



Global Value Opportunities – 6/30/26

The Benedict McLoughlin Group at Morgan Stanley

Portfolio Characteristics

Benchmark	MSCI ACWI
Capitalization	All Cap
Style	Value
Holdings	15-20
AUM	Launching
Account Minimum	\$100,000

THE BENEDICT-MCLOUGHLIN GROUP

The Benedict-McLoughlin Group provides investment advisory and wealth management services to a broad range of individuals, families, and institutions. As a boutique investment advisory practice focusing on portfolio management, we offer our clients direct access to their portfolio decision-maker, uniquely differentiating us from our competition. While we offer our clients a wide range of investment options, including individually managed portfolios, most importantly, we bring the knowledge and experience as well as a hands-on style that helps our clients make well-informed decisions at every stage of the investment decision-making process.

The Benedict-McLoughlin Group

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[The Benedict-McLoughlin Group Website](http://TheBenedict-McLoughlinGroupWebsite)

Strategy Overview:

This strategy is designed to take advantage of what we believe to be mispriced global value stocks that have the potential for outperformance over the next 12 – 18 months.

We rely on the global research of Morgan Stanley coupled with quantitative screening to identify the 15 – 20 most compelling stocks that we feel are both underpriced AND on the cusp of outperforming the market...in other words, “Cheap with a Catalyst”.

Why Invest in Value Stocks:

Ultimately, we believe the value of a stock/company is the present value of future cash flows. While many stocks in this category are growing slower than some of their more popular peers, the discount in valuation may make some of these stocks attractive, particularly if some improvement in cash flow growth is expected.

Why Invest Globally:

The U.S. accounts for approximately 26% of global GDP but, 65% of global market capitalization.^{1,2} Thus, there is a large opportunity in terms of economic growth and market cap outside of the U.S.

Furthermore, there may be a tactical opportunity in international markets given their significant underperformance (See graph on next page). Even a slight “reversion to the mean” could provide an added tailwind to international markets.

This Strategy is Appropriate For:

- Investors seeking long term capital appreciation.
- Investors who have a long-term horizon (3 years or more).
- Investors who can handle high volatility and afford loss of principal.

Our Outlook:

In our opinion, large cap US companies have dominated global equity indices and the ETFs that track them, inflating their value, especially the top “mega cap” stocks. Meanwhile, we believe a large number of streams of future cash flows are being ignored and are mis-priced.

While value investors have long been arguing that “now is the time” for a reversal in stock market leadership, the shifts in value vs. growth performance have not been sustained in recent years. Why could it be different now? The main part of our thesis is the normalization of monetary policy away from the 0% interest rates that dominated from the Global Financial Crisis of 2008 through the Pandemic and into 2022.

Additionally, artificial intelligence (AI) has the potential to increase the profitability of a large number of companies...including those that fall under the value category. We believe the AI “adopters” have a lot of potential to benefit from this significant new computing wave and could boost the “self-help” situations we are trying to identify.

Relative Performance of International vs. US

MSCI EAFE vs. S&P 500¹

Monthly Data as of January 30, 1993, to November 30, 2023

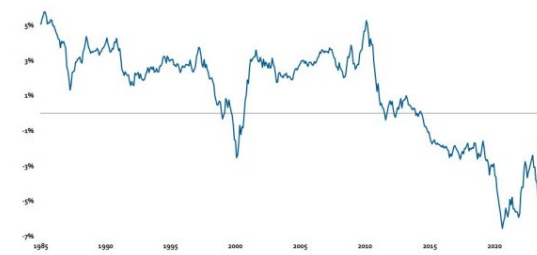


Source: Morgan Stanley ChartBook (See disclosures below)

Relative Performance of Value vs. Growth

Trailing 10-Year Annualized Total Returns: MSCI World Value Index less MSCI World Growth Index²

As of November 30, 2023



Source: Morgan Stanley ChartBook (See disclosures below)

Top 5 Positions (6/30/26)

Company	Ticker	Sector	Country
Alibaba	BABA	Consumer Disc.	China
Baidu	BIDU	Communications	China
Salesforce	CRM	Technology	U.S.
ServiceNow	NOW	Technology	U.S.
Mobileye Global	MBLY	Consumer Disc.	Israel

About the Portfolio Manager

Chris is a Senior Portfolio Manager in Morgan Stanley’s exclusive Portfolio Management Program in Los Angeles and has been in the investment business since 1993. As a member of the Benedict-McLoughlin Group, Chris serves as the group’s Chief Investment Strategist and Portfolio Manager for all client accounts. He previously held a similar position at Oppenheimer & Co. Prior to that, he was a Portfolio Manager with Brown Brothers Harriman in New York where he co-managed all of the firm’s U.S. equity products including mutual funds, institutional accounts as well as the firm’s model portfolios that served as a guide for over \$9 billion.

Chris earned his M.B.A. from the University of California, Los Angeles (UCLA) Anderson School of Management and a B.A. in Economics from the University of Connecticut where he graduated from the Economic Scholars program and was awarded the Phi Beta Kappa designation. He has been a Chartered Financial Analyst (CFA) since 2001 and is a member of the CFA Institute. Chris has also taught an international investing course as an Instructor at UCLA Extension.

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1. Wall Street Journal, 4/24/24.
2. Bloomberg Markets, 1/1/25.

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