



## Three Pillars of International Investing

We believe today's investors may be handicapping their return potential by not considering international stocks, and our thesis is based on three key pillars:

# 1

### The High-Quality Universe Is Broader Outside the United States

Company-specific factors, including what we call “sustainable value creation,” are increasingly more important than country-specific factors, and companies that deliver strong sustainable value creation are increasingly found outside the United States.

# 2

### The Tide Is Changing

Additionally, expectations for earnings growth and return on invested capital (ROIC) have become more favorable outside the United States—and our outlook for growth in key industries suggests accelerating demand and emerging business models abroad.

# 3

### Disruptive Business Models Can Thrive Outside the United States

The regulatory environment outside the United States is more conducive to the proliferation of disruptive business models.

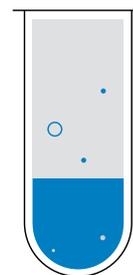
Please read our full white paper for complete details about why we believe investors interested in growth should consider investing internationally.

## Opportunity Set in Key Industries Is Larger Outside the United States

### Pharmaceuticals

Non-U.S.  
**63%**  
(\$2,183,949)

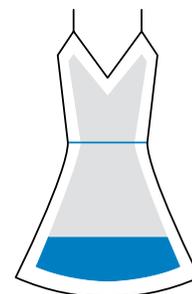
U.S.  
**37%**  
(\$1,296,767)



### Apparel, Accessories, and Luxury Goods

Non-U.S.  
**86%**  
(\$700,919)

U.S.  
**14%**  
(\$116,855)



### Renewables

Non-U.S.  
**87%**  
(\$181,121)

U.S.  
**13%**  
(\$27,113)



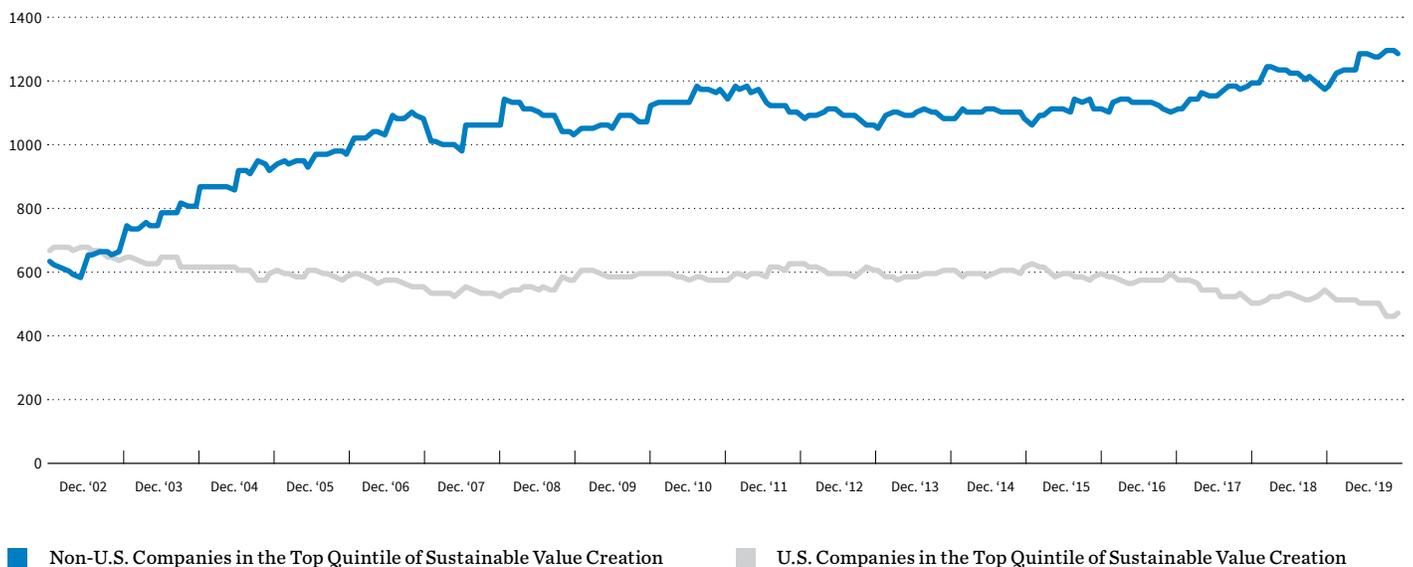
Sources: IDC and William Blair, as of 8/31/20. Non-U.S. stocks are represented by the MSCI ACWI IMI ex-U.S. Index. U.S. stocks are represented by the Russell 3000 Index. Renewables fall with the GICS classification Independent Power Producers and Energy Traders. Data reflects aggregate market cap (in millions).

More non-U.S. companies are in the top quintile of our high-quality universe than U.S. companies, as the chart below shows. This high-quality growth universe—selected based on the philosophy we call sustainable value creation—includes companies with strong management teams, sustainable competitive advantages, the ability to innovate, and high return on invested capital (ROIC).

We believe that leveraging those ideas to gain insight into where global profit pools are growing—and constructing portfolios from those ideas—could result in strategies that deliver strong risk-adjusted returns.

## The High-Quality Universe Is Broader Outside the United States

More non-U.S. companies are in the top quintile of sustainable value creation.



Source: William Blair, as of 9/30/20. Universe is the MSCI ACWI IMI. Sustainable value creation is a factor within the William Blair quality model, which attempts to put into quantitative terms one of the cornerstones of the firm's investment philosophy: identifying high quality companies. The score combines measurements of sustainable value creation, earnings quality, and financial strength.

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