PERFORMANCE

		Annualized returns for periods greater than 1 year ending March 31, 2024			
	6 months ending March 31, 2024	1 year	5 years	10 years	Since Inception
Tweedy, Browne International Value Fund (Euro)*† *(inception 10/31/96)*	11.80%	13.75%	7.10%	6.23%	8.03%
MSCI EAFE Index (in USD/EUR)	14.51	16.00	8.16	7.38	5.51
Tweedy, Browne International Value Fund (CHF)* *(inception 10/31/96)*	10.81%	10.63%	4.28%	3.92%	6.21%
MSCI EAFE Index (Hedged to CHF)	14.64	17.00	8.60	6.68	4.59
MSCI EAFE Index (in CHF)	15.01	13.69	5.19	5.00	3.78
Tweedy, Browne Global High Dividend Value Fund* *(inception 06/01/07)*	10.23%	11.85%	4.66%	5.30%	4.15%
MSCI World Index (in Euro)	18.92	25.86	12.95	12.09	8.02

***** *Performance returns are net of all fees and expenses. 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. The performance results reflected above are over the course of many years and reflect multiple market cycles and varying geopolitical, market and economic conditions. Past performance is no indication of future results. Investing involves the risk of loss, including the loss of principal. 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 the perceived foreign currency exposure of its investments was hedged to EUR. 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, since inception performance figures do not represent the percentage increase in the USD or EUR value of shares in the Sub-Fund over the period. For comparative performance purposes, the linked MSCI EAFE Index (in USD/EUR) is shown, and represents MSCI EAFE Index performance in USD for the period through May 16, 2004, and in EUR from May 17, 2004 forward. Effective November 16, 2022, the International Value Fund (Euro) no longer hedges perceived foreign currency exposure.*

The MSCI EAFE Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada. The MSCI EAFE Index (in CHF) reflects the return of the MSCI EAFE Index for a Swiss franc investor; The MSCI EAFE Index (in USD) reflects the return of the MSCI EAFE Index for a US dollar investor; The MSCI EAFE Index (in EUR) reflects the return of the MSCI EAFE Index for a euro investor. The MSCI EAFE Index (Hedged to CHF) consists of the results of the MSCI EAFE Index, with its non-CHF exposure 100% hedged back into CHF; The MSCI EAFE Index (Hedged to USD) consists of the results of the MSCI EAFE Index, with its non-USD exposure 100% hedged back into USD; The MSCI EAFE Index (Hedged to EUR) consists of the results of the MSCI EAFE Index, with its non-EUR exposure 100% hedged back into EUR. Each of the three hedged Indexes account for interest rate differentials in forward currency exchange rates. Index results are inclusive of dividends and net of foreign withholding taxes.

The blended MSCI EAFE Index (Hedged to USD/EUR) represents the performance of the MSCI EAFE Index (Hedged to USD) for the period through 16 May 2004 and the performance of the MSCI EAFE Index (Hedged to EUR) for the period from 17 May 2004 forward, linked together by Tweedy, Browne. The blended MSCI EAFE Index (in USD/EUR) represents the performance of the MSCI EAFE Index (in USD) for the period through 16 May 2004 and the performance of the MSCI EAFE Index (in EUR) for the period from 17 May 2004 forward, linked together by Tweedy, Browne. Results of each index for calendar year 2004 represent the performance of the MSCI EAFE Index (in USD or Hedged to USD) from 1 January 2004 – 16 May 2004, and the performance of the MSCI EAFE Index (in EUR or Hedged to EUR) from 17 May 2004 - 31 December 2004.

The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The MSCI World Index (in EUR) reflects the return of the MSCI World Index for a euro investor. The MSCI World Index (Hedged to EUR) consists of the results of the MSCI World Index with its non-EUR exposure 100% hedged back into EUR, and accounts for interest rate differentials in forward currency exchange rates.

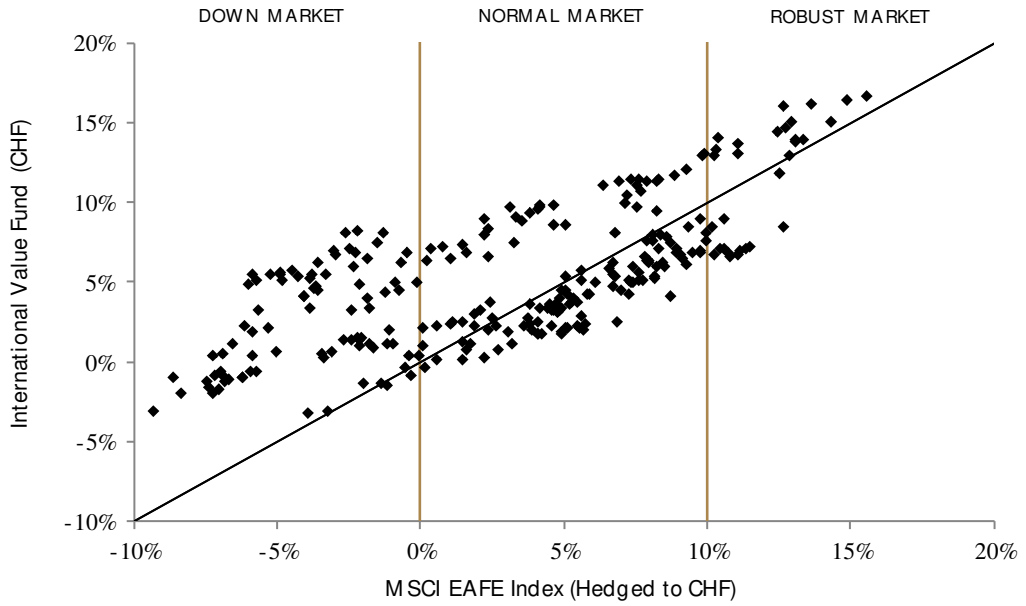
The hedged indexes are included to illustrate how the stocks that are the components of each hedged Index would have performed in their local currencies for an investor based in Switzerland (in the case of an index hedged to CHF), the EEA (in the case of an index hedged to Euro) or the US (in the case of an index hedged to USD). The Sub-Funds are actively managed, unlike the indices, and consist of securities that vary widely from those included in the indices in terms of portfolio composition, country and sector allocations, and other metrics. The hedged indices are fully nominally hedged on a monthly basis, whereas the hedged Sub-Funds only hedge their perceived currency risk where practicable. The hedged Sub-Funds apply a different hedging methodology than the hedged indices. Effective November 16, 2022, the International Value Fund (Euro) and Global High Dividend Yield Fund generally no longer hedge their perceived foreign currency exposure. Results for each index are inclusive of dividends and net of foreign withholding taxes. Index results are shown for illustrative purposes only, and do not reflect any deduction for fees and expenses. You cannot invest directly in an index.

INTERNATIONAL VALUE FUND (CHF)

5-Year Rolling Average Annual Returns (calculated monthly)

October 31, 1996 through March 31, 2024

Out of 267 five-year measurement periods, International Value Fund (CHF) has outperformed the MSCI EAFE Index (Hedged to CHF) 153 times, or 57% of measured periods.



	AVERAGE OF RETURNS PLOTTED ABOVE	
	Sub-Fund	Index
Down Market (Index below 0%) - 87 Periods *Sub-Fund beats Index in 97% of periods*	2.45%	-3.80%
Normal Market (Index 0-10%) - 150 Periods *Sub-Fund beats Index in 35% of periods*	5.53%	5.43%
Robust Market (Index above 10%) - 30 Periods *Sub-Fund beats Index in 57% of periods*	11.53%	11.95%

The above chart illustrates the five-year average annual rolling net returns (calculated monthly) for the International Value Fund (CHF) since October 31, 1996, compared to the five-year average annual rolling returns for the MSCI EAFE Index (Hedged to CHF) (the 'Index'). The horizontal axis represents the returns for the Index, while the vertical axis represents the returns for the Sub-Fund. The diagonal axis is a line of demarcation separating periods of outperformance from periods of underperformance. Plot points above the diagonal axis are indicative of the Sub-Fund's relative outperformance, while points below the diagonal axis are indicative of the Sub-Fund's relative underperformance. Returns were plotted for three distinct equity market environments: a 'down market' (Index return was less than 0%); a 'normal market' (Index return was between 0% and 10%); and a 'robust market' (Index return was greater than 10%). There were 267 average annual rolling return periods between October 31, 1996 and March 31, 2024. Past performance is no guarantee of future returns.

Please refer to important performance disclosures and index descriptions included on the previous page.

Have I not seen dwellers on form and favor
Lose all and more by paying too much rent…

***- Sonnet 125** by William Shakespeare*

To Our Shareholders:

The quote above was excerpted from Benjamin Graham's address in May of 1958 before the National Federation of Financial Analysts Societies. Graham borrowed from one of Shakespeare's sonnets to express caution regarding speculative market conditions, which were not unlike those of today. In discussing a shift in the attitudes and viewpoints of security analysts and the stock-buying public towards an emphasis on future expectations, he cautioned that "today's investor is so concerned with anticipating the future that he is already paying handsomely for it in advance. Thus, what he has projected with so much study and care may actually happen and still not bring him any profit. If it should fail to materialize to the degree expected, he may, in fact, be faced with a serious temporary and perhaps even permanent loss." As we look forward to the exciting prospects for AI technologies and the impact they may continue to have on public equity markets, we should not lose sight of Graham's admonition.

Coming on the heels of one of their best performances in two decades and fueled by continued investor optimism for a soft economic landing and avoidance of long-expected inflation and interest rate-driven recession, global equity markets continued to soar into the new calendar year. They finished the period ending March 31, 2024 near their all-time highs. The S&P 500, MSCI World Index (in local currencies), and MSCI EAFE Index (in local currencies) finished the 12 months ending March 31 up 29.9%. 26.2% and 18.8%, respectively, and the last six months up 23.5%, 20.9%, and 15.4%, also respectively. In this highly charged, momentum-driven, risk-on environment, the Tweedy, Browne Sub-Funds continued to make considerable financial progress but, as one might expect, trailed their benchmark indices, producing returns between 10.63% and 13.75% for the last 12 months, and between 10.23% and 11.80% for the six month period.

The market's advance over the last year is even more impressive when one considers the "wall of worry" that it has had to climb — elevated valuations, stubbornly persistent inflation, the highest interest rates in the last 20 years, the prospect that interest rates could eventually normalize higher than those that prevailed over the last decade, soaring government deficits, and wars in the Ukraine and the Middle East that could possibly spiral out of control.

The equity market's exuberance may appear somewhat understandable, particularly in light of enthusiasm around the prospects for AI-related opportunities; however, the Damocles sword of valuation excess is now hanging over the market and begs the question as to just how much longer this can go on. An editorial in the Economist (March 2nd-8th, 2024 edition) recently pointed out that "the multiple by which profits are scaled up are on average 80% as high as they were during the dot-com mania of the late 1990s and 90% as high as they climbed in 2021 before rock bottom interest rates rose." The S&P 500, the MSCI World, and MSCI EAFE indexes, as of March 31, traded at 25x, 22x, and 16x trailing twelve-month earnings, respectively. The MSCI World Growth index traded at 32x. Even the MSCI World Value index was trading at a somewhat elevated 16x trailing twelve-month earnings. Despite the market rally broadening somewhat coming into 2024, the returns of the MSCI World Index remain rather concentrated in a group of very highly valued companies. The top 20 contributors (out of 1,465 index constituents as of March 31, 2024) to the MSCI World Index return over the last 12 months, which as a group constitute 27.6% of the index's total market capitalization, produced a cumulative return of 57.5%, accounting for just over 50% of the Index's total return. As of March 31, these 20 high-performing contributors traded at a weighted average price-earnings multiple of 34x trailing twelve-month earnings. Furthermore, the Shiller cyclically adjusted price-earnings ratio (CAPE) as of March 31 was approximately 34x, a level only

exceeded on two other occasions in the history of the return series, which dates back to 1871[1]. Only at the height of the dot-com bubble in December 1999 and the post-Covid recovery in October 2021 were the ratios higher. And we should not forget that in the subsequent twelve months after both of those prior highs, the S&P 500 declined 9.1% (December 1999 – December 2000) and 14.6%, respectively (October 2021 – October 2022).

We also take great comfort in the fact that our Sub-Fund portfolios consist of a diversified group of small, medium, and larger companies from all over the world that we believe, on the whole, continue to meet our value criteria and have durable competitive advantages, strong balance sheets, and runways of potential future growth. If, and when, the proverbial music in Wall Street's game of musical chairs stops, we remain hopeful that our shareholders will not be left standing.

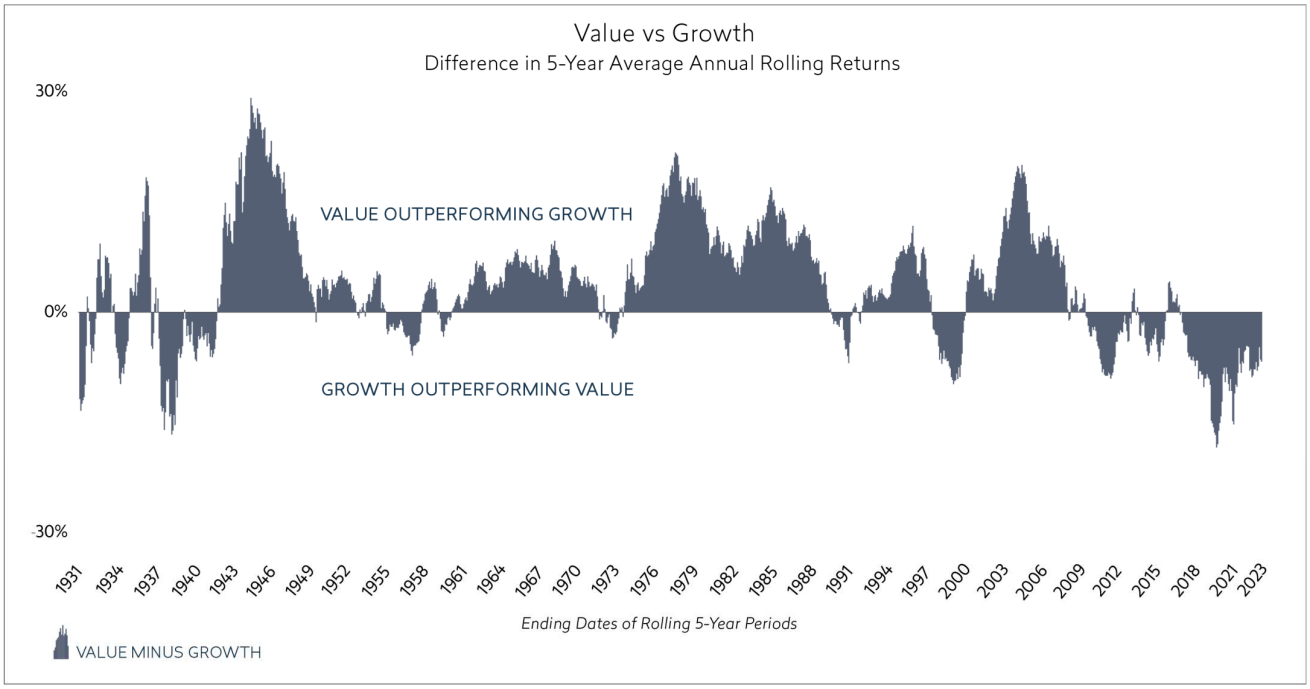
OUR COLLEAGUE'S PERSONAL ROAD TO DAMASCUS (OMAHA?)

After outperforming growth investing on a cumulative basis spanning well over 40 years, value investing has, without question, suffered a rather surprising comeuppance for at least the last decade. On the heels of another year of dominance by a small group of big and quite familiar US technology stocks, we felt it was important to take a closer look at why value has underperformed and what the future may hold for this once pre-eminent style of investing. But before we get to the why, we thought you would be interested in how one of our younger Investment Committee members decided early in his career to become a dedicated value investor.

Jay Hill remembers taking the CFA exams in the early 2000s in order to prepare for an eventual career in asset management. During his three-year testing ordeal, he painfully experienced the dot-com boom and its eventual bust. The permanent impairment of capital that he experienced in his own rather modest brokerage account left him searching for a better and perhaps more reliable way to invest in publicly traded stocks. In essence, he started down his road to Damascus, seeking the "truth" in investing. He was determined to find a way to get long-term probabilities working in his favor.

While studying for the exams, he found that academics and professionals clearly had different views on how to define value investing or the so-called value factor; however, the empirical evidence unequivocally demonstrated that statistically cheaper stocks had outperformed statistically expensive stocks fairly reliably over long measurement periods. The following chart, which compares the long-term performance of US value and growth equities, illustrates this point. Dating back to 1974, a very similar pattern held for the performance of non-US value and growth equities as represented by the value and growth components of the MSCI EAFE Index.

[1] The Shiller PE, or "CAPE Ratio" is a variation of the price to earnings ratio adjusted to remove the effects of cyclicality, i.e. the fluctuations in the earnings of companies over different business cycles.



Source: Fama/French. The plot represents the differences between the 5-year average annual returns of the Fama/French H20 portfolio ("Value") and the L20 portfolio ("Growth"). The full portfolio is maintained and ranked by Fama/French and based on the fundamental ratio of Book Equity to Market Equity, where the top quintile is the Value component (H20) and the bottom quintile is the Growth component (L20). The portfolio is both value-weighted and equity-weighted over its history. Using the underlying Fama/French data, Tweedy, Browne calculated the return differences between Value and Growth and plotted the results in the graph.

What was it about this "business-like" discipline that had allowed it to outperform over the longer term? He was curious and wanted answers. While what he discovered is not likely to surprise you, it may provide reassurance that the market, indeed, remains, as Graham contended, a "voting machine in the short term and a weighing machine over the longer term":

- **Investors are not nearly as rational as modern portfolio theorists originally thought.** Behavioralists such as Daniel Kahneman and Amos Tversky discovered empirically that when confronting complex choices, investors often looked for shortcuts that reflected ingrained cognitive biases. This often resulted in irrational overreaction by investors, which sometimes produced actionable mispricings in public equity markets that disciplined, price-sensitive investors could exploit. According to behavioralists, as long as the "disutility of loss remained more than twice the utility of gain" in the eyes of the investors, they were destined to overreact, and bargains could be uncovered in public equity markets. [Note: Daniel Kahneman passed away in late March. His Nobel Prize-winning Prospect Theory and other writings, such as his book Thinking Fast and Slow, went a long way, in our view, to provide a possible explanation for the success of active investment managers such as Warren Buffett.]

- **Value investing is premised, in large part, on the notion that there are two prices for every share of stock: the price that appears on the exchange on a daily basis and the other price, the price that would accrue to the investor if the business was acquired in an arms-length negotiated transaction.** Graham referred to this price as the company's intrinsic value. The relationship between those two prices becomes the value investor's compass. Value investors attempt to buy stocks at a discount to estimated intrinsic value. The elegance of Graham's model was that the bigger the discount, the lower the risk, and the better the return opportunity. The key is carefully and rationally estimating intrinsic value, which is admittedly subjective and fraught with potential error. The holy grail of value investing is to seek to benefit over time from the potential double dip of the elimination of the discount through multiple expansion (stock price accretes to our estimate of intrinsic value) and the underlying growth in our estimate of intrinsic value.

- **Buying a stock at a discount to estimated intrinsic value implies a potential "margin of safety."** Benjamin Graham believed a "margin of safety" reduces the need to precisely forecast the future, and thus tends to minimize losses when forecasts are wrong. Value strategies almost invariably prioritize the risk of losing money over the risk of missing an opportunity. Thus, the value style has generally lost less than broad market indices in equity market selloffs. Losing less can often lead to a faster recovery as the make-up math is less daunting. *(Of course, 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 in fact be appropriately priced when purchased.)*

- **Value investing also postulates that a great business does not always translate into a great investment.** This distinction recognizes that the valuation (price) paid for a stock largely influences prospective long-term returns. Value investing prioritizes lower expectation stocks and attempts to distinguish between temporary risks (perhaps a bargain) and permanent risks (perhaps a value trap). Jay never lost sight of the fact that when the dot-com bubble burst in March of 2000, it not only brought down air-ball businesses such as E-toys and Pets.com, but it also resulted in a massive decline, in many good, if not great businesses, such as Cisco Systems (-80%), Microsoft (-44%), Oracle (-69%), Intel (-72%), Lucent (-97%), and Hewlett Packard (-65%) among a host of others. [Note: these declines occurred between February 28, 2000 through December 31, 2002].

- **Value investing often requires extending one's time horizon.** It almost always means buying into widely acknowledged short-term risks and near-term earnings declines. To non-believers, a value stock may seem risky and perhaps foolish. It usually requires uncanny patience to wait for sentiment to improve, often with no obvious catalyst available to trigger value recognition in the near term other than mean reversion. It also simultaneously requires seemingly contradictory character traits, including stubbornness coupled with flexibility. Ultimately, if investors are willing to look further out for a return, they are likely to face less competition on price, as we believe many investors refuse to look out beyond six to twelve months for their return.

- **Most importantly, value investing, more often than not, requires a rare degree of psychological resilience on the part of the investor.** The value investor is almost invariably unhappy. When the value investor's opportunity set is likely the most favorable, triggered by broad market sell-offs, fear is pervasive, and the risk of losing money dominates investor psychology. When the opportunity set is likely the least favorable in frothy, broad-based bull markets, optimism is widespread. Even during these apparently pleasant periods, the value investor is selling (often too early) and agonizing over whether and where future returns will be achieved. Simply put, value investing feels uncomfortable. It is contrarian by its very nature. The value investor generally lacks the positive affirmation of positive media coverage, strong buy recommendations, appearance on 52-week high lists, upward-sloping stock prices, celebrity CEOs, and enthusiastic cocktail party banter. However, perhaps the main reason Jay found that value investing works over the longer term is that most people don't have the intestinal fortitude to consistently buy what is out of favor. Buying out-of-favor stocks with low expectations and well-publicized issues, however temporary, requires tenacity and a contradictory mix of conviction and humility that is often in short supply in the investor community. It almost always requires the ability to look wrong for a while and a willingness to embrace uncertainty, price volatility, and the recognition that a fair number of individual ideas will lose money. Investing in a universally acknowledged, great business with a positive near-term outlook, purported secular growth, and well-articulated competitive advantages is simply more emotionally comfortable.

Viewed through this lens, value investing's long-term dominance seemed quite plausible, understandable, and perhaps repeatable to Jay. To outperform the crowd, one must be willing to stand apart and behave differently from the crowd. How can one be expected to outperform by buying the stocks most universally loved? Wasn't this the lesson of the "Nifty Fifty" era and the dot-com/TMT (technology, media, telecom) bubble?

We have always understood that no investing style, including value investing, outperforms over all time periods. If value investing always worked, it would, of course, create a greater following and negate the necessary conditions that led to its long-term success. Thus, periods of underperformance are a necessary pre-condition to achieve long-term outperformance. Yet for over ten years now, "valuation indifferent" investing has clearly trumped bargain hunting, leading growth stocks to handily outperform their value brethren. The most visible

and universally loved market darlings, companies such as the Magnificent 7, the stocks that emotionally are the easiest to buy, have outperformed over a period of time that has lasted long enough to cause even the most dedicated Ben Graham followers to question the efficacy of value investing.

So why has this occurred? Have global equity markets become permanently dysfunctional due to a decade of zero to negative interest rates? Are investors behaving more rationally, thus eliminating exploitable security mispricings? Will artificial intelligence and large language models help to eradicate cognitive bias in investment decision-making? While we, of course, do not have definitive answers to these provocative questions, we do have some observations.

A well-known value investor, David Einhorn, recently opined that capital markets have been irreparably damaged by passive investing and are now essentially broken. His response, however, wasn't to abandon value investing but rather to become even more price-sensitive in his approach and to seek out companies that are returning large amounts of capital to shareholders vis-à-vis dividends and share buybacks. For proper price discovery, he no longer wants to remain dependent on what he views as an increasingly irrational investor. He further believes that active value investors are being forced out of business or are in the process of being redeemed, leading to indiscriminate selling of value stocks in order to meet redemptions. If he's right, and you extrapolate what he says into the future, there should inevitably be greater inefficiencies between price and value in value stocks, which, in our humble view, can be exploited by disciplined, price-sensitive investors. Will bonanza-type returns in collapsed value stocks eventually draw investors back into the value camp? Hard to know, but it would not at all be surprising, but rather, quite rational.

As for whether AI technologies will be able to eliminate emotion from investment decision-making, leading to greater pricing efficiency in markets, we take comfort in the fact that they are, at least for now, merely tools in the hands of cognitively biased human decision makers. We are reminded of the scene in Stanley Kubrick's 2001: A Space Odyssey, when Hal, the spacecraft's supercomputer and co-pilot, remarks to astronaut Dave Bowman, 'Just what do you think you're doing Dave?" It's interesting that in this case the astronaut was the rational actor attempting to control an artificially intelligent supercomputer that had gone rogue. Just how rational investors will remain under the influence of powerful large language models remains to be seen. From our humble perspective, the persistence of growth investing's outperformance over the last decade is largely a function of the "age of easy money." As we mentioned in previous reports, unprecedented amounts of monetary and fiscal largesse by government and regulatory authorities all over the globe helped to take interest rates to the zero bound and even into negative territory in many European countries. For well over a decade, investors were essentially forced further out on the risk curve in an effort to receive some yield on their investments. In an age of rapid technological change and innovation, it became increasingly enticing to bid up the prices of longer-duration growth stocks whose earnings power was expected to endure long into the future. Even at high valuations, these types of securities produced earnings yields that were superior to the nearly zero yield on bonds. Conversely, investors accorded lower valuation multiples to the nearer-term earnings of value stocks despite the earnings yield advantages associated with their lower valuations. As we have said in past letters, we believe the bill has finally come due for the excesses of the last decade plus. Investors now find themselves in an economic environment that consists of persistently stubborn inflation and interest rates that are likely to normalize at levels well above the zero bound of the last decade plus. In such an environment, will investors continue to bid up the prices of high technology shares that increasingly trade at exuberant, if not excessive valuations? If the last year is any indication, perhaps they will. That said, the longer-term performance of value and growth indices since late 2020 suggests instead that we may be in the midst of a material shift in markets, largely driven by the prospect of a more normal interest rate structure. Less risky alternatives now abound in bond and equity markets that provide investors with earnings yields superior to those provided by highly valued growth stocks. As we have contended in numerous commentaries over the last couple of years, in such an environment, we believe price matters again, and we are optimistic about the future for price-sensitive strategies like ours.

PERFORMANCE

As mentioned at the beginning of this letter, the combination of declining inflation rates, prospective multiple interest rate cuts, and a continued relatively robust economic environment fueled a powerful rally over the last twelve months in global equities, particularly US and Japanese equities. The first half of the last year was all about the performance of the Magnificent 7, a well-known group of US-based mega-cap technology-related businesses. During the most recent six months, the advance broadened somewhat; however, for the most part, global returns remained rather concentrated in technology-related companies. In this momentum-driven bull market, the Tweedy, Browne Value Funds performed quite well on an absolute basis but, unfortunately, failed to best their respective benchmark indices over the six month period.

PORTFOLIO ATTRIBUTION & ACTIVITY

Please note that the individual companies discussed herein were held in one or more of the Sub-Funds during the six months ended March 31, 2024, but were not necessarily held in all three of the Sub-Funds.

Over the past six months, aerospace & defense, financial, machinery, and chemical holdings were instrumental in bolstering the Sub-Funds' returns. In addition, interactive media holdings contributed to returns in the two International Value Sub-Funds. Notably, some of the better-performing companies in these segments included the French jet engine manufacturer and maintenance company, Safran; defense contractor and service companies, BAE and Rheinmetall; diversified financial conglomerate, Berkshire Hathaway; banks such as Singaporean DBS Group, US-based Truist Financial, and Belgian bank KBC Group; insurance companies such as SCOR, Zurich Insurance, and Munich Re; Swedish industrial seal company, Trelleborg; and interactive media company, Alphabet (Google). Mexican Coke bottler Coca-Cola FEMSA; Italian industrial and medical gases company, SOL SpA; biotech company Vertex; and the truck rental and self-storage company U-Haul also produced strong returns during the year.

Japan has continued to be a significant contributor to the Sub-Funds' returns during the six month period as underlying economic change continued to unfold, and a more shareholder-friendly attitude has gained momentum amid the Tokyo Stock Exchange's pressure on its listed companies to pay heed to share valuation and shareholder returns. Some of the top contributing Japanese companies to one or more of the Sub-Fund's returns included Japanese chemical companies ADEKA, Fuso Chemical, and Mitsubishi Gas; auto components manufacturer, Shoei; and industrials such as Hosokawa Micron, Sumitomo Heavy, and Yamabiko. While Tweedy, Browne Value Funds' weights in Japan have increased over the last several years, the overall weighting in our International Sub-Funds is still quite modest relative to Japan's significant weight in the MSCI EAFE Index. Many of the Sub-Funds' new purchases in Japan are smaller capitalization industrial companies, where it takes time to build a meaningful position at a disciplined price. In contrast, the Global High Dividend Value Fund was overweighted when compared to Japan's weighting in the MSCI World Index.

Some of the regions and industry groups in our Sub-Funds produced rather disappointing returns during the period. This included a number of food, professional services, building products, entertainment, and healthcare-related holdings in one or more of our Sub-Funds' portfolios, such as Nestlé and Unilever; French staffing and outsourcing company, Teleperformance; the French flooring company, Tarkett; video game producer, Ubisoft; and the German provider of dialysis systems and services, Fresenius. In addition, US-based companies FMC and Ionis Pharmaceuticals; and long-time Swiss pharma holdings, Roche and Novartis, also detracted from returns during the period.

With growth slowing in China, the Sub-Funds' Asian stocks, for the most part, particularly those based in China and Hong Kong, produced disappointing returns. This included poor results in a number of the Sub-Funds' Asian holdings in interactive media (International Value Fund (CHF)), real estate management and development (Global High Dividend Value), food (International Value Fund (CHF), International Value Fund (EUR)), and textile & apparel (International Value Fund (CHF), International Value Fund (EUR)) holdings, and included companies that may have been held in one or more Sub-Funds such as Baidu, Chow Sang Sang, Hang Lung, and Uni-President China. The investment landscape in Asia, particularly China, while quite fertile in terms of

valuations, remains somewhat challenging and uncertain on the governance front. While we are comfortable with the Sub-Funds' current weights in China and Hong Kong (1.2-5.3%) and are confident that the companies the Sub-Funds own, as a group, represent a value opportunity, we do not intend to materially add to the Sub-Funds' overall allocations to China in the near term.[2]

In terms of portfolio activity, we remained quite active in managing the Sub-Funds' holdings over the six month period, establishing several new positions, and adding to a number of others. Five new holdings were added to the International Value Fund (CHF), four to the International Value Fund (EUR), and eight to the Global High Dividend Yield Fund. In addition, we added to several existing positions in all three Sub-Funds as favorable pricing opportunities presented themselves. Some of the more significant new buys in one or more Sub-Funds included Aalberts (Netherlands), an industrial conglomerate that sells mission-critical products across a variety of end markets; DB Insurance (Korea), an insurance company; Envista (US), a provider of products, equipment, and services to dental professionals; and Hosokawa Micron (Japan), a manufacturer of machinery used in industrial and consumer end products. In our view, all of these new additions were purchased at prices that represented significant discounts from our conservative estimates of their underlying intrinsic values, were financially strong, and had attractive runways for potential future growth. On the sell side, we sold or pared back several Sub-Fund holdings. The stock prices of these businesses had either reached our estimates of their underlying intrinsic values or had been compromised in some way by declines in our estimates of their underlying intrinsic values and future growth prospects. Or, we may have sold or trimmed positions to make room for new additions or to generate tax losses, which could be used to offset capital gains.

In terms of portfolio positioning, our Sub-Funds also remain invested in a diversified group of significantly undervalued smaller, medium, and larger capitalization companies across a host of developed and emerging markets. Many, if not most, in our view, have durable competitive advantages that allow them to have pricing power and the ability over time to potentially produce attractive returns on invested capital. We believe that many, if not most, are financially strong and have strong balance sheets, with many operating in a net cash position. The focus of portfolio activity across all three Sub-Funds continues to be in those parts of the global equity market that appear to represent the greatest value, i.e., smaller and medium capitalization equities, non-US equities, and companies where insiders, i.e., c-suite executives and knowledgeable directors, have made material purchases of their company shares.

RETURNING CAPITAL TO SHAREHOLDERS: DIVIDENDS OR SHARE REPURCHASE?

Over the last year, we made a concerted effort to encourage the management of Winpak, which we believe to be one of our Sub-Funds' most attractively valued holdings (held in our two International Value Sub-Funds), to consider initiating a share buyback plan. While the company had a history of paying special dividends from time to time, it had never seriously considered repurchasing its own shares. We believed strongly that their stock was cheap. They had, in our view, excellent prospects for future growth and significant excess net cash on the balance sheet. After an effort on our part to convince them of the efficacy of buying back shares, we are happy to report that at the end of February, Winpak announced its intention to buyback up to 1.95 million shares with the flexibility to increase to 3.25 million shares (5% of shares outstanding) over a twelve-month period. The company also indicated that it could extend the program over multiple years, depending on the company's share price in relation to its intrinsic value as determined by the Board. We think this is intelligent capital allocation. Moreover, we thought you might be interested in why we felt so strongly that, in Winpak's circumstance, it was more advantageous to buy back shares than pay a special dividend. What follows is a very brief lesson in what we believe to be rational and value-enhancing capital allocation.

[2] The Sub-Fund's investment policies do not restrict investments in the securities of Chinese and Hong Kong issuers; therefore, our evaluation of the appropriate allocation of a Sub-Fund's total assets to positions in the securities of Chinese and Hong Kong issuers may vary at any point in time and may be higher or lower than the range we are presently seeking in the current environment.

When a company's Board decides to return capital to shareholders, it has two choices: pay a dividend or repurchase shares. Should non-selling shareholders prefer one over the other? In our opinion, the answer depends almost solely on the price-to-intrinsic value relationship. As Warren Buffett famously said about share repurchase, "What is smart at one price is dumb at another."

If a stock trades at a substantial discount to a conservative estimate of intrinsic value, and that value will likely grow in the future, we believe the most impactful form of capital allocation is share repurchase. The reason is simple. Ignoring tax considerations, $1 of dividends paid out to shareholders creates $1 of shareholder value. Conversely, $1 of share repurchase executed well below intrinsic value will create greater than $1 of value for non-selling shareholders, effectively transferring wealth from selling shareholders to remaining shareholders. For example, if a company is trading for $70, but the intrinsic value of the business is $100, then share repurchases are the equivalent of buying $100 of value at $70 for each share repurchased. The net result is an increase in the intrinsic value to above $100 per share for the non-selling shareholders.

In contrast, if a stock trades above a conservative estimate of intrinsic value or the business is in long-term secular decline, we believe dividends are the preferred form of returning capital to shareholders. In this scenario, $1 of share repurchases executed above intrinsic value will create less than $1 dollar of value for non-selling shareholders, effectively reducing shareholder value. For example, if a company is trading for $120 but the intrinsic value of the business is $100, then share repurchases are the equivalent of buying $100 of value at $120 for each share repurchased. The net result is a reduction in intrinsic value to below $100 per share for the non-selling shareholders.

Clearly, the key determinates in the decision to pay a dividend or repurchase shares are the company's stock price, the Board's estimate of its intrinsic value per share, and its future growth prospects. These inputs are dynamic. Stock prices change daily, intrinsic value is subjective, and future growth prospects are hard to predict. A wildly inaccurate estimate of intrinsic value and/or the company's growth prospects could lead to the wrong capital allocation decision. Thus, we believe share repurchases make the most sense when the gap between the company's stock price and the estimate of its intrinsic value is substantial. If the gap is small, dividends are the preferred choice.

Another complicating factor is that for cultural reasons dividends are often viewed by shareholders as sacrosanct ("permanent") while share repurchase is viewed as "opportunistic." Thus, even when a Board believes its company's stock price is woefully undervalued, it is often loathe to cut the dividend. In their view, the dividend is analogous to a promise, and cutting it sends a negative signal about a company's future prospects. In our opinion, this behavioral bias towards preserving the dividend at all costs can be a capital allocation mistake. If a dividend-paying stock trades well below a conservative estimate of intrinsic value, and that value is expected to grow over time, we believe shareholder value would be maximized by cutting the dividend and using the money to repurchase shares instead. Sadly, very few public companies' Boards behave in this flexible and rational manner.

THE PASSING OF CHARLES THOMAS MUNGER

You've heard us speak in the past about how our business was built on the shoulders of giants who came before us at Tweedy, Browne, consummate professional investors such as Bill Tweedy, Tom Knapp, Howard Browne, Ed Anderson, Joe Reilly, Chris Browne, and Jim Clark. Back in December, just shy of his 100th birthday, the investment industry sadly lost a giant in the value investment community, Charles Munger. Our profession owes a huge debt of gratitude to this man, who made a unique and invaluable contribution to the world of investing.

Anyone who has owned a share of stock is no doubt familiar with perhaps the greatest investment partnership in history, that of Charlie Munger and Warren Buffett, whom Financial Times columnist Eric Platt dubbed "the Lennon and McCartney of the investment world." Charlie and Warren helped to educate multiple generations of investors, and, of course, Warren is still at it. Early in his professional life Charlie worked as a real estate lawyer and was one of the founding partners of the renowned LA-based law firm Munger, Tolles & Olsen. Charlie subsequently brought his razor-sharp legal and business acumen into the investment world, helping to build

Berkshire Hathaway into the most successful investment conglomerate in history. He is, of course, credited by Warren himself as the architect of today's Berkshire. He is perhaps best known for advising Buffett over the years that it was much wiser to buy wonderful businesses at fair prices than fair businesses at wonderful prices. Such thinking and counsel allowed Berkshire to achieve a size and scale, and level of tax efficiency that would not have been possible if Warren had only remained dedicated to proverbial "cigar-butt" investments. That said, we would submit that, in our view, Charlie's influence on Warren's approach to investing was in no way a repudiation of Ben Graham. In fact, Charlie is perhaps the shining example of Graham's counsel that "investment is most intelligent when it is most business-like." While cigar butts were definitely not his thing, we're convinced that he would not quibble with Graham's notion that price matters in investing.

It is also fair to say that Charlie significantly influenced how we approached investment at Tweedy, Browne. In fact, one of our deceased partners, Ed Anderson, got his start in the investment world working as an analyst for Munger's private investment partnership, Wheeler, Munger. Together with Tom Knapp and Howard Browne, Ed helped build the value-based investment framework we still operate under today. In addition, we adopted Charlie's idea of the "too hard file." From time to time, we run across what appear to be undervalued investment opportunities that, upon further study and reflection, are also found to be fraught with uncertainty and murkiness that challenge our comfort zone. In those circumstances, we simply follow Charlie's advice and set them aside, putting them into what he called the "too hard file." We are particularly proud of the fact and grateful that our "too hard file" at Tweedy, Browne has grown quite large over the years, more than likely helping protect us from numerous potential investment mistakes. We also learned from Charlie the importance of not overlooking the qualitative considerations in investment decision-making. On more than one occasion, Charlie counseled, "If it can be measured, it will be emphasized." He went on to advise that it is often the "hard to measure stuff" that is the most important in investment decision-making. Many investors are also quite familiar with Charlie's appreciation of Maslow's Hammer, the concept that "if the only tool you have is a hammer, you tend to see every problem as a nail." Charlie brought a multi-disciplinary approach to solving problems, often incorporating the laws of physics, mathematical theorems, rules of logic, and statistical probabilities. And finally, and most importantly, if you have read Poor Charlie's Almanack, you know how fond he was of Ben Franklin, particularly his ideas about leading a virtuous life. While values such as hard work, kindness, honesty, and integrity were passed down to us by those who came before us at Tweedy, Browne, we appreciated Charlie's re-affirmation of what it means to lead a life of virtue and purpose. For all this and so much more, thank you, Charlie Munger.

Thank you for your confidence and continued trust.

Sincerely,

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

Investment Committee
Tweedy, Browne Company LLC

* John D. Spears and Robert Q. Wyckoff, Jr. are current investors in one or more of the Tweedy, Browne Value Funds.

April 2024

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 Fama/French Book-to-Market portfolio is constructed using all NYSE, AMEX, and NASDAQ stocks for which the researchers have a measurement of Book Equity ("BE") and Market Equity ("ME") as of the prior year end ("t-1"), and also ME for June of the current year ("t"). The portfolios are formed on BE/ME at the end of each June. The BE used in June of year t is the book equity for the last fiscal year end in t-1. ME is price times shares outstanding at the end of December of t-1.

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

MSCI EAFE Growth Index captures large and mid cap securities exhibiting overall growth style characteristics across Developed Markets countries around the world, excluding the US and Canada. 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 long-term historical EPS growth trend and long-term historical sales per share growth trend.

S&P 500 Value Index. Constituents of the S&P 500 Value index are drawn from the S&P 500. The S&P Style Indices divide the complete market capitalization of each parent index into growth and value segments. The S&P 500 Value index is constructed using three factors: the ratios of book value, earnings, and sales to price.

S&P 500 Growth Index. Constituents of the S&P 500 Growth index are drawn from the S&P 500. The S&P Style Indices divide the complete market capitalization of each parent index into growth and value segments. The S&P 500 Growth index is constructed using three factors: sales growth, the ratio of earnings change to price, and momentum.

MSCI World Value Index captures large and mid cap securities exhibiting overall value style characteristics across 23 Developed Markets (DM) countries. 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.

MSCI World Growth Index captures large and mid cap securities exhibiting overall growth style characteristics across 23 Developed Markets (DM) countries. 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 long-term historical EPS growth trend and long-term historical sales per share growth trend.

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

Current and future portfolio holdings are subject to risk. Investing in foreign securities involves additional risks beyond the risks of investing in US securities markets. These risks, which are more pronounced in emerging markets, 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.

The performance results reflected herein are over the course of many years and reflect multiple market cycles and varying geopolitical, market and economic conditions. Past performance is no guarantee of future results.

Please refer to the Sub-Funds' 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 perceived foreign currency exposure, where practicable, utilized by the Tweedy, Browne International Value Fund (CHF) reduces the risk of loss from exchange rate movements, it also reduces the ability of the 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-Fund's investments are denominated and may impose costs on a Sub-Fund. As a result of practical considerations, fluctuations in a security's prices, and fluctuations in currencies, a Sub-Fund's hedges are expected to approximate, but will generally not equal, the Sub-Fund's perceived foreign currency risk.

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 US Treasuries are backed by the full faith and credit of the US Government.

DEFINITIONS

Earnings yield is a financial ratio that shows the relationship between a company's earnings per share (EPS) and its stock price per share.
Market equity (ME) (size) is price times shares outstanding.
Book Equity (BE) is the book value of stockholders' equity, plus balance sheet deferred taxes and investment tax credit (if available), minus the book value of preferred stock.

This letter 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.