> *A Hare was making fun of the Tortoise one day for being so slow. "Do you ever get anywhere?" he asked with a mocking laugh. "Yes," replied the Tortoise, "and I get there sooner than you think. I'll run you a race and prove it."*
>
> -Aesop's Fables

To Our Shareholders:

Our hearts go out to the Ukrainian people and their loved ones as Russian forces continue to conduct a brutal and heartless military assault on their country. This attack has sparked extreme volatility in global equity markets as investors struggle to understand what it means for the global economy and stocks. And this is occurring on top of rising inflation levels, current and prospective central bank tightening around the world, skyrocketing energy prices, and Covid lockdowns in China. The probabilities of a recession in the medium term have certainly increased.

While the Russian invasion is deeply unsettling, like other crises in the past, our immediate response has been to remain calm and draw on our experience to assess the situation rationally. A vital benefit of successfully operating for over 100 years in the investment industry is having a balanced perspective when markets are highly reactive.

You can rest assured that the Sub-Funds do not have any direct holdings in Ukraine or Russia; however, our Fund portfolios have some indirect exposure to the region. Nevertheless, the "knock on" effects on the broader global economy and on equity markets have been significant, and our Fund portfolios have not been completely immune to these effects. This has been particularly felt in the Sub-Funds' European-based holdings, as investors feared the impact on corporate profit margins of supply chain disruptions, rising input costs and inflation, economic sanctions, and rising oil prices. With equity valuations on the high side, and geopolitical and economic uncertainty escalating, it is no wonder that global equity markets had a comeuppance in the first calendar quarter of this year. While we remain very concerned about the Russian invasion in Ukraine for humanitarian reasons and for what it may mean for equity markets in the near term, we do not believe that this threat is likely to impact our long-term approach to markets, nor do we believe that it will likely permanently impair the underlying estimated intrinsic values of the companies held in our Sub-Funds' portfolios. Nevertheless, we will continue to closely monitor our Fund portfolios as the situation unfolds, and seek to take advantage of the inevitable pricing opportunities we expect will be presented by these challenging markets.

A Historical Perspective

Looking back over the last several decades, our International Value Sub-Funds and the global stock markets have endured some pretty grim news, but have gone on to persevere and prosper. In 1997, there was a meltdown in both currencies and equities in the Far Eastern markets of Indonesia, South Korea, Malaysia, and Thailand, losing on average roughly 50% of their value. Following that was the Russian bond default and the subsequent failure of Long-Term Capital Management in 1998, which nearly brought the entire market to its knees. In 1999, there was extraordinary fear of a potential massive systems failure resulting from the digital concerns related to the Year 2000 (Y2K). In 2000, there was the burst of the technology bubble and the presidential "hanging chad" election crisis in the United States, followed by the terrorist attack on the World Trade Center and the collapse of Enron in 2001. In 2008, we had the subprime credit crisis, which led to the failure of some of our iconic financial institutions and nearly drove the US into a full-scale depression. Finally, the COVID-19 pandemic was perhaps our most challenging test yet. That said, for the last 25-plus years (10/31/1996 to 03/31/2022), our International Value Sub-Funds have persevered and prospered, producing cumulative, albeit lumpy, returns of roughly 642% (Euro) and 381% (CHF). This compares to a cumulative return for the MSCI EAFE Index (Hedged to USD/EUR) of approximately 265%, and for the MSCI EAFE Index (Hedged to CHF) of approximately 183%.

History Doesn't Necessarily Repeat Itself But It Often Rhymes

The current market environment, in our view, rhymes somewhat with the mid-seventies and early 2000s. In both of those periods, speculative excess was followed by a comeuppance for overvalued equities that was quite severe. The highly regarded Nifty Fifty stocks of the '70s collapsed as did the tech darlings of the late '90s, and it took 15 to 20 plus years in many instances for those stocks to regain their previous highs. Several never made it back. In the '70s the collapse was catalyzed by inflation, triggered in part by fiscal stimulus associated with the funding of Lyndon Johnson's Great Society, and a supply shock (Arab oil embargo), which led to a quadrupling of oil prices. In contrast, the 2000 tech bubble stocks collapsed largely under the weight of their own excess valuations, and associated financial excesses. Will unexpectedly persistent and escalating inflation coupled with supply disruptions and an oil shock associated with the invasion of Ukraine be the catalyst for a similar comeuppance this time around? It's hard to know, but we believe such a calamity should again favor value-oriented investment strategies such as ours. (Of course, past performance is no guarantee of future results.)

Lessons from Ben Graham

Thanks to Benjamin Graham, we never lose sight of the fact that when we buy a stock for the Sub-Funds, we are purchasing an ownership interest in a business enterprise that has a value that is often independent of the price it trades at in the stock market. To Graham and us, the essence of investing has always been to seek to exploit discrepancies between those two prices … to buy bargains in the market. Over time, the stock price can be volatile, depending on any number of factors that can trigger reactions and overreactions from investors. In contrast, in our view, a business's underlying estimated intrinsic value tends to be more stable. We focus our attention on our estimates of the business's intrinsic value, and when we believe the stock market mis-prices that value, we pounce. When the stock market prices the business at a level that meets or exceeds our estimate of its underlying value, we will often trade our shares back into the market. In the interim, we seek to capture the spread between price and value and participate in the growth of the business's intrinsic value. While we are not always correct in our assessment of a company's underlying intrinsic value, this "business-like" approach to investment has served us well over time. The alternative approach of trying to predict the outcome of a crisis or its impact on the economy and equity markets, we believe, is a low probability exercise.

Staying on the Bus

In times of economic and geopolitical turmoil like the present, challenging markets will invariably offer up opportunities, and taking advantage when they appear, is, in our view, the essence of successful long-term investing. However, the ability to have a successful investment experience depends in large part on the willingness of our investors to "stay on the bus." The ride can be bumpy, but you have to stay on board to have any chance of reaching your destination. And you can rest assured that we are on board with you. As of March 31, 2022, the current Managing Directors and retired principals and their families, as well as employees of Tweedy, Browne, had more than $1.5 billion in portfolios combined with or similar to client portfolios.

***

Performance

After nearly nine years of an incredibly difficult stretch for value investors, we believe that the pendulum is now swinging back in favor of what we do, and that is reflected in the returns of our Sub-Funds over the last year and a half. If one looks at performance results beginning 18 months ago (September 30, 2020), when the prospects for emergency use approval of vaccines and the prospect of a strong fundamental economic recovery sparked a strong rally in value-oriented equities, the Tweedy, Browne Value Funds have produced cumulative absolute returns of between 28.05% and 37.86%. Our two International Value Sub-Funds outperformed their respective benchmarks, while our globally-oriented dividend Sub-Fund marginally trailed its benchmark during this period, largely due to an underweighting in US equities and the impact of the Ukraine war on the relative performance of European equities. Two of our three Sub-Funds significantly outperformed the growth component of the MSCI EAFE Index, which produced returns for the 18-month period of 16.77% and 10.97% (MSCI EAFE Growth Index in EUR and CHF, respectively). The Global High

Dividend Value Fund finished the 18-month period with a strong absolute return of 28.05%, but marginally underperformed the MSCI World Growth Index (in EUR), which was up 29.87%.

Returns over the six months ended March 31, 2022 were relatively robust. All three Sub-Funds outperformed their respective benchmark indices, producing absolute returns of between 2.36% and 6.31% compared to returns of between -0.23% and 2.67% for their benchmarks. For our Sub-Funds and value stocks in general, returns had been quite strong from the first announcements of vaccines in the fourth quarter of 2020, right up until mid-May of 2021, when the Delta and subsequent Omicron variants appeared, driving people indoors again. From that point forward, as case rates and hospitalizations rose, the "stay at home" technology and growth stocks once again surged, driving stock market returns for the rest of the calendar year. As the new year opened, increasing concerns regarding rising inflation and interest rates, and the invasion of Ukraine, led to rising market volatility, and value stocks once again assumed market leadership.

Over the last 25-plus years since their inception in October 1996 through March 31, 2022, the International Value Sub-Funds produced compound annualized returns for their shareholders of 8.21% (euro-based Sub-Fund) and 6.38% (Swiss franc-based Sub-Fund), net of fees, which translate into cumulative returns of 642.74% and 381.26%, respectively. By comparison, from October 31, 1996 through March 31, 2022, the MSCI EAFE Index (Hedged to USD/EUR) and the MSCI EAFE Index (Hedged to CHF) compounded at 5.23% and 4.18%, respectively, translating into cumulative returns of 265.21% and 182.97%. Thus, an investor who had been invested in the euro-based International Value Sub-Fund since its inception would have received a cumulative annual return of roughly twice that of the MSCI EAFE Index (Hedged to USD/EUR); an investor in the Swiss franc-based Sub-Fund would have received 1.7 times that of the MSCI EAFE Index (Hedged to CHF). Investors should never forget the power of compound interest. An investment of €1 million compounded at 8.21% over 25.4 years grows to €7,427,398; an identical investment in the no-fee MSCI EAFE Index (Hedged to USD/EUR) would yield a portfolio valued €3,652,064. Likewise, an investment of CHF 1 million compounded at 6.38% over 25.4 years grows to $4,812,618, while an investment in the index would result in a portfolio valued at CHF 2,829,657.

Following is the performance history for all three Sub-Funds, including comparisons with relevant benchmark indexes.

		Performance through March 31, 2022 Annualized for periods greater than 1 year			
	6 months ending March 31, 2022	1 year	5 years	10 years	Since Inception
Tweedy, Browne International Value Fund (Euro)*† *(inception 10/31/96)*	6.31%	11.84%	6.89%	7.52%	8.21%
MSCI EAFE Index (Hedged to USD/EUR)	-0.08	5.96	6.08	8.07	5.23
MSCI EAFE Index (in USD/EUR)	0.64	6.86	5.88	8.20	5.30
Tweedy, Browne International Value Fund (CHF)* *(inception 10/31/96)*	2.36%	4.60%	4.20%	5.53%	6.38%
MSCI EAFE Index (Hedged to CHF)	-0.23	5.69	5.83	7.64	4.18
MSCI EAFE Index (in CHF)	-4.69	-1.08	4.94	6.46	3.64
Tweedy, Browne Global High Dividend Value Fund* *(inception 06/01/07)*	5.67%	6.67%	5.04%	6.32%	4.07%
MSCI World Index (Hedged to Euro)	2.67	10.67	10.48	10.64	5.65
MSCI World Index (in Euro)	6.47	16.32	11.54	12.89	7.82

Performance returns are annualized and time weighted. The value of the shares and the return they generate can go down as well as up. They are affected by market volatility and by fluctuations in exchange rates. Past performance is no indication of future results. The calculation of the Sub-Funds' performance complies with the "Guidelines on the Calculation and publication of Fund performance data," which were published for the Swiss Funds Association (SFA) on May 16, 2008. Index performance is shown for illustrative purposes only. You cannot invest directly in an index.* ***Performance calculations are presented for Investor Shares.*

† *Prior to May 17, 2004 the Sub-Fund was denominated in USD and its investments were hedged to USD. Effective May 17, 2004, the base currency of the Sub-Fund was changed to EUR and its investments were hedged to EUR. Calendar year 2004 performance and since inception performance figures are based on percentage increase in USD value of shares through May 16, 2004, and percentage increase in EUR value of shares thereafter. Accordingly, such performance figures do not represent the percentage increase in the USD or EUR value of shares in the Sub-Fund over the whole of the indicated periods. For comparative performance purposes, the linked MSCI EAFE Index (hedged to USD/EUR) and linked MSCI EAFE Index (in USD/EUR) are shown, and represent MSCI EAFE Index performance hedged to USD or in USD for the period through May 16, 2004, and hedged to EUR or in EUR from May 17, 2004 forward.*

If you believe that the volatility of a return stream is a reliable measurement of risk, the International Value (Euro) Sub-Fund produced its benchmark-besting returns while assuming relatively low levels of risk when compared to the MSCI EAFE Index (both Hedged to USD/EUR and in USD/EUR). For example, since its inception* through March 31, 2022, the International Value (Euro) Sub-Fund had an annualized standard deviation of 11.40% versus 14.79% for the MSCI EAFE Index (in USD/EUR), and 14.09 for the MSCI EAFE Index (Hedged to USD/EUR). In terms of Sharpe Ratio, which measures return per unit of risk, the Sub-Fund's since-inception ratio of 0.49 positions it well ahead of its benchmark's 0.25 (calculated for the MSCI EAFE Index (Hedged to USD/EUR)).

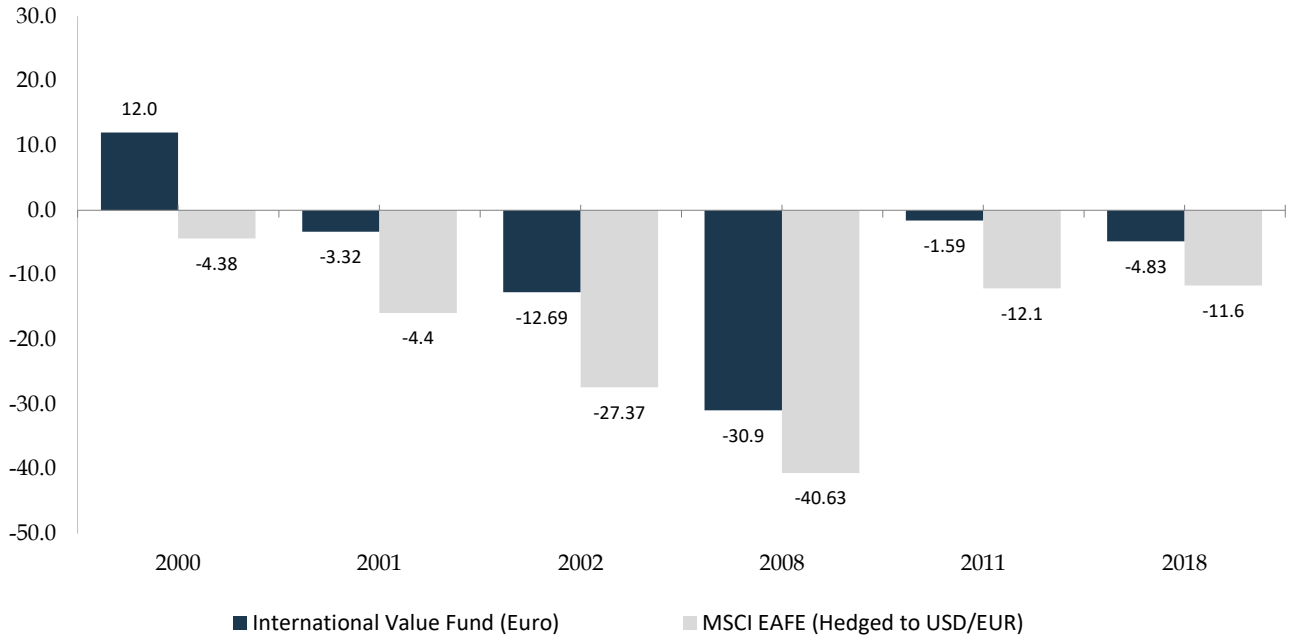
As we have mentioned before, we believe that fellow value investor Howard Marks was absolutely right when he stated that the true measure of a money manager's skill is their ability to produce returns that are more than commensurate with the risks assumed. At Tweedy, Browne, we focus on stock prices in relation to various valuation multiples and earnings yields and fundamental factors such as earnings and sales stability in gauging the inherent risk of a prospective investment. We are encouraged by the fact that this fundamental work has also produced statistically attractive risk-adjusted returns.

While the International Value (Euro) Sub-Fund's positive returns over the last 25-plus years were earned while experiencing lower volatility than its primary benchmark index, the path to achieving attractive risk-adjusted returns has not been without bumps along the way. Periods of underperformance are a normal part of a long-term index-besting performance record — the following table illustrates this. Since the International Value (Euro) Sub-Fund's inception, good index-besting periods have been followed by difficult periods, then good periods, etc. You'll notice the latest difficult stretch of underperformance has been unprecedentedly long. If the past is indeed prologue, we would expect the recovery of returns this time around relative to our growth brethren and our global benchmark to be similarly robust, if not better. (Of course, past performance is no guarantee of future results.)

		CUMULATIVE % RETURNS	
		INTERNATIONAL VALUE FUND (Euro)	MSCI EAFE INDEX (HEDGED TO USD/EUR)
Good	10/31/1996 - 1997	24.77%	19.74%
Difficult	1998 - 1999	33.64	55.16
Good	2000 - 2004	39.12	-21.92
Difficult	2005 - 2007	41.83	55.72
Good	2008 - 2012	19.11	-21.34
Difficult	2013 – 03/31/2022	89.52	105.54

In many respects, Ben Graham's "margin of safety" approach to investing can help an investor win over the longer term by losing less during periods of great market stress. That has certainly been reflected in the results of our internationally focused Sub-Funds over their 25-plus year history. As you can see in the following chart, since its inception in late 1996, the International Value Fund (Euro) has outperformed its benchmark index (in terms of annual total returns) in every calendar year in which the index had a negative annual total return. In fact, the Sub-Fund gained the most ground against its benchmark index during these challenging periods.

PERFORMANCE IN DOWN MARKET YEARS



Portfolio Attribution & Positioning

Please note that the individual companies discussed herein were held in one or more of the Sub-Funds during the year ending March 31, 2022, but were not necessarily held in all three of the Sub-Funds.

While macroeconomic issues, including the war in Ukraine and the surge in inflation and commodity prices, especially oil, are rarely determinative in our bottom-up investment decision-making process, they are seriously weighed and can have an impact at the margin on portfolio construction and stock selection. Before addressing the drivers of returns over the last six months and specific portfolio actions we have taken, we thought we would share with you our views regarding the current macro and geopolitical environment:

- The risk of sustained higher inflation has increased. In addition to the cumulative impact of years and years of monetary and fiscal stimulus in the US, elevated energy prices (Ukrainian war) and continued supply chain bottlenecks (China's lockdowns from zero-Covid policy) are adding additional inflationary pressure. Medium-term consumer inflation expectations are increasing, as are the risks for a wage-price spiral.
- There is an increased possibility that energy prices will remain structurally higher in the medium term, particularly in Europe.
- Many central banks, including the US Federal Reserve, appear to be behind the curve, and are playing catch-up in raising interest rates and removing quantitative easing to fight high inflation.
- While difficult to predict, the probability of a global recession in the medium term has also increased.
- Factors above argue for more cautious near-term margin and earnings expectations.
- In discussions with the Sub-Funds' portfolio companies, we have uncovered a good deal of optimism with respect to their ability to ultimately pass on increased costs via higher prices. Almost invariably, however, this occurs with a lag, resulting in near term margin compression. Moreover, with every business now attempting to simultaneously increase prices, some demand destruction should be expected.
- On the geopolitical front, the overwhelming global condemnation of the Russian invasion in Ukraine and the imposition of crippling economic sanctions has likely been a shot across the bow for the Chinese.

With respect to portfolio attribution, the strongest overall contributions to our Sub-Funds' performance over the last six months came from traditional value groups such as the Sub-Funds' financial, consumer staples, healthcare, and industrial holdings. This included strong returns from the Sub-Funds' banks, diversified financials, food and beverage, pharma and interactive tech media companies. It has been a particularly beneficial environment for banks such as DBS Group and United Overseas Bank, which have been clear beneficiaries of the increase in financial activity, advisory fees and net interest margins. Food and beverage holdings, Nestlé, Industrias Bachoco, and Diageo benefitted from economic reopenings around the world.

Pharma companies such as GlaxoSmithKline and Roche continued to benefit from strong drug pipelines. Interactive media holding, Alphabet (Google), whose growth trajectory in search and other online businesses has remained extraordinarily strong, also produced a strong return for the period. The stock price of British defense-related industrial company, BAE Systems, also responded well during the period. BAE recently de-risked its pension plan and, in our view, continues to have an attractive mix of defense businesses in demand by the UK military. The German defense contractor and automotive parts manufacturer, Rheinmetall, also delivered a strong performance during the year as the war in Ukraine increased interest in defense and security. TotalEnergies, the French oil & gas company, one of the Sub-Funds' few remaining oil companies, benefitted from the recent spike in oil prices. A number of other holdings saw their stock prices advance during the year, including Berkshire Hathaway, the Warren Buffett-led conglomerate, and AutoZone, the US-based aftermarket auto parts retailer, which has benefitted from disruptions in the automotive supply chain. Carlisle, the US-based commercial roofing company, also performed well in the period as it continues to benefit from a strong re-roofing backlog due to jobs deferred during Covid, and the increasing age of the commercial building stock in the US.

Corporate actions later last year in a few of our Sub-Fund holdings also had a positive impact on results for the last six months. For example, La Banque Postale announced a tender last fall for the remaining shares of the French life insurer, CNP Assurances, which it did not already own. CNP is a longtime Sub-Fund holding, and the stock jumped up 36% on the news in late October. While the offer, in our view, was not at the company's full intrinsic value, we decided to sell and/or tender our Sub-Funds' shares. The Swedish industrial company, Trelleborg, which is held in all of our Sub-Funds, also jumped up on the rumor last fall that a Japanese rubber company had offered $2 billion for Trelleborg's wheel systems business. The stock hit a record high 237 krona shortly after the initial media coverage. In late March rumor became reality, as Trelleborg signed an agreement to divest its wheel systems division to Yokohama Rubber Company for $2.3 billion. Our weighted average cost in Trelleborg shares across our Sub-Funds is roughly 129 krona. Holdings of CNH Industrial also got a boost in the 4th quarter from the company's plan to spin off its trucking and powertrain business, Iveco, early in 2022.

In contrast, several of the Sub-Funds' consumer discretionary, utility, materials, and industrial holdings produced disappointing results for the last six months. This included portfolio holdings such as Autoliv, the Swedish automobile airbag and seatbelt company, and Norma, the German manufacturer of joining products for the automotive sector — both companies suffered from automobile supply chain difficulties (lack of semiconductors and harnesses), and were negatively impacted by raw material inflation; Safran, the French jet engine manufacturer whose results are correlated in part to passenger airline volume has yet to fully recover from lockdowns and Covid restrictions; Rubis was affected by rising energy prices; BASF was impacted by macroeconomic concerns as well as Russia exposure in its oil & gas subsidiary; Intel announced a plan to regain product leadership that was more expensive than investors had expected; 3M faced rising litigation costs; and Fresenius SE & Co, the German healthcare company, which experienced a declining patient population for their dialysis services due to Covid deaths. It remains our view that these companies are strong and resilient and should be able to weather the near-term geopolitical and economic uncertainty and the market volatility associated therewith.

The Sub-Funds' emerging market holdings also faced challenges during the last six months, particularly those in China, as economic growth slowed and regulatory and governmental intervention continued to negatively impact certain industries and companies. This led to declines in Alibaba, Baidu, Tencent, and A-Living, among other Chinese holdings. Recent government imposed Covid lockdowns have only added to these concerns. That said, we were encouraged by recent messaging from Chinese Vice Premier Liu He, where he encouraged the adoption of standard, transparent and predictable regulation to promote the steady and healthy development of the Chinese platform economy and improve its international competitiveness. While there are no guarantees, Liu He's comments provide some hope that Chinese regulation might not be as heavy-handed going forward.

As of mid-May, many Chinese internet companies were trading at extremely discounted valuations, despite their strong market positions and, in our view, attractive growth potential. Alibaba and Baidu was selling for ~2x and ~1.2x our estimates of their core business's operating income, respectively. Although Tencent was trading at a slightly higher 7x our estimate of its core business operating income, it has, in our view, the

strongest "moat" of the three businesses, and we believe it should have the highest earnings growth in a more normalized macro environment. Baidu has nearly 60% of its market cap in cash and equity investments, while Alibaba has over 43% and Tencent nearly 40%. Net of cash and equity investments, Baidu was selling for 6.9x its forward earnings (or, estimated future earnings), while Alibaba was selling for 6x its forward earnings. In contrast, Amazon was trading for nearly 55x forward earnings. Even following its recent share price decline, Facebook was selling for 17x its forward earnings, net of cash. Of course, these figures will be impacted by the recent Covid lockdowns in China, and our estimates might prove to be too optimistic. Nonetheless, we believe the valuation discounts at these businesses are extreme. While we recognize that Chinese internet companies are deserving of a higher corporate governance and regulatory valuation discount relative to their Western peers, in our view, the current valuation differentials more than account for this. As of March 31, 2022, the Sub-Funds generally had between 5.8% and 8.6% of total assets invested in Chinese and Hong Kong equities, and we are seeking to stay within the 5% to 10% range in these two countries (at cost) for the time being.

Looking forward, in researching prospective and existing holdings wherever they may be domiciled in the world, we are increasingly focused on the following:

- Balance sheet strength;
- Pricing power in the face of rising input costs (albeit often with a lag);
- Risks to operating margins as a result of persistently high energy prices; and
- Increased consideration of "insight information"; using insider buying as a clue to opportunity and resilience in the businesses being researched.

As Scott Galloway, the highly noted media and tech guru, recently opined in one of his newsletters, "There are few fundamental truisms in the markets. One of them is….fundamentals. Another is cyclicality. And in my view, the atmospherics, if not sheer probability, augur that we've entered the less appealing part of the cycle." If Scott is correct, companies with fortress balance sheets and pricing power may continue to draw investor interest in this increasingly volatile market environment.

Portfolio Activity

Despite rising valuations for much of the last six months, we continued to be very active in adding to and pruning the Sub-Funds' investment gardens. We uncovered numerous equities that we believe were undervalued, particularly in Europe and in some of the more developed emerging markets, but also in the US. We established a number of new positions during the last six months and added to many others, including Vertex Pharmaceuticals, the US-based biotechnology company; Kemira, the Finnish chemical solutions business; Haitian International, the largest manufacturer of plastic injection molding machines in China; Buzzi Unicem, the Italian cement company; Fagron, the Belgium based pharmaceutical compounding company; SKF, the Swedish ball bearings company; Sumitomo Heavy, the multi-faceted Japanese manufacturer; Winpak, the Canadian food packaging company; and, near year end, Rheinmetall, the German-based defense systems and automotive components company. All of these companies, at purchase, were trading at substantial discounts from our conservative estimates of intrinsic value, were financially strong, and in our view had good prospects for future growth. To make room for the new acquisitions and additions, we sold and trimmed a number of the Sub-Funds' holdings that had approached or exceeded our estimates of intrinsic value, including Michelin, Roche, Siemens, Carlisle Cos, Bollore, Alphabet, AbbVie, and a host of others.

More on a Few Newly Established Positions During the Period

- Buzzi Unicem (paid approximately €18.94 per share) » geographically diversified global cement company. Near net cash balance sheet. Material insider buying (€27 million at average price ~€19.50 per share). Negatively impacted by higher energy input prices, but cement is a small portion of the cost of construction projects. A greater risk is overall construction activity. Paid 4x 2021 EBITDA and 6x our estimate of "normalized" EBITDA, assuming 10-year average margins. Observed M&A deals at 6x to 8x EBITDA.
- Vertex (paid approximately $189.99 per share) » US based biotechnology company specializing in drugs for rare diseases. Dominant therapies in the treatment of Cystic Fibrosis. Enjoys pricing power and little competition. Material insider buying by the company's CEO and lead director, in addition to a large

buyback by the company. At purchase, it was trading at roughly 14x current earnings and 9.9x enterprise value to EBIT.

- SKF (paid approximately 160.81 Swedish krona (SEK) per share) » Sweden-based pre-eminent manufacturer of ball bearings with approximately 20% world market share. The Wallenberg family owns 14% of the company and significantly added to its position ($25 million in 2021 and $50 million in 2022), paying higher prices than we paid for our shares (as much as 229 krona per share). SKF has been a strong cash generator, has produced high returns on invested capital, and has compounded our estimate of its intrinsic value, on average, at 5 to 6% per year. Its balance sheet is rock solid, in our view, with a net debt to EBITDA ratio of 0.55. At purchase, assuming a price of roughly 160 SEK, the shares were trading at 8x our estimate of normalized EBIT, 6x our estimate of normalized EBITDA, 9.5x earnings, and had a current dividend yield of 4.5%.

Environmental, Social and Governance (ESG) Initiatives

As we have mentioned in previous reports, environmental, social and governance factors (ESG) can present both risks and opportunities when investing, and are becoming increasingly important to many of our shareholders and prospective shareholders. Over the last six months or so, we incorporated into our research process an evaluation of numerous ESG considerations including the following:

- ESG issues factored into our decision to establish a position in Kemira, one of our new Sub-Fund portfolio additions. Kemira is a Finnish-based global leader in sustainable chemical solutions for water intensive industries. Kemira's products enable customers to improve product quality and deliver environmental benefits such as cleaner drinking water, treating wastewater for safe reuse or release into nature, reducing CO2 emissions and/or improving recyclability (replacing plastics with paper). "Sustainability" is at the core of the business and at the center of product design. According to the company, 54% of total revenue is generated from products that improve customer resource efficiency. Kemira's products help ensure safe and clean water and help paper mills use less water. The most meaningful of Kemira's stated ESG goals is to derive €500 million in annual revenue from bio-based products by 2030 (bio-based inputs replacing carbon based inputs). They have several other ESG-oriented goals related to employee safety, diversity & inclusion, water intensity, reduction in Scope 1 and Scope 2 emissions, etc. We valued the business at 9x to 10x EBITDA based largely on merger and acquisition comparables. We think the high end of the range encompasses a 1.0x multiple point premium based on ESG opportunities (like the universal goal of treating waste water for safe release into nature).
- FMC Corp, the crop protection company, is an example of another purchase we made for the Sub-Funds over the last year where ESG considerations played a role in our research process. FMC Corp. provides crop chemicals for the agriculture industry. Crop chemicals protect farmers' fields from insects, fungus, and weeds, which allows them to increase their crop yields. While FMC could face some ESG risk associated with increasing regulations that ban certain crop chemical products due to their environmental impact, we do not think it is likely that this risk will be material. To date, FMC has actually benefited from this dynamic. Many older crop chemicals, particularly certain insecticides, are "broad-spectrum," and can be quite toxic to the environment because they impact everything that they come into contact with. As a result, regulators are increasingly prohibiting the use of the older, more harmful chemistries. In contrast, FMC produces a lot of "targeted" crop chemicals, which affect only the "targeted" pests, and therefore have a lower environmental impact. This has allowed new products to take market share from the older, more toxic ones that are being banned, allowing FMC to grow at nearly twice the industry growth rate. In this respect, rather than negatively influencing our valuation, environmental impact concerns actually caused us to increase the multiples we used to estimate the company's intrinsic value. In addition, FMC was recently named by Barron's as one of America's most sustainable companies. They were the only agricultural-related business on the list.
- Another of our more recent Sub-Fund investments is Rubis, a French-listed business that distributes petroleum- based products (gasoline and liquid petroleum gas "LPG") in the Caribbean and East Africa. We engaged with the company in the 4th quarter to get a clearer understanding of how Rubis was addressing its business's environmental impact, and the possible negative implications that impact may have on Rubis's stock price and value compound. We had questions about what appeared to be, according to a prominent financial reporting firm, a weak track record relative to its peers, with respect to disclosing environmental information. Rubis representatives disputed this, believing that the reporting firm's information was incomplete and some of it incorrect. They emphasized the company's AA rating at MSCI and asked us to complete a survey to inform them of the ESG issues that are important to us. We

completed and submitted the survey, and appreciated the company's willingness to engage with us on this issue. We acknowledge that the company faces unusual environmental challenges from their operations in Africa and other emerging markets. For example, Rubis supplies LPG to consumers in East Africa for home heating and cooking. These consumers do not have access to renewable sources of power, natural gas pipelines, or reliable electricity networks. The main alternatives to LPG for home cooking and heating include burning wood, dung or cardboard, which arguably produce more toxic emissions than that produced by cleaner gas-based fossil fuels. It is estimated that these non-fossil fuel based alternatives kill about 700,000 people per year in sub-Saharan Africa from indoor air pollution. Economic development can help Africa out of this unenviable position, but it also means Africans may require low cost fossil fuel in the nearer term to help pay for a more sustainable future. In addition, around quarter-end, Rubis announced a significant investment in a French solar power generation business whose efficacy we are currently studying. We will continue to monitor Rubis's behavior with respect to these complex environmental impact issues, but for now feel they do not compromise the company's ability to compound its intrinsic value over time. Furthermore, in our view the company's discounted stock price more than compensates for these issues.

- More recently, we have engaged with the senior management of Industrias Bachoco, the Mexican chicken company, which we own across all three of our Sub-Funds, regarding an important minority rights issue. In March, the Robinson Bours family, which owns a controlling interest in the company, announced a voluntary tender offer to buy out the remaining shareholders at approximately 81.66 pesos per share, which is a modest premium over the Sub-Funds' original cost of approximately 70.54 pesos; however, we believe, as do a number of other shareholders, that the price offered is well below any reasonable estimate of fair value, and unfairly benefits the family at the expense of minority shareholders. Prior to the announcement of the voluntary offer and in light of the significant discount at which the shares were trading in the public market, we had encouraged the company to consider a share buyback, which, in our view, would have accreted significant additional value to all of the remaining shareholders, not just the Robinson Bours family. Instead they chose to attempt to buy out the remaining shareholders at a price which represents only a modest premium to where the stock had been trading prior to the deal announcement. If the intention of the family is to take the company private and delist, we felt that they should at least make a realistic offer that reflects the inherent value of the business.

  The tender offer has not yet been approved by Bachoco's board. Shortly after the announcement, we contacted the CFO of the company to express our dissatisfaction with the offer. We also spoke with members of the press and several additional institutional shareholders. In late April, together with 15 other minority shareholders whose ownership together with our stake represented 16.23% of Bachoco's outstanding shares, and over half the outstanding float, we signed a letter to the board of directors of the company. The letter called for an increased tender offer price, or the adoption of a share repurchase plan that would increase the value per share for all the remaining shareholders. As we write, we have yet to hear back from the company, and we continue to evaluate our options. From a bigger picture perspective, Mexican companies in general are often trading today at lower multiples than comparable companies in more business-friendly countries.
- Nestlé, one of our core long-term holdings, recently purchased wind turbines in Germany after soaring fossil fuel costs impacted expenses. The company has announced plans to power all of its sites with 100% renewable energy sources by 2025. We believe this is an aggressive goal, but see it is a positive, incremental step. It may give them some protection from energy price swings in the future, which could be a plus in helping to drive increases in intrinsic value.

The Defensive Power of Dividends

Offense sells tickets but defense wins championships.
- Bear Bryant, former head coach of the Alabama Crimson Tide

There is no denying that dividend strategies have had a rough go of it in the "risk on" investing environment of the last 10 plus years. However, if the pendulum is indeed swinging back towards fundamentals as equity markets become more challenged, a dividend strategy might provide meaningful ballast in what could become a rather stormy sea. With expected total returns on equities coming down, the return from reinvested dividends could once again prove to be a significant contributor to total returns produced by equities in the nearer term, as it was found to be for the 101 years ending in 2000 (Dimson, Marsh and Staunton, *The Triumph of the Optimists: 101 Years of Global Investment Returns*.) In addition, companies with long histories

of growing their dividends might offer investors a partial hedge against declines in purchasing power associated with increasing rates of inflation.

There are many additional reasons why dividends remain important to investors. Stocks with high and sustainable dividend yields that are competitive with bond yields may be more resistant to a decline in price than lower yielding stocks because the stock is in effect "yield supported." The reinvestment of dividends in additional shares of high yielding stocks during stock market declines can help lessen the time necessary to recoup portfolio losses. The ability to pay cash dividends is also a positive factor in assessing the underlying health of a company and the quality of its earnings. And most importantly, there is an abundance of empirical evidence which suggests that portfolios consisting of high dividend-yielding securities may produce attractive total returns over long measurement periods.

As you may know, the Global High Dividend Value Fund invests primarily in equity securities that the Adviser believes to have above-average dividend yields and reasonable valuations. A number of these companies from time to time also buy back their own shares, producing a yield often referred to as "buyback yield." This so-called "buyback yield" consists of the percentage increase in earnings per share associated with the contraction in share count. Companies with this kind of attractive "shareholder yield," i.e., dividend yield + buyback yield, have often been associated empirically with attractive total returns. Share buybacks are also value accretive to the remaining shareholders when the repurchased shares are trading at a discount to their underlying intrinsic value. We have been incorporating the concept of overall shareholder yield in our investment process for quite some time now, particularly when researching high dividend yielding stocks.

Examples of current portfolio holdings that had strong shareholder yields (12-month yields through 03/31/2022):

	Dividend Yield	Buyback Yield	Shareholder Yield
Cisco	3.10%	1.45%	4.55%
Bank of America	1.97%	7.11%	9.07%
US Bancorp	3.39%	1.86%	5.24%
BASF	6.90%	3.33%	10.22%

Numerous dividend paying companies in the Global High Dividend Value Fund have consistently paid and grown their dividends over very long periods of time. For example, 22.5% of the Sub-Fund's equity market value as of March 31, 2022 was invested in eight dividend "champions," each of which had 25 fiscal years or more of consecutive dividend increases. This included 3M (63 years), Johnson & Johnson (59 years), Roche (35 years), Fresenius SE (29 years), Nestlé (27 years), Rubis (27 years), Novartis (25 years), and Fresenius Medical (25 years).

An additional 17.2% of the Global High Dividend Value Fund's equity market value was invested in six companies that we refer to as "dividend contenders," each of which had 10-25 years of consecutive dividend increases. This included Diageo (22 years), BAE Systems (18 years), Unilever (12 years), Cisco Systems (11 years), Truist (11 years), and US Bancorp (11 years).

Another 4.3% of Global High Dividend Value Fund equity market value at March 31 was invested in two "dividend challengers," each of which grew their annual dividends consecutively for 5-10 years. This included Bank of America (eight years of consecutive increases) and Intel (seven years of consecutive increases and 30 years of flat or rising dividends).

An additional 19.3% of Sub-Fund equity assets was invested in nine companies with 10-30 years of stable or rising dividends including Takasago (27 years), Jardine Matheson (23 years), GlaxoSmithKline (21 years), LG Corp (19 years) Munich Re (19 years), Coca-Cola FEMSA (18 years), Zurich Insurance (13 years), BASF (12 years), and Kemira (12 years).

All combined, these four categories of companies that have paid stable and/or increasing dividends for long periods of time represented 63.4% of the Sub-Fund's invested equity as of March 31, 2022. The rest of the Global High Dividend Value Fund's holdings include companies that (in our view) have paid attractive yields, often with a specific payout ratio target, and companies that cut back or omit their dividend as a result of the pandemic. As of March 31, 2022, only Tarkett has not resumed paying dividends.

When markets turned negative early in 2022, the Global High Dividend Value Fund showed its defensive stripes by outpacing its benchmark index, the MSCI World Index, by 398 basis points year to date through March 31. As of March 31, 2022, the Sub-Fund's top 20 holdings, which total approximately 68% of its equity assets, traded on average at 15.6x 2022 estimated earnings, and had a weighted average dividend yield of approximately 3.5%.

(Please note that the weighted average dividend yield shown above is not representative of the Sub-Fund's yield, nor does it represent the Sub-Fund's performance. The figure solely represents the average weighted dividend yield of the top twenty common stocks held in the Sub-Fund's portfolio.)

Investing With the Inner Circle: Buying Stocks Where the Insiders (Officers, Directors, the Company Itself or Other Large Shareholders) Are Also Buying

We continue to hone our investment process in an effort to enhance our prospects for attractive returns. One factor that has played an increasingly important role as we research companies for possible investment is "insider" buying. The term "insider buying" refers to legal purchases of shares in their own company by corporate officers, directors, and large shareholders, and it has always been an important behavioral factor for us.

We have continued to improve our access to information regarding the trading activity of insiders in their own companies. We have always felt strongly that purchases of shares by knowledgeable insiders at times when their company stock is trading at low prices in relation to metrics such as book value, earnings and/or cash flow can be a powerful clue to possible future outperformance of their companies' shares. Empirical evidence supports this view. Thanks to the increasing power of search engines and computers, various data services can now deliver this information to us on companies all over the globe on a daily basis and in a variety of formats that enhance the data's efficacy. For example, these services can now track longer-term purchase patterns by insiders together with valuation metrics for the company's shares at times of purchase, and the price performance of the shares after purchase. Companies can also be ranked based on the strength of recent insider trading patterns in their shares. Some of these services also track share buyback activity by companies including number of shares bought back, prices paid, associated valuation metrics at the time of purchase, and the history of the company's buyback behavior. This kind of information, which we sometimes refer to as "insight information," serves as an important complement to our more in-depth quantitative and qualitative fundamental analysis.

Updating Seyhun's 1998 insider buying study

Several studies over the years, largely from academia, have confirmed that corporate officers, directors, and large shareholders who purchased their own companies' shares in the stock market tended to beat the market. However, several of those studies have indicated that much of the market outperformance had come from companies with smaller market capitalizations, and that insiders' future investment returns from buying the shares of their larger market capitalization companies have been more modest. The studies that included some information about the relatively small outperformance of larger market capitalization companies with purchases by insiders, however, did not study the investment results of the most informed insiders—the top executives—in combination with valuation ratios and other fundamental financial information.

One of the most interesting empirical studies of future investment performance following insiders' purchases of their own companies' shares was described in the book, Investment Intelligence from Insider Trading, by H. Nejat Seyhun, the University of Michigan Chair of Finance, which was published in 1998 by the MIT Press.

In the Seyhun study, the investment results following the purchase by a top executive of at least 1,000 shares of his/her company's own stock were computed, and these stocks were ranked on their price/earnings ratio and the price/book value ratio at the time of purchase, and then sorted into five equal number groups of companies, or quintiles. Investment returns were measured over the 12 month period subsequent to the end of the month in which the insider purchase was made, and netted from the return of an equal weighted index of NYSE, AMEX, and NASDAQ stocks. The beginning stock prices used to calculate the one-year holding period excess-of-market returns were the stock prices at the end of the month in which the insiders' purchases

had occurred, rather than the stock prices that the insiders had actually paid. One year stock returns were measured from each month of years 1975 through 1994.

The following two tables describe Professor Seyhun's studies of the 1-year forward investment results—net of a stock market benchmark—of top executives' purchases of their own companies' shares in combination with the price/earnings ratio and the price/book value ratio valuation of the insider's particular company on the first day of the month immediately following the month in which the insider made his/her purchase. As you can see from the data in the following tables, this combination of insider buying by knowledgeable insiders coupled with low valuation was associated with returns that were significantly in excess of the returns of an equal weighted index of NYSE, AMEX, and NASDAQ stocks.

TOP INSIDER STUDIES

MARKET BEATING RETURNS IN LOW P/BV STOCKS
WHERE TOP INSIDERS WERE ALSO BUYING

ANNUAL RETURNS IN EXCESS OF THE MARKET RETURN
FOR PRICE/BOOK VALUE IN COMBINATION WITH INSIDER BUYING, 1978 – 1993

	12-MONTH INVESTMENT RETURN NET OF THE MARKET RETURN		
PRICE/BOOK VALUE QUINTILE	ALL STOCK	STOCKS WITH ANY INSIDER BUYER	STOCKS WHERE TOP EXECUTIVES BOUGHT MORE THAN 1,000 SHARES
Lowest price/book value group	1.8%	5.1%	11.1%
Price/book value group 2	-0.8%	1.4%	6.3%
Price/book value group 3	-1.1%	1.9%	5.5%
Price/book value group 4	0.8%	-0.3%	0.6%
Highest price/book value group	-1.7%	0.0%	-2.6%

A sample of 1700 companies from the COMPUSTAT database was ranked each year on price/book value and sorted into five equal number groups, or quintiles. Investment returns were measured over the subsequent 12-month period net of the return from an equal-weighted index of NYSE, AMEX and NASDAQ stocks.

Source: **Investment Intelligence from Insider Trading** *by H. Nejat Seyhun, Chair of Finance at the University of Michigan.*

TOP INSIDER STUDIES

MARKET BEATING RETURNS IN **LOW P/E** STOCKS
WHERE TOP INSIDERS WERE ALSO BUYING

ANNUAL RETURNS IN EXCESS OF THE MARKET RETURN
FOR **PRICE/EARNINGS RATIO** IN COMBINATION WITH INSIDER BUYING, 1978 – 1993

	12-MONTH INVESTMENT RETURN NET OF THE MARKET RETURN		
PRICE/EARNINGS QUINTILE	ALL STOCK	STOCKS WITH ANY INSIDER BUYER	STOCKS WHERE TOP EXECUTIVES BOUGHT MORE THAN 10,000 SHARES
Lowest price/earnings group	2.3%	3.8%	10.2%
Price/earnings group 2	0.1%	1.8%	2.7%
Price/earnings group 3	-0.9%	1.0%	7.0%
Price/earnings group 4	-0.5%	1.6%	2.8%
Highest price/earnings group	-2.2%	-0.4%	1.8%

A sample of 1700 companies from the COMPUSTAT database was ranked each year on price/earnings ratio and sorted into five equal number groups, or quintiles. Investment returns were measured over the subsequent 12-month period net of the return from an equal-weighted index of NYSE, AMEX and NASDAQ stocks.

Source: **Investment Intelligence from Insider Trading** *by H. Nejat Seyhun, Chair of Finance at the University of Michigan.*

Following in the footsteps of the Seyhun study, which is admittedly somewhat dated, we decided to conduct our own proprietary insider buying analysis to see if Seyhun's findings had stood the test of time. Our analysis utilized a data sample of 2,461 companies with stock market capitalizations of at least $500 million in which a top executive – Chairman, Chief Executive Officer, President, Chief Operating Officer, Chief Financial Officer or Treasurer – had purchased at least $100,000 worth of his/her own company's shares between September 2, 2003 and March 31, 2020. We then ranked and sorted these companies into deciles based on a variety of valuation metrics including price/earnings ratio, enterprise value to EBIT, EBITA and EBITDA, earnings yield, dividend yield, price to tangible book value, price to stated book value, and enterprise value to free cash flow, among a host of others. Consistent with Seyhun's findings of over 20 years ago, we found that companies in which there had been significant insider buying by knowledgeable insiders and which were trading "cheap," in our view, at the time of purchase based on a variety of valuation metrics, often produced what we consider significant excess returns over and above the S&P 500 Index over the one-, two- and three-year periods subsequent to initial purchase. (Of course, not all companies in the analysis produced significant excess returns, and some produced significant losses). These results are even more impressive when one considers that much of the excess return was produced in the years between 2007 and 2020 (90% of the 2,461 insider transactions occurred during this period), a span of time that has been described as one of the worst periods ever for value stocks.

A word of caution about statistics and excess return calculations in historical investment return studies: The fairly robust excess returns in the Seyhun study and in our own analysis are statistical averages, which are calculated by adding up the separate positive or negative excess return results of individual stocks that constitute the average, and then dividing that total amount by the total number of individual stocks. With our own analysis, the excess return average included many individual stocks with extremely positive excess returns and some individual stocks with extremely negative excess returns—including some stocks in which insiders' purchases not only dramatically underperformed the stock market, but also lost money. "Copy-catting" insiders is not a cinch.

Recent insider buying ideas

Over the last six months, we screened out a number of companies for further study and subsequent purchase due to insider buying in their shares. Two that come to mind and that were briefly mentioned previously herein are Haitian International, the Hong Kong-based manufacturer of plastic injection molding machines, and Finland-based Kemira, the global provider of chemicals for water intensive industries. In the case of Haitian, Jianfeng Zhang, an executive director at Haitian and the son of the Chairman, spent the equivalent of $1 million purchasing shares at approximately HKD19 per share not long before the Sub-Funds' purchases, increasing his position in the company by 40%. In addition, the employee trust, Premier Capital, which is also controlled and managed by the Zhang family, made multiple purchases from the end of Dec 2021 to late April 2022, totaling over $25 million, an at average cost of approximately HKD20 per share. The Zhang family is the controlling owner and manager of Haitian, with approximately a 59% ownership stake in the company.

In our view, Mr. Zhang's and Premier Capital's purchases looked opportunistic: the price of Haitian stock had declined about 30% in a short period of time – and they were both buying just after that large decline in price. We believe that somebody with Mr. Zhang's long association with the company would generally be in a pretty good position to make a good guess about the company's value and future prospects. That said, not all top executive insiders get the future right. In our own recent analysis of insider purchases discussed above, we found that about 25% of the insider trades lost money over the two years following the date of the insider's stock purchase.

On a fundamental basis, Haitian also appears to be a good value. The company is the largest manufacturer of plastic injection molding machines globally (approximately 13% of global market share), and it has a dominant position in China, with approximately 40% market share by volume. From 2007 to 2020, Haitian compounded EBIT at a 12% compound average growth rate. The company also has had attractive margins (gross margin over 30%, approximately 20% EBIT margin over the last two years ending December 2021), and strong return on equity and return on assets (18% and 11% on average over the last 5 years ending December 2021, respectively). The company also had a solid balance sheet with net cash position equivalent to 38% of its market capitalization. At purchase, we paid around six times normalized EBIT, based on a conservative five-year average EBIT. We estimate the company's intrinsic value to be at least 10 or 11x normalized EBIT. The company also paid a dividend yield close to 5%.

Significant insider buying in shares of Kemira, the Finnish chemical company, also caught our interest prior to the Sub-Funds' initial purchases. We had noticed that, since October of 2019, knowledgeable insiders had purchased over €52 million worth of shares at an average price of around €13.89 per share. This included purchases by the Chairman, Jari Paasikivi, the CEO, Jari Rosendal, and Oras Invest, the family office for the Paasikivi family. Oras Invest owns 20% of the outstanding shares of Kemira, and has been Kemira's largest shareholder since 2007. Oras Invest has a portfolio worth €1.2 billion invested in four industrial companies based in Finland, including Kemira. The family office describes themselves as active owners who "work in close cooperation with other owners, Boards, management and all interest groups." The Passikivi family office also has a clearly articulated desire to promote ESG related goals. Jari Paasikivi has been Chairman of Kemira's Board since 2014. He has bought Kemira shares both personally and via the family office.

While we cannot know for sure, perhaps these insiders felt as did we that the shares of the company were attractively valued. The Sub-Funds paid a weighted average cost of €12.23 per share for their initial purchases, representing in our view a notable discount to prices paid by knowledgeable acquirers in observed, precedent merger & acquisition transactions. The company has a solid balance sheet, has compounded its value at a mid-single digit rate, has paid an annual dividend of approximately 4.3%, has an ESG tailwind, and has an estimated intrinsic value, in our view, significantly greater than the Sub-Funds' weighted average cost.

Material insider buying by knowledgeable insiders like Mr. Zhang, in the case of Haitian, and the Chairman, CEO and Paasikivi family, in the case of Kemira, coupled with attractive fundamental characteristics and what we view as a very cheap stock price, gets us, as one of our managing directors likes to say, "trembling with greed."

Ultimately, investing entails a belief system. The future is, of course, unknown and uncertain. Business and business competition is multi-dimensional and complex. What makes sense to you? What are you comfortable

with? What is your best shot in your search for long-term capital gains? Does it seem sensible that the top executives who live and breathe a business and its competition every day might, on average—but not all of the time—have a knowledge and insight edge over outside analysts? Does it seem sensible to believe that top executive insiders who open their wallets to buy their own company's stock typically have reason to believe that the stock will go up over time? How many top executives buy their company's stock—thereby putting their reputations on the line, and placing a top executive seal of approval on the company and its stock price—with the intention of losing their own money?!!! We would submit that the utility of insider buying information in our search for value investments appeals to common sense.

Final Thoughts

Ben Graham's intrinsic value approach emphasized sound investment, using business-like principles to seek to purchase undervalued equities at prices which (in theory) afforded the investor a "margin of safety." The elegance of his theory was that, as prices become more discounted, there is (at least theoretically) less risk of loss, along with the prospect for greater return if price accretes over time to estimated intrinsic value. (Of course, equity investing always involves the risk of loss.)

A condition precedent to the long-term success of the approach is the ability to weather challenging periods of underperformance that often offer pricing opportunity to disciplined value conscious investors. While this most recent period of underperformance for value management has been unprecedented in its length and psychologically unsettling, we believe shareholders can take some comfort in the fact that recovery periods in the past have tended to be robust, and have typically lasted for five plus years. For example, in the two five-year recovery periods prior to this past decade, 2000-2004 and 2008-2012, the International Value (Euro) Fund produced cumulative returns that bested its benchmark index by 6,104 (61.04%) and 4,045 (40.45%) basis points, respectively. If the past is prologue, we hope that our value style of investing will fare as well this time around relative to our growth brethren and our Sub-Funds' global and international benchmarks. (Past performance is no guarantee of future results.)

Referencing the tortoise and the hare allegory mentioned at the beginning of this letter, we found an article published in the Financial Times (FT) in late January to be quite eye-opening. The article, written by Robin Wigglesworth, reported that Cathie Wood's highly celebrated ARK fund was "on the cusp of being overtaken by Warren Buffett's Berkshire Hathaway in the post-pandemic performance table, reflecting a dramatic shift in fortunes between the two prominent investors … Wood's ARK [Innovation] ETF and Berkshire Hathaway are often seen as prime examples of two very different investment styles — growth and value, respectively. The reversal of their share prices reflects a jarring rotation between the two tribes in recent years." Since the articles publication, Berkshire Hathaway has pulled significantly ahead of ARK in the performance race.

This chart represents Berkshire Hathaway's change in market price versus the ARK Innovation ETF's change in market price from January 1, 2020 through May 9, 2022. Berkshire Hathaway's daily closing prices are displayed on the left

hand side of the chart; the ARK Innovation ETF's closing prices are displayed on the right. The orange and blue lines in the chart track what would have happened to $100 investment made in either vehicle on January 1, 2020 and held through May 9, 2022. The chart illustrates the disparity between the return streams produced by the Value (as represented by Berkshire Hathaway) and Growth (as represented by the ARK Innovation ETF) styles of investing for the period indicated.

Data Source: Bloomberg

The pendulum indeed appears to be swinging as we write, and we believe that we are in the midst of a tectonic shift in markets, catalyzed in part by the war in Ukraine and pandemic-related supply shocks, but driven primarily by escalating inflation and rising interest rates. We believe this shift should continue to favor sensible and disciplined price-driven strategies. The Tweedy, Browne Value Funds have taken advantage of the volatility in equity markets over the last couple of years, and in our view are well positioned for what lies ahead. So for all you fellow tortoises out there, remain steady, and never forget that the race is not always to the swift.

Thank you for your continued confidence and trust.

Sincerely,

Roger R. de Bree, Frank H. Hawrylak, Jay Hill, Sean McDonald,
Thomas H. Shrager, John D. Spears, Robert Q. Wyckoff, Jr.

Investment Committee
Tweedy, Browne Company LLC

May 2022

Notes

Mention of a specific security should not be considered a recommendation to buy or a solicitation to sell that security. Portfolio holdings are subject to change at any time without notice and may not be representative of a Sub-Fund's current or future investments.

The views expressed represent the opinions of Tweedy, Browne Company LLC as of the date of this report, are not intended as a forecast or a guarantee of future results, and are subject to change without notice.

Current and future portfolio holdings are subject to risk. Investing in foreign securities involves additional risks which include currency fluctuations; political uncertainty; different accounting and financial standards; different regulatory environments; and different market and economic factors in various countries. In addition, the securities of small, less well-known companies may be more volatile than those of larger companies. Force majeure events such as pandemics, political upheaval and natural disasters are likely to increase the risks inherent in investments and could have a broad negative impact on the world economy and business activity in general. Value investing involves the risk that the market will not recognize a security's intrinsic value for a long time, or that a security thought to be undervalued may actually be appropriately priced when purchased. Dividends are not guaranteed, and a company currently paying dividends may cease paying dividends at any time. Diversification does not guarantee a profit and does not protect against a loss in a declining market.

An outbreak of respiratory disease caused by a novel coronavirus designated as COVID-19 has developed into a global pandemic and has resulted in, among other things, extreme volatility in the financial markets and severe losses, reduced liquidity of many instruments, significant travel restrictions, significant disruptions to business operations, supply chains and customer activity, lower consumer demand for goods and services, service and event cancellations, reductions and other changes, strained healthcare systems, as well as general concern and uncertainty. The impact of the COVID-19 pandemic has negatively affected the global economy, the economies of individual countries, and the financial performance of individual issuers, sectors, industries, asset classes, and markets in significant and

unforeseen ways, and the duration of this pandemic cannot be determined with certainty. While some vaccines have been developed and approved for use by various governments, the political, social, economic, market and financial risks of COVID-19 could persist for years to come. The foregoing could have a significant impact on the Sub-Funds, including by impacting the Sub-Funds' performance, net asset value, income, and/or operating results or the performance, income, operating results and viability of issuers in which each Sub-Fund invests.

Please refer to the Fund's prospectus for a description of risk factors associated with investments in securities which may be held by the Sub-Funds. All investments are subject to risk including the possible loss of principal. There is no assurance that a Sub-Fund will achieve its investment objective.

Although the practice of hedging against currency exchange rate changes utilized by a Sub-Fund reduces the risk of loss from exchange rate movements, it also reduces the ability of a Sub-Fund to gain from favorable exchange rate movements when the currency to which the Sub-Fund is being hedged declines against the currencies in which the Sub-Funds' investments are denominated and in some interest rate environments may impose out-of-pocket costs on a Sub-Fund.

Stocks and bonds are subject to different risks. In general, stocks are subject to greater price fluctuations and volatility than bonds and can decline significantly in value in response to adverse issuer, political, regulatory, market or economic developments. Unlike stocks, if held to maturity, bonds generally offer to pay both a fixed rate of return and a fixed principal value. Bonds are subject to interest rate risk (as interest rates rise bond prices generally fall), the risk of issuer default, issuer credit risk, and inflation risk, although U.S. Treasuries are backed by the full faith and credit of the U.S. Government.

DEFINITIONS

Price/earnings (or P/E) ratio is a comparison of the company's closing stock price and its trailing 12-month earnings per share.

Price-to-book value (P/B) is the ratio of the market value of a company's shares to the value of the company's assets as expressed on its balance sheet.

Return on Equity (ROE) is a measure of financial performance calculated by dividing net income by shareholders' equity.

Return on Assets (ROA) refers to a financial ratio that indicates how profitable a company is in relation to its total assets.

Enterprise Value (or EV) is a measure of a company's total value (market value of common stock + market value of preferred equity + market value of debt + minority interest – cash and investments).

Earnings before interest and tax (or EBIT) is an indicator of a company's profitability, calculated as revenue minus expenses, excluding tax and interest. **"Normalized" EBIT** is our internal estimate of earnings (often an average) over the business cycle of an industry (not peak, not trough, but in the middle).

Earnings before interest, taxes and amortization (or EBITA) is used to gauge a company's operating profitability (earnings before tax + interest expense + amortization expense).

Earnings before interest, taxes, depreciation and amortization (or EBITDA) is used to gauge a company's operating profitability, adding back the non-cash expenses of depreciation and amortization to a firm's operating income (EBIT + depreciation + amortization expense). "Normalized" EBIT, EBITDA, or P/E is our internal estimate of earnings (often an average) over the business cycle of an industry (not peak, not trough, but in the middle).

Shareholder Yield ((Dividends Paid + Net Share Repurchases + Net Debt Reduction) / Market Capitalization) reflects the combination of dividends received, the net increase in ownership of the business as a direct result of net share repurchases (the figure represents net share repurchases to incorporate dilution from employee share compensation), and the increase in ownership of the business as a result of changes to the capital structure. Bondholders are senior to equity holders in the capital structure and if net debt is paid down, then the value of the equity holders' stake increases.

Sharpe Ratio is a way to measure a fund's risk-adjusted returns. It is calculated by dividing a fund's annualized excess returns over the risk-free rate by its annualized standard deviation. The higher the Sharpe Ratio, the better the fund's historical risk-adjusted performance has been.

Standard Deviation is a statistical measurement of dispersion about an average that depicts how widely a mutual fund's returns varied over a certain period of time. Investors use the standard deviation of

historical performance to try to predict the range of returns that are most likely for a given fund. When a fund has a high standard deviation, the predicted range of performance is wide, implying greater volatility. Standard deviation is most appropriate for measuring the risk of a fund that is an investor's only holding. The figure cannot be combined for more than one fund because the standard deviation for a portfolio of multiple funds is a function of not only the individual standard deviations, but also of the degree of correlation among the funds' returns. If a fund's returns follow a normal distribution, then approximately 68% of the time they will fall within one standard deviation of the mean return for the fund, and 95% of the time within two standard deviations.

Compustat is a comprehensive market and corporate financial database published by Standard and Poor's, covering thousands of companies worldwide, with info dating as far back as 1950. Compustat is a leading source of intelligence for financial market professionals, investors, and academics.

The MSCI World Value Index captures large and mid cap securities exhibiting overall value style characteristics across 23 developed markets. 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 World Growth Index captures large and mid cap securities exhibiting overall growth style characteristics across 23 developed markets. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and longterm historical EPS growth trend and long-term historical sales per share growth trend.

This report contains opinions and statements on investment techniques, economics, market conditions and other matters. There is no guarantee that these opinions and statements will prove to be correct, and some of them are inherently speculative. None of them should be relied upon as statements of fact.

This material must be preceded or accompanied by a prospectus for Tweedy, Browne Value Funds. You should consider the Sub-Fund’s investment objectives, risks, charges and expenses carefully before investing. The prospectus contains this and other information about the Sub-Funds. The prospectus should be read carefully before investing.