SCHAFER | CULLEN
CAPITAL MANAGEMENT

Global High Dividend ADR
Q1 2022 Commentary

Market and Economic Review:

Global asset markets came under pressure this quarter, with both equity and fixed income prices declining, which is a rare phenomenon. Within equities, value as a style was a relative safe-haven and outperformed growth by nearly 900 basis points as high-valuation, momentum stocks posted steep declines. The 1st quarter of 2022 proved tumultuous for US equities with the S&P 500 declining 4.6%, while the Russell 1000 Value was down 0.7%. The indices were down significantly more during the quarter; at its lowest point the S&P 500 was down approximately 13% before rallying in the final weeks of March. With persistently higher-than-expected inflation readings, which have been made worse by the supply disruption in key commodities caused by the Russian invasion of Ukraine, both market participants and central bankers have been forced to adjust upward their medium-term outlook for interest rates and inflation. In this environment, equities outperformed fixed income, long-term interest rates rose sharply, and the US Dollar appreciated moderately on a trade weighted basis. In response to the crisis in Ukraine and the anticipated disruption of supply from Russia, commodity markets were universally strong this quarter: oil and natural gas prices made five-year highs, wheat prices rose over 30% and base and precious metals rebounded strongly. Looking ahead, investors will be monitoring the evolution of the conflict in Ukraine, the response from Western allies and the extent to which inflationary pressures impact consumer and corporate spending patterns.

By region, the US market outperformed Developed Markets, which, in turn, outperformed Emerging Markets. Within Developed Markets, Asia Pacific outperformed Western Europe. Performance was led by equities in Norway, Australia and the United Kingdom, and offset by losses in Ireland, the Netherlands, Sweden, Germany, Finland, Italy and France. Within Emerging Markets, Latin America and Africa and the Middle East outperformed, while equities in Asia Pacific and Eastern Europe posted losses. During the quarter, performance was led by equities in Brazil, South Africa, Saudi Arabia, Indonesia, and Mexico; and offset by losses in Russia, China/Hong Kong, South Korea, Taiwan and India. By sector, performance was mixed among cyclical and non-cyclical sectors with commodity-driven sectors leading the way. Energy, Materials and Utilities posted the best performance, whereas the majority of sectors posted losses, led by Consumer Discretionary, Information Technology, and Industrials. With the high market volatility at the start of this year, the breadth of the overall market narrowed this quarter, with just three out of a total of eleven market sectors outperforming, driven by steeper corrections in the more expensive parts of the market. By style class, value outperformed growth and large caps outperformed small caps.

With momentum-based strategies having led markets higher on a multi-year basis, adhering to the price disciplines of low price-to-earnings and high dividend yield has become even more important in providing satisfactory absolute and risk-adjusted returns. We believe that our strategy of buying shares in strong companies, at attractive valuations and holding them for the long-term (i.e. 5 years) remains attractive in this environment.

Portfolio Performance:

This quarter, the strategy slightly outperformed versus the broader MSCI ACWI Index while underperforming the MSCI ACWI Value Index. Our strategy was aided by a strong performance by large caps which outperformed small caps by roughly 110 basis points during the quarter. We enjoyed further tailwinds from value outperforming growth by nearly 890 basis points during the quarter, continuing on the back of its 2021 outperformance. Offsetting this was the continued outperformance of US equities, which our strategy is noticeably underweight given the attractive value proposition and high-yielding attributes of the international universe. Despite this, we continue to believe that our strategy, which invests in high-quality companies at reasonable valuations, is well positioned to outperform over a full market cycle while taking on less risk as measured by beta, standard deviation and/or down-market capture.

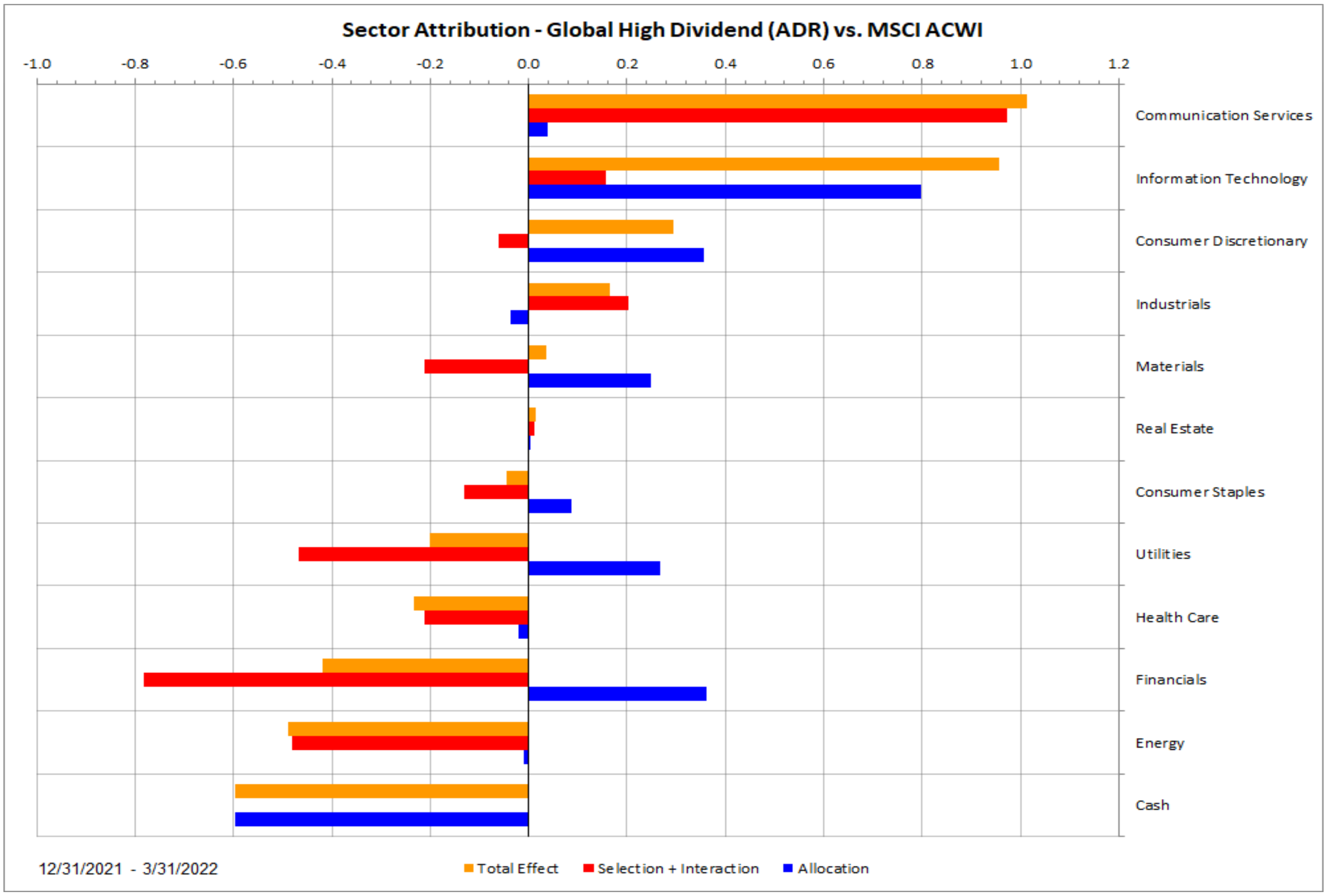
Figure 1: Global High Dividend ADR Returns vs. Benchmark

March 31, 2022	QTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	Since Incept*
SCCM Global ADR (gross)	**-5.0**	**3.9**	7.4	6.7	6.9	8.5	6.2
SCCM Global ADR (net)	**-5.4**	**3.5**	6.8	6.1	6.2	7.7	5.2
MSCI ACWI Index	-5.4	7.3	13.8	11.7	9.7	10.0	6.6
MSCI ACWI Value Index	-1.0	8.8	9.0	7.5	6.8	7.6	4.5

**March 2007.*

Performance for periods greater than 1 year is annualized. ***Past performance is no guarantee of future results.***

Sector Attribution:

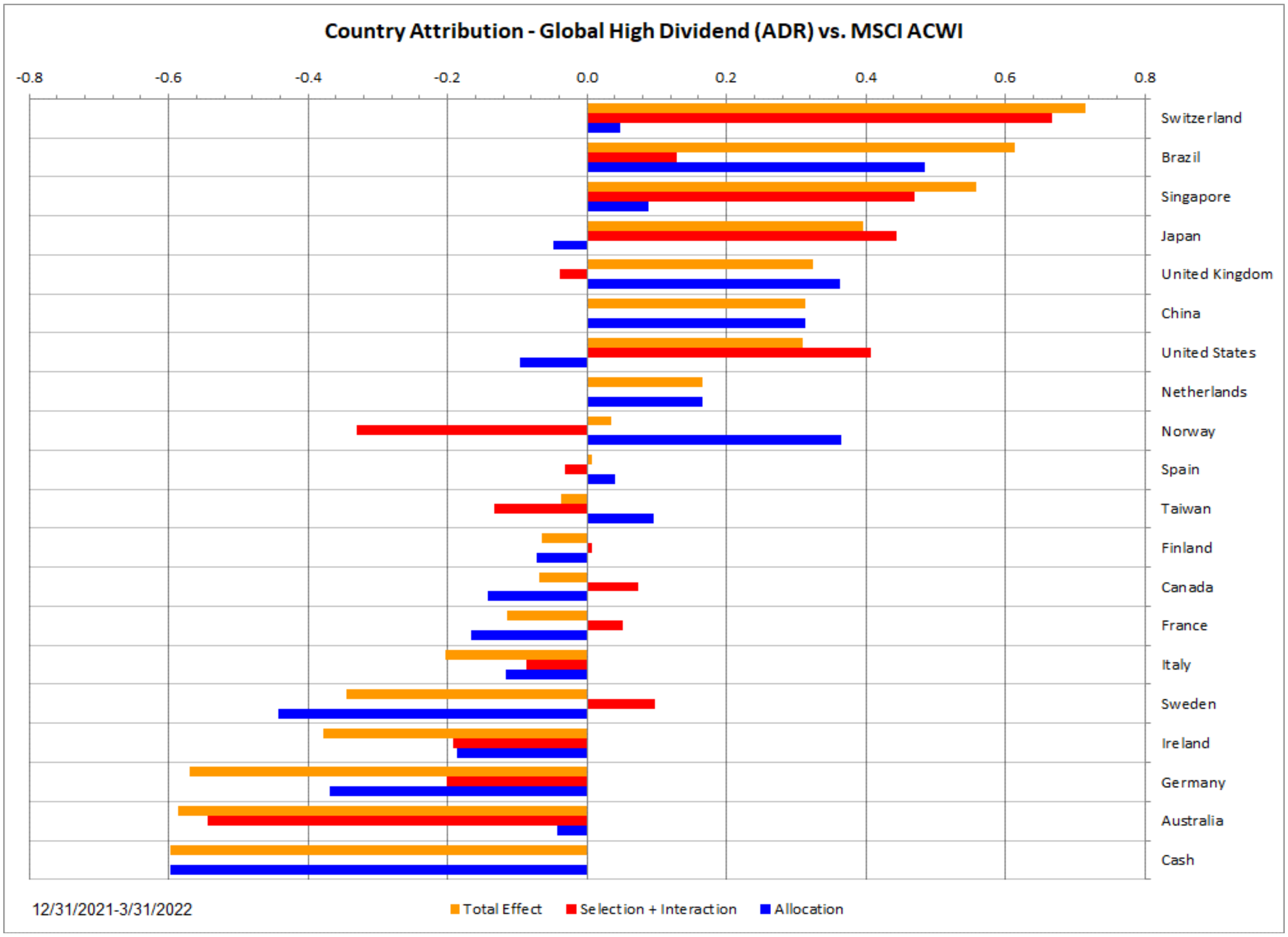


Source: SCCM/Bloomberg, 3/31/2022.

The largest contributor to relative performance was our underweight allocation to cyclical sectors such as ***Information Technology*** and ***Consumer Discretionary*** and our overweight allocation to ***Financials, Utilities, Materials*** and ***Consumer Staples***. Within ***Financials***, we benefitted from limited Euro exposure and companies that could potentially benefit from rising interest rates (United Overseas Bank and Zurich Insurance). In ***Utilities***, Duke Energy benefitted from investor repositioning into higher-yielding defensives with solid earnings clarity in the wake of energy market volatility. Further contributing to relative performance was our stock selection across a mix of cyclical and non-cyclical sectors, including ***Communication Services, Industrials, Information Technology*** and ***Real Estate.*** Within ***Communication Services***, Nippon Telegraph & Telephone and Softbank Corp benefitted from stable operating environments and expanding enterprise and non-telecom revenues, while BCE Inc. continued to benefit from gains in its wireless, wireline and media businesses, and particularly strong internet subscriber growth, helped by its ongoing fiber network upgrades. Within the ***Industrials*** sector, BAE Systems and Raytheon Technologies benefitted from increased defense spending on the back of the Russia-Ukraine War, while Raytheon also enjoyed a boost from recovering air travel.

The largest detractor from relative performance was our stock selection across a mix cyclical and non-cyclical sectors, including ***Financials, Energy, Utilities, Materials*** and ***Health Care***. In many cases, our portfolio companies in these sectors were held back by negative short-term factors; however, we see limited, if any, meaningful impact to the long-term earnings power of these companies. Further detracting from relative performance was our overweight allocation to ***Industrials*** and ***Health Care*** and our underweight allocation to ***Energy***. We remain comfortable with these allocation decisions based on valuations and the long-term outlook for our portfolio companies.

Country Attribution



Source: SCCM/Bloomberg, 3/31/2022.

The largest contributor to relative performance was our stock selection in ***Switzerland, Singapore, Japan,*** the ***United States and Brazil.*** Portfolio holdings benefited from stable operating environments (Nippon Telegraph & Telephone), the global transition to lower carbon products and solutions (Toyota Motor), and strong commodity prices (Vale). In the ***United States***, Raytheon Technologies benefitted from a resurgence in air travel and increased defense spending, while Duke Energy benefitted from defensive repositioning into higher-yielding areas or the market in the wake of energy price volatility. Further contributing to relative performance was our overweight allocation to ***Brazil, Norway,*** and the ***United Kingdom,*** among others, and our underweight allocation to ***China/Hong Kong*** and the ***Netherlands***. Across these countries, performance was led by a group of high-quality companies with long-term drivers of earnings growth, including DNB Bank, BAE Systems and British American Tobacco.

The largest detractor from relative performance was our overweight allocation to ***Sweden, Germany, Ireland, France,*** and ***Italy*** and our underweight allocation to ***Canada*** and the ***United States,*** among others. We made these allocation decisions based on our assessment of the long-term earnings and dividend growth prospects of these companies, while looking to avoid exposure to high levels of financial and/or operating leverage. Further detracting from relative performance was our stock selection in ***Australia, Norway, Germany, Ireland,*** and ***Taiwan,*** among others. Across these countries, performance was primarily impacted by temporary headwinds for a subset of our portfolio holdings such as European stocks which were more negatively impacted by the war and other global equities. Cash detracted from relative performance this quarter.

Portfolio Strategy and Changes:

Purchases

Rio Tinto (Australia, Materials) – Rio Tinto is one of the largest mining companies in the world with a leading position in iron ore and aluminum. The company also has a growing presence in copper, titanium dioxide and diamonds. A distinguishing feature of Rio Tinto is that most of its mining assets are present in Australia, Canada and United States, which are considered lower risk from a geopolitical and regulatory framework. This, along with the high quality and low-cost nature of its ore bodies, helps to ensure that the company generates more predictable and profitable results versus industry peers across an economic cycle. Over the past two decades, Rio Tinto has benefitted from the industrialization of China but the company has now updated its long-term strategy to focus on balancing earnings growth, decarbonization initiatives and shareholder returns in preparation for a global transition from fossil fuels to alternative sources of energy. In this regard, Rio Tinto is investing heavily into innovative and lower carbon-intensive methods to explore its mines with the goal of lowering its emissions by 50% by 2030. While maintaining its existing high-quality mining footprint, the company is proactively looking to grow its presence in copper, which is considered crucial in the transition towards low-emission solutions, such as electrification. In this regard, after several years of development, Rio Tinto, along with its partners, is looking to commence production by 2023 at the Oyu Tolgoi mine in Mongolia which has rich reserves of copper and gold. Historically, Rio Tinto has been an excellent payer of dividends, with an average payout ratio of 74% in the form of both regular and special cash dividends. With a continuing positive outlook for most commodities and Rio Tinto's strong balance sheet with no net debt and an A credit rating, we believe that the company's ability to pay high and sustainable dividends appears sound. Shares of the company are valued at 9.3 times forward earnings and offer an 8.2% dividend yield.

Deutsche Post AG (Germany, Industrials) – Deutsche Post (DPDG) is the former monopoly postal services provider in Germany and, operating under the DHL brand, the largest express/freight/logistics provider globally with leading market share in Europe and in several faster-growing emerging markets. The company's crown jewel is its express division (50% of group earnings), which delivers time-sensitive documents and parcels globally. This division generates above-average returns, benefitting from a wide moat, as the industry is controlled by three large players (DHL, FedEx and UPS) that are able to fend off competition given their massive scale, consumer trust in their brands and unique knowledge acquired over decades. Given a structural shift towards ecommerce, we expect this division to grow its topline by 5% a year over the intermediate term, fueled by strength in the Business to Consumer (B2C) segment. In Germany, DPDG is the market leader via its P&P division for parcel delivery (+40% market share) and postal services (62% market share) and we expect moderate growth from these two businesses combined. Globally, the company is a leader in its freight and freight & forwarding divisions, especially in air freight, a division that should enjoy the tailwinds of strong pricing over the intermediate term as the air cargo space remains unusually tight due to airlines pulling back capacity. The company also has leading global market share in its supply chain division where it helps customers to efficiently manage their complex supply chain needs in areas such as warehousing and transportation. Lastly, DPDG has opportunistically targeted niche ecommerce solutions such as last-mile delivery and less time-sensitive deliveries across borders in select countries via its newly created ecommerce division. We believe that the company has leading positions in structurally growing industries which should help it achieve visible earnings and dividend growth over the long-term. Moreover, the company's CEO, Frank Appel, has been a long-term advocate for lowering DPDG's carbon footprint and the company has committed to achieving a net zero emissions target by 2050. Shares of the company are valued at 10.6 times forward earnings and offer a 4.3% dividend yield.

Altria Group (US, Consumer Staples) – Altria Group manufactures and sells cigarettes and other tobacco products, including cigars, pipe tobacco, and smokeless tobacco in the United States. It also holds an approximately 10% interest in the world's largest brewer, Anheuser-Busch InBev. Through its tobacco subsidiaries, Altria holds the leading market share in cigarettes and smokeless tobacco in the U.S., and the number two share in machine-made cigars. The company's Marlboro brand is the leading cigarette brand in the U.S. with a 43% share. In 2008, the company split from Philip Morris International, which sells Marlboro and other brands outside the US. Following the break-up in 2008, shares of Altria significantly outperformed its international counterpart for several years; however, since peaking in 2017, shares of Altria have lagged. Concerns surrounding declining cigarette volumes as well as increased regulatory scrutiny from the Food and Drug Administration (FDA) have weighed on the shares. However, Altria has substantial pricing power, particularly for its leading Marlboro brand, and the company has a long history of raising prices at faster rates than annual volume declines. This pricing power has allowed the company to produce remarkably consistent earnings growth and prodigious free cash flow. Altria has raised its dividend in each year since 2009, including 8% annualized dividend growth over the past five years. Regarding regulatory scrutiny, investors are concerned the FDA may implement a ban on menthol flavoring in cigarettes, which represent roughly 20% of Altria's overall cigarette sales. However, a ban on menthol would be vigorously challenged by the tobacco industry and likely take years to implement if a ban were successful at all. Furthermore, smokers of Altria's menthol flavored cigarettes would very likely switch to non-menthol cigarettes and stay with the same brand, resulting in a minimal loss of revenue for the company. Beyond tobacco, Altria is making significant gains in next generation reduced-risk tobacco products. The company has an exclusive agreement with Philip Morris International to market iQOS, a leading heat-not-burn product, in the US. In oral tobacco, the company is seeing rapid growth with on!, a leading nicotine pouch brand. Altria is currently priced at 10.3x 2022 earnings with a 7.5% dividend yield.

Merck & Co. Inc. (US, Healthcare) – Merck is a leading global health care company that develops, manufactures, and markets prescription medicines, vaccines, biological therapies, and consumer care products. The firm's operations include pharmaceuticals, animal health, and consumer care. Merck's top products include cancer drug Keytruda, diabetes drug Januvia and Janumet, HPV vaccine Gardasil, and a pediatric vaccine ProQuad. Merck boasts a wide lineup of high-margin drugs and a strong pipeline of new drugs that position itself well for the long term. With a robust portfolio of oncology, vaccine, and animal health products, Merck has been able to drive consistent returns, led most notably by its blockbuster drug Keytruda, accounting for more than 25% of its pharmaceutical sales. Keytruda sales have been growing robustly from continued uptake in lung cancer and increasing usage in other cancer indications. Further, Keytruda continues to see approvals into new indications and markets. Between Keytruda, Lynparza, and Lenvima, Merck expects its 90 potential new indications within oncology by 2028. Beyond its oncology division that is expected to drive significant growth over the next decade, Merck maintains strong vaccine and animal health business. Gardasil, in prevention of HPV-related cancers, leads its vaccine portfolio with sales that grew 40% in 2021 and is expected to nearly double by 2030. Merck's animal health business, led by Bravecto, continues to grow on the back of increased demand for its companion animal and livestock products. The company also remains heavily focused on acquisitions and partnerships to build out its long-term portfolio, with the recent acquisitions of Oncolmmune, VelosBio, Arqule, and Pandion Theapeutics, and Acceleron Pharma. Structurally, the spin-off of Organon enables Merck to focus on innovation and growth of its key growth assets while achieving more than $1.5B in operating efficiencies by 2024. Shares of the company are valued at 11.2 times forward earnings while offering a 3.4% dividend yield.

Xinyi Glass Holdings (China, Materials) – Xinyi Glass Holdings is the largest and most profitable float glass producer in China with 13% market share. It has a strong track record, delivering 20% CAGR in revenue and profit since 2006, while adhering to its high dividend payout policy of 50%. From a macroeconomic perspective, Xinyi Glass is well-positioned to benefit from the government's supply-side reform policies such as 1) capacity swap introduced in 2018 with many new production lines forced to stop construction or delay rollout; 2) environmental restrictions which severely impacted production capacity in the Shahe region in North China, with some lines suspended from production; and 3) large capacity rollout in 2014 which means float glass producers have now reached the 7-8 year mark when kilns need to undergo cold repair, limiting production capacity to a certain extent. On the other hand, Xinyi's low-emission construction glass has been increasingly in demand due to the government's multi-stage plan to improve the energy-to-saving ratio for new buildings. Xinyi Glass with its strong balance sheet can continue to gain market share via M&A, as float glass effective capacity growth is expected to be 10% in 2022. Furthermore, Xinyi Glass could also take advantage of its cost management scheme, rising float glass prices, and international expansion into Malaysian markets. A culmination of these factors is likely to reveal margin, revenue, and profitability growth. With a more consistent earnings outlook for Xinyi's float glass business, its focus on ESG and its associate stakes in Xinyi Solar and Xinyi Energy, we believe the company's multiple is on a structural re-rating track. Xinyi Glass is trading at an attractive entry point of 6.9 times forward earnings with a 7.3% dividend yield.

Sales:

Allianz SE (Germany, Financials) – We decided to exit our position in Allianz, which is one of the world's largest insurance companies, with leading positions in property & casualty insurance, life insurance and asset management, as we believe that there are better opportunities for investment elsewhere. In this regard, we believe that Allianz's size which has provided diversification benefits in the past also has led to the company perhaps becoming too big and complex to manage as efficiently. Recent underwriting issues at its AGCS (Allianz Global Corporate & Specialty) and losses tied to the mis selling of products at its asset management division are evidence of this trend.

AT&T (US, Communication Services) – Shares of AT&T were sold in the quarter. AT&T began a significant transformation in 2021, first by divesting its DirecTV satellite business, then announcing the spin-off of its WarnerMedia entertainment division. With satellite television subscriptions in decline, the sale of DirecTV will benefit AT&T's earnings going forward. While the Time Warner acquisition in 2017 was in some ways successful – its HBO Max subscriptions have grown well ahead of targets – the spin-off makes sense from a financial standpoint since both its telecom business and the entertainment business are both highly capital-intensive. AT&T will now be able to focus on its core telecom unit, with the aim of growing its 5G and fiber businesses over the next several years. Although we believe AT&T has attractive fundamental prospects going forward, we sold our shares to provide cash for other opportunities.

NextEra Energy Inc. (US, Utilities) – We sold our position in NextEra Energy, one of the world's largest generators of renewable energy, as its share valuation has exceeded our investment discipline (over 30 times forward earnings) and its dividend has remained below 2.0%. On the back of its market-leading positioning in a fast-growing space and its extremely defensive earnings profile, shares in the company have continued to deliver strong and consistent long-term returns. As such, to remain true to our investment discipline, we took the opportunity to reallocate capital into names with similar earnings potential at lower valuations and higher dividend yields.

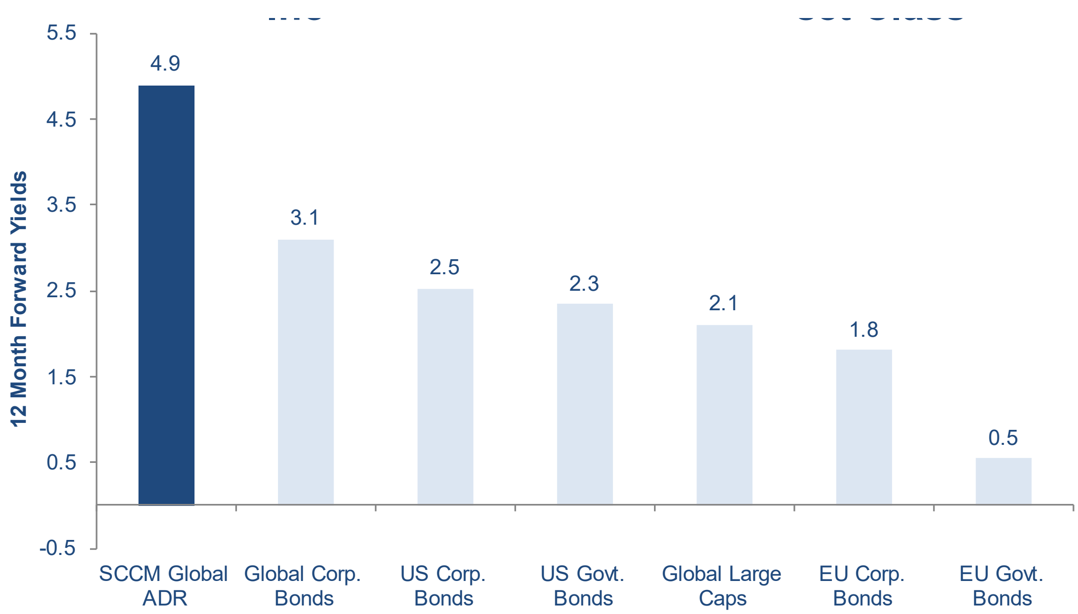
Intel Corp (US, Information Technology) – We exited our position in Intel Corp. during the quarter following the company's revised guidance indicating higher-than-expected near-term capital expenditures, and our concerns regarding potential market share erosion on the back of increasing competition. While we had been encouraged by the CEO's commentary regarding the company's recent chip production capabilities and plans to build new foundries, we think it could take longer than market participants are expecting for the company to improve margins and win new customers. As such, we took the opportunity to reallocate capital into industry players with greater earnings clarity.

Market Outlook:

After an exceptionally strong three-year return for US equities through 2021, macroeconomic headwinds and geopolitical shocks fueled greater market volatility and a weak start for both bonds and equities in the first quarter of 2022. Decades-high broad-based inflation levels driven initially by supply chain constraints and subsequently economic re-opening spending are forcing the Fed to normalize monetary policy through a series of planned interest rate hikes and the eventual implementation of its balance sheet run-off. The Russian invasion of Ukraine has created a tragic humanitarian crisis across the region and is further propelling inflation. Despite the current inflation and rate angst, longer-term inflation expectations remain within recent historical levels between 2-3%. The market believes inflation will normalize naturally over time -or- the Fed can successfully engineer a soft landing. Inflation readings and expectations will be key factors in how aggressive the Fed intends to follow-through with its intended policy actions; if inflation does not subside in the near-term, a faster tightening cycle restricting financial conditions and lowering liquidity will be downside risks to markets. Another factor likely to influence market performance is the US Presidential cycle - 2022 is a midterm election year, historically the weakest in the four-year cycle and exhibiting above-average volatility as policy uncertainty is elevated.

Currently, the consensus on Bloomberg forecasts consumer price inflation will average 4.2% and 3.3%, respectively, in the United States and European Union, over the four years from 2021 through 2024, which is meaningfully higher than the average rates of 1.5% and 0.9% over the six years from 2015 through 2020. Given the level and persistence of this above-average inflation, asset markets globally have begun a process of correcting excesses that were previously tolerated against a backdrop of exceedingly accommodative monetary policies and multi-generational low interest rates. Such a shift from a deflationary to an inflationary mindset, if it were to accelerate, would have meaningful ramifications for asset prices with several major asset classes needing to be marked down to reflect higher discount rates and opportunity costs. In this environment, as seen below, our strategy offers an attractive 4.9% yield which is meaningfully higher than what is available on other income alternatives. Further, our portfolio companies, since the inception of our strategy in 2007, have been able to grow their dividend payments above the rate of inflation. Hence, our strategy is designed to offer the twin benefits of attractive current income and good built-in inflation hedge via our ownership of a portfolio of attractively valued, well positioned companies with growing demand for their products and the ability to raise prices. This should help ensure that we should be able to provide satisfactory long-term returns across most macroeconomic environments.

Figure 2: Income Opportunities by Asset Class



Source: Bloomberg, SCCM Research; 03/31/2022.
Past performance does not guarantee future results. You cannot invest directly in an index.

The outperformance of global value versus growth since Pfizer's positive COVID-19 vaccine announcement on November 9 2020, is encouraging and may indicate that we are in the early stages of a turn towards value. This rotation is taking place in an environment of higher interest rates and rising commodity prices, which should be positive for value stocks. This is particularly true for international value stocks, which our strategy is noticeably overweight, since historically, they have seen strong earnings growth in such periods. In this context it is also important to note how historically oversold value remains from a long-term perspective. Currently, on a trailing ten-year basis, the performance of MSCI ACWI Value is 403 basis points a year below that of MSCI ACWI Growth, whereas over the last 25.25 years, MSCI ACWI Growth has only outperformed MSCI ACWI Value by 96 basis points a year. This performance disparity is even more pronounced outside of the US where we continue to hold an overweight position. This current extreme 307 basis points annualized performance deficit versus historical averages, which translates into a greater than two standard deviation event, shows that value is more out of favor today versus at the height of the Tech Bubble of 2000 following which MSCI ACWI Value returned 67% over the next 7 years (April 2000 – March 2007) while MSCI ACWI Growth declined over 9%.

For some time now, global equity markets have tolerated elevated valuations, especially in pockets of the Information Technology and Consumer Discretionary sectors globally, which may be in the late stages of a full-fledged mania. Many of these high valuation companies have disproportionately benefitted from a one-time pandemic-induced disruption, though we believe that this is more than adequately reflected in their current valuations. In this regard, the speed with which the Chinese Information Technology companies, which until recently were stock market darlings, have corrected by over 50% from their recent highs, highlights the importance of staying alert to complacency regarding high valuations. Over 60% of growth companies in the Russell 3000 Index currently are losing money, which is near an all-time high for this measure. Past episodes of a similar nature have marked a major top in speculation and subsequently led to major declines such as in 2000 and 2008.

The positive intermediate-term outlook for the global economic recovery coming out of the COVID-19 induced recession has been somewhat dampened by the Russian invasion of Ukraine and the related impact this event has had on commodity input costs, economic growth and sentiment. Russia and Ukraine together account for only around 2% of world gross domestic product (GDP) and the direct revenue exposure for our portfolio companies to these countries is thus unsurprisingly low at below 1%. The primary impact this conflict is having on businesses and consumers globally is via a steep increase in the prices of commodities that these two countries have leading global market share in, including crude oil, natural gas, coal, wheat, barley, nickel, cobalt and platinum. This increased input cost pressure has the potential to hurt profit margins of companies unless companies can also correspondingly raise their selling prices. If commodity prices continue to grow meaningfully faster than disposable income, this is likely to somewhat dent consumer confidence and spending. Higher inflation also limits the tools available to central bankers to stimulate economic growth, as lower interest rates and/or higher asset prices are likely to exacerbate already high consumer price inflation, which in turn would lead to lower consumer spending and weaker overall economic growth.

We had earlier assumed that it would take at least three years for dividends in global markets to fully recover from the COVID-19 recession and we are pleased to note that our portfolio companies have already seen their dividend payments fully recover in under two years. Many of our portfolio holdings are also buying back their stock as valuations remain attractive and this is further enhancing total shareholder returns. During the quarter we added to our positions in Materials, Energy, Industrials and Communication Services and pared back our positions in Information Technology, Consumer Discretionary, Utilities, and Healthcare. By region, we increased our allocation to Latin America and Asia Pacific and reduced our allocation to Continental Europe. We made these changes factoring in a likely more inflationary environment while we also took advantage of heightened near-term volatility in the quarter to initiate new positions in companies which we have known and tracked for some time. Our shopping list of ideas has grown of late as markets have corrected and we plan to go through these names methodically to make further portfolio changes as opportunities arise. We are looking to identify companies with durable competitive advantages and growing earnings while avoiding ones with leveraged balance sheets and weak business models.

Despite some recent moves to normalize monetary policy, major central banks have mostly maintained a proactive approach to support asset prices and have indicated that this may persist for some time to come. In this continued lower-than-usual interest rate environment, which translates into negative real yields on government bonds, most asset prices appear richly valued in absolute terms and thus offer lower prospective returns. Global dividend-paying value equities, we believe, remain one of the bright spots relative to global assets, given their attractive valuations in both absolute and relative terms. After a more subdued year relative to global assets dividends in 2020, driven by pandemic-related uncertainties, we witnessed a very strong recovery in dividend growth in 2021. During the first quarter of 2022, 78% of our portfolio companies which have declared dividends have raised their dividend payments, and dividend income, as measured by a 10% trimmed mean, has grown by around 13% YoY. We had strong dividend growth from companies including Vale, ASE Technology, Sonic Healthcare, Svenska Handlesbanken, Michelin, Siemens, Nippon Telegraph & Telephone, Enel, Raytheon Technologies, Smurfit Kappa, Iberdrola, JP Morgan, United Overseas Bank, BCE Inc., BAE Systems, Novartis and Cisco Systems. Our portfolio dividend income this year has already exceeded the 2019 pre-COVID level highlighting the sustainability of our income stream. We believe that our companies have strong balance sheets and robust business models, and we anticipate that this trend for dividend growth will continue over the long-term.
Thank you for your continued support. Feel free to reach out to us if you have any questions.

Best regards,

Jim Cullen – Portfolio Manager
Rahul Sharma – Portfolio Manager

Appendix: Portfolio Exposure and Characteristics as of 3/31/2022

Portfolio Exposure

Sectors	% Assets
Communication Services	9.1
Consumer Discretionary	6.7
Consumer Staples	10.6
Energy	2.8
Financials	15.1
Healthcare	14.1
Industrials	13.0
Information Technology	4.8
Materials	9.2
Real Estate	1.7
Utilities	6.1
Cash	6.8
Total	100.0

Regions	% Assets
Developed Asia Pacific	16.0
Europe	49.1
North America	23.3
Asia Pacific Emerging	2.0
Latin America	2.8
EMEA	0.0
Developed Markets	88.4
Emerging Markets	4.8
Cash	6.8
Total	100.0

Top Country Exposure	%
United States	20.6
Switzerland	12.2
France	10.6
Japan	9.4
United Kingdom	9.0
Australia	4.7
Germany	3.8
Sweden	3.7
Brazil	2.8
Canada	2.7

Top Ten Holdings	%
Nippon Telegraph & Telephone	3.6
Nestle	3.3
Zurich Insurance Group	3.3
Raytheon Technologies	3.1
JP Morgan	3.1
Rio Tinto	3.1
Novartis	3.0
Toyota Motor	3.0
Tesco	2.9
BAE Systems	2.9

Portfolio Characteristics

	Forward Price / Earnings	Forward Dividend Yield	Est. LT EPS Growth	Avg. Market Cap ($B)
SCCM Global High Dividend ADR	12.5	4.9	9.4	123.5
MSCI ACWI Index	16.4	2.1	10.0	415.7

Source: SCCM Research, BCA Research, Bloomberg

Standard Deviation (Risk) is a statistical measure of the historical volatility of a mutual fund or portfolio; the higher the number, the greater the risk. Beta is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. Downside Capture Ratio represents the degree to which a strategy outperformed or underperformed the benchmark in periods when the benchmark return was negative. The lower the downside capture ratio, the better.

Global High Dividend ADR Strategy is also referred to as “SCCM Global ADR” throughout this document.

Disclosure: Cullen Capital Management, LLC. (CCM) is an independent investment advisor registered under the Investment Advisers Act of 1940 and is doing business as Schafer Cullen Capital Management, Inc. (SCCM). The Cullen Funds Trust (CFT), SCCM and CCM are affiliates. The use of the term “firm” in describing total assets refers to CCM only.

This information should not be used as the primary basis for any investment decision nor should it be considered as advice to meet your particular investment needs. The portfolio securities and sector weights may change at any time at the discretion of the Adviser. It should not be assumed that any security transactions, holdings or sectors discussed were or will be profitable, or that future recommendations or decisions will be profitable or equal the investment performance discussed herein. A list of all recommendations made by CCM within the immediately preceding period of not less than one year is available upon request.

Past performance is no guarantee of future results. Returns are expressed in US dollars. Gross of fee performance is calculated gross of management fees and custodian fees and net of transaction costs. Net of fee performance is calculated net of actual management fees and transaction costs but gross of custodian fees. Past performance does not guarantee future results. Individual account performance will not match the composite and will depend upon various factors including market condition at the time of investment. It should not be assumed that recommendations made in the future will be as profitable or surpass the historical performance of the securities in the composite.

This variance depends on factors such as market conditions at the time of investment, and / or investment restrictions imposed by a client which may cause an account to either outperform or underperform the composite or model’s performance.

Risk Disclosure: Market conditions can vary widely over time and can result in a loss of portfolio value. Investing in the stock market involves gains and losses and may not be suitable for all investors. Investors have the opportunity for losses as well as profits. Investments in foreign securities which may involve greater volatility and political, economic and currency risks and differences in accounting methods. Dividends are subject to change and are not guaranteed.

The strategy depicted in this report has been managed in accordance with the investment objectives of the strategy as determined by the Adviser. The Adviser has selected benchmarks, which in their opinion closely resemble the style of the securities held in the composite or model portfolio of the strategy (e.g. large cap value, small cap value, international, etc.). The securities held in the composite or model are actively managed while the benchmark index is not. Investors should be aware that the Adviser makes no attempt to match the portfolio securities, or the security weightings of the benchmark. The composite or model’s performance will be affected greater by the price movements of individual securities as the composite or model is more concentrated, generally less than 100 securities, while a comparative benchmark will generally have between 500 and 2,500 securities where individual security price movements have a lesser affect. An individual cannot invest directly in an index.

In the case where this report displays model results, please be aware that such results do not represent actual trading and that results may not reflect the impact that material economic and market factors might have had on the Adviser's decision-making if the Adviser were actually managing clients' money. Model and actual results reflect the deduction of advisory fees, brokerage or other commissions, and any other expenses that a client would have paid or actually paid (Net of Fee performance) and reflect the reinvestment of dividends and other earnings.

The **Standard & Poor's Global 1200 Index** is a free-float weight index composed seven regional indices spanning 31 countries. The **MSCI ACWI** captures large and mid cap representation across 23 Developed Markets (DM) and 26 Emerging Markets (EM) countries. The **MSCI ACWI Value Index** captures large and mid cap securities exhibiting overall value style characteristics across 23 Developed Markets countries and 26 Emerging Markets (EM) countries. 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 Value Index** captures large and mid cap securities exhibiting overall value style characteristics across 23 Developed Markets (DM) countries. The **Standard & Poor's 500 Index** is the commonly used measure of the broad US stock market. One cannot invest directly in an index.

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