



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

A Year of Adaptation and Divergence

The global investment landscape in 2025 was defined by three primary forces: a significant trade policy shock followed by adaptation, a monetary pivot characterized by central bank divergence, and an intensifying artificial intelligence (AI) investment cycle. Market volatility surged in the wake of the April "Liberation Day" tariff announcements, which introduced a 10% baseline tax on all imports and a 34% levy on Chinese goods. However, markets demonstrated remarkable resilience as these extremes were eventually mitigated by negotiated trade deals—most notably the Trump-Xi meeting on October 30th—and strategic corporate adaptation.

The fourth quarter was uniquely impacted by a U.S. government shutdown from October 1 to November 12, which created an economic data vacuum that complicated market analysis for institutional investors. Despite this, global sentiment was supported by a ceasefire in Gaza effective October 10th and large-scale AI-related deals, such as the \$300 billion cloud partnership between Oracle and OpenAI. However, by year-end, the AI growth narrative faced increased scrutiny over return on investment (ROI) and the sustainability of debt-funded capital expenditures.

Central bank policy reached a rare "four-way split" in Q4 2025. The Federal Reserve cut its benchmark rate by 25 basis points in December to a target of 3.50%–3.75%, citing rising downside employment risks, while the Bank of England also delivered a cautious cut to 3.75%. Conversely, the ECB held rates steady, and the Bank of Japan raised its policy rate to 0.75%—the highest level since the 1990s—triggering a significant repricing of the Japanese yield curve. Commodities showed wide divergence as safe-haven demand drove Gold to historic highs, topping \$4,300/oz in Q4, while Crude Oil prices fell approximately 20% for the year due to ample supply.

REGIONAL AND FACTOR PERFORMANCE OVERVIEW

In 2025, non-U.S. markets delivered their strongest relative outperformance of U.S. equities in recent history. The MSCI ACWI ex-USA surged 32.39%, significantly outpacing the S&P 500 gain of 17.88%.

- **Developed vs. Emerging Markets:** Emerging Markets (EM) were the standout leaders, with the MSCI EM Index returning +33.57% for the year—nearly double the return of U.S. large caps. South Korea's Kospi emerged as the world's best-performing major index, surging 82.28% on explosive AI-related chip demand for firms like SK Hynix (+286%) and Samsung Electronics (+134%).

- **Style and Size Performance:** Globally, 2025 rewarded "risk-on" sentiment, leading to a stellar year for High Beta stocks. In the U.S. and EM, Growth outperformed Value as the AI infrastructure trade dominated. Conversely, Value stocks outperformed Growth in Developed ex-U.S. markets for both the full year and Q4. Large Cap stocks outperformed Small Caps globally in 2025 and specifically in Q4, although Small Caps maintained a lead over the full year in Developed ex-USA markets.
- **Country Highlights:** Strongest individual markets for the year included Colombia, Greece, Spain, and Poland. Notable laggards included Saudi Arabia, Indonesia, and Turkey, while Denmark was weighed down by the performance of Novo Nordisk

PERFORMANCE SUMMARY*

PERFORMANCE SUMMARY			ANNUALIZED		
Composite Benchmark	Q4 2025	2025	5 YR	10 YR	Since Inception
Ativo International ADR			(3/1/2012)		
Gross	4.34%	32.68%	11.08%	8.54%	8.77%
Net	4.17%	31.84%	10.37%	7.84%	8.07%
MSCI ACWI ex US Net	5.05%	32.39%	7.91%	8.41%	6.62%
Excess Return (net of fees)	-0.88%	-0.55%	2.46%	-0.57%	1.45%
Ativo International All Country ex US					
Gross	6.29%	35.35%	9.27%	7.40%	5.96%
Net	6.16%	34.71%	8.68%	6.76%	5.15%
MSCI ACWI ex US Net	5.05%	32.39%	7.91%	8.41%	4.48%
Excess Return (net of fees)	1.11%	2.32%	0.77%	-1.65%	0.67%
Ativo International Developed					
Gross	5.04%	36.08%	9.37%	7.71%	8.86%
Net	4.88%	35.29%	8.71%	7.02%	8.14%
MSCI EAFE + Canada Net	5.20%	31.85%	9.46%	8.55%	7.28%
Excess Return (net of fees)	-0.32%	3.44%	-0.75%	-1.53%	0.86%
Ativo Global Institutional					
Gross	2.83%	22.95%	12.13%	12.23%	11.56%
Net	2.71%	22.35%	11.63%	11.77%	11.06%
MSCI ACWI Net	3.29%	22.34%	11.19%	11.72%	10.15%
Excess Return (net of fees)	-0.58%	0.01%	0.44%	0.05%	0.91%
Ativo International Small Cap (All)					
Gross	7.04%	47.64%	12.61%	11.59%	12.07%
Net	6.84%	46.57%	11.93%	11.03%	11.47%
MSCI EAFE + Canada Small Cap Net	3.50%	34.07%	6.49%	8.05%	8.44%
Excess Return (net of fees)	3.34%	12.50%	5.44%	2.98%	3.03%
MSCI ACWI ex US Small Cap Net	2.96%	29.26%	6.91%	8.13%	8.46%
Excess Return (net of fees)	3.88%	17.31%	5.02%	2.90%	3.01%
Ativo Small Cap			(1/1/2001)		
Gross	1.92%	20.23%	14.62%	13.92%	12.67%
Net	1.72%	19.29%	13.72%	13.03%	11.40%
MSCI USA Small Cap	2.50%	12.12%	8.06%	10.93%	9.79%
Excess Return (net of fees)	-0.78%	7.17%	5.66%	2.10%	1.61%

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

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

MODEL REVIEW AND POSITIONING

The Ativo proprietary multi-factor valuation model outperformed in Developed Ex-U.S., Emerging Markets, and International Small Cap universes for 2025, though it faced headwinds in the US.

- **Factor Component Analysis:** Price Momentum was a dominant factor globally for the full year, adding significant value in Developed markets and small-cap segments. However, the Valuation factor (Quality, Earnings Yield, and Profitability) was the primary driver of consistency, outperforming in Developed markets and U.S. Large Cap. The Risk/Low Volatility factor was exceptionally weak throughout 2025 as the global "risk-on" sentiment heavily rewarded High Beta stocks.
- **Q4 Specifics:** In the fourth quarter, the factor model outperformed across Large and Mid-cap stocks globally but lagged in the small-cap segment. Notably, the factor model and all its components added value in Emerging Market Large+Mid Cap during the period.
- **Current Positioning:** Entering 2026, the model finds Valuation and Low Volatility factors to be attractively valued. Regionally, the model favors stocks in Hong Kong, Italy, Peru, and Greece, while maintaining a negative stance on Germany and India. At the sector level, the model remains overweight Financials globally while remaining negative on Technology; in the U.S., it specifically targets Consumer Discretionary and Healthcare.

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

PERFORMANCE AND POSITIONING BY STRATEGY

*Ativo Global Institutional**

	Q4 2025	2025
Ativo Global Institutional Composite		
Gross	2.83%	22.95%
Net	2.71%	22.35%
MSCI ACWI (Net)	3.29%	22.34%
Excess Return (Net of Fees)	-0.58%	0.01%

Ativo's Global Institutional strategy underperformed the MSCI ACWI Net by -0.58%, net of fees, during the fourth quarter. The primary drag on performance stemmed from unfavorable stock selection. From a regional standpoint, the United Kingdom was the largest detractor, while China contributed positively, driven by effective stock selection. From a sector perspective, Financials were the strongest contributor, benefiting from both favorable allocation and stock selection, while Information Technology lagged due to weak stock selection.

Portfolio turnover followed the long-term average during the quarter. Notable changes to positioning during the fourth quarter included increased exposure to Utilities and the USA along with reductions in United Kingdom and Information Technology. At quarter-end, the largest overweights were in Financials and Canada, while the largest underweights were in the USA and Information Technology. At quarter-end, assets in the Global Institutional strategy totaled less than \$1 billion, and active share was 79%.

*Ativo International Developed**

	Q4 2025	2025
Ativo International Developed Composite		
Gross	5.04%	36.08%
Net	4.88%	35.29%
MSCI EAFE + Canada (Net)	5.20%	31.85%
Excess Return (Net of Fees)	-0.32%	3.44%

Ativo's International Developed strategy underperformed the MSCI EAFE + Canada Net by -0.32%, net of fees, in the fourth quarter. Underperformance was primarily driven by weak stock selection, while sector and regional allocation effects were minimal. Regionally, the United Kingdom was the largest detractor, while Canada supported results through strong security selection. From a sector standpoint, Financials were the leading contributor, supported by both favorable positioning and strong stock selection, while Industrials and Health Care lagged as stock selection weighed on performance.

Portfolio turnover followed the long-term average during the quarter. The most notable changes to positioning during the fourth quarter were increased exposure to Financials and Europe & Israel ex UK, alongside reduced exposure to Consumer Discretionary and Canada. At quarter-end, the largest overweights were in Financials and Pacific ex Japan, while the largest underweights were in Japan and Information Technology. Assets in the International Developed strategy totaled \$157 billion on December 31st, and active share was 78%.

*Please refer to page 4 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**

	Q4 2025	2025
Ativo International All Country ex US Composite		
Gross	6.29%	35.35%
Net	6.16%	34.71%
MSCI ACWI ex USA (Net)	5.05%	32.39%
Excess Return (Net of Fees)	1.11%	2.32%

Ativo's International All Country ex US strategy outperformed the MSCI ACWI ex USA Net by 1.11%, net of fees, during the fourth quarter. Outperformance was driven by strong stock selection, which offset a negative effect from both sector and regional allocation; regionally, the United Kingdom was the largest detractor as weak stock selection weighed on results, while EM Asia ex China was the strongest contributor supported by effective security selection, with China and Pacific ex Japan also adding to relative returns. From a sector perspective, Financials led performance, supported by both favorable positioning and strong stock selection. Real Estate was the largest detractor due to an unfavorable allocation impact, while Health Care also lagged as both allocation and stock selection weighed on results.

During the quarter, portfolio turnover was slightly higher than average. Notable changes to positioning during the fourth quarter included increased exposure to Financials and Japan, along with reductions in Consumer Discretionary, and China. At quarter-end, the largest overweights were in Financials and Pacific ex Japan, while the largest underweights were in Europe & Israel ex UK and Energy. Assets in the International All Country ex US strategy totaled \$592 million at quarter-end, and active share was 81%.

*Ativo International Small Cap**

	Q4 2025	2025
Ativo International Small Cap All Composite		
Gross	7.04%	47.64%
Net	6.84%	46.57%
MSCI ACWI ex USA Small Cap (Net)	2.96%	29.26%
Excess Return (Net of Fees)	3.88%	17.31%

Ativo's International Small Cap strategy outperformed the MSCI ACWI ex USA Small Cap Net by 3.88%, net of fees, in the fourth quarter. The portfolio's outperformance was driven primarily by strong stock selection. Regionally, Canada was the largest contributor, supported by strong security. At the sector level, Materials and Industrials were the strongest contributors, driven largely by stock selection, Information Technology was the primary detractor as weaker sector positioning and interaction effects outweighed the benefit from positive stock selection.

Portfolio turnover followed the long-term average during the quarter. The most notable changes to positioning during the fourth quarter were increasing exposure to Real Estate and Japan, while reducing exposure to Consumer Discretionary and Information Technology. At quarter-end, the largest overweights were in Financials, Europe & Israel ex UK, while the largest underweights were in EM Asia ex China and Information Technology. On December 31st, assets in the International Small Cap strategy totaled less than \$1 million, and active share was 95%.

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*Ativo International ADR**

	Q4 2025	2025
Ativo International ADR Composite		
Gross	4.34%	32.68%
Net	4.17%	31.84%
MSCI ACWI ex USA (Net)	5.05%	32.39%
Excess Return (Net of Fees)	-0.88%	-0.55%

During the fourth quarter, Ativo's International ADR strategy underperformed the MSCI ACWI ex USA Net by -0.88%, net of fees. The portfolio's underperformance was primarily driven by weak stock selection, with sector allocation also detracting modestly. Regionally, the United Kingdom was the largest detractor as both stock selection and interaction effects reduced relative returns, while EM Asia ex China and Japan also detracted due to negative stock selection and unfavorable regional positioning. China was the largest contributor, supported by strong stock selection. At the sector level, Information Technology and Real Estate were the largest detractors, as weak stock selection and negative allocation effects reduced results, while strong positive stock selection in Materials provided a positive contribution.

Portfolio turnover followed the long-term average during the quarter. The most significant changes to positioning during the fourth quarter were increasing exposure to Europe & Israel ex UK, Japan, and Utilities, while reducing exposure to United Kingdom, Communication Services, and Industrials. As of December 31, the largest overweights were in Financials, Europe & Israel ex UK, and Canada, while the largest underweights were in Emerging Asia ex China, Information Technology, and China. Assets in the International ADR strategy totaled \$112 million at quarter-end, and active share was 83%.

*Ativo Small Cap**

	Q4 2025	2025
Ativo Small Cap Composite		
Gross	1.92%	20.23%
Net	1.72%	19.29%
MSCI USA Small Cap	2.50%	12.12%
Excess Return (Net of Fees)	-0.78%	7.17%

Ativo's Small Cap strategy underperformed the MSCI USA Small Cap Net by -0.78%, net of fees, in the fourth quarter. The portfolio underperformance was due primarily to weak stock selection, while allocation had a positive effect. Industrials was the largest contributor, supported by strong stock selection, while Communication Services and Energy also added modestly. In contrast, Information Technology and Consumer Discretionary were the largest detractors, driven mainly by poor stock selection.

Portfolio turnover followed the long-term average during the quarter. The most significant changes to positioning in the fourth quarter were increasing exposure to Consumer Discretionary and Health Care, while decreasing exposure to Industrials and Energy. As of December 31, the largest overweights were in Financials and Consumer Discretionary, while the largest underweights were in Real Estate and Materials. Assets in the Small Cap strategy totaled less than \$1 million, and active share was 94%.

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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.

The Ativo Small Cap Composite invests primarily in undervalued small capitalization domestic companies that display above average growth characteristics. The Ativo Small Cap Composite is measured against the MSCI Small Cap index. Net of fee performance was calculated using the highest applicable annual management fee of 1.40%, applied monthly. On July 1, 2015 the firm no longer maintained any management fee-paying accounts. However, a representative fee-paying account would pay a 0.80% annual management fee 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.

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