

Longview Partners

Global Equity: MSCI ACWI Benchmark

For the month of: **September** 2020

Manager Performance Calculations	* Annualized returns				
	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Longview	-3.32%	6.42%	-2.59%	4.45%	8.46%
MSCI ACWI	-3.22%	8.13%	10.44%	7.12%	10.30%

Performance Attribution & Strategy Comments

At a stock level, the worst performing stocks in the portfolio were State Street, Whitbread and Henry Schein. Global custody bank State Street fell with the broader Financials sector as central banks stated their view that interest rates will remain near zero for years to come. Though the business has some sensitivity to interest rates, we believe it to be far less sensitive than the volatility in the stock price suggests. UK hotel and restaurant operator Whitbread is affected by more stringent social distancing measures in the UK in addition to fear over a no-deal Brexit. Though we expect that changing sentiment in relation to both covid-19 and Brexit will impact the stock price of Whitbread, we continue to believe in the long-term Quality of the business and believe it is still trading below its fair value. Dental distributor Henry Schein fell in price despite no company news.

On the positive side, Henkel, Oracle and Fiserv were among the best performing stocks in the portfolio. Consumer staples business Henkel rose despite no specific company news. European Consumer Staples more broadly had a strong month. Software provide Oracle released its Q1 earnings report during September that beat expectations showing improved margins and a rebound in the licensing business. The company also guided continued growth in the coming quarter. In addition, the company announced its intention to become the US partner of Chinese social media app TikTok, a platform due to be banned by President Trump on security concerns unless it agrees to sell its US operations to a US company. Financial services technology provider Fiserv rebounded from previous stock price weakness relative to its peers.

Organizational/Personnel Changes

There were no changes to the Investment team in September 2020.

Account Turnover

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m):		
	Reason(s):				

Manager Style Summary

Longview is a "bottom-up" manager, whose process is driven by individual security selection. Country allocations are a by-product of the stock selection process, which drives the portfolio country over and under weights, and is unconstrained by the index weights. The portfolio holds 30-35 securities at a time, and stocks are equally weighted. It is a concentrated global equity portfolio, and as such, may experience more volatility relative to the market.

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Portfolio Guideline Compliance **September** **2020**

Portfolio Guideline:	Longview	Min	Max	Compliance
B3. Security position <= 5% of the account @ purchase				Yes
B4. Number of issues	31.0	30	35	ok
B5. Normal Regional Exposures (* benchmark +/- min/max):				
United States & Canada	80%	35%	70%	check
Europe incl U.K.	18%	20%	50%	check
Japan	2%	0%	20%	ok
Emerging Markets	0%	0%	15%	ok
Non-Index Countries	0%	0%	10%	ok
Total	100%			
B6. Normal Global Portfolio Characteristics				
Median Mkt Cap (in billions)	42,146	\$10		ok
Price/Earnings (Trailing)	19.8	10	17	check
Dividend Yield	2%	0.5%	2.0%	check
Price/Cash Flow (Trailing)	9.1	10	14	check
C1. No executed forward w/o a corresponding securities position.				Yes
C2. Foreign Currency (cash or cash equiv) <= 8% of Account value				Yes
F2. Brokerage commissions not to exceed \$0.06/share for U.S. equities				Yes
F3. Annual turnover	20%	25%	50%	check
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Manager Explanations for Deviations from Portfolio Guidelines

- B5. Regional Exposures: The output of our investment process is a concentrated, yet diversified, portfolio of typically 35 names, unconstrained by geography or sector.
- B6. Dividend Yield: Dividend yield is not targeted and stands at 2.12% in September.
- B6. Price/Earnings: Price/Earnings is not targeted and stands at 19.77 in September.
- B6. Price/Cash Flow: Price/Cash Flow is not targeted and stands at 9.09 in September.
- F3. Annual Turnover: We do not target a specific level of turnover. Annual turnover is calculated on a rolling 12 month period and includes client flows.