

# INTERNATIONAL EQUITY ADR

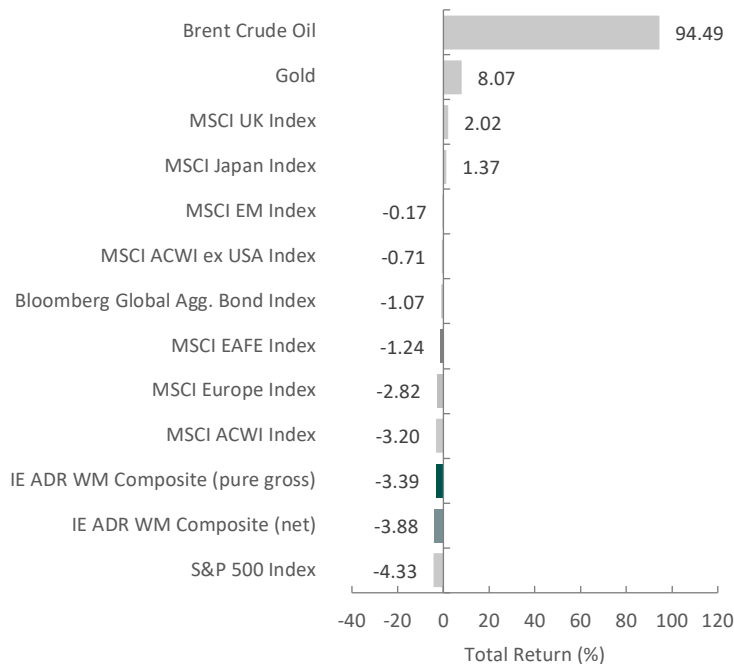


## 1Q 2026 Commentary – Wealth Management

(All MSCI index returns are shown net and in U.S. dollars unless otherwise noted.)

### Markets Review

#### Year-to-Date Returns



Sources: CAPS CompositeHub™, Bloomberg

Past performance is not indicative of future results. Aristotle International Equity ADR WM Composite returns are presented pure gross and net of the maximum wrap fee and include the reinvestment of all income. Pure gross returns do not reflect the deduction of any trading costs or other fees and are supplemental to the net returns. Net returns are calculated by subtracting the highest applicable wrap/SMA fee, which includes trading costs and custodial fees, from the pure gross composite return (From inception to 12/31/2015, the highest applicable wrap/SMA fee is 3.00% on an annual basis, or 0.75% quarterly. From 1/1/2016 to 12/31/2023, the highest applicable wrap/SMA fee is 2.00% on an annual basis, or 0.50% quarterly and 0.17% monthly from 1/1/2024 to present.) Please see important disclosures at the end of this document.

Global equity markets pulled back in the first quarter, with the MSCI ACWI Index falling 3.20% during the period. Global fixed income markets also weakened, as the Bloomberg Global Aggregate Bond Index decreased 1.07%. From a style perspective, value stocks outperformed growth, with the MSCI ACWI Value Index exceeding the MSCI ACWI Growth Index by 8.85%.

The MSCI EAFE Index fell 1.24% during the period, while the MSCI ACWI ex USA Index declined 0.71%. Within the MSCI EAFE Index, the U.K. and Asia were the strongest performers, while the United States and Europe & Middle East lagged. On a sector basis, eight out of the eleven sectors within the MSCI EAFE Index posted negative returns, with Consumer Discretionary, Financials and Communication Services performing the worst. Conversely, Energy, Utilities and Materials were the only sectors with positive returns.

Geopolitical developments contributed to increased volatility during the quarter. Trade policy uncertainty persisted, as a Supreme Court ruling limited the U.S. government’s ability to impose certain tariffs, adding complexity for businesses navigating global supply chains. In addition, escalating conflict in the Middle East disrupted shipping activity through the Strait of Hormuz, a key route for global energy supply. The resulting supply uncertainty led to a significant increase in oil prices and heightened volatility across energy markets. In a March report, the OECD noted that the Middle East conflict was testing the resilience

of the global economy but held its forecast for 2026 global growth at 2.9%.

Given these dynamics, central banks maintained a cautious stance, with the Federal Reserve, Bank of England, European Central Bank and Bank of Japan holding policy rates steady amid elevated uncertainty.



## Performance and Attribution Summary

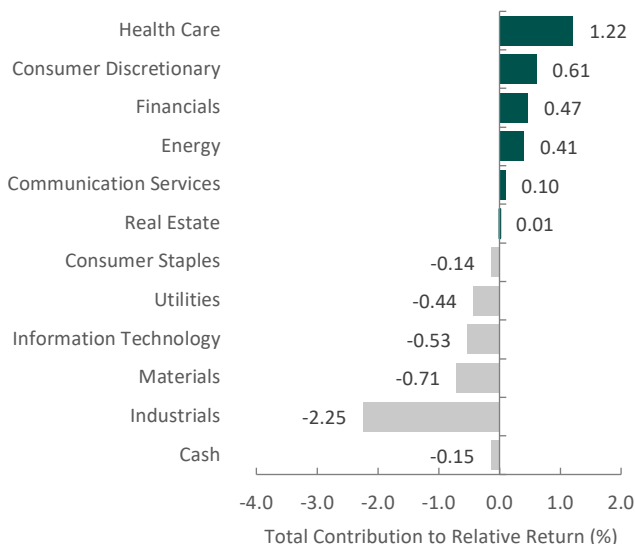
For the first quarter of 2026, Aristotle Capital’s International Equity ADR WM Composite posted a total return of -3.39% pure gross of fees (-3.88% net of fees), underperforming the MSCI EAFE Index, which returned -1.24%, and the MSCI ACWI ex USA Index, which returned -0.71%. Please refer to the table below for detailed performance.

Performance (%)	1Q26	1 Year	3 Years	5 Years	10 Years	Since Inception*
International Equity ADR WM Composite (pure gross)	-3.39	15.66	12.60	6.81	8.61	8.38
International Equity ADR WM Composite (net)	-3.88	13.42	10.41	4.70	6.46	6.04
MSCI EAFE Index (net)	-1.24	21.27	13.62	7.91	8.38	7.95
MSCI ACWI ex USA Index (net)	-0.71	24.91	14.49	7.02	8.38	7.34

*\*The inception date for the International Equity ADR WM Composite is 7/1/2012. Past performance is not indicative of future results. Aristotle International Equity ADR WM Composite returns are presented pure gross and net of the maximum wrap fee and include the reinvestment of all income. Pure gross returns do not reflect the deduction of any trading costs or other fees and are supplemental to the net returns. Net returns are calculated by subtracting the highest applicable wrap/SMA fee, which includes trading costs and custodial fees, from the pure gross composite return. (From inception to 12/31/2015, the highest applicable wrap/SMA fee is 3.00% on an annual basis, or 0.75% quarterly. From 1/1/2016 to 12/31/2023, the highest applicable wrap/SMA fee is 2.00% on an annual basis, or 0.50% quarterly and 0.17% monthly from 1/1/2024 to present.) Please see important disclosures at the end of this document.*

From a sector perspective, the portfolio’s underperformance relative to the MSCI EAFE Index can be attributed to security selection while allocation effects contributed. Security selection in Industrials, Energy and Materials detracted most from the portfolio’s relative performance. Conversely, security selection in Health Care and Consumer Discretionary, as well as an overweight in Energy, contributed to relative returns.

**Total Contribution to Relative Return by Sector Versus MSCI EAFE Index**  
First Quarter 2026



Source: FactSet

*Past performance is not indicative of future results. Sector attribution shows how much of a portfolio's overall return is directly attributable to stock selection and asset allocation decisions within the portfolio, highlighting which sectors contributed or detracted to the total return. Attribution includes the reinvestment of income. Attribution is presented gross of fees and does not include the deduction of all fees and expenses that a client or investor has paid or would have paid. Please refer to the pure gross and net composite returns included within to understand the overall impact of fees.*

Regionally, both security selection and allocation effects were responsible for the portfolio’s underperformance. Security selection in Asia and Europe & Middle East detracted most from relative performance, while exposure to Emerging Markets and Canada contributed.

### Contributors and Detractors for 1Q 2026

Relative Contributors	Relative Detractors
Cameco	MonotaRO
Credicorp	Accenture
Otsuka Holdings	Sony
TotalEnergies	Brookfield
GSK	Experian

*Relative contributors and detractors are based on attribution total effect and exclude benchmark securities not held in the portfolio.*



***MonotaRO, the Japanese business-to-business (B2B) e-commerce platform, was the largest detractor during the quarter.***

While results remained strong, the stock price was pressured by softer order trends in the enterprise business and a moderation in new customer additions following a period of unusually strong growth. Sentiment was also pressured by the company's exposure to small and medium-sized enterprises in manufacturing and construction, cyclical and cost-sensitive end markets, particularly amid elevated input costs. Despite these near-term headwinds, profitability remained stable, with margin expansion supported by procurement efficiencies, reduced promotional discounting and higher royalty income. Enterprise business also grew more than 20% through newly connected corporations, expanding to approximately one-third of sales, highlighting its increasing importance within the business and reinforcing a key catalyst we originally identified. Management also announced a ¥10 billion share repurchase program, supporting shareholder returns and reflecting continued discipline in capital allocation. Over the longer term, we believe MonotaRO remains well-positioned to continue gaining share in Japan's fragmented and underpenetrated MRO market. The company's broad assortment, operating scale and growing enterprise presence, in our view, support a business that is becoming more embedded in customer procurement workflows over time.

***Brookfield, one of the world's largest and most diversified real asset investors and alternative asset managers, was a detractor for the quarter.***

Shares of alternative asset managers came under pressure during the period, driven in part by investor concerns around private credit and less-liquid strategies. We believe these concerns are less applicable to Brookfield given the breadth of its platform and its focus on real assets, including infrastructure, renewable power and real estate, rather than any concentrated exposure to a single strategy. The company continues to execute on several key initiatives, including scaling its insurance platform, which provides a growing source of permanent capital to support its investment activities. It is also seeing improving performance in its real estate portfolio, where underlying fundamentals remain strong, with high occupancy levels and positive leasing spreads across its portfolio of large-scale, well-located properties. In addition, Brookfield is building a pipeline of asset sales supported by ongoing development and repositioning of assets, with monetization activity expected to increase as capital markets continue to normalize. Looking at Brookfield from a long-term perspective, the company benefits from its scale, access to capital and disciplined investment approach, which we believe will allow it to continue to deploy capital opportunistically and generate attractive returns across cycles.

***Otsuka Holdings, a leading Japanese healthcare company, was also a top contributor to performance during the quarter.***

We have long admired the company's robust and diversified product portfolio, which we believe is well-positioned to gain market share in various applications such as depression, schizophrenia and oncology. As awareness of major depressive disorders has continued to increase, Otsuka's leading products, including Rexulti and Abilify Maintena, have exhibited strong prescription growth. In oncology, the heightened attention around colorectal cancer, which has spiked in adults under 55, has led to gains for the company's leading cancer drug, Lonsurf. Furthermore, the company continues to invest in its "Next 8" pipeline, which complements its existing portfolio and supports its next phase of growth. Management has also continued to invest in external innovation, as demonstrated by its recently announced agreement to acquire Transcend Therapeutics, which strengthens its position in psychiatric and neurological disorders, including adding a late-stage candidate targeting PTSD. As the company continues to reinvest in innovation while simultaneously returning value to shareholders, as exemplified by its most recent ¥50 billion share buyback program, we remain confident that Otsuka will continue to deliver attractive long-term returns over time.

***TotalEnergies, one of the world's largest energy companies, was a primary contributor for the quarter.***

While oil prices increased during the period, driven by geopolitical tensions in the Middle East and disruptions to supply through the Strait of Hormuz, our focus remains on the company's underlying operational execution across its diversified energy platform. As the fourth-largest major energy player in the world, the company operates across upstream, downstream, liquefied natural gas (LNG), and integrated power and renewable energy businesses. Within its upstream segment, TotalEnergies continues to deliver accretive growth, with new projects generating higher cash flow per barrel than its legacy portfolio, supporting both production growth and improving profitability. In the LNG segment, the company has started production in Angola, which will supply Europe and Asia with roughly two million tons of LNG per year, and has also signed an agreement with Glenfarne, the lead developer of the Alaska LNG project, to offtake two million tons of LNG annually for the next 20 years. We view LNG as a key structural driver of long-term growth, particularly given increasing demand for energy security in Asia and Europe. Lastly, within renewables, TotalEnergies and Masdar, an Abu Dhabi clean energy leader, formed a joint venture to accelerate



renewable energy growth through onshore solar, wind and battery storage projects across Asia. In the U.S., the company has signed a long-term Power Purchase Agreement to provide 1 GW of solar capacity to power Google’s data centers in Texas for 15 years. These initiatives reflect the company’s strategy to build a more diversified and resilient energy platform over time. Overall, we believe TotalEnergies’ combination of disciplined capital allocation, low-cost operations and integrated business model positions it to generate attractive FREE cash flow across commodity cycles, with recent operational progress reinforcing its long-term investment case.

## Recent Portfolio Activity

Buys	Sells
Techtronic Industries	None

During the quarter, we invested in Techtronic Industries.

### *Techtronic Industries Co. Ltd.*

Headquartered in Hong Kong, Techtronic Industries (“TTI”) is a global manufacturer of power tools, outdoor power equipment and related accessories. The company operates primarily through two flagship brands: Milwaukee, which serves professional tradespeople, and Ryobi, which targets the DIY and light professional market (including handymen and maintenance professionals whose needs fall between homeowners and full-time trades). Over the past decade, TTI has transformed itself into one of the leading players in the global power tool industry, driven by sustained innovation and disciplined brand investment.

Milwaukee has been the primary growth engine, expanding from approximately \$450 million in sales in the early 2000s to roughly \$10 billion today. The brand has gained meaningful share in professional trades through a focus on productivity, safety and battery-powered innovation. Ryobi remains a leading DIY platform, supported by a long-standing distribution relationship with Home Depot, TTI’s largest retail partner.

TTI continues to benefit from the long-term industry transition from corded, gas-powered and pneumatic tools toward battery-powered platforms. The company’s strategy of maintaining backward compatibility across battery generations has reinforced customer loyalty and created a durable installed base across both Milwaukee and Ryobi ecosystems.

### *High-Quality Business*

Some of the quality characteristics we have identified for TTI include:

- Leading positions in professional and DIY power tools through the Milwaukee and Ryobi brands, supported by strong brand equity, deep engagement with professional tradespeople and a track record of consistent product innovation;
- A powerful battery ecosystem strategy, with over 110 million M18 and 65 million M12 batteries in circulation and backward and forward compatibility across generations, creating switching costs and repeat purchases across hundreds of compatible tools;
- Ongoing investment in research and development, enabling consistent product innovation, market share gains and expansion into adjacent product categories; and
- Deep retail partnerships, particularly with Home Depot, reinforced by dedicated in-store sales representation and merchandising support.



### *Attractive Valuation*

We believe shares are attractively valued relative to our estimate of intrinsic value. Our analysis reflects the growing contribution of the Milwaukee franchise, which now represents the majority of operating profit, and the benefits of continued mix shift toward professional products, as well as stabilization of underperforming segments. In addition, as recent investment spending normalizes, we expect FREE cash flow to increase to levels that we believe are not fully reflected in the current share price.

### *Compelling Catalysts*

Catalysts we have identified for TTI, which we believe will cause its stock price to appreciate over our three- to five-year investment horizon, include:

- Continued mix shift toward the higher-margin Milwaukee brand, which has grown from 18% of total sales in 2010 to approximately two-thirds today;
- Geographic expansion of the Milwaukee brand outside the United States, where market share remains below North American levels, and introduction of the Ryobi platform into additional markets such as Latin America and Australia;
- Expansion into adjacent professional categories, including personal protective equipment and modular tool storage systems, thereby increasing wallet share within the professional customer base; and
- Improvement in operating profitability through turnaround of underperforming segments and greater cost discipline.

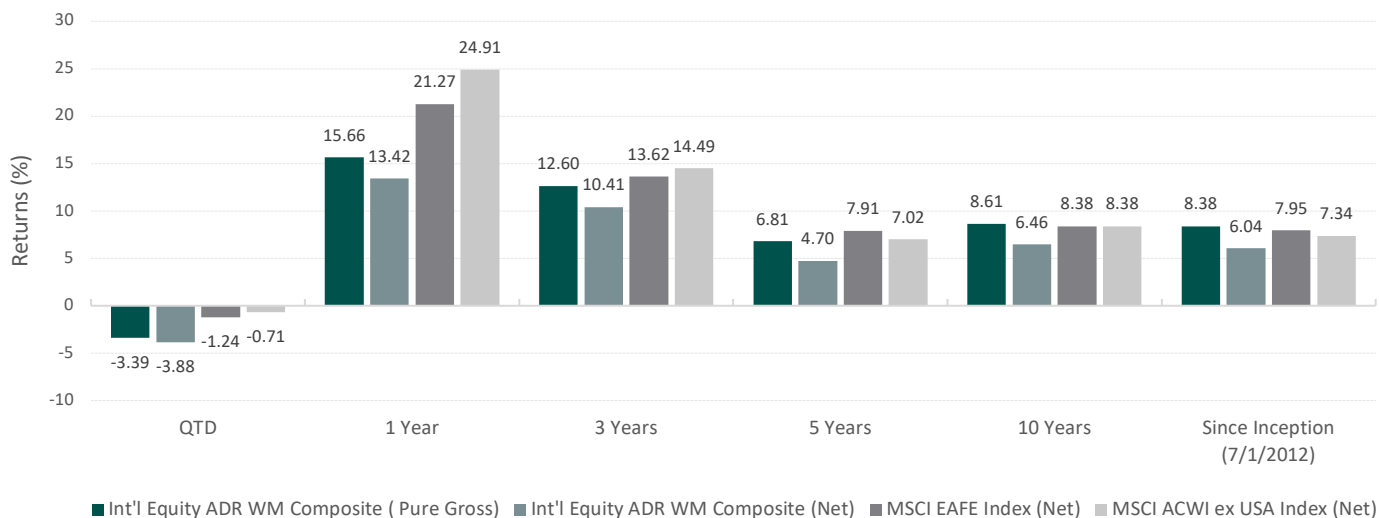
## **Conclusion**

The current investment environment presents a wide range of competing narratives. In such periods, the temptation to react to near-term developments can be significant. At Aristotle Capital, we remain focused on what we believe to be more analyzable and enduring: the long-term fundamentals of individual businesses. When market returns are driven by momentum or shorter-term dynamics, it can be difficult for investors to remain disciplined. We believe such environments create opportunities for patient investors as the gap between price and intrinsic value widens. While political and geopolitical uncertainty remains elevated, our focus is unchanged. We continue to study businesses and invest with a long-term perspective, as we believe fundamentals ultimately determine share price outcomes.



### Aristotle International Equity ADR WM Composite Performance

All Periods Ended March 31, 2026



Sources: CAPS CompositeHub™, MSCI

Year	International Equity ADR WM Composite (Gross %)	International Equity ADR WM Composite (Net %)	MSCI EAFE Index (Net %)	MSCI ACWI ex USA Index (Net %)
YTD 2026	-3.39	-3.88	-1.24	-0.71
2025	24.59	22.19	31.22	32.39
2024	6.85	4.76	3.82	5.53
2023	18.15	15.85	18.24	15.62
2022	-17.89	-19.61	-14.45	-16.00
2021	16.64	14.35	11.26	7.82
2020	9.87	7.61	7.82	10.65
2019	23.28	20.91	22.01	21.51
2018	-8.27	-10.11	-13.79	-14.20
2017	23.79	21.35	25.03	27.19
2016	0.82	-1.13	1.00	4.50
2015	1.05	-1.02	-0.81	-5.66
2014	-3.42	-6.32	-4.90	-3.87
2013	22.42	18.84	22.78	15.29
7/1/12 – 12/31/12	12.15	10.53	13.95	13.68

Past performance is not indicative of future results. The information provided should not be considered financial advice or a recommendation to purchase or sell any particular security or product. Performance results for periods greater than one year have been annualized.

The Aristotle International Equity ADR WM Composite has an inception date of 7/1/2012. As of 1/1/2024, the Composite was renamed from the International Equity ADR Wrap Composite.

Composite returns are presented pure gross and net of the maximum wrap fee and include the reinvestment of all income. Pure gross returns do not reflect the deduction of any trading costs or other fees and are supplemental to the net returns. Net returns are calculated by subtracting the highest applicable wrap/SMA fee, which includes trading costs and custodial fees, from the pure gross composite return. (From inception to 12/31/2015, the highest applicable wrap/SMA fee is 3.00% on an annual basis, or 0.75% quarterly. From 1/1/2016 to 12/31/2023, the highest applicable wrap/SMA fee is 2.00% on an annual basis, or 0.50% quarterly and 0.17% monthly from 1/1/2024 to present.)



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All investments carry a certain degree of risk, including the possible loss of principal. Investments are also subject to political, market, currency and regulatory risks or economic developments. International investments involve special risks that may in particular cause a loss in principal, including currency fluctuation, lower liquidity, different accounting methods and economic and political systems, and higher transaction costs. These risks typically are greater in emerging markets. While Large-capitalization companies may have more stable prices than smaller, less established companies, they are still subject to equity securities risk. In addition, large-capitalization equity security prices may not rise as much as prices of equity securities of small-capitalization companies. Securities of small- and medium-sized companies tend to have a shorter history of operations and be more volatile and less liquid. Value stocks can perform differently from the market as a whole and other types of stocks. The material is provided for informational and/or educational purposes only and is not intended to be and should not be construed as investment, legal or tax advice and/or a legal opinion. Investors should consult their financial and tax adviser before making investments. The opinions referenced are as of the date of publication, may be modified due to changes in the market or economic conditions, and may not necessarily come to pass. Information and data presented has been developed internally and/or obtained from sources believed to be reliable. Aristotle Capital does not guarantee the accuracy, adequacy or completeness of such information.

The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed markets, excluding the United States and Canada. The MSCI EAFE Index consists of the following 21 developed market country indexes: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom. The MSCI ACWI captures large and mid-cap representation across 23 developed market countries and 24 emerging markets countries. With approximately 2,500 constituents, the Index covers approximately 85% of the global investable equity opportunity set. The MSCI ACWI Growth Index captures large and mid-cap securities exhibiting overall growth style characteristics across 23 developed markets countries and 24 emerging markets countries. The MSCI ACWI Value Index captures large and mid-cap securities exhibiting overall value style characteristics across 23 developed markets countries and 24 emerging markets countries. The MSCI ACWI ex USA Index captures large and mid-cap representation across 22 of 23 developed markets countries (excluding the United States) and 24 emerging markets countries. With approximately 2,000 constituents, the Index covers approximately 85% of the global equity opportunity set outside the United States. The MSCI Emerging Markets Index is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 24 emerging market country indexes: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates. The S&P 500® Index is the Standard & Poor's Composite Index of 500 stocks and is a widely recognized, unmanaged index of common stock prices. The Brent Crude Oil Index is a major trading classification of sweet light crude oil that serves as a major benchmark price for purchases of oil worldwide. The MSCI Japan Index is designed to measure the performance of the large and mid-cap segments of the Japanese market. With approximately 200 constituents, the Index covers approximately 85% of the free float-adjusted market capitalization in Japan. The Bloomberg Global Aggregate Bond Index is a flagship measure of global investment grade debt from 27 local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers. The MSCI United Kingdom Index is designed to measure the performance of the large and mid-cap segments of the U.K. market. With nearly 100 constituents, the Index covers approximately 85% of the free float-adjusted market capitalization in the United Kingdom. The MSCI Europe Index captures large and mid-cap representation across 15 developed markets countries in Europe. With approximately 400 constituents, the Index covers approximately 85% of the free float-adjusted market capitalization across the European developed markets equity universe. These indexes have been selected as the benchmarks and are used for comparison purposes only. The volatility (beta) of the Composite may be greater or less than the respective benchmarks. It is not possible to invest directly in these indexes.

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