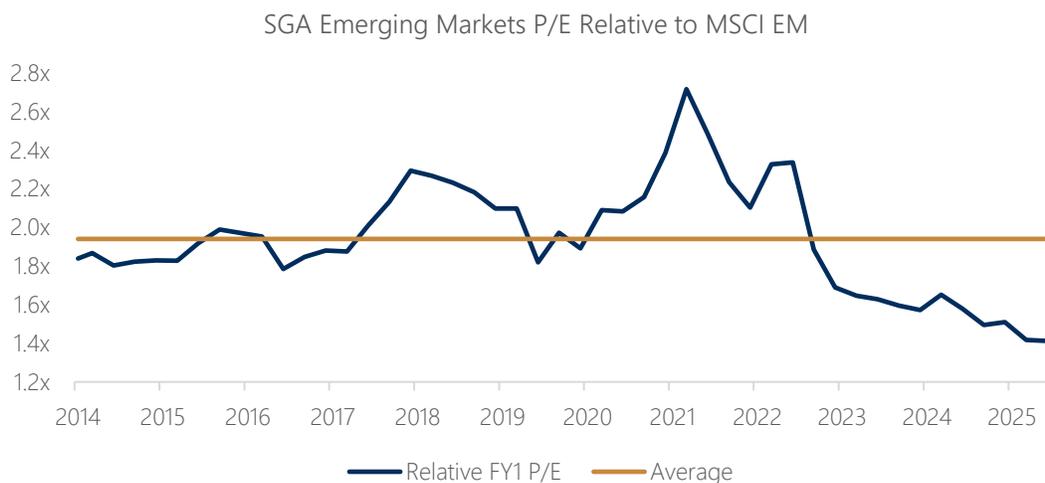
Sales

L'Oréal

We exited our position in L'Oréal during the quarter due to forced attrition to fund a higher conviction opportunity with stronger growth and an attractive valuation in Sea Limited. While L'Oréal remains a high-quality global leader with resilient categories and a strong innovation engine, recent results and channel dynamics point to moderating growth in the U.S. and Europe, a gradual recovery in China, and inventory tightening in parts of Latin America. While L'Oréal's increasing scale and large portfolio moves, including recent luxury beauty acquisitions, should help its competitive positioning over the long-term, it will be difficult for the company to outgrow the industry in the near-term. As a result, we chose to reallocate capital to a higher confidence opportunity in Sea Limited.

Valuation Opportunity and Forward Outlook

Relative Valuations Between SGA and MSCI EM At Most Attractive Levels Since Inception



Source: FactSet, MSCI. Data as of 12/31/2025. This information is supplemental and complements the GIPS Report on composite performance found on the last pages of this document. ***It should not be assumed that future results will be reflective of past performance.***

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Entering 2026, the portfolio is well positioned. The sustained focus on cyclical and momentum has driven the quality factor to historically depressed relative levels. The valuation premium for high-quality stocks has compressed to levels typically observed only during periods of crisis. Similarly, the valuation of the SGA Emerging Markets Growth portfolio relative to the MSCI EM is currently at an all-time low. The premium typically placed on reliability and predictability of growth has evaporated in recent years as a result of momentum-chasing amid the AI infrastructure boom.

SGA believes the Emerging Markets Growth portfolio is attractively valued given the long-term earnings power of its holdings. As earnings recover and valuations normalize, meaningful upside potential exists. While patience is required, SGA remains committed to businesses with pricing power, recurring revenues, and strong balance sheets. These are attributes that may be underappreciated in today's momentum-driven market but are critical to long-term wealth creation. We thank you for your continued trust and partnership.

Q4 2025 Attributions

Company	Avg. Weight	Q4 2025 Return	CTR
TSMC	8.1%	15.6%	1.15%
Infosys	4.5%	10.9%	1.07%
Fast Retailing	4.3%	19.1%	0.73%
Sanlam	3.1%	22.7%	0.64%
Capitec Bank	2.1%	25.4%	0.50%
HDFC Bank	5.3%	7.0%	0.42%
H World Group	2.3%	19.1%	0.41%
Yum China	3.7%	8.6%	0.31%
AIA Group	4.6%	7.0%	0.28%
TCS	3.2%	10.0%	0.26%
Bank of Central Asia	3.3%	6.5%	0.17%
Unilever	3.9%	4.0%	0.16%
Wal-Mart de Mexico	3.1%	4.1%	0.15%
L'Oreal	0.4%	6.4%	0.12%
FEMSA	2.6%	4.4%	0.11%
Bajaj Finance	4.0%	-2.4%	-0.09%
CP All	2.9%	-5.3%	-0.17%
MakeMyTrip	1.9%	-12.3%	-0.26%
TOTVS	3.3%	-10.6%	-0.41%
XP	3.5%	-12.0%	-0.43%
Naver	4.0%	-12.0%	-0.54%
Tencent	6.0%	-9.7%	-0.62%
MercadoLibre	4.2%	-13.8%	-0.65%
Sea Limited	2.1%	-23.0%	-0.66%
Tencent Music	2.3%	-24.9%	-0.67%
Grab Holdings	4.1%	-17.1%	-0.77%
Alibaba	5.9%	-18.0%	-1.13%

Sector Attribution	Allocation Effect	Selection Effect	Total Effect
Total	-3.0%	-1.6%	-4.6%
Communication Services	-0.3%	-1.0%	-1.3%
Consumer Discretionary	-1.3%	1.1%	-0.2%
Consumer Staples	-0.6%	0.6%	0.0%
Energy	-0.1%	0.0%	-0.1%
Financials	0.1%	0.0%	0.0%
Health Care	0.4%	0.0%	0.4%
Industrials	0.0%	-1.1%	-1.1%
Information Technology	-0.8%	-1.2%	-2.0%
Materials	-0.5%	0.0%	-0.5%
Real Estate	0.1%	0.0%	0.1%
Utilities	0.1%	0.0%	0.1%
Cash	-0.1%	0.0%	-0.1%

Region Attribution	Allocation Effect	Selection Effect	Total Effect
Total	-1.8%	-2.8%	-4.6%
Emerging Markets	-0.1%	-3.8%	-3.8%
Non-US Developed	-1.7%	0.9%	-0.8%

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Results are presented gross and net of management fees and include the reinvestment of all income. For interest and capital gains, SGA does not withhold taxes. For dividends, SGA will withhold taxes as reported by the client's custodian. Returns are calculated net of withholding taxes on dividends. The Net Returns are calculated based on the deduction of a model fee of 0.85% being the highest applicable fee that may be charged to SGA clients for the Emerging Markets Growth strategy. Net Returns do not account for custodian and brokerage fees that clients pay to third parties. Actual fees charged to clients may vary depending on, among other things, the applicable fees schedule and portfolio size. SGA's fees are available upon request and may be found in Part 2A of its Form ADV. The largest contributors and detractors are determined using a ranking of the absolute contribution to portfolio return by each security held over the period under consideration. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. Upon request, free of charge, SGA can provide a list of all portfolio holdings held in SGA's Emerging Markets Growth portfolio for the past year. SGA earnings growth forecasts are based upon portfolio companies' non-GAAP operating earnings.

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Performance Results

	Q4 2025	1-Year	3-Year	5-Year	10-Year	Since Inception
SGA Emerging Markets Growth (Gross)	0.8%	23.8%	7.3%	-1.5%	7.0%	5.7%
SGA Emerging Markets Growth (Net)	0.6%	22.8%	6.4%	-2.4%	6.1%	4.8%
MSCI EM (Net TR)	4.7%	33.6%	16.4%	4.2%	8.4%	4.9%
MSCI EM Growth (Net TR)	3.3%	34.3%	16.2%	1.8%	8.8%	5.8%

Period	Total Return		3 Year Standard Deviation					Total Assets in Composite at Period End (USD millions)	Total Firm Assets at Period End (USD millions)	Percentage of non-fee paying accounts
	Before Fees	After Fees	MSCI EM Net TR Index	MSCI EM Growth Net TR Index	SGA Composite	MSCI EM Net TR Index	MSCI EM Growth Net TR Index			
Aug. 1 - Dec. 31, 2014	-1.38%	-1.73%	-9.59%	-7.09%				0.193	5,332	100%
2015	-3.00%	-3.82%	-14.92%	-11.34%				0.094	5,318	100%
2016	2.10%	1.24%	11.19%	7.59%				0.096	5,672	100%
2017	36.31%	35.19%	37.28%	46.80%	12.64%	15.35%	14.69%	0.130	9,971	100%
2018	-11.00%	-11.76%	-14.57%	-18.26%	12.87%	14.60%	14.98%	0.116	9,096	100%
2019	30.97%	29.88%	18.42%	25.10%	13.38%	14.17%	15.41%	5	12,347	0%
2020	31.22%	30.13%	18.31%	31.33%	18.45%	19.60%	19.96%	6	18,780	0%
2021	-14.37%	-15.10%	-2.54%	-8.41%	18.56%	18.33%	18.96%	86	22,899	0%
2022	-12.35%	-13.10%	-20.09%	-23.96%	20.53%	20.26%	21.36%	94	18,407	0%
2023	7.23%	6.32%	9.83%	5.83%	17.69%	17.14%	19.05%	226	23,947	0%
2024	-7.02%	-7.82%	7.50%	10.30%	16.92%	17.50%	19.28%	784	22,139	0%
Since Inception (August 1, 2014)	4.13%	3.25%	2.49%	3.43%	16.13*	16.98*	17.67*			

Sustainable Growth Advisers, LP ("SGA") was formed in 2003 and is a registered investment advisor under the Investment Advisers Act of 1940. SGA manages portfolios of publicly traded equity assets according to its "Large Cap Growth Equity" investment approach for pooled funds, institutions, trusts and private accounts. SGA is an operationally independent investment management firm and is an affiliate of Virtus Investment Partners. The SGA Emerging Markets Growth Composite was created in January 1, 2015. The firm maintains a complete list and description of all composites, which is available upon request.

Sustainable Growth Advisers, LP claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Sustainable Growth Advisers, LP has been independently verified for the periods July 1, 2003 – December 31, 2024.

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 SGA Emerging Markets Growth composite has had a performance examination for the periods August 1, 2014 - December 31, 2024. The verification and performance examination reports are available upon request.

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The SGA Emerging Markets Growth Composite contains fee paying and non-fee paying discretionary global large cap emerging growth equities that invests in companies around the world that are direct beneficiaries of the rapid emergence of the middle class across many developing economies and its related wealth creation. For comparison purposes the composite is measured against the MSCI Emerging Markets Growth Net and MSCI Emerging Markets Net Total Return Indices. The benchmarks are the most widely followed indices to track emerging market performance. The indices reinvest dividends after the deduction of withholding taxes, using a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. The net total return indices are most representative of what a passive investor in the index could expect to achieve taking into account the price level movements, dividends and taxes that are withheld on those dividends. Effective December 31, 2022, the MSCI ACWI with EM Exposure Net is no longer presented because it is not considered representative of the strategy as the portfolio invests primarily in companies domiciled in emerging markets.

The composite calculation has been appropriately weighted for the size of each portfolio on a time-weighted, total return basis. Monthly portfolio returns have been used in the construction of the composite. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm.

The U.S. Dollar is the currency used to express performance. Results are presented gross and net of management fees and include the reinvestment of all income. For interest and capital gains, SGA does not withhold taxes. For dividends, SGA will withhold taxes as reported by the Client's custodian. Returns are calculated net of withholding taxes on dividends. The Net Returns are calculated based upon the highest published fees. The net performance has been calculated by reducing the gross performance by the amount of the highest published fee that may be charged to SGA clients, 0.85%, employing the Emerging Markets Growth strategy during the period under consideration. Actual fees charged to clients may vary depending on, among other things, the applicable fees schedule and portfolio size. SGA's fees are available upon request and also may be found in Part 2A of its Form ADV. The annual dispersion presented is an asset-weighted standard deviation calculated using gross returns for the accounts in the composite the entire year. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. **Past performance is not indicative of future results.**

The standard investment management fee schedule for the firm is 0.85% on the first \$25 million; 0.65% on the next \$75 million and 0.50% over \$100 million. Actual investment advisory fees incurred by clients may vary from the standard fee schedule.

Please see table included in this commentary for full performance presentation.

Cooper

We held meetings with Cooper on two occasions during the fourth quarter. In December, we met with the company's CEO (Al White) and discussed the recent promotion of Collen Jay as Cooper's new Chairwoman. We discussed the company's strategic restructuring and several governance matters, including Chairwoman Jay's background and the merits of her promotion to Chairwoman. We let management know that, while the new Chairwoman has significant manufacturing expertise after leading many groups during her tenure with Procter & Gamble, we had concerns around the lack of specific healthcare manufacturing expertise on the Board. We further discussed the need for the Cooper Board to consider adding talent with more domain expertise in healthcare manufacturing and/or medtech. We were pleased to note that management was very open to this suggestion and would welcome adding someone with that background. Subsequently, we were gratified to see Walter Rosebrough, Steris CEO Emeritus, added to Cooper's Board. We know Mr. Rosebrough well through our long-term investment in Steris, hold him high regard, and believe he represents the precise incremental domain expertise for which we were advocating.

Later in the month, an SGA delegation met with Collen Jay to discuss several governance matters, including compensation, and the company's long-term strategy. Chairwoman Jay was receptive to our thoughts, and we had a positive impression of the new Chairwoman. We spent much time on Board refreshment, noting they had added five people over the last five years. Compensation structure was also discussed, as Chairwoman Jay has sat on the compensation committee for Cooper. We encouraged the company to consider increasing the proportion of Performance Share Units relative to Restricted Stock Units in named executive officer (NEO) compensation, to further strengthen alignment with shareholders. Ms. Jay believes their mix of Restricted Stock Units and Performance Share Units is appropriate and in line with industry standards.

Chairwoman Jay noted that their strategic review was completed in October, with a single-minded focus on driving shareholder value over the long run and making sure they return capital to shareholders (on which they executed well through 2025). Their shareholder value will be underpinned by delivering continued earnings growth and free cash flow growth. Underpinning this growth is their focus on innovation, with Jay citing the progress in their myopia control and MyDay platforms. Additionally, as a result of the strategic review, Cooper announced that they are considering options to spin off Cooper Surgical, its women's health business. We were pleased with the announcement of this strategic review and potential for a spin, as we continue to believe that incremental shareholder value may be unlocked if these businesses (CVI and CSI) were to operate separately.

Gartner

In December we met with Gartner's Lead Independent Director, Karen Dykstra, and CFO Craig Safian to engage on several matters including the Chairman/CEO split, Board tenure/age, executive compensation metrics and growth versus margin tradeoffs.

We noted issues around Board entrenchment and the recent appointment of CEO Gene Hall who is now also serving as Chairman. We advocated for the implementation of a mandatory retirement at age 75 and reverting to a split Chairman/CEO structure to help foster new perspectives and viewpoints which may be more willing to challenge the CEO's perspectives. Director Dykstra indicated that she, as Lead Independent Director, meets frequently with Hall to provide feedback and set topics to discuss in more depth at Board meetings. She also noted they have rotated the committee chairs to get new perspectives.

On executive compensation, we advocated for long-term executive compensation based on free cash flow per share, as opposed to the current Contract Value metric used today. We believe this will improve alignment and better incentivize a more balanced perspective on growth versus profitability. Operationally, the Board has been focused on ensuring it remains agile in responding to the different demand environments in order to protect margins in challenging times and accelerate growth in better demand environments. We pushed Gartner to conduct a strategic review to evaluate other growth strategies that contain a blend of top-line growth and margin expansion to determine whether they could deliver higher and more reliable free cash flow per share. To increase visibility, transparency, and shareholder alignment, we also asked Gartner to provide intermediate-term free cash flow per share targets to the market that are aligned with executive compensation which would increase visibility.

We will continue to engage with the company on each of these matters.

Yum

In November we met with Yum's ESG team, the company's Chief Sustainability Officer, and members of the legal department.

We discussed updates on Yum's ESG disclosure requirements across the globe. Standards are still being established, but Yum is well underway preparing for finalized requirements. The two biggest ESG reporting disclosure initiatives are in the EU (Corporate Sustainability Reporting Directive, or "CSRD") and California. The reporting requirements are still a work in progress, and Yum is currently conducting high-level work but is waiting for further clarification before diving deeper. The good news is that more and more jurisdictions are moving towards common disclosures, with most broadly consistent with the ISSB (International Sustainability Standards Board).

Regarding biodiversity, we were pleased to hear that Yum is in the midst of a risk assessment of its exposure to ensure it complies with new disclosure requirements in California. The assessment will utilize a Task Force on Climate-related Financial Disclosures framework to look at the company's exposure based on its restaurants and the network of its suppliers. The company should be able to leverage this work to comply with new reporting requirements under the EU's CSRD directive once the EU's framework is finalized. Separately, Yum continues to programmatically engage with its beef, chicken, and dairy suppliers on biodiversity.

We also discussed whether the "MAHA" (Make America Healthy Again) movement might be a threat to Yum restaurant sales despite the company having made significant progress on the elimination of artificial colors and flavors from its menu items. The company recently met with White House staff for what sounded like a productive session. According to Yum, the White House was particularly impressed with the transparency Yum provides on its website regarding nutrition content, ingredient disclosure, etc. Yum is also well positioned versus RFK Jr.'s war on artificial colors and flavors, having removed 95% and 91% of artificial colors and flavors (respectively) from its food in recent years. Stepping back, the company has a reasonably well-developed nutrition strategy under which significant progress has been made in areas including calorie, salt, fat, and sugar reduction.

Alcon

In December we met with several members of the leadership team at Alcon regarding two main ESG matters: compensation and sustainability.

On compensation, we raised the issue regarding Alcon's 2025 performance and asked to see the impact to the 2025 short-term incentive awards. We again asked for the incorporation of TSR and a metric for measuring M&A effectiveness. We believe these will improve the understanding of company performance, rather than relying on revenue and EPS growth without accounting for M&A. Management responded that they expected shareholders will be pleased to see that there will be an impact to short-term incentives on recent performance and are also considering ROIC measures.

Alcon also explained the difficulties of being a Swiss domiciled company with operations in US. They would like to incorporate more US peers into their compensation benchmarks but are regulated by Swiss rules, so Alcon already has a peer set of European and US peers for benchmarking. Alcon notes that its executives are significantly underpaid versus Bausch or Cooper, despite being a much bigger company executives sit around the 35th percentile for remuneration. They will be seeking some adjustments through the next annual general meeting; however, management acknowledged that timing is not great given their underperformance in 2025.

On sustainability metrics, we were pleased to hear that Alcon now offers increased disclosure of its Scope 3 emissions as well as carbon offsets. This is a topic we discussed with them numerous times and we are happy to see the increased level of transparency.

UN PRI Nature and Biodiversity Course

Several members of the Investment Committee and client service team recently completed the UN PRI course *Nature and Biodiversity for Investors*. The program detailed key concepts and scientific principles related to biodiversity, explored global

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policy developments, and examined how nature-related risks and opportunities affect investment outcomes. By deepening our understanding of how biodiversity and nature considerations impact long-term value creation, we are better equipped to integrate these considerations into our investment analysis and stewardship practices. This knowledge positions us to proactively manage material nature-related risks and opportunities within our investment process.

Proxy Voting Summary Q4 2025

	Number of Resolutions	For	%	Against	%	Withhold	%
U.S. Large Cap Growth	22	17	77%	5	23%	NIL	0%
Global Growth	37	32	86%	5	14%	NIL	0%
International Growth	32	29	91%	3	9%	NIL	0%
Emerging Markets Growth	17	17	100%	0	0%	NIL	0%

Source: SGA, ISS.

Carbon Risks Q4 2025

	Financed Carbon Emissions*	Financed Carbon Intensity	Weighted Average Carbon Intensity
SGA Global Growth	7.8	50.0	50.6
MSCI ACWI	39.7	133.6	111.0
SGA Relative Exposure	-80%	-63%	-54%
SGA U.S. Large Cap Growth	10.4	65.4	62.7
Russell 1000 Growth	6.5	44.6	32.7
SGA Relative Exposure	+59%	+47%	+92%
SGA International Growth	16.9	74.8	95.6
MSCI ACWI ex-USA	72.3	173.0	155.7
SGA Relative Exposure	-77%	-57%	-39%
SGA Emerging Markets Growth	12.4	41.7	41.8
MSCI EM	116.3	277.3	274.8
SGA Relative Exposure	-89%	-85%	-85%

t CO₂e/\$M Invested

t CO₂e / \$M Sales

t CO₂e / \$M Sales

Source: SGA, MSCI. Carbon data includes Scope 1 and 2 emissions. *Carbon Emissions are based on portfolio investment of \$1,000,000,000 and benchmark investment of \$1,000,000,000. Footprint metrics are calculated based on allocated emissions to all financiers (EVIC).

SGA integrates ESG factors, including ESG risks and opportunities, into its investment process. SGA believes environmental, social and governance factors inherently impact a company's brand equity, employee satisfaction, competitive position, financial performance, and ultimately long-term shareholder value. Investments are made with the objective of maximizing risk-adjusted financial returns to its clients. SGA does not place a premium on social returns, nor does SGA allocate its clients' capital based on thematic or top-down views. The opinions expressed herein reflect the opinions of Sustainable Growth Advisers, LP and are subject to change without notice. The securities referenced in the article are not a solicitation or recommendation to buy, sell or hold securities. These materials are provided only for qualified and sophisticated institutional investors.