GQG PARTNERS

Institutional Class: GQEIX
Investor Class: GQEPX
Retirement Class†: GQERX

Quality... On Sale!?

GQG Partners US Select Quality Equity Fund

"The reality is, I never thought I was as dumb as people thought I was in December [when we were near the bottom of the league], and I'm not nearly as smart as people think we are now [after winning the Stanley Cup for the first time in team history]."

— Doug Armstrong, General Manager of the National Hockey League's St. Louis Blues[1]

Winning and losing are interesting things, different sides of the same coin. Whether that's a sports team or an asset manager, we believe that skill (despite luck's omnipresence) tends to reassert itself over time in the longer run.

During the first quarter of 2021, despite all of the noise around congressional hearings, meme stocks (#stonks?), and global trade dislocations, we saw equity markets rise globally with both emerging and developed markets posting low-single-digit positive returns. Our portfolio did lag on a relative basis but not to the degree that was felt in the fourth quarter of 2020.

As meaningful co-investors alongside our clients, we do not take relative underperformance lightly despite our more absolute return orientation. But we must admit that short-term returns, both positive and negative, are incredibly difficult to predict in our view, which is why we spend our time focused on preparation rather than prediction. During the first quarter, this preparation led us to opportunities across the globe in areas with higher degrees of cyclicality, from banks to select companies across the consumer discretionary sector, all while maintaining what we believe to be strong quality characteristics.

So, in the vein of our Armstrong quote above, we believe our long-term performance results are probably more indicative of our overall abilities rather than any bouncing from genius-to-dolt from one quarter to another based on short-term results. That being said, we have reasons to be quite optimistic on a number of fronts. Despite the challenging news on Covid-19, we do believe the vaccine rollout is getting us closer to some degree of normalcy in our lives. On the portfolio front, we believe the breadth of equity market opportunities are quite high and can be purchased at sensible prices, something that was difficult to come by over the last six months.

SLOW THINKING

Juxtapose the image in Exhibit 1 with what we know about the world.

For most investors, the Suez Canal is simply a reasonably well-recognized global waterway separating Africa and Asia while connecting the Mediterranean and Red Seas. However, we wouldn't expect it to occupy a lot of time and space outside of headlines that generally weren't driven by the outbreak of a war. And why not? For most things, global trade (US-China tensions notwithstanding) has gone off generally without a hitch, particularly due to the broad trend of globalization over the last 30-plus years.

EXHIBIT 1: THINGS THAT MAKE YOU GO HMMM

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So it is with most things where inertia exists, as Newton's First Law of Motion reminds us: stuff, whether in motion or stationary, respectively will keep moving or remain still *until acted upon by an unbalanced force* [emphasis ours].

But for anyone paying attention during the last week or two of March 2021, the Suez Canal was front and center as a 200,000-metric-ton *beached whale* of a ship became stuck. It turns out that the unbalanced force in this scenario was some strong wind blowing the ship adrift.

And a mighty strong wind it must have been to throw 200,000 metric tons of steel off course.

Earlier we mentioned that a key tenet of ours is preparation, not prediction. We have yet to find anyone with perfect foresight, ourselves included, so the world has to be thought of in a probabilistic sense. Historically, we'd argue that the biggest *risk* to the canal — and thus the 12 per cent of global trade and nearly 2 million barrels of oil that pass through it each day — was a war. Some of you may remember the canal being closed for eight years from 1967 to 1975 due to the war between Egypt and Israel. While redundancies for short-term disruptions do exist, they're usually meant for the big events. However, just as the Covid-19 environment has shown us, it's often the seemingly innocuous events, the low-probability events, that throw things off course. So if you're not prepared for a variety of outcomes, large gusts of wind or otherwise, the reaction function is a bit off. Instead of sending in the tugboats, a tiny excavator is deployed.

Of course, the situation ultimately was resolved after about a week, and we expect that *Ever Given* and all of the memes it inspired will be turned into non-fungible tokens for the rest of time. Despite the resolution, however, we think there's an important lesson to be learned here. It's certainly not out of sample that a global trade disruption occurred, but the source of that disruption and the response to it, in our view, is fairly representative of the market environment in which we currently find ourselves. So much of news flow in our opinion is based on first order, or fast, *System 1* thinking as laid out by Nobel laureate Daniel Kahneman. System 1 is the fast, automatic, and emotional part of the brain whereas System 2 is much more methodical and less prone to biases, a much slower operation that takes a lot of resources. It's why much of the world is driven by headlines and reporting rather than analysis: because it requires a lot of horsepower to think deeply about something. Yet the world is a complex place and first order, System 1 thinking can often miss the underlying drivers of what we're *actually* facing rather than what we're being told we're confronting.

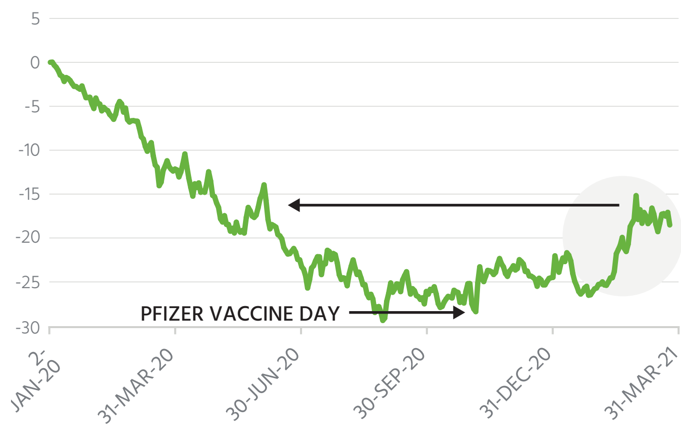
This is as true with real-world ships as it is with equity market factors, particularly when it comes to the never-ending discussion on growth versus value, and where we will apply some System 2 thinking below.

FAST THINKING

As we've stated many times in the past, we believe *growth versus value* is too simplistic of a framework for examining the investment opportunity set. Building on the discussion of slow thinking and headlines, take a look at Exhibit 2. For all of the recent headlines on the resurgence of the value factor, things really haven't moved all that much from an index perspective. As the exhibit highlights, the value factor *did* outperform growth during Q1 2021, with almost the entirety of the outperformance coming in March. Despite that recent move, however, this simply took the relationship back to levels last seen in… June 2020! In fact, from the Pfizer vaccine announcement in November to about mid-February, value barely moved relative to growth (as the green line rises, the value factor outperforms). But you wouldn't have known this based on the standard, System 1 narrative. Therefore, we don't think this helps all that much in explaining what's been happening in the world lately.

EXHIBIT 2: GADOT?

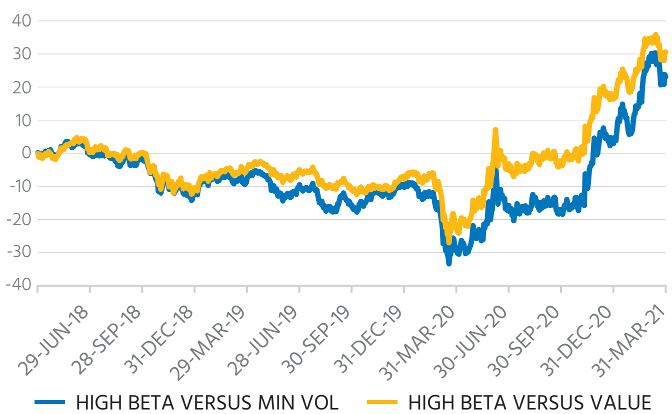
S&P 500 GROWTH VERSUS VALUE
CUMULATIVE EXCESS RETURN SINCE JANUARY 2020 %



Sources: S&P Capital IQ and GQG analysis as of March 31, 2021 for cumulative daily excess returns in USD of the S&P 500 Growth versus the S&P 500 Value since January 2, 2020. **PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS.** You cannot invest directly in an index.

EXHIBIT 3: BETA MAX

S&P 500: CUMULATIVE EXCESS RETURN OF HIGH BETA
TO MINIMUM VOLATILITY AND VALUE OVER LAST THREE YEARS %



Sources: S&P Capital IQ and GQG analysis as of March 31, 2021 for cumulative daily excess returns in USD of the S&P 500 High Beta Index versus the S&P 500 Minimum Volatility Index and the S&P 500 Value since March 29, 2018. **PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS.** You cannot invest directly in an index.

Well, if it's not really value that's been meaningfully outperforming on the back of the reflation narrative, what is it? We believe it's beta, lots and lots of beta. In Exhibit 3, we've highlighted cumulative excess returns to the S&P 500® High Beta Index versus the S&P 500 Minimum Volatility Index as well as the S&P 500 Value. The High Beta Index consists of approximately 100 names in the S&P 500 that are most sensitive to changes in market returns, so think of high volatility. Essentially, Exhibit 3 is comparing highly volatile equities to both low-volatility and *cheap* equities. When looking back over the three years ending March 31, 2021, you can see the dramatic recent performance for high-beta equities relative to both cheap equities (the yellow line) and more defensive-oriented ones (the blue line). As the lines move higher up the chart, high-beta equities outperform. What makes this chart interesting, in our view, is that the two lines look almost identical, with high beta outperforming both value and low volatility, two factors that often have very little in common, particularly when it comes to sector weightings.

We believe it's not terribly surprising with our quality, compound-growth framework, then, that our exposures to high-volatility equities are generally quite low. More often than not, our overall portfolio beta is lower than the respective benchmark index.

As we've been noting throughout, we believe digging below the surface is critical, but a small excavator won't do the trick. It's the non-obvious, non-salient points that really matter even though it's admittedly hard to cut through the noise.

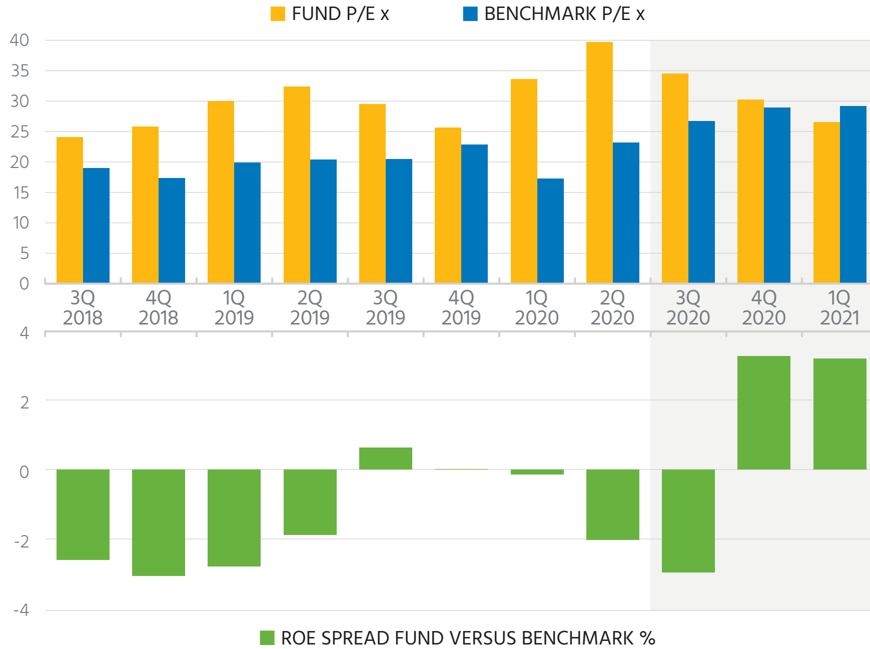
Yet this is all *what has happened*, and not what we think is *likely to happen*. This is why we're quite optimistic (the punchline resides below).

HOW ARE WE THINKING?

In Exhibit 4, we've highlighted the quarterly price-to-earnings (P/E) ratios for the GQG Partners US Select Quality Equity Fund portfolio and benchmark S&P 500 since Fund's inception on September 28, 201), as well as the return on equity (ROE) spread — our simple proxy for quality — between the portfolio and benchmark at the end of each quarter. As highlighted, what is quite remarkable to us (as we're unaware of any headlines denoting how "cheap" quality became), is that while the P/E of the benchmark generally rose over the past few quarters, that of our portfolio has generally fallen. Moreover, as would be expected, this has not come at the expense of the overall quality of the portfolio. In fact, this is among the lowest price we've paid (using P/E multiples relative to the benchmark) while delivering nearly the highest ROE spread in the Fund's operating history.

EXHIBIT 4: QUALITY AT A REASONABLE PRICE

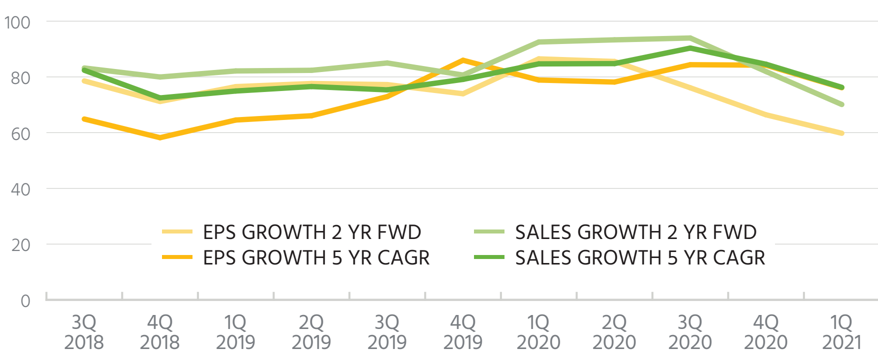
QUARTERLY PRICE-TO-EARNINGS AND RETURN ON EQUITY OF GQG PARTNERS US SELECT QUALITY EQUITY FUND AND S&P 500 SINCE INCEPTION



Sources: Morningstar Direct and GQG analysis as of March 31, 2021 for quarterly price-to-earnings (P/E) and return on equity (ROE) of the GQG Partners US Select Quality Equity Fund and the benchmark S&P 500 in USD since September 30, 2018, the nearest quarter end to Fund inception (September 28, 2018). Calculations exclude cash and cash equivalents. Characteristics apply to the Fund's holdings, not to the Fund itself, and do not represent the Fund's valuation, performance, or distributions. Please see Definitions at the end of the document.

EXHIBIT 5: PERSISTENT GROWTH

WEIGHTED AVERAGE RANK OF GQG PARTNERS US SELECT QUALITY EQUITY FUND CHARACTERISTICS VERSUS S&P 500 SINCE INCEPTION %



Sources: Bloomberg and GQG analysis as of March 31, 2021 for quarterly weighted average percentile rankings of earnings per share (EPS) growth and sales growth consensus estimates of the GQG Partners US Select Quality Equity Fund versus those of the benchmark S&P 500 in USD since September 30, 2018, the nearest quarter end to Fund inception (September 28, 2018). Characteristic rankings represent the weighted average of the percentile ranks of each constituent holding of the Fund's portfolio by weight with respect to that of the benchmark's constituents at each quarter-end. Portfolio calculations for each period exclude cash and cash equivalents, holdings with missing data points (e.g. earnings), and those that were not benchmark constituents. Characteristics apply to the Fund's holdings, not to the Fund itself, and do not represent the Fund's valuation, performance, or distributions. CAGR is compound annual growth rate. Please see Definitions at the end of the document.

Similarly, it's evident that our Fund's portfolio really hasn't sacrificed overall growth characteristics relative to both its own history and that of the benchmark, despite a decline in the portfolio's P/E ratio. In Exhibit 5, we've analyzed our Fund portfolio constituents' percentile rankings on four growth metrics relative to the constituents of the benchmark at the end of each quarter since Fund inception. We then took a weighted average of those individual stock rankings to create the output in the exhibit. As one can see, the rankings have been reasonably consistent through time, displaying growth characteristics *higher* than about 55 to 95 per cent of the benchmark depending on the specific metric. Now, while overall growth characteristics have fallen since their collective peak in 2020, they're still within their historical range but can be purchased at prices we find to be very attractive.

Therefore, when we put all of this together, we believe it sums up our views on *forward-looking quality* quite nicely: uncovering opportunities at sensible prices without sacrificing either the quality or the growth characteristics of the portfolio.

In sum, despite the mighty gust of high-beta performance to hit our quality-oriented portfolio, we do recognize that gusts, by definition, tend to be brief. We also fully understand that current portfolio conditions do not guarantee positive future outcomes. But we do find the valuation-quality-growth setup quite compelling, thus putting us in what we believe to be a good position to navigate whatever lies ahead.

GQG PARTNERS US SELECT QUALITY EQUITY FUND

EXHIBIT 6: FUND TOTAL RETURN PERFORMANCE %

AS OF MARCH 31, 2021	1 MO	3 MOS	YTD	1 YR	3 YRS	SINCE INCEPTION (28-SEP-18)	2020	2019
Institutional Class GQEIX	2.53	2.24	2.24	40.74	—	16.91	23.88	27.35
Investor Class GQEPX	2.46	2.25	2.25	40.64	—	16.77	23.65	27.21
Retirement Class GQERX†	2.53	2.24	2.24	40.74	—	16.91	23.88	27.21
S&P 500®	4.38	6.17	6.17	56.35	16.78	15.32	18.40	31.49

The performance data quoted represents past performance. PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. Current performance of the portfolio may be lower or higher than the performance quoted. Performance data current to the most recent month-end may be obtained by calling +1 (866) 362-8333. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Returns greater than one year are annualized. Performance may reflect agreements to limit a Fund's expenses, which would further reduce performance if not in effect.

The expense ratios for Institutional Class shares are 0.49% (net) and 0.84% (gross); for Investor Class shares are 0.56% (net) and 0.92% (gross); and for Retirement Class† shares are 0.49% (net) and 0.91% (gross). The adviser has contractually agreed to waive fees until November 30, 2021.

During the first quarter of 2021, the GQG Partners US Select Quality Equity Fund Investor Class (GQEPX) underperformed the benchmark S&P 500 by 3.92 per cent, posting a total net of fees return of 2.25 per cent versus the benchmark's 6.17 per cent return (see Exhibit 6).

Among the largest contributors to relative performance during the quarter were stock selection in the health care, communication services, and materials sectors.

The largest negative contributors to relative performance during the quarter included an underweight to the energy sector and stock selection in both the information technology and consumer discretionary sectors.

EXHIBIT 7: TOP FIVE FUND CONTRIBUTORS & DETRACTORS BY HOLDING FOR 1Q 2021

TOP CONTRIBUTORS BY HOLDING	END WEIGHT %	CONTRIBUTION TO RETURN BPS	BOTTOM CONTRIBUTORS BY HOLDING	END WEIGHT %	CONTRIBUTION TO RETURN BPS
Bank of America Corp	4.9	+112	ServiceNow Inc	0.0	-65
Alphabet Inc.	5.2	+84	Advanced Micro Devices Inc	0.0	-46
Abbott Laboratories	5.6	+54	Amazon.com Inc	5.5	-37
Microsoft Corp	7.4	+44	Twilio Inc	0.0	-37
Morgan Stanley	3.2	+44	Mastercard Inc	0.0	-25

Source: Northern Trust for the three months ending March 31, 2021. Portfolio holdings are subject to change without notice and are US dollar-weighted based upon the total net assets of the portfolio. The holdings identified and described do not represent all securities purchased, sold, or recommended for inclusion in the Fund and no assumption should be made that such securities or future recommendations were or will be profitable in the future. Current and future holdings are subject to risk. There are 100 basis points (bps) in one percent.

Contributing holdings over the first quarter included:

— **BANK OF AMERICA CORP**

Bank of America is one of the largest financial institutions in the United States, with more than US$2.5 trillion in assets. Consumer banking is only one of its four major business segments, the other three being global wealth and investment management, global banking, and global markets. As such, we believe the company benefited from rising bond yields and subsequent treasury curve steepening over the first quarter.

— **ALPHABET INC**

Alphabet is perhaps best known as the holding company of Google. The wholly owned subsidiary generates 99 per cent of Alphabet's revenue, of which more than 85 per cent is from online ads. Google's other revenue is from sales of apps and content (on Google Play and YouTube) and sales of hardware (such as Chromebooks, the Pixel smartphone, and smart home products like Nest and Google Home), as well as cloud service fees and other licensing revenue. We believe the company continued to benefit from resiliency in the digital ad market during the first quarter.

Detracting holdings over the first quarter included:

— **SERVICENOW INC**

ServiceNow is a California-based software company that was actually a top contributor to performance in the fourth quarter of 2020. However, we largely saw growth shares like ServiceNow struggle relative to the broader market in the first quarter of 2021, during which ServiceNow exhibited multiple compression on the back of rapidly rising bond yields.

— **ADVANCED MICRO DEVICES INC**

AMD designs and produces microprocessors for the computer and consumer electronics industries, with the majority of the firm's sales in the computer market via central processing units (CPUs) and graphics processing units (GPUs). In addition to growth stocks generally struggling relative to the broader market over the first quarter, Intel, one of AMD's largest competitors, revealed turnaround plans from activist investor Third Point that included a management overhaul, which we believe shifted positive investor sentiment away from AMD during the quarter.

DEFINITIONS

Beta is the measurement of a portfolio's returns volatility relative to the entire market as typically represented by a benchmark.

Compound annual growth rate (CAGR) is the mean annual growth rate of an investment over a specified period of time longer than one year, or the investment's constant rate of return.

Earnings per share (EPS) is the monetary value of earnings per outstanding share of common stock for a company.

Price-to-earnings (P/E) is the ratio of a company's share price to the company's earnings per share.

Return on equity (ROE) is the ratio of a public company's net profits to its shareholders' equity, or the value of the company's assets minus its liabilities.

END NOTES

1. Ben Frederickson, "BenFred: Armstrong Parades Blues in the Right Direction with Bold Actions and Patience," *St. Louis Post-Dispatch*, June 16, 2019, https://www.stltoday.com/sports/columns/ben-frederickson/benfred-armstrong-parades-blues-in-the-right-direction-with-bold-actions-and-patience/article_771f0066-4856-56ff-9352-89f4db230fe6.html. Editorial interpolations inserted in brackets by GQG.

UNDERSTANDING INVESTMENT RISK

Investing involves risks, including possible loss of principal. There is no guarantee the GQG Partners US Select Quality Equity Fund will achieve its stated objective. As described more fully in the Fund's prospectus, stock prices of small- and mid-size companies may be more volatile and less liquid than those of large companies. International investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from social, economic or political instability in other nations. Emerging markets involve heightened risks related to the same factors as well as increased volatility and lower trading volume. The primary risk of participation notes is that changes in the market value of securities held by the Fund and of the derivative instruments relating to those securities may not be proportionate. Participation notes are also subject to illiquidity and counterparty risk. It is possible to lose money by investing in securities. The Fund is non-diversified.

You should carefully consider the investment objective, risks, charges, and expenses of the Fund before investing. The Fund's prospectus and summary prospectus contain this and other important information about the Fund, which can be obtained by calling +1 (866) 362-8333 or visiting gqgpartners.com. Please read the prospectus carefully before investing. The Fund's Statement of Additional Information can also be obtained by calling +1 (866) 362-8333 or visiting gqgpartners.com.

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The S&P 500® Index is a widely used stock market index that can serve as barometer of US stock market performance, particularly with respect to larger capitalization stocks. It is a market-weighted index of stocks of 500 leading companies in leading industries and represents a significant portion of the market value of all stocks publicly traded in the United States. The S&P 500 High Beta Index measures the performance of 100 constituents in the S&P 500 that are most sensitive to changes in market returns. The Index is designed for investors initiating a bullish strategy or making a directional bet on current markets. The S&P 500 Minimum Volatility Index is designed to reflect a managed-volatility equity strategy that seeks to achieve lower total risk, measured by standard deviation, than the S&P 500 while maintaining similar characteristics. The S&P 500 Value measures value stocks using three factors: the ratios of book value, earnings, and sales to price. The S&P 500 Growth measures growth stocks using three factors: sales growth, the ratio of earnings change to price, and momentum. S&P Style Indices divide the complete market capitalization of each parent index into growth and value segments. Constituents are drawn from the S&P 500. The S&P 500 Index is a product of S&P Dow Jones Indices LLC, a division of S&P Global, or its affiliates (SPDJI) and has been licensed for use by GQG Partners LLC. Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC, a division of S&P Global (S&P); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC (Dow Jones). GQG Partners US Select Quality Equity Fund is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 Index.

Information about benchmark indices is provided to allow you to compare it to the performance of GQG strategies. Investors often use these well-known and widely recognized indices as one way to gauge the investment performance of an investment manager's strategy compared to investment sectors that correspond to the strategy. However, GQG's investment strategies are actively managed and not intended to replicate the performance of the indices; the performance and volatility of GQG's investment strategies may differ materially from the performance and volatility of their benchmark indices, and their holdings will differ significantly from the securities that comprise the indices. You cannot invest directly in indices, which do not take into account trading commissions and costs.

†Retirement Class (Class R6) shares are only available to employee benefit plans that are sponsored by one or more employers or employee organizations. Such employee benefit plans must purchase R6 shares through a plan level or omnibus account.

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