BEULAH CAPITAL

International Equities Portfolio

Quarterly Fact Sheet | March 2022

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Investment Approach

Our strategy is based on a fundamental bottom-up stock analysis to identify and select quality growth companies with sustainable business models and proven management teams, focused on the creation of shareholder return.

INVESTMENT STRATEGY

Concentrated Approach – Franklin Templeton's investment team focus on risk-adjusted returns, rather than benchmark-relative returns. Therefore, we achieve a portfolio of unconstrained, high quality companies.

The portfolio's focused approach and fundamental research requires the team develop a high level of conviction in every investment.

Universe

This portfolio will hold the equity securities of approximately 20 different companies. No single security will exceed 10% of the market value of the total portfolio at the time of purchase

The portfolio may be invested in countries that are not included in the MSCI World ex-Australia Index up to 20% of the market value of the total portfolio value at the time of purchase

INVESTMENT CATEGORY
International Shares

MINIMUM INITIAL INVESTMENT
$50,000 on a standalone basis

MINIMUM SUGGESTED TIME FRAME
7+ Years

Performance

International Equities Portfolio

	3 Months %	6 Months %	1 Year %	3 Years %	5 years %	Incept %
Portfolio Return	-17.47	-13.99	-1.62	18.15	19.48	15.73
MSCI World ex-Aust. Index	-8.42	-1.84	11.60	12.92	12.88	11.11
Relative Performance	*-9.05*	*-12.15*	*-13.22*	*+5.23*	*+6.60*	*+4.62*

Performance Notes
1: As of 30 June 2017. Performance shown is net of Investment Management Fee but before Platform fee
2: Past performance is not an indication of future performance
3: Returns and holdings will vary between investors given the nature and timing of beneficial ownership under a SMA structure
4: Returns greater than 12 months are annualized
5: Inception date is 30-11-2015

Top 10 Stock Holdings

Company	Allocation %
Synopsys Inc	6.29
Danaher Corp	6.20
Humana Inc	6.17
Visa Inc. Class A	5.79
Intuitive Surgical Inc	5.74
Verisk Analytics Inc	5.51
Intercontinental Exchange Inc	5.34
Tyler Technologies Inc	5.27
DSV A/S	5.06
Koninklijke DSM NV	5.03
Total	**56.42**

Holdings as at 31 March 2022

Characteristics

Metric	Portfolio	Benchmark
Market Cap (A$m)	119,727	545,814
Number of Issuers	20	1,480
Return on Equity	16.29%	22.88%
PEG Ratio	2.20x	1.21x
3-5 Yr EPS Growth	19.82%	13.98%
Forward PE Ratio	33.22x	17.74x

Quarterly Review

Global equity markets declined overall in the first quarter, although stocks in some commodity-exporting regions advanced. Persistently high inflation and tightened monetary policy from the world's major central banks were among the main headwinds facing stocks. Russia's invasion of Ukraine added significant uncertainty in both equity and commodity markets. Global growth stocks, which are typically more sensitive to tightening monetary policy, declined significantly for the period.

During the quarter, the portfolio underperformed its benchmark, the MSCI World ex Australia Index, as stock selection in Information Technology, Financials and Health Care weighed on relative results.

In Information Technology, Canada-based e-commerce solutions provider Shopify, Inc. and US-based bar code scanner and printer manufacturer Zebra Technologies Corporation hindered relative returns. Shopify disappointed following its predictions of higher operating costs going forward. However, we believe the company has a good track record of execution, and its recent termination of relationships with fulfillment partners – while initially witnessed as a negative by investors – could lead to a logistics network that helps with faster free shipping. Despite reporting good fourth-quarter results, Zebra underperformed due to its guidance of near-flat growth and short-term difficulties navigating supply chain issues. We continue to believe the stock has tremendous growth prospects over the long term.

In the Financials sector, Switzerland-based alternative asset manager Partners Holding Group AG reported strong fiscal year 2021 financial results, but the stock fell following a lowering of performance fee guidance for the upcoming year. Profitability for the company has remained solid, in our view, and management noted their clients remain optimistic about the asset class.

Quarterly Review (cont.)

Despite announcing better-than-expected fourth quarter results early this year, US-based Intuitive Surgical detracted from performance in the Health Care sector. The share price of this maker of robotic surgical equipment may have been pressured by supply chain woes. However, we believe Intuitive is in a strong capital position, reinforcing our belief in the company's prospects.

After some optimism that supply chain issues would ease early in the period, global auto parts manufacturer Aptiv PLC detracted from relative results in the Consumer Discretionary sector. A growing number of the company's original equipment manufacturer (OEM) customers cut production forecasts and/or planned to idle plants due to continued supply chain problems. We believe the holding's prospects can brighten once supply chain problems and inflation ease.

Materials holding Koninklijke DSM N.V., a Netherlands-based multinational chemicals and life sciences firm, dragged on performance despite reporting strong topline growth, albeit with inflation having some impact on near-term guidance. We believe DSM is better positioned than its peers to deal with inflation, given the company's relatively strong integration of its supply chain.

Conversely, select holdings in the Information Technology sector contributed to relative performance. In Information Technology, US-based global payments firm Visa Inc. contributed to relative results. Visa reported strong revenues that beat expectations, driven by cross-border revenues that grew quickly and broadly late last year. Management effectively raised guidance for fiscal year 2023, based on this factor, as well as continued acceleration away from cash and cheque usage by consumers, and high growth in value-added services.

As the number of Covid-19 cases dropped, Canada-based flight training provider and flight simulator manufacturer CAE Inc. contributed to relative performance in Industrials. We believe that continued manageable infections bode well for a positive outlook for air travel.

In Financials US-based Intercontinental Exchange, Inc. (ICE), an exchange and clearing house operator, boosted returns as the company reported strong total revenue and free cash flow. We believe ICE could buy back its stock and explore deals that would prove beneficial going forwards.

In terms of sector allocations, a lack of exposure to Energy and an overweight in Information Technology detracted. Conversely, lack of exposure to Communication Services and an overweight to Health Care aided relative results. Regionally, stock selection in the United States and an overweight in Europe restrained relative returns. Conversely, an overweight exposure to the United Kingdom aided performance.

Outlook & Strategy

Despite a significant selloff in global bonds, continuing inflation, rising interest rates and the war in Ukraine, global equity markets ended the first quarter of 2022 down 5% from a peak drawdown of about 12% in early March, as measured by the MSCI World Index in USD. Peeling back the timing of the market moves over the quarter would show:

- An overall market decline of 5% in January, led predominantly by growth stocks and pandemic winners. Growth stocks were broadly down around 10%, with many growth pandemic winners, including e-commerce names, off more than 20%. These moves occurred prior to both the bond selloff and Russia's invasion of Ukraine, marking a long overdue rotation from growth to value.

- A further selloff and subsequent rebound in equities in February and March, as the US 10-year bond yield moved almost a full percent higher from 1.6% to almost 2.5% by quarter's end.

- We believe markets are somewhat optimistic at the start of the second quarter about avoiding a recession, despite a significant number of indicators flashing yellow to red across a wide range of global markets.

In early 2022, investors were mostly focused on strengthening economies, the end of the pandemic and uncertainties regarding Chinese markets. As the first quarter of 2022 unfolded, the decision by Russia to invade

Outlook & Strategy (cont.)

Ukraine caused a significant rethink of the geopolitical landscape. The US and its European allies imposed economic sanctions on Russia at a level historically reserved for rogue states, such as Iran or North Korea. Russia, as a member of OPEC+, a permanent member of the UN Security Council and a nuclear power, can hardly be classified as a nation that can easily be isolated, in our view. While equity markets have largely ignored the headline risks of war in Europe to date, the potential for market dislocations into the rest of the year cannot be ignored. However, in our view, we have no direct exposure and little indirect exposure as measured by revenue exposure, so while we are certainly heartbroken by the tragedy and human toll caused by this war, we are not presently concerned about the conflict's impact on our portfolios.

We expect that global equity markets will continue to keep a close eye on global interest rates over the coming quarters. In a well-telegraphed move, the US Federal Reserve (Fed) hiked short-term interest rates in early March by 25 basis points, citing the raise as the initial step in a series of hikes through 2022 to combat inflation caused by wage pressures, supply chain disruptions and an uptick in consumer demand. An unexpected selloff on the longer end of the bond market later in the quarter was largely global in nature and pushed yields higher across the board. While participants initially believed that central banks might have a shot at taming inflation, the selloff indicates to us that bond investors are skeptical the Fed will be able to bring inflation down.

The one major market to avoid a significant selloff in bonds was Japan, as the Bank of Japan kept the taps open and left in place its unlimited bid for bonds. Unlike the Fed or the European Central Bank (ECB), the Bank of Japan allowed its balance sheet to further balloon over the quarter. While it was successful in keeping the long rate in check, the yen moved notably lower against the dollar and the euro. Toward the end of the quarter, USD/yen traded above 120, a level not seen since 2015.

Energy markets also exhibited stress over the quarter, with the price of both Brent and WTI oil surging to over US $100 per barrel, leading to higher natural gas and fuel prices. Sanctions on Russia's energy exports clearly caused energy prices to spike, as it is a major gas supplier to Europe. While higher oil prices have benefitted energy stocks, they have pressured companies that depend directly or indirectly on this commodity.

Against this backdrop, our strategies faced headwinds during the first quarter of 2022. Many of our Information Technology holdings had a negative impact on relative performance across most portfolios, largely driven by stock-specific concerns among our e-commerce solutions providers coupled with the significant selloff of tech and tech-adjected companies in the first part of the year. Health Care holdings – particularly those among the biotechnology industry – faced headwinds during the period due to industry-wide headwinds and stock specific issues.

On the upside, several of the portfolios' Industrials and Financials holdings supported relative performance. In Industrials, select holdings related to air travel advanced as Omicron cases began to wane, providing a positive outlook for an air travel recovery. Financials stocks – particularly financial exchange/marketplace operators – buoyed returns given heightened volatility across markets. Other Health Care holdings bolstered relative results, primarily due to idiosyncratic reasons.

When you add up Ukraine, a hawkish Federal Reserve noting 40-year high inflation rates, and the continuation of large-scale pandemic lockdowns in China, it is easy to understand the newly found appetite for global investors in tail risk ETFs as opposed to traditional long equity funds. The rest of 2022 surely has the makings for volatile equity markets, but we remain committed to maintaining a long-term, focused portfolio with growth companies built for the future.