

Longview Partners

Global Equity: MSCI ACWI Benchmark

For the month of: **August** **2021**

Manager Performance Calculations

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Longview	1.92%	3.38%	36.04%	12.08%	13.64%
MSCI ACWI	2.50%	4.57%	28.64%	14.34%	14.29%

Performance Attribution & Strategy Comments

Aon, Charter Communications (Charter) and Alphabet were among the best performing stocks during the period. Advisory, insurance broking and solutions company, Aon, outperformed in August despite the collapse of its proposed merger with Willis Towers Watson towards the end of the previous month. The company released encouraging Q2 earnings, reporting year on year organic revenue growth of 11% which surpassed consensus estimates. Telecommunications company, Charter, performed well after it also released better than expected Q2 earnings. The share price of Alphabet, the parent company of Google, hit all-time highs in August, extending its rally to eight straight months of positive performance. The stock has risen in 2021 on the back of strong growth in its advertising business amongst other drivers.

Some of the largest detractors from performance were Fidelity National Information Services, Henry Schein and American Express. Financial technology services company, Fidelity National, reported second quarter earnings which exceeded consensus estimates, but management slightly lowered their EBITDA margin guidance for 2021 in part due to upfront costs associated with faster than anticipated revenue growth. Dental distributor, Henry Schein, was weak in August following strong performance in July and the release of their second quarter earnings report. Second quarter earnings beat consensus expectations but although the company raised full year earnings guidance, this continues to look conservative compared to both Longview and consensus expectations. American Express, a provider of credit and charge cards, has recovered strongly following the onset of the pandemic, however its share price fell in August, perhaps reflecting concerns that the disruption caused by the increasing prevalence of the Delta variant might further delay the recovery in travel and entertainment spending.

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

Portfolio Guideline:	Longview	Min	Max	Compliance
B3. Security position <= 5% of the account @ purchase				Yes
B4. Number of issues	32.0	30	35	ok
B5. Normal Regional Exposures (* benchmark +/- min/max):				
United States & Canada	84%	35%	80%	check
Europe incl U.K.	15%	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)	72,286	\$10		ok
Price/Earnings (Trailing)	24.6	10	17	check
Dividend Yield	2%	0.5%	2.0%	ok
Price/Cash Flow (Trailing)	16.7	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	22%	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. Price/Earnings: Price/Earnings is not targeted and stands at 24.56 in August.

B6. Price/Cash Flow: Price/Cash Flow is not targeted and stands at 16.65 in August.

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.

Total Firm Assets Under Management (\$m) as of: Qtr 3 \$ 20,789

Organizational/Personnel Changes

There were no changes to the investment team in August 2021.

Account Turnover

Gained: Number of Accounts: 0 (\$m): \$ -
 Lost: Number of Accounts: 4 (\$m): \$ 2,339.0
 Reason(s): 4 clients terminated due to a change in investment strategy.