

Performance Review

- Global equities advanced in 2020's fourth quarter, with the bulk of gains concentrated in November following positive coronavirus vaccine trials. With the start of vaccinations, investors looked beyond spiking COVID-19 infections and continued economic shutdowns to imagine some restoration of normalcy in the not-so-distant future. Global value stocks outpaced global growth during the quarter.
- For the quarter, the fund's Series F shares returned 12.00%, and its benchmark, the MSCI EAFE Index, returned 10.72%.

QUARTERLY KEY PERFORMANCE DRIVERS

	Stock	Sectors	Countries
HELPED	Samsung Electronics Co., Ltd. Sponsored GDR	Information Technology (Stock Selection)	South Korea (Off-benchmark Exposure)
	Baidu, Inc. Sponsored ADR Class A	Consumer Staples (Stock Selection)	United Kingdom (Stock Selection)
	ArcelorMittal SA	Communication Services (Stock Selection)	India (Off-benchmark Exposure)
HURT	Alibaba Group Holding Ltd.	Consumer Discretionary (Stock Selection)	Germany (Stock Selection)
	Bayer AG	Health Care (Stock Selection)	Australia (Underweight)
	Takeda Pharmaceutical Co. Ltd.	Utilities (Stock Selection)	Belgium (Stock Selection)

- Performance in the information technology sector was led higher by our investment in South Korean semiconductor and consumer electronics manufacturer Samsung Electronics. Its shares rose to a record on signs of a cyclical upswing in the memory business and expectations that the company's mobile and 5G network gear businesses would benefit from tighter trade sanctions on Chinese rivals. We also see significant optionality around capital deployment, given the over US\$100 billion on Samsung's balance sheet, and are encouraged by its commitment to return capital to shareholders. Overall, we believe the stock is not expensive for a global technology leader with strong competitive positions across a number of attractive businesses.
- From the communication services sector, shares of Chinese internet search firm Baidu surged in December after the company, which had long been developing autonomous driving software, announced it may begin manufacturing electric vehicles (EV) either on its own or through a joint venture with a local manufacturer such as Geely (not a fund holding). Many observers believe Baidu's entry into the Chinese EV market may reinvigorate the company's sales growth, which has stagnated during the past five years.
- Notable detractors from the consumer discretionary sector included Chinese internet conglomerate Alibaba Group Holding. Its shares tumbled in early November after the eagerly anticipated initial public offering of its digital finance subsidiary Ant Group was abruptly suspended amidst heightened scrutiny by Chinese government regulators. Investors' fears were exacerbated by the company's announcement of slowing sales growth for the September quarter.

Outlook & Strategy

- While we are encouraged by recent vaccine developments and are generally optimistic about their implications, much of the good news seems discounted by expensive valuations. Low interest rates may justify high valuations, but if the combination of stimulus and vaccination succeeds in reflation the global economy, rates should move higher, at least in nominal terms. Governments burdened by debts they can never pay back cannot afford to let interest costs spike, leading us to expect continued state intervention into financial markets and the economy, with all the distortions that implies for pricing signals. The era of free markets and liberal democracy as we once knew it is likely over, in our view. The modern policy goal of engineering a permanent recovery will prove impossible.
- We expect the push and pull between inflationary and deflationary forces to accelerate, cycles to compress and growth to be harder to come by. Our continued efforts towards diversifying and upgrading the quality of the portfolio are intended to help us succeed in the challenging environment ahead. After all, uncertainty can be favourable for active investment managers with a long-term horizon and global opportunity set. We are applying all our energies and talents to uncovering what we view as the best ideas in this environment and getting them into a sensible and balanced portfolio suitable for a future of increasing adversity and complexity.

Fund Details

Inception Date	01/03/1989
Benchmark Name	MSCI EAFE Index

Fund Description

This Fund seeks to achieve long-term capital appreciation by investing primarily in equity securities of companies outside Canada and the United States. The Fund may invest in any number of companies from one country or industry.

Performance Data

Performance (%) as of 12/31/2020

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception	Inception Date
Series A	2.54	11.68	-6.05	-6.05	-3.67	-1.01	3.31	5.30	01/03/1989
Series F	2.64	12.00	-5.01	-5.01	-2.59	0.08	4.47	2.36	11/24/2000
MSCI EAFE Index ^a	2.90	10.72	6.38	6.38	5.37	6.12	8.67	5.44	-

Indicated rates of return include changes in unit or share value and reinvestment of all distributions and dividends and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Please refer to the prospectus for further details. **For details on the respective series inception dates, please consult the Fund Facts or simplified prospectus for the fund.** Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. **Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.**

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