

Hello, I am Rakesh Bordia. I am one of the co-portfolio managers on our international value strategy. I'm here to talk about the fourth quarter of 2025.

International stocks continued their upward trend in the fourth quarter as tariff concerns continued to go down and macro was generally more optimistic. Overall, most markets were very strong in the fourth quarter, with the notable exception being China, which was weak in the quarter.

Overall, value stocks outperformed the style-neutral stocks in the quarter. Our portfolio outperformed the MSCI EAFE Index but underperformed the MSCI EAFE Value Index by about 60 basis points. As is generally the case, most of our performance was driven by stock selection.

The strongest stock in the quarter was Samsung. Samsung benefited from a continuing upcycle in DRAM as AI demand has been driving memory demand globally. Additionally, Samsung had issues with HBM3, which is the high-bandwidth memory used for AI, and it seems that they're getting back on track with the fourth generation of high-bandwidth memory.

Another stock which was very strong in the quarter was ArcelorMittal. They have done a very good job of realigning their supply chain with tariff concerns. Additionally, Europe is going to put in a tariff for carbon imports for steel, and that is going to help the profitability of their European operations. They also posted very strong results in the quarter, which helped the stock as well.

The other stock which was very strong in the quarter was Bayer. Bayer is a European crop sciences and pharmaceutical company which posted very good results. They are facing issues around litigation for their Roundup and glyphosate sales over the last few years, and the Department of Justice recommended the Supreme Court take the case and rule in Bayer's favor, which also helped the stock in the quarter.

On the negative side, again it was stock selection, but all the detractors were Chinese stocks. One, the Chinese market was very weak as the optimism on macro was kind of declining. But more specifically, Alibaba, which was very strong in the prior two quarters, gave up some of its gains as its margins declined. While its cloud revenue continues to do really well and it is really improving on the quick retailing format, the stock really gave up some of its gains from the prior two quarters.

China Overseas Land, which is the largest real estate company in China, was also weak, primarily as the property market continues to face severe headwinds in China. It continues

to boast a very good balance sheet and has some of the choicest properties in Tier 1 and Tier 2 cities. So we find it a very attractive stock in this difficult market.

Galaxy Entertainment, which is a casino company in Macau, was also weak, primarily because of Chinese macro headwinds, as the optimism that China was doing really well and that should help their revenue took a step back in the quarter.

We also had quite a few new additions to the portfolio in the last quarter. One of the companies we added in the quarter was Kubota. Kubota is a global leader in small construction and farm equipment, and it has been weak primarily because of weak U.S. home residential construction, and we were able to buy a very strong franchise at a very attractive price.

Another stock we bought in the quarter was Vale, which is the lowest-cost iron ore producer in the world. The reason the stock has been weak is because of China weakness, where people worry that steel demand has peaked. They continue to have the highest iron content in their iron ore, and we believe it is very well positioned to grow in this environment.

The other two names we added in the quarter were Accenture and Publicis. Accenture is one of the world's largest IT services providers, and Publicis is the world's largest advertising agency. Both of these stocks have been weak due to macro fears as well as concerns around AI disruption. We believe that these risks are well priced into the stocks and are significantly overstating the long-term risk of these issues from a long term perspective, and we were able to buy these global leaders at very attractive valuations.

Overall, the market remains volatile right now given the macro concerns and the future of AI and how it can disrupt businesses. These generally are good hunting grounds for investors like us. As we think about the long-term evolution of these businesses and the valuation spreads being as high as they are, we are very excited about where the portfolio is positioned and the new opportunities we can find right now.

Thank you.