



International Equity Strategy Brochure Q3 2019



International Equity Strategy: What We Deliver

- Sustainable Growth-at-the Right Price (SGARP) approach that invests in companies with strong management teams that generate consistent earnings, cash flows and returns on equity
- Optimal combination of quantitative and fundamental company research
- Product-design advantages:
 - Portfolios invest in approximately 50 companies where conviction is high
 - Long-term holding horizon (typically four years) leads to low turnover
- Has produced competitive relative and absolute returns since inception
- Attractive organizational characteristics

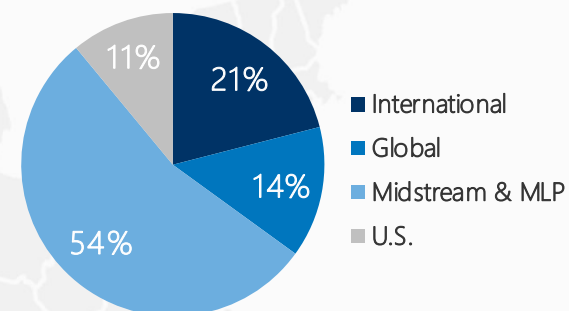
Eagle Global Advisors



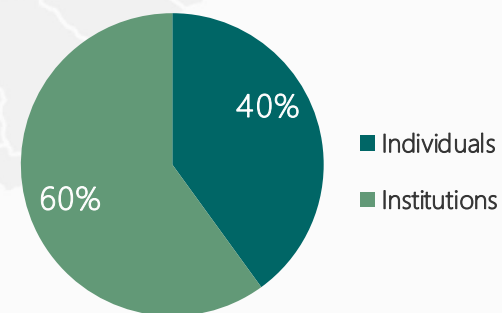
- ✓ Founded: 1996
- ✓ Location: Houston, TX
- ✓ Ownership: 100% Employee-owned
- ✓ Total Employees: 34

Total AUM: \$3.0 Billion*

Investment Strategy



Client Type



Attractive Organizational Characteristics

- Professional continuity – Investment Committee members together since 1995
- Key employee/owners are in the prime of their careers
- Focused on core competencies
- Has Conservatively managed for long-term success:
 - No debt
 - Always profitable
 - Have consistently reinvested in the business – even during downturns
- Principals invest in the same strategies as our clients

International Equity Strategy: Profile

At-a-Glance

Inception Date	January 1, 1997
Portfolio Management	Investment Committee consisting of the firm's equity partners
Style	Invests in companies with sustainable growth trading at the right price (SGARP)
Objective	2% per annum Excess Return above MSCI EAFE Index over market cycle

International Investment Team

Name <i>Title</i>	Investment Process Responsibilities	Years Experience	Years at Firm	Degrees / Designations	University or Sponsoring Body
John Gualy <i>Partner</i>	Investment Committee Co-Chair Portfolio Management Research	27	22	BBA MBA CFA	University of Texas Rice University CFA Institute
Brian Quattrucci <i>Senior Vice President</i>	Investment Committee Co-Chair Portfolio Management Research	22	14	BS MBA CFA	Bryant College Rice University CFA Institute
Edward Allen <i>Senior Partner</i>	Investment Committee Member Portfolio Management Research	26	22	BS PhD CFA	Princeton University University of Chicago CFA Institute
Thomas Hunt <i>Senior Partner</i>	Investment Committee Member Portfolio Management Research	27	22	BS MBA CFA CPA	University of Texas Harvard Business School CFA Institute
Steven Russo <i>Senior Partner</i>	Investment Committee Member Portfolio Management Research	31	22	BBA MBA	University of Texas Rice University
Andrea Bennis <i>Vice President</i>	Research	20	11	MBA CFA	ESLSCA, Paris, France CFA Institute
Bill Cruise <i>Vice President</i>	Research	16	11	BBA MBA CFA	University of Texas Yale University CFA Institute
Rajansh Miglani <i>Senior Investment Analyst</i>	Research	9	3	BE MBA CFA	Delhi College, India University of Texas CFA Institute
George Crosby <i>Senior Vice President</i>	Portfolio Management	46	13	BA MA	Austin College Texas Christian University

International Equity Strategy: How We Are Different

	Common Practice	Eagle Global Advisors	Advantage
Portfolio Management	Often assigned to generalists who did not create the strategy and have no equity ownership	By founding Partners who designed the strategy and have supervised it since inception	...Expertise, passion and commitment
Style	Growth or Value	SGARP	...Flexible
Approach	Fundamental or Quantitative orientation	Fundamentalists who are sophisticated users of quantitative methods	...Eagle Global combines both in an optimal way
Product Design	80-120 stocks / One-to-two year holding periods	45 - 60 stocks / Four-year holding periods	...Freedom to be highly selective

Philosophy

“The stock market serves as a relocation center where money moves from the active to the patient.”

— Warren Buffett

Investors often focus on shorter-term horizons. But company economic performance follows much longer-term cycles. Due to these different timescales, the market often underestimates the ramifications of positive change.

How we exploit this inefficiency:

- Apply Disciplined Financial Models...to identify companies with improving long-term growth outlooks not yet recognized by the market
- Apply Qualitative Fundamental Research...to confirm that there are true fundamental reasons for the improved growth outlook and that the improved growth outlook is sustainable
- Be Patient...allow time for inefficiencies to be resolved. Some of the best portfolio decisions are to do nothing

Stock Selection Process

1. Universe

Approx. 1,000 liquid large cap and mid cap companies

- 750 in Developed Markets
- 250 in Emerging Markets

2. Advanced Quantitative Multi-Factor Modeling

Company Model

Early recognition of companies with improving growth potential not reflected in current valuations. Application of leading academic research.

Country & Sector Models

Derivatives of Eagle's Company Model. Straightforward aggregation of 1,900 company universe in 48 countries and 10 GICS sectors.

3. Fundamental Analysis

Examine sustainability of improving growth potential

4. Financial Analysis

Confirm legitimacy of company financials and quality of earnings

Company Model

- Company universe is ranked on a relative basis and sorted into deciles
 - Top 2 Deciles> Attractive
 - Middle 6 Deciles> Hold
 - Bottom 2 Deciles> Avoid/Sell
- Focuses our research on companies whose rankings have materially improved
- Incorporates both growth and value metrics
- Provides an unemotional check for current holdings and is a critical component of sell discipline
- Output back-tested periodically to ensure quality

Company	Country	Sector	Current Decile Ranks					Change In Composite Rank		
			Composite	Earnings Revisions	Price Momentum	Growth Factors	Value Factors	1 Month	3 Month	6 Month
			100%	40%	20%	10%	30%			
Company A	France	Consumer Discretionary	1	1	1	1	1	0	+1	+2
Company B	U.K.	Consumer Staples	1	1	1	1	2	0	0	+1
Company C	Norway	Energy	1	1	2	1	1	+1	+1	0
Company D	Japan	Financials	2	2	1	3	8	-1	0	+3
Company E	Switzerland	Health Care	2	4	8	1	1	-1	-1	-1
Company F	Singapore	Industrials	2	5	5	1	2	+1	+2	+4
Company G	Japan	Information Technology	3	5	5	4	2	-1	-2	-2
Company H	Australia	Materials	3	7	4	8	1	-2	-2	-2
Company I	Hong Kong	Telecommunications	3	3	3	2	5	+1	+2	+3
Company J	Germany	Utilities	3	5	4	3	3	0	0	-1

Country And Sector Models

- Straightforward aggregation of Company Model rankings by Country and GICS sector
- Provides a disciplined bottom-up look at top-down conditions
- Supported by external research services

Bottom-Up Use:

Validate company attractiveness:

Company	Country/Sector	Attractive?
I	Hong Kong / Telecom	Yes
G	Japan / Info Tech	No

Top-Down Use:

Overweight attractive sectors and countries

Underweight bubble risks and value traps

Change In Composite Rank

Country	Composite	Avg Score	1 Month	3 Month	6 Month
Hong Kong	1	3.5	+1	+3	+5
Austria	2	3.8	-1	+1	-1
Finland	3	4.0	0	-2	+2
Germany	4	4.4	+2	+2	+5
Singapore	5	4.5	+3	+3	-2
U.K.	6	4.7	-1	+1	+2
Belgium	7	4.8	0	-5	-5
France	8	4.8	+4	-3	-4
Norway	9	5.3	+7	+5	-2
Denmark	10	5.4	-1	+6	+4
Switzerland	11	5.5	-1	+7	+5
Canada	12	5.7	-1	0	-2
Portugal	13	5.7	0	+6	+5
New Zealand	14	5.8	0	+3	+5
Italy	15	6.2	+5	-6	-6
Spain	16	6.4	+1	-6	-4
Japan	17	6.7	+2	-6	-2
Australia	18	7.7	0	-3	-7
Ireland	19	8.0	-4	-6	-2
Greece	20	8.6	0	0	0

Change In Composite Rank

Sector	Composite	Avg Score	1 Month	3 Month	6 Month
Telecom	1	3.5	+1	+2	+4
Consumer Discretionary	2	3.8	-1	0	+4
Materials	3	4.0	0	-2	0
Consumer Staples	4	4.4	+3	+1	-3
Industrials	5	4.5	-1	+1	-1
Financials	6	4.7	0	-1	-4
Utilities	7	4.8	-2	-3	0
Health Care	8	4.8	+2	0	+2
Info Technology	9	5.3	0	+1	0
Energy	10	5.4	-2	-1	-2

Fundamental Analysis

Qualitative Analysis

- Competitive strengths and weaknesses
 - Industry position
 - Management strategy and integrity
-
- Global focus allows Eagle to compare companies across countries
 - Emphasis on companies that possess sustainable competitive advantages
 - Leadership with a clear strategic vision
 - Shareholder friendly management and ownership structure

Financial Analysis

Financial Statement Analysis

- Accounting quality of earnings
 - Balance sheet strength
 - Cash flow
 - Ability to earn more than its cost of capital
-
- Information is gathered from a variety of sources including company conference calls, industry conferences, positive and negative analyst reports, periodicals, company annual and quarterly reports, research databases and various news wires
 - Valuation analysis utilizes HOLT valuation software and in-house analysis of company accounting information

Portfolio Construction and Risk Controls

Country

- + / - 10% points vs. MSCI EAFE Index
- Up to 35% in non-MSCI EAFE securities
- 20 – 25 countries are represented in portfolio

Sector

- + / - 10% points vs. MSCI EAFE Index
- Holdings are diversified across sectors and industries

Stock

- Initial weighting of new positions: 1 - 3%
- Portfolio contains 40-60 different companies

Sell Discipline

A fundamental review is triggered when:

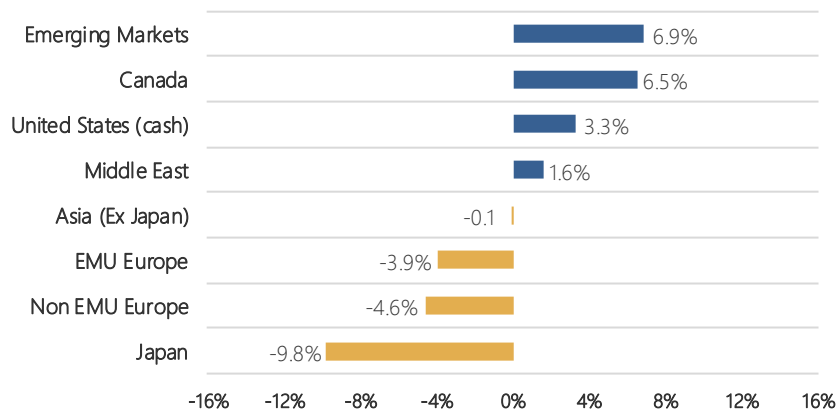
- Stock declines to bottom 20% of our proprietary Multi-Factor Model
 - High Valuation
 - Slowing Growth
 - Downward Earnings Revisions
 - Relative price underperformance
- Top-down analysis leads to a reduction in sector exposure
- Deterioration of company qualitative or quantitative fundamentals
- A stock with greater up-side potential is identified on a relative value basis

If fundamental review confirms any of the above factors, a stock will be sold and funds are redeployed in more attractive securities.

Portfolio Characteristics As of 9/30/2019

Regional Allocation Versus MSCI EAFE

...Allocation to Emerging Markets and underweight Non-EMU Europe



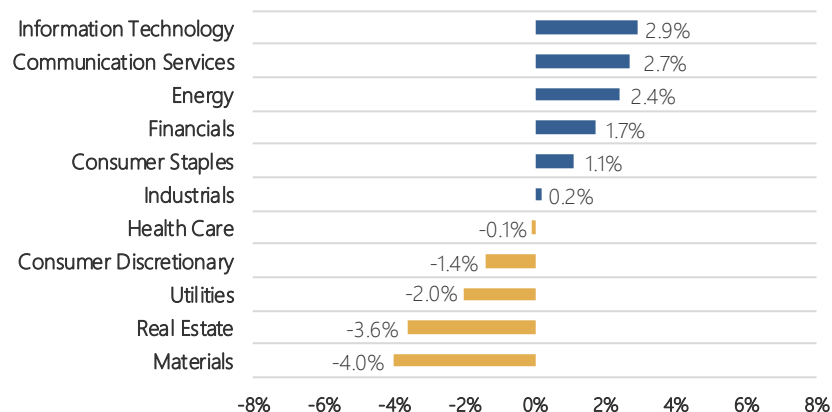
Key Characteristics

... Large cap, high ROE, reasonable valuation

Characteristic	Eagle	MSCI EAFE
Weighted Average Market Cap	\$80 Billion	\$53 Billion
Weighted Median Market Cap	\$46 Billion	\$30 Billion
12- Month Trailing P/E	16.80	15.34
12- Month Forward P/E	15.30	13.68
Return on Equity	12.7%	10.6%
P/B	2.31	1.62
Yield	2.6%	3.4%
Number of Holdings	57	923

Sector Allocation Versus MSCI EAFE

...overweight Consumer Discretionary, underweight Real Estate



Top Ten Holdings

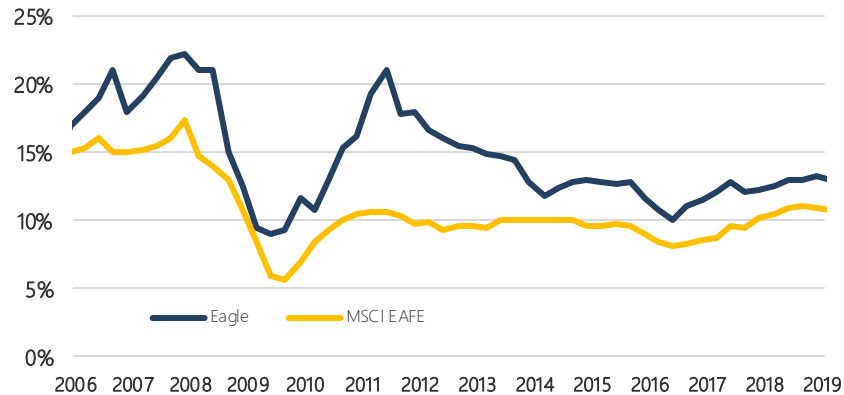
... Established global leaders with sustainable competitive advantages

Top Ten Holdings	Sector	Country
1 Nestle	Consumer Staples	Switzerland
2 Roche Holding	Health Care	Switzerland
3 Total	Energy	France
4 Techtronic Industries	Consumer Discretionary	Hong Kong
5 DBS Group Holdings	Financials	Singapore
6 Novo Nordisk	Health Care	Denmark
7 Canadian Pacific Railway	Industrials	Canada
8 CapGemini	Information Technology	France
9 Allianz	Financials	Germany
10 Suncor Energy	Energy	Canada

Key Portfolio Characteristics Over Time As of 9/30/2019

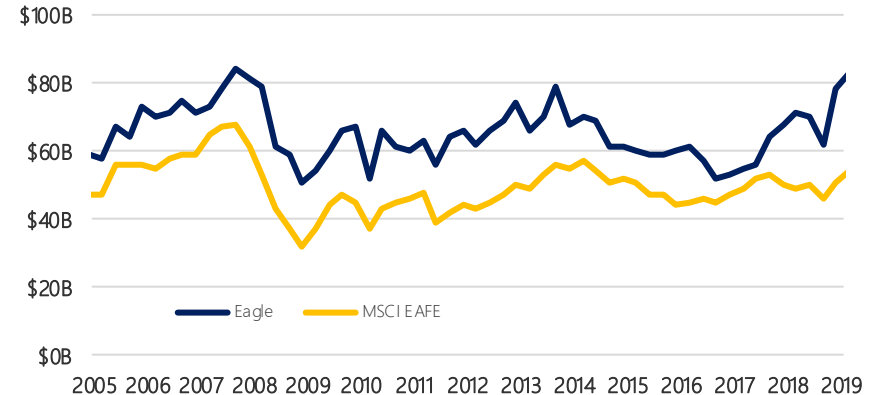
Return On Equity

...Growing companies with strong franchises



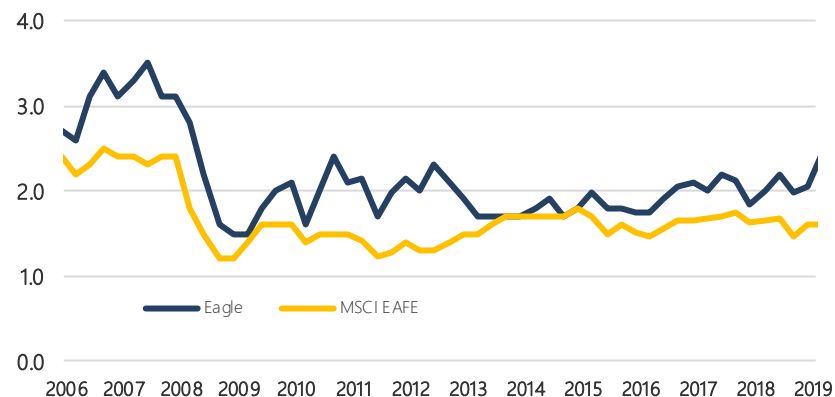
Weighted Average Market Cap

...Large Cap bias



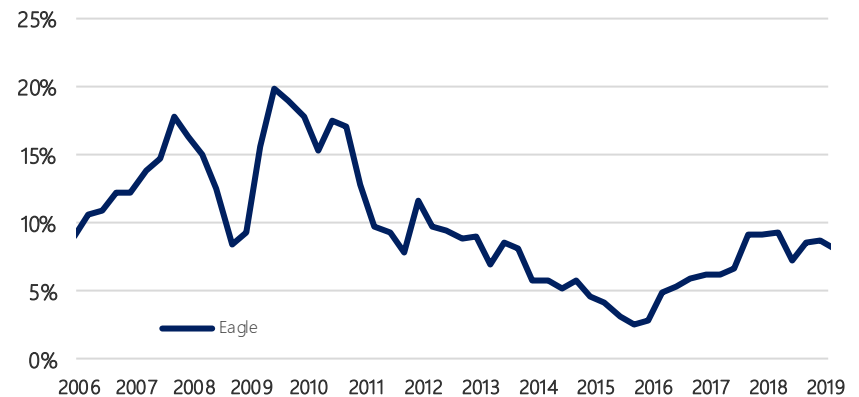
Price-to-Book

...Trading at reasonable valuations



Emerging Markets Exposure

...Opportunistic allocation to Emerging Markets is maintained



Favorable/Unfavorable Environments For Our Approach

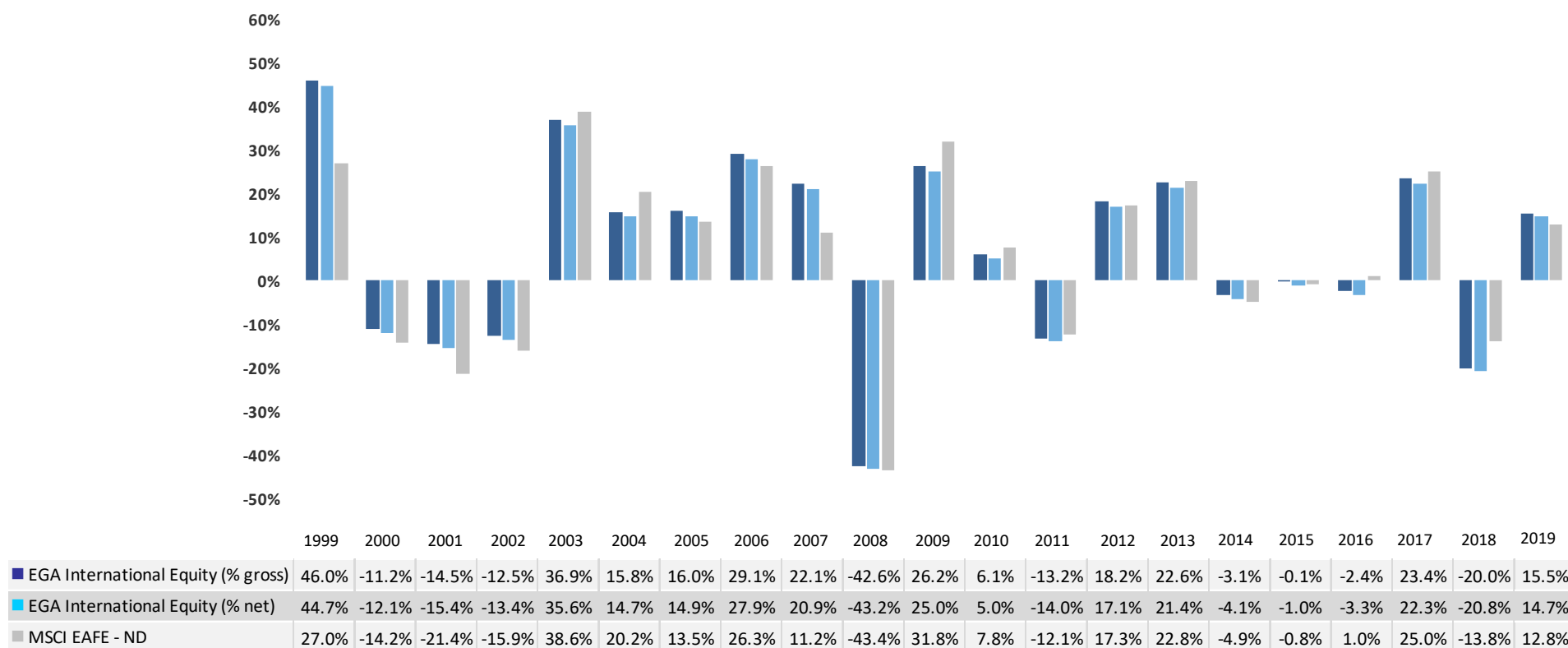
Periods When We Tend to Out-Perform:

Period	Example
<ul style="list-style-type: none">• Trending, relatively stable market periods• Bear Markets	<ul style="list-style-type: none">• 1992 – 2000• 2000 – 2002• 2004 – 2007• 2008• 2012 – 2015

Periods That Are More Challenging for Us:

Period	Example
<p>Whipsawing, choppy markets. Abrupt turning points:</p> <ul style="list-style-type: none">• Low-quality, “junk” rally• “Risk-on Risk-off” trade• Rapid rotation of market leadership	<ul style="list-style-type: none">• 2003• 2004• 2009 – 2011• 2016 –2017, 2018

Calendar Year Performance As of 9/30/2019



See p. 23 for additional performance calculation information and GIPS performance disclosures.

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International Equity Composite

Year	Q1		Q2		Q3		Q4		YTD		MSCI EAFE
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	
1997	2.97%	2.72%	19.08%	18.83%	8.21%	7.96%	-4.94%	-5.19%	26.13%	24.94%	1.78%
1998	15.15%	14.90%	1.93%	1.68%	-18.80%	-19.05%	21.60%	21.35%	15.89%	14.77%	20.00%
1999	5.74%	5.49%	6.39%	6.14%	0.87%	0.62%	28.67%	28.42%	46.01%	44.68%	26.96%
2000	5.50%	5.25%	-3.53%	-3.78%	-6.15%	-6.40%	-7.02%	-7.27%	-11.19%	-12.10%	-14.17%
2001	-13.31%	-13.56%	2.36%	2.11%	-14.05%	-14.30%	12.12%	11.87%	-14.49%	-15.38%	-21.44%
2002	0.74%	0.49%	-4.68%	-4.93%	-16.13%	-16.38%	8.61%	8.36%	-12.53%	-13.43%	-15.94%
2003	-7.20%	-7.45%	19.28%	19.03%	5.68%	5.43%	17.01%	16.76%	36.88%	35.61%	38.59%
2004	2.66%	2.41%	-1.36%	-1.61%	-0.97%	-1.22%	15.47%	15.22%	15.80%	14.68%	20.25%
2005	-1.20%	-1.45%	1.16%	0.91%	12.17%	11.92%	3.48%	3.23%	16.01%	14.90%	13.54%
2006	10.77%	10.52%	0.92%	0.67%	4.67%	4.42%	10.32%	10.07%	29.09%	27.88%	26.34%
2007	1.43%	1.18%	9.61%	9.36%	8.55%	8.30%	1.17%	0.92%	22.10%	20.94%	11.17%
2008	-8.35%	-8.60%	3.33%	3.08%	-22.96%	-23.21%	-21.27%	-21.52%	-42.56%	-43.22%	-43.38%
2009	-14.21%	-14.46%	20.26%	19.98%	17.75%	17.47%	3.92%	3.67%	26.25%	24.99%	31.78%
2010	-0.20%	-0.46%	-16.01%	-16.22%	17.31%	17.04%	7.88%	7.63%	6.09%	5.05%	7.75%
2011	1.96%	1.71%	2.56%	2.31%	-22.56%	-22.76%	7.34%	7.09%	-13.08%	-13.92%	-12.14%
2012	10.85%	10.60%	-5.94%	-6.17%	6.73%	6.48%	6.23%	5.98%	18.22%	17.11%	17.32%
2013	3.59%	3.34%	-0.47%	-0.71%	9.97%	9.71%	8.11%	7.86%	22.58%	21.42%	22.78%
2014	-0.38%	-0.62%	5.68%	5.43%	-5.11%	-5.34%	-3.02%	-3.26%	-3.12%	-4.05%	-4.90%
2015	4.91%	4.67%	1.96%	1.71%	-9.16%	-9.38%	2.86%	2.61%	-0.05%	-1.00%	-0.81%
2016	-3.89%	-4.13%	-2.25%	-2.48%	4.57%	4.33%	-0.65%	-0.88%	-2.39%	-3.33%	1.00%
2017	4.69%	4.45%	7.02%	6.77%	5.78%	5.53%	4.12%	3.87%	23.40%	22.24%	25.03%
2018	-2.84%	-3.07%	-3.50%	-3.73%	1.53%	1.29%	-15.88%	-16.09%	-19.91%	-20.69%	-13.79%
2019	13.07%	12.81%	4.25%	4.00%	-1.99%*	-2.22%*			15.53%*	14.72%*	12.80%

*Preliminary

	Annualized Returns					
	MRQ*	YTD*	1 Year*	3 Year*	5 Year*	10 Year*
EGA International Equity (% gross)	-2.0	15.5	-2.8	4.3	1.6	4.1
EGA International Equity (% net)	-2.2	14.7	-3.7	3.3	0.6	3.1
MSCI EAFE - ND	-1.1	12.8	-1.3	6.5	3.3	4.9

*Preliminary

International Equity Composite

EGA International Equity Composite January 1, 2005 through June 30, 2019

	Q2 19	Q1 19	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total Return (%) Gross	4.25	13.06	(19.90)	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 (%)*	3.68	9.98	(12.54)	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.	13.44	12.04	12.17	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.	11.08	10.47	11.40	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	67	75	78	98	127	141	140	180	170	307	352	391	496	377	307	173
Composite Dispersion (%)	0.30	0.43	0.42	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)	106,583	125,557	102,936	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	3.8	4.3	3.9	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)	2,820,293	2,902,642	2,632,277	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.

Refer to p. 23 for additional performance calculation information and GIPS performance disclosures.

Composite Disclosures

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. SEC registration does not imply a certain level of skill or training.
- 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 12/31/2018 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 indices shown are for informational purposes only and are not reflective of any investment. As it is not possible to invest in the indices, the data shown does not reflect or compare features of an actual investment, such as its objectives, costs and expenses, liquidity, safety, guarantees or insurance, fluctuation of principal or return, or tax features. Indices do not include fees or operating expenses and are not available for actual investment. Indices presented are representative of various broad based asset classes. They are unmanaged and shown for illustrative purposes only. The volatility of the indices is likely materially different than the strategy depicted.
- 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

Years	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	6.176%
	2	2.018%	7	7.241%
	3	3.042%	8	8.318%
	4	4.076%	9	9.405%
	5	4.121%	10	10.503%