

# EGA International Equity

Strategy Profile

As of June 30, 2018

## Strategy Overview

Eagle believes that investments in high quality, growth-oriented international, large-capitalization companies provide investors with attractive long term, risk-adjusted returns. The strategy targets international companies that generate consistent earnings, cash flows and returns on equity as well as those with strong management teams that reward patient investors with above market returns while limiting risk over the long term. Eagle's disciplined investment process incorporates both top-down and bottom-up elements and is designed to identify companies with improving growth prospects that have not been incorporated into current valuations.

## Eagle Global Advisors, LLC

- SEC Registered Investment Advisor, founded November 1996
- \$3.9 Billion assets under management\*
- 35 employees including 16 investment professionals
- Investment team has been together since 1993

## Investment Highlights

- Focus on companies with global scale
  - ~25% of portfolios invested in companies with market caps of \$2B-\$10B
  - ~75% of portfolios invested in companies with market caps greater than \$10B
- Industry leaders that possess sustainable competitive advantages
- Growth-oriented businesses trading at attractive valuations (GARP)
- Allocations driven primarily by stock selection—45 to 60 holdings
- Flexibility to under/over-weight countries and sectors; up to 35% in non-MSCI EAFE securities
- Benchmark sensitive  $-R^2$  over 90%
- Low turnover—25% to 30% annually

## Top 10 Holdings\*\*

As of June 30, 2018

Holdings	Sector	Country
1 Nestle	Consumer Staples	Switzerland
2 ING Groep	Financials	Netherlands
3 Total	Energy	France
4 ORIX Corporation	Financials	Japan
5 Tencent Holdings	Information Technology	China
6 DBS Group Holdings	Financials	Singapore
7 Capgemini	Information Technology	France
8 Magna International Inc.	Consumer Discretionary	Canada
9 SINA Corp.	Information Technology	China
10 Valeo	Consumer Discretionary	France

## Disclaimer

Eagle Global Advisors, LLC is an independent investment advisor, registered with the SEC, actively managing individual investment portfolios containing domestic equity, international equity, master limited partnerships, and domestic fixed income securities (either directly or through a sub-advisory relationship) for mutual funds, high net worth individuals, retirement plans for corporations and unions, financial institutions, trusts, endowments and foundations. Eagle Global Advisors, LLC claims compliance with Global Investment Performance Standards (GIPS®). To receive a complete list and description of Eagle Global Advisors, LLC composites contact Steven Russo at 713-952-3550, or write Eagle Global Advisors, LLC at 1330 Post Oak Blvd., Suite 3000, Houston, TX 77056, or [srusso@eagleglobal.com](mailto:srusso@eagleglobal.com).

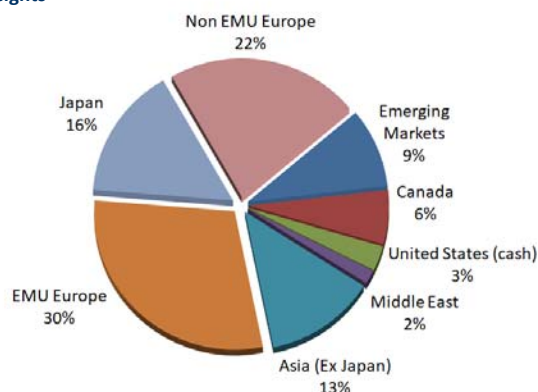
\*AUM data is inclusive of both discretionary and non-discretionary client assets.

\*\*EGA's top ten holdings represent our largest holdings as of June 30, 2018. This is not a recommendation to buy or sell any security. There can be no assurance that the portfolio will continue to hold the same position in companies described herein, and the portfolio may change any portfolio position at any time.

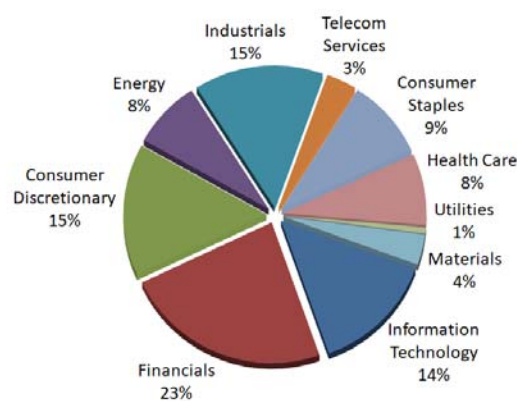
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## Portfolio Characteristics

### Regional Weights



### Sector Weights



## Performance Update

As of June 30, 2018

	MRQ*	YTD*	1 Year*	3 Year*	5 Year*	10 Year*
EGA International Equity (% gross)	-3.4	-6.2	3.4	1.8	5.4	1.1
EGA International Equity (% net)	-3.7	-6.6	2.4	0.9	4.4	0.2
MSCI EAFE - ND	-1.2	-2.8	6.8	4.9	6.4	2.8

\*Preliminary

# EGA International Equity Composite

January 1, 2005 through March 31, 2018

	Q1 18	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total Return (%) Gross	(2.83)	23.38	(2.40)	(0.06)	(3.11)	22.58	18.22	(13.09)	6.09	26.25	(42.56)	22.11	29.09	16.01
Benchmark Total Return (%)*	(1.53)	25.03	1.00	(0.81)	(4.90)	22.78	17.32	(12.14)	7.75	31.78	(43.38)	11.17	26.34	13.54
Composite 3 Year Std. Dev.	11.38	11.04	11.74	11.97	12.30	17.08	20.13	22.64	26.09	24.07	21.24	11.15	N/A	N/A
Benchmark 3 Year Std. Dev.	12.25	12.00	12.64	12.64	13.21	16.48	19.65	22.75	26.61	23.91	19.51	9.56	N/A	N/A
Number of Portfolios	110	98	127	141	140	180	170	307	352	391	496	377	307	173
Composite Dispersion (%)	0.20	0.59	0.59	0.79	0.39	0.58	0.80	0.71	0.74	1.42	1.09	0.41	0.97	1.61
Total Assets at End of Period (US\$ 000)	155,241	150,989	139,998	239,980	232,103	298,207	175,393	305,634	480,891	510,594	477,990	740,091	510,983	269,552
Percentage of Firm Assets	4.7	4.2	3.5	7.3	5.5	8.5	7.8	14.6	19.0	22.2	28.5	29.5	29.9	24.0
Total Firm Assets (US\$ 000)	3,285,165	3,561,407	3,946,902	3,281,294	4,208,672	3,514,431	2,255,886	2,088,976	2,527,423	2,295,834	1,677,203	2,505,557	1,711,542	1,121,554

\* Benchmark: MSCI EAFE Index.

EGA International Equity Composite - The EGA International Equity Composite consists of those equity-only portfolios invested in international equity ADRs and/or ordinaries. The Eagle equity investment philosophy focuses on identifying the securities of large capitalization companies with improving growth potential that are not fully recognized by current valuations.

- Eagle Global Advisors, LLC is an independent investment advisor, registered with the SEC, actively managing individual investment portfolios containing domestic equity, international equity, master limited partnerships, and domestic fixed income securities, (either directly or through a sub-advisory relationship), for mutual funds, high net worth individuals, retirement plans for corporations and unions, financial institutions, trusts, endowments and foundations.
- Eagle Global Advisors, LLC claims compliance with Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with GIPS standards. Eagle Global Advisors, LLC has been independently verified for the periods 1/1/1997 to 3/31/2018 by Dabney Investment Consulting Associates, Inc. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. Annual returns are reported for all full years and interim quarterly returns. Returns of portfolios and composites for periods of greater than 1 year are annualized. Only direct trading expenses are deducted when presenting gross of fee returns. In addition to management fees, actual client returns will be reduced by any other expenses related to the management of an account such as brokerage charges, trustee fees or custodian fees. The currency used to express performance is the U.S. dollar. Returns are calculated net of both non-reclaimable and reclaimable foreign withholding taxes on dividends, interest, and capital gains. Reclaimable withholding taxes are not accrued, but are cash basis as received. Eagle uses calendar month-end portfolio valuations or valuations on the last business day of the month. Eagle uses the asset-weighted standard deviation as the measure of composite dispersion of the individual component portfolio gross full period returns around the aggregate composite mean gross return. If the composite contains 5 portfolios or less (<=5) for the full period, a measure of dispersion is shown as not meaningful (N/A) and the number of portfolios is not reported. Past performance cannot guarantee comparable future results. All investments involve risk including the loss of principal. This presentation is presented in a private and confidential nature, and is intended for clients who are financially sophisticated.
- The composite start date is January 1, 1997. The composite was created in September 1997. The composite includes all single asset international equity portfolios where the firm has full investment discretion, the client pays a fee, the portfolio has over \$250,000 in international securities and the portfolio properly represented the intended strategy at the end of the calendar quarter. Portfolios smaller than the minimum are deemed incapable of sufficiently diversifying into this investment style and are excluded from the composite as being not fully discretionary. Prior to January 1, 2005 the minimum asset level was \$150,000. Prior to January 1, 2006 this composite was named the International Equity ADR Composite, a name change only. Prior to January 1, 2007 this composite was named the EGA All International Equity Composite, a name change only. All performance returns assume the reinvestment of dividends, interest, and capital gains.
- The benchmark is the MSCI EAFE (Europe, Australia, Far East), a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US, Canada, and the Emerging Markets. Indexes are U.S.-based and gross of tax. The total return for the benchmark (or benchmarks) that reflects the investment strategy represented by the composite is reported for each period.
- The Eagle list of composite descriptions is available upon request. Eagle policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request. Eagle believes that all significant events that would help a prospective client interpret the compliant presentation are disclosed in the compliant presentation and in the firm's SEC Form ADV Brochure 2A.
- Eagle does not currently use carve-outs. Prior to 1/1/2008, Eagle used carve-out segments including cash to represent a discretionary portfolio and to be included in composite returns. Cash was allocated to the carve-out returns on an equal-weighted basis determined by the number of asset classes.

#### International Equity Fee Schedule (minimum annual fee: \$10,000)

Account Size	Under \$5 million	\$5 to 10 million	\$10 to 25 million	\$25 to 50 million	\$50 to 100 million	Over \$100 million
Annual Fee	1.00%	0.90%	0.85%	0.80%	0.70%	Negotiable

#### Representative Example of Compounded Effect of Investment Advisory Fee

A maximum 1.00% management fee deducted from a portfolio quarterly (0.25%/quarter) would result in the following cumulative compound reduction of the portfolio time-weighted rate of return.	Years	Cumulative Fee	Years	Cumulative Fee
	1	1.004%	6	6.178%
	2	2.018%	7	7.261%
	3	3.042%	8	8.318%
	4	4.076%	9	9.408%
	5	4.121%	10	10.538%