Fiera Apex International ADR Strategy

As of June 30, 2026

Market Environment[1]

The international benchmark[2] (MSCI EAFE) was up 10.82% in the second quarter, underperforming the US equivalent benchmark, the Russell 1000 Index, which gained 15.03%. Global markets were generally strong during the quarter and marked a dramatic reversal from the risk-off environment that defined the start of the year. Investor sentiment improved as economic growth remained resilient, corporate earnings exceeded expectations, and enthusiasm surrounding artificial intelligence reaccelerated. At the same time, investors shrugged off perceived headwinds such as geopolitical risks, oil volatility, and the hawkish shift from the Federal Reserve.

Information Technology (IT) has remained the headline sector for the year, with semiconductor stocks among the strongest performers as investors continue to focus on the buildout and benefits of AI. However, performance within IT has narrowed as investors weigh the long-term opportunity against the near-term cost of elevated capital spending. This trend triggered a powerful momentum rally, where investors pivoted away from mega-cap technology giants and rewarded companies providing the infrastructure essential for the next phase of the AI buildout.

During the quarter, emerging markets outperformed developed markets and similar to the US market, growth outperformed value. From a sector perspective, technology and financials outperformed the overall benchmark, while energy, communication services, healthcare, materials, and industrials underperformed. At a regional and country level, Europe, the Netherlands, Switzerland, Italy, Finland, Denmark, Spain, and Japan outperformed, whereas Asia, the UK, Sweden, France, Germany, Australia, and Hong Kong were detractors. In addition, long-term yields and the dollar rose during the quarter, as did commodity prices, and global central banks generally took a wait and see approach given rising uncertainty around inflation from the Middle East conflict.

Performance[1]

The International ADR portfolio performed roughly in line with its benchmark returning 10.71% (net of fees), the MSCI EAFE Index, which rose 10.82% during the quarter. Overall, sector allocation was the primary driver of outperformance, while stock selection detracted from relative returns. From a country perspective, country allocation was the leading contributor, while stock selection was essentially neutral.

From a sector perspective, strong stock selection in health care and industrials was unable to offset weakness in the information technology (IT), financials, and communication services sectors. From an allocation perspective, an overweight to IT boosted returns while an overweight to healthcare detracted. Looking at countries, stock selection in Germany, Netherlands, and France proved most beneficial with stock selection in Japan creating a drag on comparative returns. An overweight to Taiwan was additive while an overweight to Brazil had a dampening impact. Within the context of this discussion, it is important to remember that sector allocation and regional allocation are typically a function of our secular thematic and bottom-up investment process, which aims to point us towards where the opportunity set is most attractive, rather than the result of any top-down decision-making on our part.

1. Source: FactSet, as of June 30, 2026. Please refer to Index Definitions at the end of this document.
2. As of January 1, 2026, the benchmark has been updated from MSCI ACWI ex USA to the MSCI EAFE Index. MSCI EAFE provides a better point of comparison and is more representative of the composite's investment strategy. The update to the composite index has been applied retroactively. The strategy invests predominantly in developed market securities. The MSCI ACWI ex USA Index has notable exposure to Emerging Market countries (~ 30% as of 9.30.25). In contrast, the MSCI EAFE is composed of only developed markets. The International ADR strategy had approximately 6% in EM exposure at 9.30.25 and has maintained an average exposure of less than 10% during the last 3 years. We believe a developed markets benchmark is a better reflection of the strategy's composition.

Past performance is not indicative of future results. Inherent in any investment is the potential for loss.

At the individual stock level, positions in Infineon Technologies and Taiwan Semiconductor Manufacturing Company (TSMC) were the largest individual contributors. Shares of Infineon, the leading supplier of power semiconductors and automotive chips, advanced during the quarter as strong demand for data-center power solutions and improving automotive order trends prompted management to raise its full-year guidance. TSMC, the world's largest contract semiconductor manufacturer, also delivered strong positive performance. Shares advanced as continued investment in artificial intelligence infrastructure drove robust demand for the company's most advanced manufacturing technologies.

In contrast, the largest individual detractors were Nintendo and Nu Holdings. Nintendo, the global video game and entertainment company, lagged during the quarter as investors weighed concerns about the pace of Switch 2 adoption and rising component costs. Shares of Nu Holdings, one of Latin America's leading digital banking platforms, also detracted from performance. While the company continued to report strong customer growth and revenue expansion, investor sentiment weakened amid concerns about rising competition, pressure on future profitability, and the sustainability of its growth trajectory.

	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
International ADR (Net)	16.83	14.98	7.77	10.47
MSCI EAFE	20.23	16.44	9.05	9.66

All figures are expressed in US dollars. Past performance is not indicative of future results. Inherent in any investment is the potential for loss. Net performance is shown after the deduction of expenses and management fees. Actual investment advisory fees incurred by clients may vary. Performance results include the reinvestment of dividends and interest. Dividends received from ADRs are included net of foreign withholding taxes. **Return may increase or decrease as a result of currency fluctuations.**

Outlook[1]

Current earnings expectations remain elevated, and consensus forecasts call for rising earnings momentum with analysts' bottom-up numbers generally going up in Q2. The beneficiaries of AI spending have been driving the growth, but there has been some broadening out as well. In addition, while geopolitical risks remain, with tensions in the Middle East moderating, at least for now, lower energy prices could create some relief and increase confidence in economic activity ahead, though inflation remains a concern.

Over the past several years, equity performance has been dominated by momentum stocks, particularly companies tied to artificial intelligence, the buildout of AI infrastructure, and defense. Investor conviction in AI's transformative potential, frequently compared to the advent of the Internet, remains strong. Any change in the spending intentions of the hyperscale's will be a big driver of sentiment and shifts in sector level returns for the market.

As capital expenditures accelerate, the resulting erosion in free cash flow margins among hyperscalers has begun to weigh on their equity prices. However, the market is optimistic about the expected boost to profitability (increased margins) due to AI. This is certainly not a slam-dunk. While possible, there is not much room for error. Historically, a surge in capital spending in any one sector has not ended well. The outcomes are not clear, not apparent until the party is over. The dominance of retail and high frequency trading volume suggests exuberance (maybe irrational!).

These risk factors are somewhat offset by valuations in most international markets which remain attractive, especially relative to the US. Given the broad opportunity set that international markets offer, we continue to remain excited

1. Source: FactSet, as of June 30, 2026.

about our portfolio which consists of durable franchises with what we view as strong long-term prospects.

By anchoring portfolio construction around durable, hard-to-disrupt, secular growth themes and companies that possess Quality and Growth attributes, we believe we are well positioned to navigate changing market conditions. We are maintaining a diverse stance in our portfolio from a security, industry and sector standpoint.

1. Source: FactSet, as of June 30, 2026.

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Composite Description The International ADR composite was created on October 1, 2011, and includes all portfolios invested in International equities (including ADR's) with strong earnings and growth characteristics and includes large, mid and small capitalizations whether denominated in foreign currencies or in U.S. dollars.

Index Definitions: Please note that it is not possible to invest directly in an index.

The **MSCI EAFE Index** (Europe, Australasia, and the Far East) is a benchmark stock index tracking large and mid-cap developed market stocks, deliberately excluding the U.S. and Canada, serving as a key measure for international equity performance. It covers major developed economies like Japan, the UK, France, and Germany, aiming to represent roughly 85% of the free-float adjusted market capitalization in these countries. The **Russell 1000 Index** is a U.S. stock market index that tracks the largest 1,000 stocks in the Russell 3000 Index, which represent about 93% of the total market capitalization of that index. The index is market cap weighted, meaning larger companies have a greater influence on the index than smaller companies