



ABOUT ATIVO

Ativo Capital Management, LLC is an investment advisor focused on delivering both top-quartile performance and exceptional service to clients. We follow a rules-based process utilizing quantitative methodologies to build long-only equity portfolios with high active share. We invest globally with an emphasis on international markets. Central to our approach is a proprietary multi-factor model that scores stocks based on our assessment of their intrinsic value and other internally developed factors, which have low correlation with one another over time.

MARKET OVERVIEW

Global equities continued to rally in the second quarter, with the MSCI ACWI Net returning 2.87% in US dollar (USD) terms. Several factors contributed to the gains, including signs that inflation was under control in the US and Europe and expectations of Federal Reserve rate cuts. In addition, markets remained confident that the US economy was headed for a soft landing, and corporate earnings were strong in most markets. A number of major elections, including contests in Europe, Mexico, and India, also played into investor sentiment.

Substantial Gains in the US and Emerging Markets

The MSCI USA Net rose 3.94% for the quarter. US inflation data showed that price pressures had eased in April and May following three straight months of stronger-than-expected readings. Meanwhile, a key gauge of manufacturing and service-sector activity climbed to a 26-month high, the job market remained relatively tight, and consumer spending continued to grow. With the labor market still healthy, the FOMC held the fed funds rate in a range between 5.25% and 5.5% in efforts to further reduce inflation. However, the central bank signaled one, and possibly two, rate cuts by year-end, consistent with market expectations.

Developed non-US markets did not fare as well, with the MSCI EAFE + Canada Net returning 0.78% in local currencies and -0.60% in USD. Within the MSCI EAFE + Canada Net (USD), France and Japan posted significant losses and were the worst-performing markets. French President Macron unexpectedly called snap elections for June 30th and July 7th after his party's weak performance in European parliamentary elections, creating near-term political and economic uncertainty. Japanese equities were hurt by a steep decline in the Yen, which touched its lowest level versus the USD since 1986. On the positive side, markets in Pacific ex Japan generated gains, helped by their close ties to China, which announced measures to support its economy. UK stocks also advanced during the quarter. Annual inflation in the UK fell to the Bank of England's 2% target for the first time since July 2021, and the central bank signaled that it might soon start cutting interest rates. Following a sharp slowdown in eurozone inflation over the past year, the European Central Bank lowered its main policy rate for the first time in almost five years.

Emerging markets outperformed developed markets during the quarter. The MSCI EM Net returned 6.22% in local currencies and 5.00% in USD, driven by strength in Emerging Asia ex China and China. Taiwan was one of the best-performing markets globally alongside continued enthusiasm for tech stocks. Chinese equities also surged, lifted by low valuations, strong exports, and a property rescue package that relaxed mortgage rules and incentivized state-owned firms to buy unsold housing. Conversely, Emerging Americas posted a sizeable loss due to weakness in Mexico and Brazil. In Mexico, the ruling party consolidated power in June elections, raising concerns about potential reforms that might expand the government's role in the economy. In Brazil, investors grew increasingly disenchanted with President Lula's use of state-controlled companies to further his social agenda.

Continued Growth and Large-Cap Leadership

Returns for major styles and capitalization segments of the equity markets were mixed during the quarter. On a global basis, growth and large-cap stocks registered strong gains, while value and small-cap equities declined. Growth and large-cap leadership was concentrated in the US, where a handful of mega-cap stocks in the Technology and Communication Services sector produced substantial gains amid the boom in AI.

Sector performance was also uneven. Five of the eleven sectors in the MSCI ACWI Net (USD) generated positive returns, with Technology and Communication Services being the clear leaders. Among sectors that declined, the worst performers were Materials, which was impacted by weakness in chemical stocks, and Real Estate, which was hurt by worries about falling commercial property values.

Performance Summary*

Composite Benchmark	Q2 2024	YTD	1 YR	ANNUALIZED		
				5 YR	10 YR	Since Inception
Ativo International ADR						(3/1/2012)
Gross	-0.75%	5.25%	15.19%	7.34%	5.36%	7.26%
Net	-0.91%	4.91%	14.46%	6.65%	4.68%	6.57%
MSCI ACWI ex US Net	0.96%	5.69%	11.62%	5.55%	3.84%	5.05%
<i>Excess Return (net of fees)</i>	<i>-1.87%</i>	<i>-0.78%</i>	<i>2.84%</i>	<i>1.10%</i>	<i>0.84%</i>	<i>1.52%</i>
Ativo International All Country ex US						(4/1/2007)
Gross	1.74%	6.85%	15.64%	4.88%	4.14%	4.82%
Net	1.61%	6.59%	15.08%	4.27%	3.44%	3.99%
MSCI ACWI ex US Net	0.96%	5.69%	11.62%	5.55%	3.84%	3.20%
<i>Excess Return (net of fees)</i>	<i>0.65%</i>	<i>0.90%</i>	<i>3.46%</i>	<i>-1.28%</i>	<i>-0.40%</i>	<i>0.79%</i>
Ativo International Developed						(8/1/2009)
Gross	-0.82%	3.64%	12.16%	4.97%	4.60%	7.67%
Net	-0.97%	3.33%	11.50%	4.32%	3.92%	6.95%
MSCI EAFE + Canada Net	-0.60%	4.96%	11.22%	6.55%	4.27%	6.08%
<i>Excess Return (net of fees)</i>	<i>-0.37%</i>	<i>-1.63%</i>	<i>0.28%</i>	<i>-2.23%</i>	<i>-0.35%</i>	<i>0.87%</i>
Ativo Global Institutional						(10/1/2014)
Gross	0.14%	9.46%	19.06%	10.84%	-	10.40%
Net	0.01%	9.19%	18.48%	10.39%	-	9.91%
MSCI ACWI World Net	2.87%	11.30%	19.38%	10.76%	-	8.91%
<i>Excess Return (net of fees)</i>	<i>-2.86%</i>	<i>-2.11%</i>	<i>-0.90%</i>	<i>-0.37%</i>	<i>-</i>	<i>1.00%</i>
Ativo International Small Cap (All)						(10/1/2015)
Gross	2.56%	11.54%	25.52%	7.90%	-	8.68%
Net	2.36%	11.13%	24.60%	7.35%	-	8.15%
MSCI EAFE + Canada Small Cap Net	-1.56%	0.98%	7.80%	4.69%	-	6.12%
<i>Excess Return (net of fees)</i>	<i>3.92%</i>	<i>10.15%</i>	<i>16.80%</i>	<i>2.66%</i>	<i>-</i>	<i>2.03%</i>
MSCI ACWI ex US Small Cap Net	0.66%	2.78%	11.26%	6.13%	-	6.74%
<i>Excess Return (net of fees)</i>	<i>1.70%</i>	<i>8.35%</i>	<i>13.34%</i>	<i>1.22%</i>	<i>-</i>	<i>1.41%</i>

Mandate Size	Separately Managed Account Fee Schedule (bps)				
	Ativo International ADR	Ativo International All Country ex US	Ativo International Developed	Ativo Global Institutional	Ativo International Small Cap (All)
First \$50 million	50	55	50	50	75
Next \$50 million	45	50	45	45	70
Next \$100 million	40	45	40	40	65
Remaining Balance	35	40	35	35	60

*Please refer to the end of this report for important fee and performance disclosure information.

Two of the five Ativo strategies covered in this report outperformed their respective benchmarks during the quarter, net of fees: Ativo International All Country ex US and Ativo International Small Cap. Conversely, Ativo Global Institutional, Ativo International Developed, and Ativo International ADR trailed their benchmarks, net of fees. The relative performance of Ativo strategies reflected the overall performance of our multi-factor valuation model, which we discuss in more detail below.

Model Review and Positioning

The performance of our multi-factor valuation model varied across our research universes in the second quarter. The model was effective at forecasting individual stock returns in our developed international and non-US small-cap universes but did not work well in our emerging markets and US universes. The model's predictive ability was particularly weak in the US, mainly due to the outsized impact of NVIDIA. NVIDIA — one of the largest US stocks — gained approximately 37% during the quarter and was responsible for almost one-half of the MSCI USA Net's 3.94% return.

Areas of Factor Strength and Weakness

Among the model's component factors, Intrinsic Valuation had positive predictive ability in developed markets but lacked skill in our other three universes, especially in the US. ESG was also broadly negative, as was Low Volatility (reflecting the low-volatility environment), with both factors only adding value in our non-US small-cap universe. The performance of Price Momentum and Operating Momentum was mixed. For example, Price Momentum was positive in our non-US small-cap and emerging markets universes but did not work well in our developed international and US universes.

Portfolio turnover in Ativo strategies was generally below long-term averages during the quarter. Broadly speaking, exposure to the Industrials sector increased based on changes in the alpha scores of stocks in our research universes (as determined by our multi-factor model). Our model also appears to be favoring stocks in Developed Europe/Middle East ex UK relative to Japanese equities. As always, portfolios remain well-diversified across regions and sectors.

Opportunities and Risks

Developed and emerging market equities have delivered strong gains in the first half of 2024. If recent trends of easing global inflation and resilient growth continue, the environment should remain supportive of markets from both a monetary policy and sentiment perspective. That said, we see the potential for volatility to pick up as we get closer to the US elections. Also of note, Saudi Arabia has recently appeared more open to accepting currencies other than the USD as payment for oil sales. While not a near-term issue, this may have longer-term implications for the USD and oil prices.

The impressive rally in US large-cap stocks over the past six months has pushed their valuations even further above long-term averages than they were heading into the year. Valuations generally continue to look more attractive overseas, especially in emerging markets. India — the world's fifth-largest economy — is of particular interest to us. We are seeing a lot of opportunities in India and continue to study the market. In addition, we believe that a rebound in small-cap equities in the US and developed non-US markets is long overdue.

Lastly, just as we track valuations of stocks, we track valuations of factors. Currently, Intrinsic Valuation (our model's most heavily weighted factor) and Price Momentum appear undervalued. This gives us even greater confidence in our model's ability to forecast individual stock returns in the coming quarters.

Performance and Positioning by Strategy

*Ativo Global Institutional**

	Q2 2024
Ativo Global Institutional Composite	
Gross	0.14%
Net	0.01%
MSCI ACWI (Net)	2.87%
Excess Return (Net of Fees)	-2.86%

Ativo's Global Institutional strategy underperformed the MSCI ACWI Net by 2.86%, net of fees, during the second quarter. The underperformance was due to stock selection and, to a lesser extent, regional exposures. Stock selection was particularly weak in the US and also subtracted a significant amount of value in the Consumer Discretionary, Technology, and Materials sectors. An overweight in Developed Europe/Middle East ex UK and a lack of exposure to Emerging Asia ex China were unfavorable as well. On the positive side, stock selection in China, Canada, the UK, and the Financials sector contributed to results versus the Index. An overweight in Technology and underweights in Materials and Consumer Staples also benefited relative performance.

During the quarter, the only major changes to positioning were increasing the portfolio's overweight in the Technology sector and moving from a modest overweight in Energy to a modest underweight. All other changes to active regional and sector exposures were less than 2%. On June 30th, the largest overweights were in Developed Europe/Middle East ex UK and the Industrials and Technology sectors. The largest underweights were in Emerging Asia ex China, the US, and Consumer Staples. Assets in the Global Institutional strategy totaled less than \$1 million at quarter-end, and active share was 77%.

*Ativo International Developed**

	Q2 2024
Ativo International Developed Composite	
Gross	-0.82%
Net	-0.97%
MSCI EAFE + Canada (Net)	-0.60%
Excess Return (Net of Fees)	-0.37%

In the second quarter, Ativo's International Developed strategy underperformed the MSCI EAFE + Canada Net by 0.37%, net of fees, due to stock selection. Stock selection subtracted the most value in Pacific ex Japan and the Materials sector, reflecting the weak relative performance of several Australian commodity stocks in the portfolio. In addition, select holdings in Hong Kong real estate companies detracted. These and other negative effects were almost entirely offset by areas of relative strength, led by stock selection in the UK and the Industrials sector. Positioning in the Financials sector also generated a material amount of alpha, driven by stock selection and an overweight in what was the benchmark's second-best performing sector after Health Care.

The only significant changes to portfolio positioning during the quarter were increasing exposure to Developed Europe/Middle East ex UK and the Industrials sector and decreasing exposure to Japan and Energy. At quarter-end, the largest overweights were in Developed Europe/Middle East ex UK, Financials, and Industrials. The largest underweights were in Japan, Health Care, and Materials. Assets in the International Developed strategy totaled \$378 million on June 30th, and active share was 66%.

*Please refer to page 3 for trailing performance and fee schedule information. Please refer to the end of this report for important disclosure information.

*Ativo International All Country ex US**

	Q2 2024
Ativo International All Country ex US Composite	
Gross	1.74%
Net	1.61%
MSCI ACWI ex USA (Net)	0.96%
Excess Return (Net of Fees)	0.65%

Ativo's International All Country ex US strategy outperformed the MSCI ACWI ex USA Net by 0.65%, net of fees, in the second quarter. The outperformance was due to stock selection, as regional and sector exposures modestly detracted overall. From a geographic standpoint, stock selection in Emerging Asia ex China, China, and Emerging EMEA produced the most excess return. Looking at sectors, stock selection was strongest in Industrials, Energy, and Health Care. The main areas of relative weakness were stock selection in Pacific ex Japan, Materials, and Financials. In particular, exposure to select Australian commodity stocks and Hong Kong real estate companies detracted. Underweights in Emerging Asia ex China and the Health Care sector were also unfavorable.

There were no major changes to portfolio positioning during the quarter. The biggest overweights on June 30th were in China, Emerging Americas, and Consumer Discretionary. The biggest underweights were in Pacific ex Japan, Canada, and Consumer Staples. At quarter-end, assets in the International All Country ex US strategy totaled \$588 million, and active share was 74%.

*Ativo International Small Cap**

	Q2 2024
Ativo International Small Cap All Composite	
Gross	2.56%
Net	2.36%
MSCI ACWI ex USA Small Cap (Net)	0.66%
Excess Return (Net of Fees)	1.70%

During the second quarter, Ativo's International Small Cap strategy outperformed the MSCI ACWI ex USA Small Cap Net by 1.70%, net of fees. The outperformance was driven by stock selection, which was strongest in Developed Europe/Middle East ex UK and the Materials and Energy sectors. In addition, stock selection added a significant amount of value in China, Emerging EMEA, Industrials, and Consumer Discretionary. Other notable areas of relative strength included an underweight in Japan and an overweight in Financials. Conversely, the main source of relative weakness was positioning in Emerging Asia ex China, where both stock selection and an underweight detracted. Stock selection in the Technology Sector and an overweight in Emerging Americas was also unfavorable.

The only significant change to positioning during the quarter was reducing the portfolio's overweight in Real Estate. The largest overweights on June 30th were in Developed Europe/Middle East ex UK, Emerging EMEA, and the Financials and Energy sectors. The largest underweights were in Japan, Emerging Asia ex China, Technology, and Health Care. Assets in the International Small Cap strategy totaled less than \$1 million at quarter-end, and active share was 96%.

*Please refer to page 3 for trailing performance and fee schedule information. Please refer to the end of this report for important disclosure information.

*Ativo International ADR**

	Q2 2024
Ativo International ADR Composite	
Gross	-0.75%
Net	-0.91%
MSCI ACWI ex USA (Net)	0.96%
Excess Return (Net of Fees)	-1.87%

Ativo's International ADR strategy underperformed the MSCI ACWI ex USA Net by 1.87%, net of fees, during the second quarter. Regional exposures were a key source of relative weakness, particularly an underweight in Emerging Asia ex China and an overweight in Emerging Americas, namely Mexico and Brazil. Stock selection in several regions and sectors also negatively impacted results versus the Index, especially stock selection in Pacific ex Japan and the Consumer Discretionary and Technology sectors. On the positive side, relative performance benefited from stock selection in Emerging Asia ex China, China, Consumer Staples, and Industrials. Underweights in the Consumer Discretionary and Materials sectors were helpful as well.

During the quarter, the major changes to portfolio positioning were increasing exposure to Japan, Consumer Staples, and Industrials and decreasing exposure to Financials and Consumer Discretionary. Despite these moves, the largest active regional exposures at quarter-end remained overweights in Developed Europe/Middle East ex UK and the UK and underweights in Emerging Asia ex China and China. The largest active sector exposures remained overweights in Industrials and Financials and underweights in Consumer Discretionary, Health Care, and Technology. On June 30th, assets in the International ADR strategy totaled \$97 million, and active share was 82%.

I didn't call out the underweight in India given we mention India as an area of opportunity earlier in the commentary.

*Please refer to page 3 for trailing performance and fee schedule information. Please refer to the end of this report for important disclosure information.

Disclosures:

Performance results will vary based upon the period measured, and past performance is not indicative of future results. Results are based upon currently available information and subject to change. The US Dollar is the currency used to express performance. Returns are presented gross and net of fees and include the reinvestment of all income and other earnings. From January 1, 2014 to April 27, 2015, and March 1, 2016 to present, all calculated returns include dividend accruals. Net of fee performance was calculated using the highest applicable annual management fee applied monthly. Gross returns are shown net of transaction costs and gross of all other fees; net returns are reduced by all management fees and transaction costs incurred. Composite performance is presented net of foreign withholding taxes, where applicable. This commentary candidly discusses a number of individual companies. These opinions are current as of the date of this commentary but are subject to change. The information provided in this commentary does not provide information reasonably sufficient upon which to base an investment decision and should not be considered a recommendation to purchase or sell any particular security. Please contact Michael Brooks (312-229-5208) if you would like more information about Ativo's proprietary quantitative model and/or its performance.

Information about indices is provided to allow for comparison of the performance of the Adviser to that of certain well-known and widely recognized indices. There is no representation that such index is an appropriate benchmark for such comparison. You cannot invest directly in an index, which also does not take into account trading commissions and costs. The volatility of indices may be materially different from the performance of the Adviser. In addition, the Adviser's recommendations may differ significantly from the securities that comprise the indices.

The Ativo Global Institutional Composite is measured against the MSCI ACWI Net index. The MSCI ACWI Net index is a market-capitalization index designed to capture large and mid-cap representation across developed and emerging market countries. The index covers approximately 85% of the global investable equity opportunity set. The net total return index reinvests dividends after the deduction of withholdings taxes, using a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. Since its October 1, 2014 inception date, net of fee performance was calculated using the highest applicable annual management fee of 0.74%, applied monthly. On April 1, 2016 the management fee was decreased to 0.37% annually applied monthly. Net of fee performance is calculated using the highest fee charged to a client within the composite. Due to a policy change, net of fee performance no longer accounts for an additional estimated fee charged to the client by the Manager of Managers.

The Ativo International Developed Composite is measured against the MSCI EAFE + Canada Net index. The MSCI EAFE + Canada Net index is an equity index which is designed to capture large and mid-cap representation across developed market countries around the world including Canada. The index covers approximately 85% of the free float-adjusted market capitalization in each country. The net total return index reinvests dividends after the deduction of withholdings taxes, using a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. Since its August 1, 2009 inception date, net performance was calculated using the highest applicable annual management fee of 0.70%, applied monthly. On October 1, 2013, the management fee increased to 0.74% annually applied monthly. On April 1, 2016 the management fee was decreased to 0.67% annually applied monthly. On January 1, 2020 the management fee was decreased to 0.65% annually applied monthly. On January 1, 2021 the management fee was decreased to 0.60% annually applied monthly. Net of fee performance is calculated using the highest fee charged to a client within the composite. Due to a policy change, net of fee performance no longer accounts for an additional estimated fee charged to the client by the Manager of Managers.

The Ativo International All Country ex US Composite is measured against the MSCI ACWI ex USA Net Index. The MSCI ACWI ex USA Net index is a market-capitalization index designed to capture large and mid-cap representation across developed and emerging market countries. The index covers approximately 85% of the global equity opportunity set outside the US. The net total return index reinvests dividends after the deduction of withholdings taxes, using a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. Since its April 1, 2007 inception date, net performance was calculated using the highest applicable annual management fee of 0.96%, applied monthly. On April 1, 2016 the management fee was decreased to 0.65% annually applied monthly. On January 1, 2020 the management fee was decreased to 0.62% annually applied monthly. Net of fee performance is calculated using the highest fee charged to a client within the composite. Due to a policy change, net of fee performance no longer accounts for an additional estimated fee charged to the client by the Manager of Managers.

International Small Cap All Composite is measured against the MSCI ACWI Ex USA Small Cap (Net) Index. The MSCI ACWI ex USA Small Cap (Net) index is an equity index designed to capture small cap representation across developed market and emerging market countries. The index covers approximately 15% of the global equity opportunity set outside the US. The net total return index reinvests dividends after the deduction of withholdings taxes, using a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. Since its October 1, 2015 inception date, Net of fee performance was calculated using the annual management fee of 0.35% applied monthly. On February 1, 2018 the management fee increased to 0.45% annually applied monthly. On January 1, 2020 the management fee was decreased to 0.40% annually, applied monthly. On December 1, 2021 the management fee was increased to 0.45% annually, applied monthly. Net of fee performance is calculated using the highest applicable fee charged to a client within the composite. Due to a policy change, net of fee performance no longer accounts for an additional estimated fee charged to the client by the Manager of Managers.

The Ativo International ADR Composite is measured against the MSCI ACWI ex USA Net Index. The MSCI ACWI ex USA Net index is a market-capitalization index designed to capture large and mid-cap representation across developed and emerging market countries. The index covers approximately 85% of the global equity opportunity set outside the US. The net total return index reinvests dividends after the deduction of withholdings taxes, using a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. Since its February 29, 2012 inception date, net of fee performance was calculated using the highest applicable annual management fee of 0.65%, applied monthly. Net of fee performance is calculated using the highest fee charged to a client within the composite. Due to a policy change, net of fee performance no longer accounts for an additional estimated fee charged to the client by the Manager of Managers.

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of its affiliates and each other person involved in or related to compiling or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com)