LYRICAL
ASSET MANAGEMENT

2025 International Value Review

2025 was a strong year for international equity markets, as improving fundamentals and investor sentiment helped narrow the long-standing valuation gap between U.S. and non-U.S. stocks. The MSCI EAFE Index returned 31.2% for the year. Our International Value Equity strategy delivered a 35.5% return, producing attractive absolute results and outperforming the MSCI EAFE by 4.3 percentage points and the MSCI EAFE Equal-Weighted Index by 6.0 percentage points. While performance trailed the 42.2% return of the MSCI EAFE Value Index, the strategy generated a meaningful excess return versus its broad market benchmark during a robust period for international equities.

While non-U.S. stocks closed some of the valuation gap with the U.S., we see more room to go. Foreign stocks remain at a wide discount to the S&P 500 despite posting similar fundamentals to their U.S. peers. This creates a fertile hunting ground for us, and we continue to find good businesses at bargain prices.

Our strong return this year came despite a couple of headwinds, both of which we expect to reverse. First, 2025 was another year in which the largest cap stocks drove market returns. The EAFE beat its equal-weighed version by 1.7 percentage points in the year, making this the eighth straight year of cap-weighted outperformance. Such periods of cap-weighted outperformance have historically preceded periods of mean reversion. Second, bank stocks massively outperformed, appreciating 67% and driving an astounding 16 percentage points of total return to the EAFE Value. We avoid banks for their weak business structures and poor fundamentals. This has made them long-term underperformers, a trend we expect to resume in the future.

Even though the portfolio was up significantly in 2025, we have high expectations for forward returns. Our fund ended the year at a forward P/E of 12.1x. While this is higher than the 10.4x P/E valuation we carried into 2025, it is still exceptionally cheap for a portfolio of attractively growing businesses.

INTERNATIONAL STOCKS ARE STILL A BIG OPPORTUNITY

For a decade leading up to 2025, it was easy for investors to dismiss international markets because they were performing so poorly relative to the U.S. With the EAFE rising 31% in 2025, now it seems easy to dismiss international markets because they did so well. If, like many allocators, you are underweight non-U.S. stocks, did you miss the opportunity?

In short, we believe the answer is no.

While the EAFE outperformed the S&P 500 by 13.3 percentage points in 2025, this compares to 353 percentage points of underperformance for the 12-year period from 2013 up to 2025. And, most importantly, nearly all that underperformance can be traced to valuation, not to fundamentals. In other words, in the period leading up to 2025, U.S. stocks were not growing faster; they were getting more expensive. Let's take a closer look.

The total return of an investment can be broken down into two components: the return from fundamentals and the return from valuation. The fundamental return comes from a company growing its earnings and paying out some of those earnings in dividends. As you can see at the top of the table below, since 2013 the international market has delivered a fundamental return of 6.9% per year, which is similar to the 7.4% for the S&P 500.

This means that U.S. stocks have beaten non-U.S. stocks mostly because of multiple expansion and foreign currency. We can see these two measures in the table below, noting that the S&P 500 has expanded its P/E multiple at a rate of 7.0% per year since 2013, while the EAFE's has expanded at a 2.9% rate.

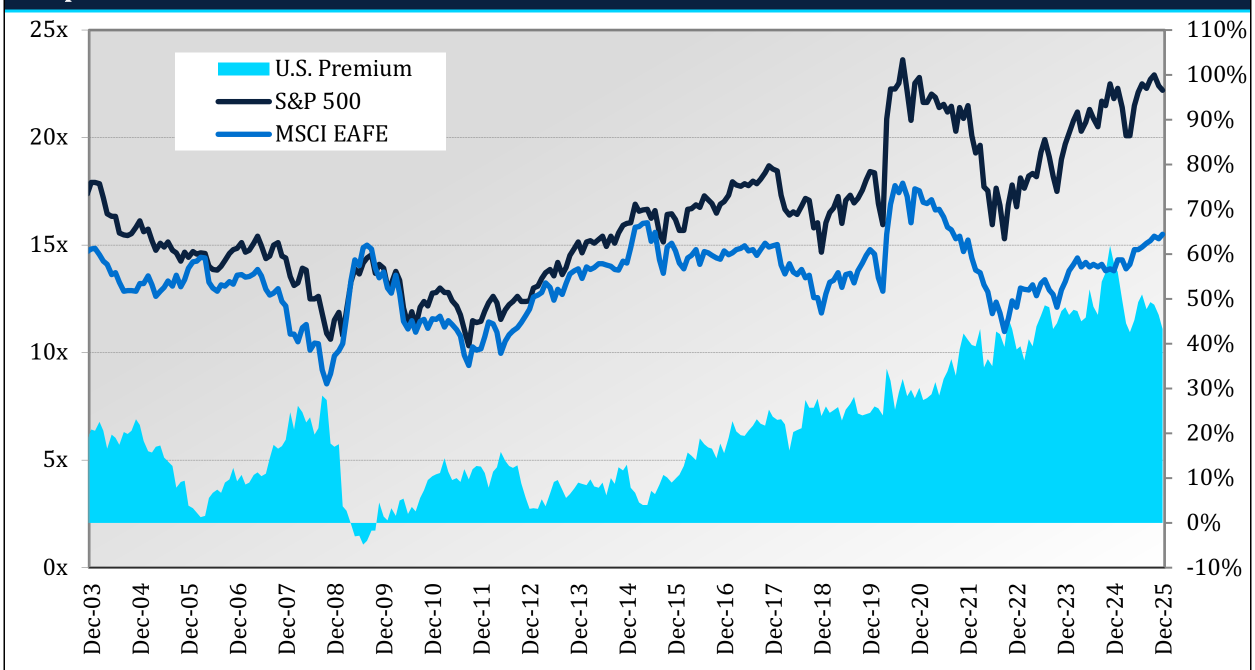
EAFE Fundamental Return Similar to S&P 500		
2013-2025	**EAFE**	**S&P**
Local EPS Growth	3.9%	5.6%
Div Yield	2.9%	1.8%
Fundamental Return	6.9%	7.4%
Multiple Expansion	2.9%	7.0%
Reported Total Return in Local CCY	10.0%	14.9%
Reported Total Return in USD	8.0%	14.9%

Data in the table is for the thirteen-year period 2013-2025 and is from FactSet

Because U.S. stocks have appreciated much more than international stocks despite similar fundamentals, the valuation spread between the two markets remains wide today. The figure below shows the P/E multiple for the S&P 500 represented by the black line compared to the EAFE represented by the blue line. The shaded area chart at the bottom shows the spread, or how much more expensive the S&P 500 is relative to the EAFE.

At year-end, the EAFE is trading for 15.5x earnings, only 15% above its long-term average of 13.5x. On the other hand, the S&P 500 looks expensive, trading about 35% above its long-term average multiple of 16.4x. The bars at the bottom show that the S&P 500 is about 43% more expensive today than the EAFE. While this spread has narrowed since last year, it remains extremely wide and compelling for a set of stocks delivering similar fundamentals.

Despite Similar Fundamentals, EAFE Trades at a Wide Discount to U.S.



Source: FactSet

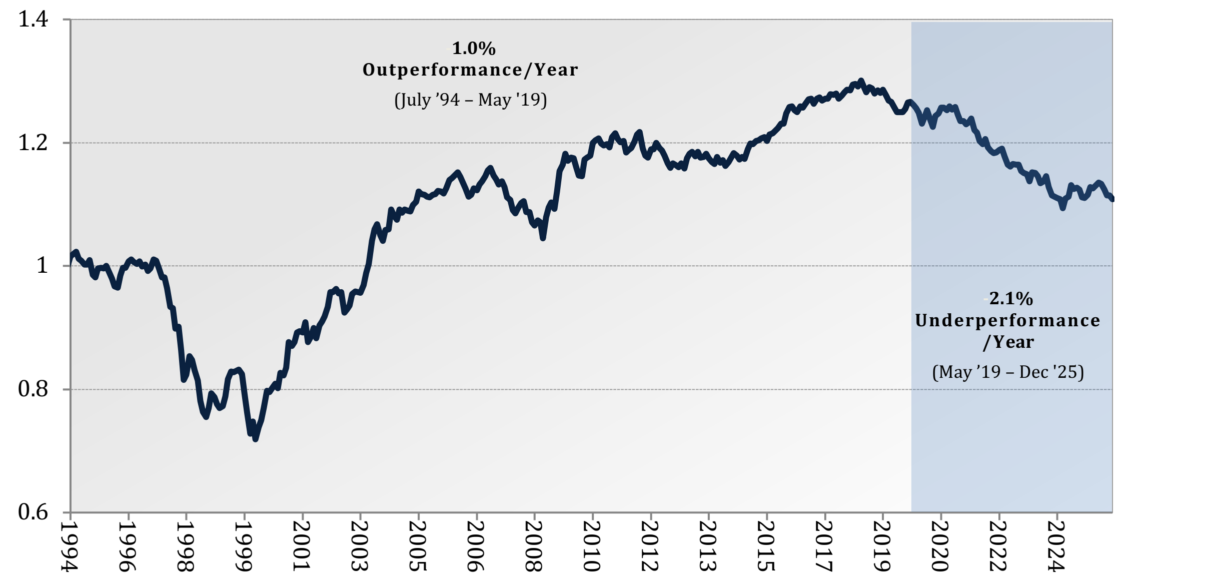
WEIGHT MATTERS

In 2025, international markets were once again led by the largest stocks, which created a headwind for our portfolio since we have rarely found quality value stocks amongst the largest companies. The weighted average market cap of our International strategy is $38 billion, in-line with the EAFE Equal Weighted Index, but far below the EAFE's $105 billion.

Historically, the equal-weighted approach has outperformed, even if it has recently underperformed. Over the past 31 years, the EAFE Equal Weight beat the cap-weighted EAFE by 30 basis points per year. Since we launched our International strategy in 2019, however, the cap-weighted benchmark has been on an unusually good winning streak, beating the equal-weighted index by 2.1 percentage points per year. This has created a significant headwind for our strategy, which we believe should reverse in the future.

To illustrate this, we present the exhibit below which shows the performance of the EAFE Equal Weight relative to the EAFE back to 1995, when the equal-weight index track record began. The highlighted period encapsulates the period in which we have managed the fund. As you can see, the equal-weighted index materially outperformed the EAFE in the decades leading up to the launch of our fund but has since lagged materially. 2025 marked the eighth year in a row that the equal-weight index underperformed.

MSCI EAFE Equal Weighted Index vs. MSCI EAFE Index



Source: FactSet

This has been an unusual period, and we do not expect it to persist. In total the EAFE Equal Weight has outperformed the EAFE by 30 basis points per year, even after this period of underperformance. The only other period that resembles the past seven years was the tech bubble years of 1997, 1998, and 1999, when the EAFE outperformed by 18.5, 5.9, and 7.7 percentage points respectively, compounding to a total of 41.7 percentage points.

Following those Tech Bubble years, the MSCI EAFE went on to underperform the MSCI EAFE Equal Weight index by 60.6 percentage points over the next six years.

A HISTORIC YEAR FOR BANKS

Despite our strong performance relative to the EAFE, we underperformed our style benchmark, the EAFE Value, by 6.7 percentage points in 2025. This was driven entirely by a surge in bank stocks which were up 67% in the year, contributing 16 percentage points to the EAFE Value return.

We do not own banks, but with performance like that, it's fair to ask us why. We avoid banks because we view them as fragile businesses, which makes them difficult to analyze with confidence. At Lyrical we seek to own resilient companies. By resilient, we mean businesses that can absorb large challenges, such as recessions, and manage them into smaller problems. Banks tend to exhibit the opposite characteristics. With fragile businesses, relatively small problems can compound into much larger ones. In the case of banks, their fragility is structural for two main reasons.

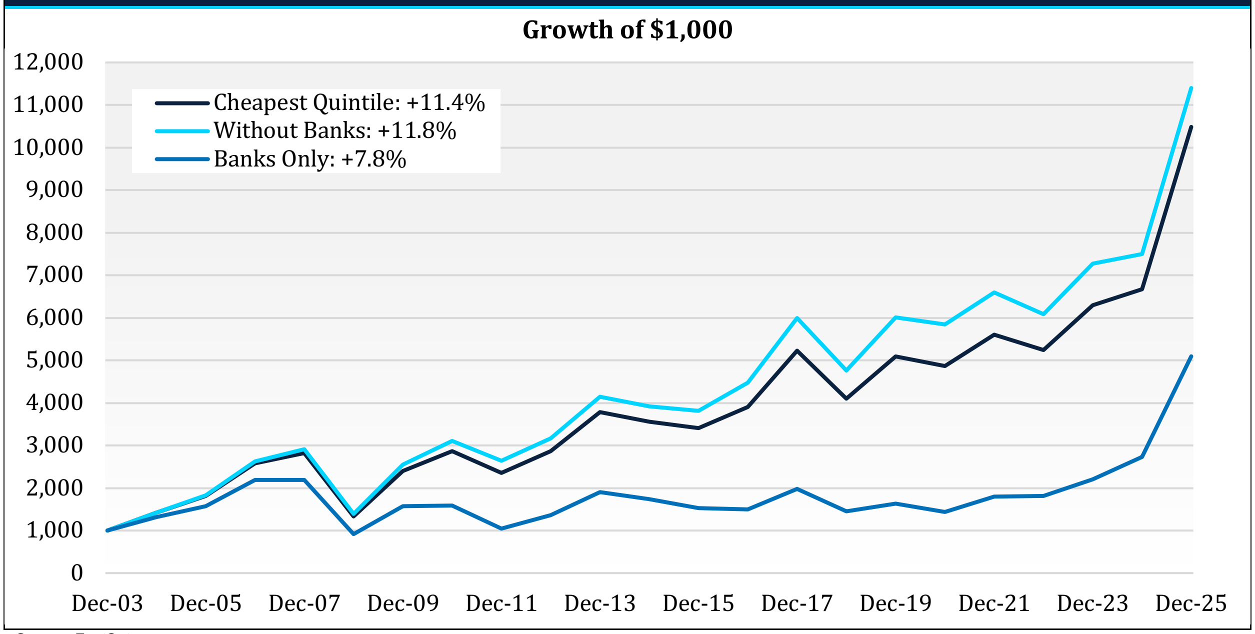
First, banks require significant leverage to earn an adequate return. Even after a decade of post financial crisis reform, the average common equity Tier 1 capital ratio across large European banks is 15.9%. Simply put, this means that European banks have about 16 euros of equity supporting every 100 euros of assets. As a result, relatively small loan losses can compound into large impairments of equity. This can then compound further as investors sell shares and customers withdraw deposits. This illustrates the second major source of a bank's fragility, which is that banks depend heavily on the confidence of their depositors and investors, which once lost can be difficult to get back.

These vulnerabilities are well documented. In the past 20 years, we've seen: the Global Financial Crisis, the Eurozone Sovereign Debt Crisis, the collapse of Silicon Valley Bank and the ensuing U.S. regional banking crisis, and most recently the collapse of Credit Suisse.

To be fair, we recognize that some banks will prove to be successful investments, and others will be disasters like Citigroup during the GFC and, more recently, like Silicon Valley Bank and Credit Suisse. However, we do not believe we can reliably distinguish the long-term winners from the losers. It is the fundamental nature of banking to be exposed to significant tail risk, either from credit risk, a run on the bank, or both.

This fragility and lack of analyzability are central reasons why we avoid banks. But if that weren't enough, we have another solid reason for avoiding banks. They also tend to exhibit low earnings growth and modest long-term returns. Consider this chart, which shows that within the cheapest quintile of non-U.S. stocks, banks have underperformed by about four percentage points per year over the 20+ year period that we can calculate this back to 2003.

Non-U.S. Cheapest Quintile – With and Without Banks

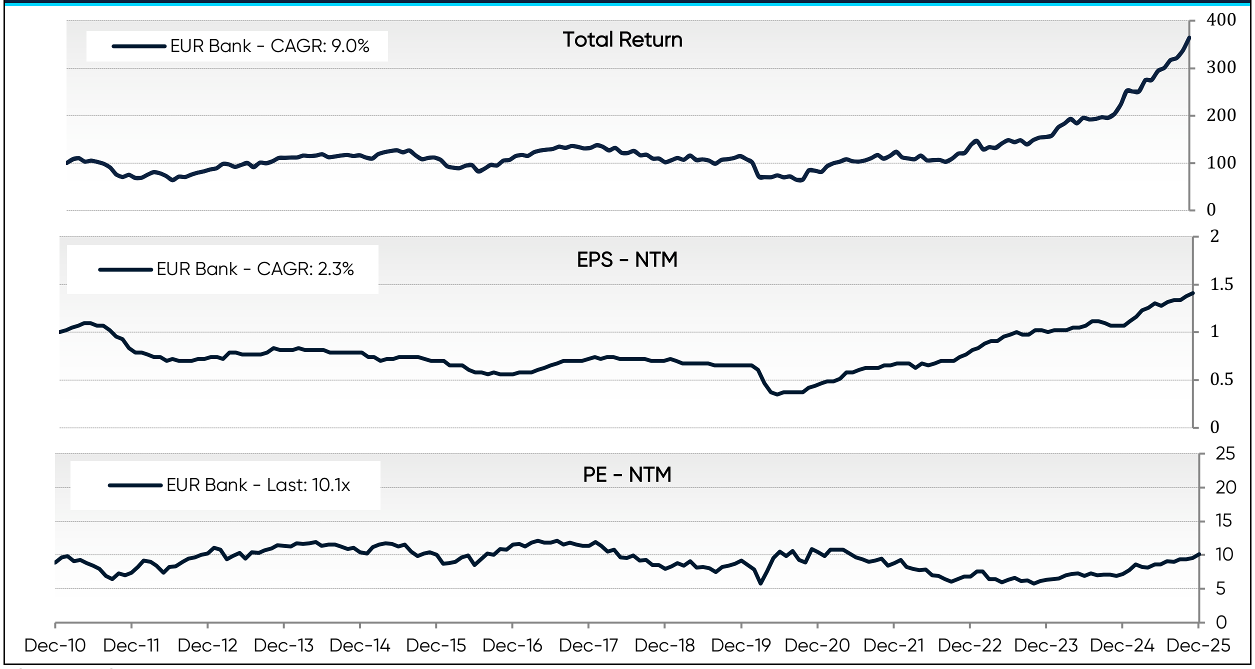


Source: FactSet

And this underperformance didn't all come from the Global Financial Crisis, although that period certainly did not help. From 2003 to 2006, banks underperformed by 7.2 percentage points per year. Then, in the financial crisis, they underperformed by 8.4 percentage points per year. Since 2010, they've performed much better, but still poorly, underperforming by 2.1 percentage points per year.

The pattern of weaker returns largely reflects subdued earnings growth. We can see that from the chart below, which refers to the European investment grade banking universe. We refer to this as the P-E-P/E chart, which shows from top to bottom, the historical price, earnings, and P/E multiple history for large European banks.

MSCI Europe / Banks



Source: FactSet

Starting in 2011, after a nearly 80% decline in earnings during the financial crisis, the earnings for the largest European banks have grown only 2.3% per year. While these stocks have performed very well recently, that performance has come mostly from multiple expansion, not earnings growth. It's true that they still trade for only 10.1x earnings, but, as we just discussed, they fail on both our quality and analyzability criteria.

AERCAP: A SUPERIOR FINANCIAL

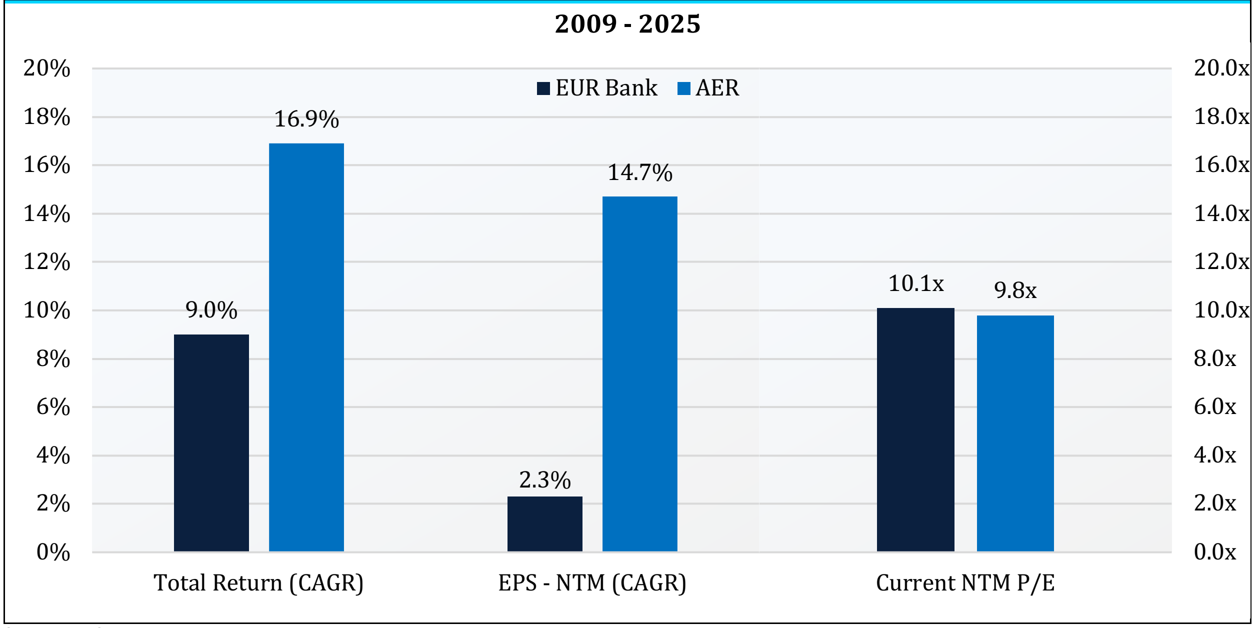
As seasoned deep value investors, we know firsthand that bad companies can have very good years. We've also learned that such years are difficult to predict, and that it's much easier to generate strong long-term results by buying companies that are not only cheap but also capable of consistent earnings growth. Oftentimes, we find these good businesses in the same sectors and industries as bad companies. Even though we don't own banks, we do invest meaningfully in financial services, as we have found several other financial companies in the cheapest quintile with better growth, higher predictability, greater resilience, and materially less tail risk.

Take, for example, AerCap. AerCap is the world's largest aircraft leasing company, owning over 1,500 aircraft that it leases to airlines globally. The business model is straightforward and far easier to analyze than a bank: AerCap buys planes, leases them to airlines on long-term contracts—typically eight to ten years—and then ultimately sells them into the secondary market. The company earns a spread between its cost of funding and the lease rates it charges, and because it is the largest player, it can buy planes at a discount and earn a structurally higher ROE, typically in the low to mid-teens.

Unlike banks, AerCap's balance sheet is transparent and predictable. The assets are physical planes with clear market values. The leases are non-cancellable and secured by the aircraft itself—if an airline stops paying, AerCap repossesses the plane. And, critically, AerCap matches the duration of its leases to its liabilities, eliminating the maturity mismatch risk that can plague banks. Even during COVID, the worst imaginable environment for the airline industry, Aercap generated positive cash flow and was considered so resilient that it was able to raise debt at a rate just above 3%.

These strengths are evident in the company's fundamentals. As shown in the middle chart below, AerCap has delivered 14.7% annualized earnings growth since 2009, compared with European banks at 2.3%. On the left, we see that this earnings growth has driven substantial stock outperformance, with AerCap generating a total return of 16.9% over this period versus just 9% for banks.

MSCI Europe / Banks vs AerCap (AER)



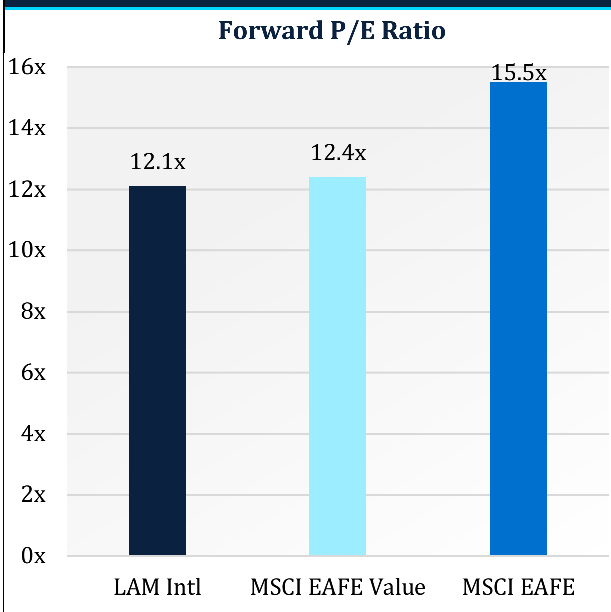
Source: FactSet

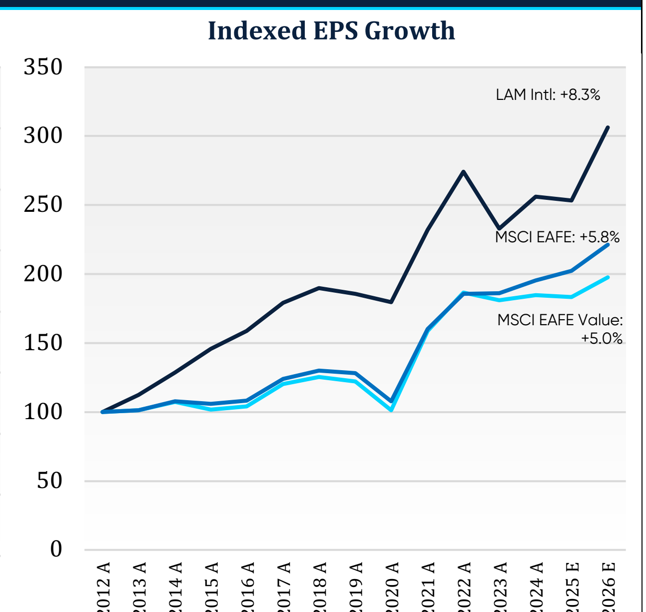
As for valuation, shown on the right side, AerCap is as cheap as the European banks at only 9.8x earnings, and yet it is a far more analyzable and compounder-friendly business model. We'd much rather own AerCap than make a blind bet on which banks will survive the next crisis.

OUR UNCOMMON COMBINATION

Despite a return of more than 35% last year, our portfolio characteristics are still highly attractive. Due to strong earnings growth and portfolio trades, our P/E multiple expanded by far less than our total return: rising from 10.4x at the beginning of the year to 12.1x at year-end. This is an uncommonly attractive valuation for a portfolio of companies that have grown their earnings at a rate of 8.3%, well above the EAFE and EAFE Value.

Uncommon Combination of Value and Growth





CONCLUSION

We delivered a strong year, generating a 35.5% return, well ahead of the EAFE, despite headwinds from large bank holdings in the benchmark and market capitalization effects. Importantly, we believe the opportunity ahead remains compelling. Our companies posted earnings growth of 11% in 2025, and we expect at least high-single digit earnings growth in the year to come. At a P/E valuation of 12.1x, our portfolio is still meaningfully undervalued relative to its fundamentals and long-term potential.

We thank you for your continued confidence, and, as always, we welcome your inquiries.

Dan Kaskawits and John Mullins
Co-Portfolio Managers

RISK FACTORS:

General:

We do not attempt to time the markets or focus on weightings relative to any index. Accordingly, client returns are expected, at certain times, to significantly diverge from those of market indices.

Investing in securities involves a risk of loss that investors must be prepared to bear. Because we invest primarily in publicly traded equity securities, Lyrical believes the primary risk of loss is associated with securities selection and broad market movements, and wide and sudden fluctuations in market value can occur.

Force Majeure. Lyrical and its clients may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, but not limited to, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). Some force majeure events may adversely affect the ability of a party (including a portfolio company or service provider) to perform its obligations until it is able to remedy the force majeure event. These risks could, among other effects, adversely impact the cash flows available from a portfolio investment, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost to a portfolio company or a client of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Force majeure events that are incapable of or are too costly to cure can have a permanently adverse effect on a portfolio company. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which we invest.

International Risks:

International holdings involve risks and considerations not typically associated with investing in U.S. companies. The performance of foreign markets does not necessarily track U.S. markets. Foreign investments may be affected favorably or unfavorably by changes in currency rates and exchange control regulations. There may be less publicly available information about a foreign company than about a U.S. company, and foreign companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to those applicable to U.S. companies. Foreign securities often trade with less frequency and volume than domestic securities and therefore may exhibit less liquidity and greater price volatility than securities of U.S. companies. There may be less governmental supervision of securities markets, brokers, and issuers of securities than **in** the U.S. Changes in foreign exchange rates will affect the value of those securities, which are denominated or quoted in currencies other than the U.S. dollar. Therefore, for foreign securities which are denominated or quoted in currencies other than the U.S. dollar, there is a risk that the value of such security will decrease due to changes in the relative value of the U.S. dollar and the securities' underlying foreign currency. Additional costs associated with an investment in foreign securities may include higher custodial fees than those applicable to domestic custodial arrangements, generally higher commission rates on foreign portfolio transactions, and transaction costs of foreign currency conversions. Investments in foreign securities may also be subject to other risks different from those affecting U.S. investments, including local political or economic developments, expropriation or nationalization of assets, restrictions on foreign investment and repatriation of capital, imposition of withholding taxes on dividend or interest payments, currency blockage (which would prevent cash from being brought back to the U.S.), limits on proxy voting and difficulty in enforcing legal rights outside the U.S. Currency exchange rates and regulations may cause fluctuation in the value of foreign securities. In addition, foreign securities and dividends and interest payable on those securities may be subject to foreign taxes, including taxes withheld from payments on those securities.

"Fair and balanced" assessment:

You are entitled to a fair and balanced presentation, to inform any decision about investing with us. And, no such decision should be based entirely or predominantly on information in this document. By design, our investment approach differs from the norm in important ways. While those differences are intentional and, we believe, well-founded, we allow that those who act more conventionally, too, have reasons for doing so. We strongly encourage that you engage with our client service team to better understand our beliefs and our methods. Questions could be as general as "why value?" or as narrow as "why do you not conviction-weight positions?" for just two examples. Even as our strategies offer liquidity, we seek an alignment of long-term minded investors and our long-term orientation; the better you are informed, the more likely that match will be made.

DISCLAIMERS:

General:

Past performance is not necessarily indicative of future results. Individual results may vary based on timing of investments and/or other factors. There is no guarantee that the investment objective of our strategy will be achieved.

This document is confidential and does not convey any offering or the solicitation of any offer to invest in the strategy presented. Any such offering can only be made following a one-on-one presentation, and only to qualified investors in those jurisdictions where permitted by law.

The information included in this document is not being provided in a fiduciary capacity, and it is not intended to be, and should not be considered as, impartial advice.

"Forward-looking statements" contained herein can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "project," "estimate," "intend," "continue," or "believe," or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events, results or actual performance may differ materially from those reflected or contemplated in such forward-looking statements. Nothing contained herein may be relied upon as a guarantee, promise, or assurance or as a representation as to the future.

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More complete information about our products and services is contained in our Form ADV, Part 2
Registration with the SEC does not imply a certain level of skill or training.

Disclosed holdings:

Lyrical disclaims any duty to update historical information included herein, including whether we continue to hold positions that are mentioned. In the interest of our clients, reporting as to positions in transition (being purchased or sold) is lagged at our discretion. Generally, securities which have not been purchased for all accounts are not reflected as held and sales of positions which remain in any client accounts similarly are not reflected.

Specific investments described in this document do not represent all investments by Lyrical. You should not assume that investment decisions we include were or will be profitable. Specific investment examples are for illustrative purposes only and not necessarily representative of investments that will be made in the future. A list of all prior investment recommendations is available upon request.

Model or hypothetical performance:

Where we provide information about performance that is not the actual performance results of our investment strategies (such as where we show the results of price-to-earnings quintiles), please note that there are substantial additional limitations inherent in using such performance information. Those include, but are not limited to, that actual trading and the associated expenses did not occur, that market conditions change over time, and that no investor had the actual performance presented.

IMPORTANT NOTES:

Index Information:

Any indexes and other financial benchmarks shown are provided for illustrative purposes only, are unmanaged, reflect reinvestment of income and dividends and do not reflect the impact of advisory fees. Investors cannot invest directly in an index. Comparisons to indexes have limitations because indexes have volatility and other material characteristics that may differ from those of Lyrical's strategies.

The MSCI EAFE Index is designed to represent the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the U.S. and Canada. The Index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 21 countries.

The MSCI EAFE Value Index captures large and mid cap securities exhibiting overall value style characteristics across Developed Markets countries around the world, excluding the US and Canada. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield.

The MSCI EAFE Equal Weighted Index represents an alternative weighting scheme to its market cap weighted parent index, the MSCI EAFE Index. The index includes the same constituents as its parent (large and mid cap securities from Developed Markets countries* around the world excluding the US and Canada). However, at each quarterly rebalance date, all index constituents are weighted equally, effectively removing the influence of each constituents current price (high or low). Between rebalances, index constituent weightings will fluctuate due to price performance.

Indexed EPS

The chart on page 7 depicts the historical change of earnings per share of the companies comprising the LAM International portfolio as of December 31, 2025 using current composite share holdings as of that date. This chart also show the change in earnings per share of the MSCI EAFE Index and MSCI EAFE Value Index over the same period. Earnings per share is computed using consensus earnings data, which include certain adjustments from reported, GAAP earnings. Periods marked with an "E" include estimated earnings per share. LAM International portfolio holdings are included from the earliest date of their available data.

Past performance is not necessarily indicative of future results.

LAM - International results are unaudited and subject to revision, are for a composite of all accounts. Net returns include a 0.75% base fee and show all periods beginning with the first full month in which the advisor managed its first fee-paying account.

Annualized Returns	1 Year	5 Year	10 Year	ITD (6/1/2019)
LAM – Intl, Net	+35.54%	+8.88%	N/A	+10.34%
MSCI EAFE	+31.22%	+8.92%	N/A	+10.01%
MSCI EAFE Value	+42.25%	+13.36%	N/A	+11.39%
MSCI EAFE Equal Weight	+29.45%	+6.29%	N/A	+7.93%