



Appendix E

Meketa's Developed International Growth Equity Manager Search Report

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Mass PRIM

May 2024

International Growth Equity
Manager Search

Agenda

1. Search Background
2. Recommendation
3. Individual Managers
 - C WorldWide
 - PineStone
 - Walter Scott
4. Data Appendix
5. Disclaimer

International Growth Equity Manager Search

Background

- Mass PRIM staff ('Staff') and Meketa Investment Group ('Meketa') set out to identify the strongest managers in international growth equity to diversify and enhance current exposures in the portfolio.
- When selecting prospective active managers, Meketa evaluates the following areas:
 - Organization
 - Investment Team
 - Investment Philosophy
 - Investment Process
 - Investment Performance
 - Management Fees and Expenses
- In addition, all managers are evaluated within the context of the Funds' overall investment policy and existing portfolio.
- Over the second half of 2023 we screened through over five hundred funds and narrowed down to nine managers through extensive quantitative screening and rounds of qualitative discussions. This group was then invited to submit a due diligence questionnaire, and five went through our extensive interview process.
- In early 2024 we further selected four managers to go onsite to visit the firms and teams. We focus our recommendations here on the top three options: C WorldWide, PineStone and Walter Scott.

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Recommendation

→ Meketa concurs with Staff on the recommendation to add C WorldWide, PineStone and Walter Scott to the portfolio at initial funding of c.\$400 million each. We believe these managers exhibit many of the characteristics we look for in an active manager, from stable organization and experienced, well-aligned team to sound philosophy and rigorous process and risk management which manifest in solid historical track records.

	C WorldWide	PineStone	Walter Scott
Firm Location	Copenhagen, Denmark	Montreal, QC	Edinburgh, Scotland
Firm Inception	1986	2021	1983
Ownership Structure	80% Parent Owned / 20% Employee Owned	100% Employee Owned	100% Parent Owned
Strategy Name	International Equities	International Equity	EAFE Equity
Strategy Inception	September 1986	January 2010	June 1985
Assets Under Management (Firm)	\$19.2 billion ¹	\$47.8 billion ²	\$85.9 billion ¹
Assets Under Management (Strategy)	\$624.1 million ¹	\$11.6 billion ²	\$31.1 billion ¹

¹ As of March 31, 2024.

² As of December 31, 2023.

International Growth Equity Manager Search

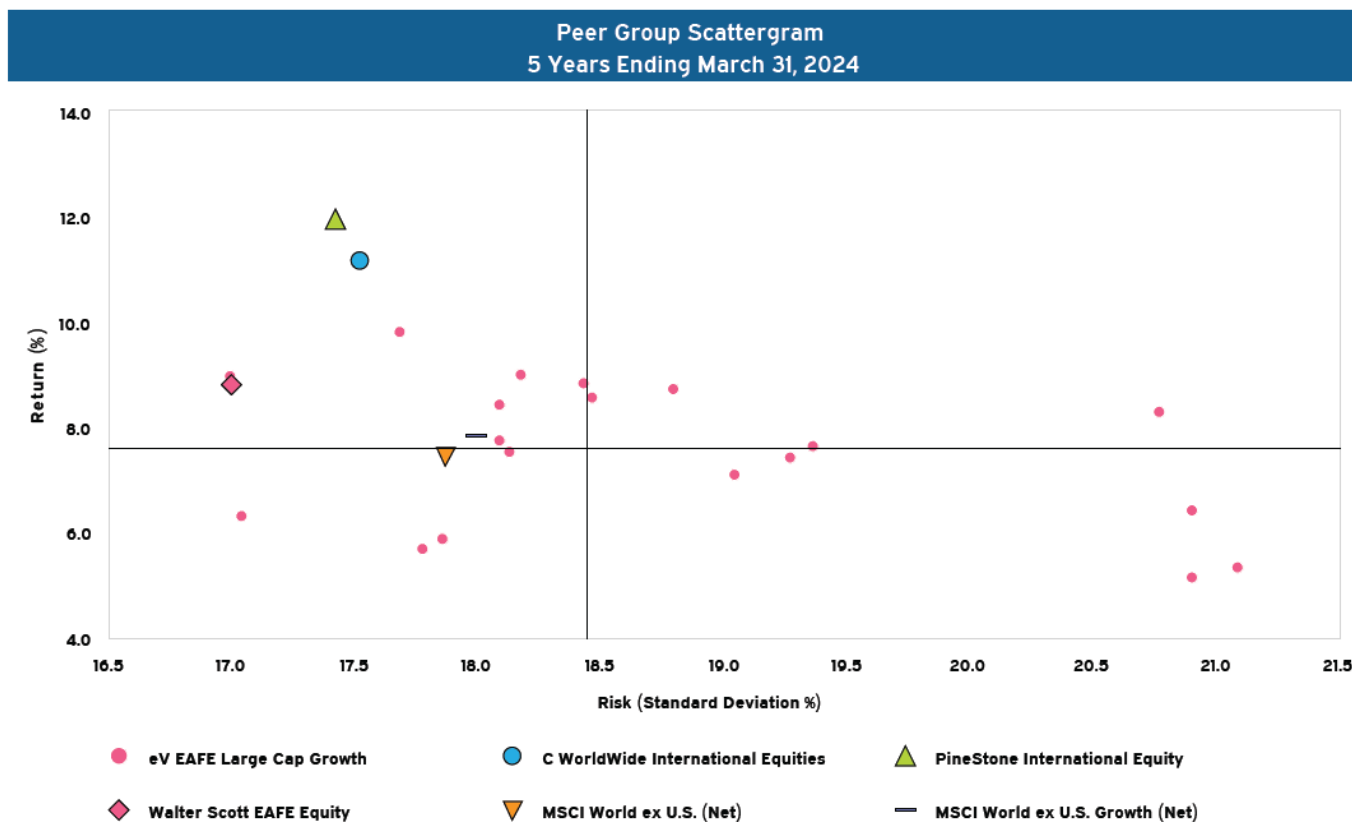
Recommendation (continued)

→ Adding three strong managers to the line-up helps reduce single manager concentration and add to style diversification within the growth bucket.

Excess Returns Correlation Matrix over the MSCI World ex U.S. Growth (Net) Index 5 Years Ending March 31, 2024			
	C WorldWide International Equities	PineStone International Equity	Walter Scott EAFE Equity
C WorldWide International Equities	1.00		
PineStone International Equity	0.35	1.00	
Walter Scott EAFE Equity	0.41	0.43	1.00

→ Each of these managers features a distinctive quality growth approach which results in a strong, differentiated portfolio that delivered solid risk adjusted returns over the cycle. Though differing in their levels of concentration, focus on sustainability and thematics, or processes of constructing portfolios, these three managers have added value over time in their unique and repeatable ways. These managers have been able to deliver higher excess returns at lower risk than peers.

International Growth Equity Manager Search



→ Maximizing risk adjusted alpha while minimizing costs is always a focus. Funding these managers at c.\$400 million each also helps reduce fees, as evidenced by their favorable fee proposals.

International Growth Equity Manager Search**Fees & Terms**

→ Fees and terms proposed by C WorldWide, PineStone and Walter Scott are relatively attractive when compared to the median fee for similar size separate accounts for the peer group. All three managers' fees are reasonable relative to peers, and relative to the value add historically that they have delivered for their clients.

Individual Managers

Investment Manager:

C WorldWide Asset Management

Strategy:

C WorldWide International Equities

Asset Class:

International Equity

Rankings

Current: Highly Advantageous

Strategy Characteristics

Market Cap: Large Cap

Mgmt. Style: Active

Investment Approach:
Fundamental

Strategy Inception: 09/1986

Strategy Assets: \$624 M*

Benchmark: MSCI ACWI ex-US-ND

Holdings Range: 25-30

Turnover (LTM)*: 3.94%

Sector Exposure: Diversified

* as of 3/31/2024

Synopsis:

- C WorldWide is a global equity investment manager with a long-term, sustainability-focused approach that consists of creating a concentrated portfolio of businesses with durable moats, strong management teams, and defensible growth profiles.

Investment Merits & Considerations: Key Strengths

- **Long-term Horizon:** C WorldWide believes that a long-term approach allows them to ignore market noise and avoid volatility, as well as identify mispriced securities due to market participants' short-term outlook.
- **High Conviction Approach:** As a rule, the portfolio is capped at 30 holdings, ensuring constant competition for a spot in a low-turnover portfolio. New ideas are rigorously evaluated and CWW believes that long-term relationships with management teams is of utmost importance.
- **Strong Culture, Stable Team:** Thoughtful approaches to building culture and broad employee ownership have led to low turnover, with the investment team spending 70% of their careers at CWW on average.

Investment Merits & Considerations: Concerns and Risks

- **Private Equity Ownership Uncertainty:** CWW is 80% owned by Altor Equity Partners, creating some uncertainty around future ownership. Altor appears to be a reasonable owner, and the relationship seems amicable, which helps mitigate some risk. Furthermore, the firm profit share is closer to 40% Altor/60% CWW employees.
- **Low US footprint:** Historically, CWW has not had US clients. This has changed as of September 2022, when the firm began sub-advising an International Equities ETF for Harbor Capital.

Drivers of Return & Performance Expectations

- Despite the concentrated approach, tracking error has been below the median and performance has been above the peer group median over all long-term trailing periods.
- The portfolio has tended to outperform in years when growth and/or quality have performed well, and generally keeps up in rising markets while protecting well on the downside.

Investment Manager:

PineStone Asset Management Inc.

Strategy:

PineStone International Equity

Asset Class:

Non-US Equity

Rankings

Current: Highly Advantageous

Strategy Characteristics

Market Cap: Mid-Large Cap

Mgmt. Style: Active

Investment Approach:
Fundamental

Strategy Inception: 01/01/2010

Strategy Assets: \$11.6 B*

Benchmark:
MSCI EAFE-ND

Holdings Range: 25-35

Turnover:
Typically <10%

Sector Exposure: Diversified

* as of 12/31/2023

** versus stated benchmark

Synopsis:

PineStone Asset Management was founded in March 2021 by Nadim Rizk, former Portfolio Manager of Fiera Capital's Global Equity team. Seeking independence from Fiera's large, multi-boutique structure, Mr. Rizk decided to start his own firm while sub-advising for Fiera which allowed him to maintain his entire investment team, investment process, track record and for the most part book of business for all three strategies (US, international and global.) PineStone follows a long-term quality growth investment process, building concentrated portfolios of 25-35 holdings with low turnover of less than 10%.

Investment Merits & Considerations: Key Strengths

- **Stable, experienced team** that remained fully intact since the split from Fiera. The independent and employee-owned structure of PineStone likely creates better alignment of interests.
- PineStone offers a **sound investment philosophy and well-defined, repeatable process** focusing on quality, long-term investing. The International strategy has achieved **strong risk-adjusted returns** since inception, ranking in the top quartile of eV EAFE Large Cap Growth Equity peers over all trailing periods ending 3/31/24.

Investment Merits & Considerations: Concerns and Risks

- **Key-person risk** exists with Nadim Rizk, who is the founder, CIO, and final decision maker on PineStone's strategies. This risk is somewhat mitigated by the longevity of the rest of the team including Head of Research Andrew Chan.
- While PineStone has raised c.\$14B outside of Fiera assets, the majority of its assets remain under the sub-advisory agreement. Capacity discipline (which was lacking at Fiera), and product proliferation (global small cap strategy launched recently) are to be monitored.

Drivers of Return & Performance Expectations

- Although the portfolio is concentrated at 25-35 names, Tracking Error is moderate at 4-8%, in line with the median manager in the peer universe.
- The portfolio has outperformed in 9 of the last 10 calendar years. Downside protection has been strong, with a beta of 0.90 and Down Capture Ratio of 80.3% since inception. Upside participation has been around market level at 100.2% since inception.

Investment Manager:

Walter Scott & Partners Limited

Strategy:

EAFE Strategy

Asset Class:

International Equity

Rankings

Current: Highly
Advantageous

Strategy Characteristics

Market Cap: Large Cap

Mgmt. Style: Active

Investment Approach:
Fundamental

Strategy Inception: 6/30/1985

Strategy Assets: \$31.1B*

Benchmark: MSCI EAFE-ND

Holdings Range: 40-60

Turnover Range:
10-20% annually

Sector Exposure: Diversified

* as of 03/31/2024

** versus stated benchmark

Synopsis:

- Walter Scott EAFE Strategy is a strong option within the international equity space. Walter Scott resides on the conservative end of the quality growth spectrum, a characteristic that bears out in the portfolio's low standard deviation and beta, as well as its strong downside capture, relative to indices and peers over long-term trailing periods. While this means that the portfolio's upside participation relative to their more aggressive growth peers will be somewhat muted, it also means better potential downside protection over a full cycle.

Investment Merits & Considerations: Key Strengths

- **Long Time Horizon:** Walter Scott's aim is to purchase high quality companies and hold them for the long term. Their average holding period is nine years.
- **Stable team, woman-led:** The team is stable, averaging over a decade with the firm. The Investment Executive, which consists of the Managing Director, Jane Henderson, and the firm's Executive Directors of Investment, Roy Leckie and Charles Macquaker, fulfills the portfolio management function.

Investment Merits & Considerations: Concerns and Risks

- **AUM Growth:** Walter Scott is now managing approximately \$86 billion as a firm, in what can effectively be considered a single global equity liquidity pool. Some mitigating factors are low turnover (10%-20% per year) and an emphasis on larger, more liquid stocks, given their focus on dominant, self-funding, high-quality businesses. The biggest risk to monitor on an ongoing basis is capacity management.

Drivers of Return & Performance Expectations

- This is a concentrated (40-60 stocks), long-term, buy and hold strategy with potentially significant short-term deviation from the benchmark. It requires clients to have a sufficiently long-time horizon.
- With their focus on quality and a longer-term investment horizon, the team is willing to give up upside capture for downside protection and better compounding over the cycle.

Data Appendix

International Growth Equity Manager Search

Trailing Performance
As of March 31, 2024

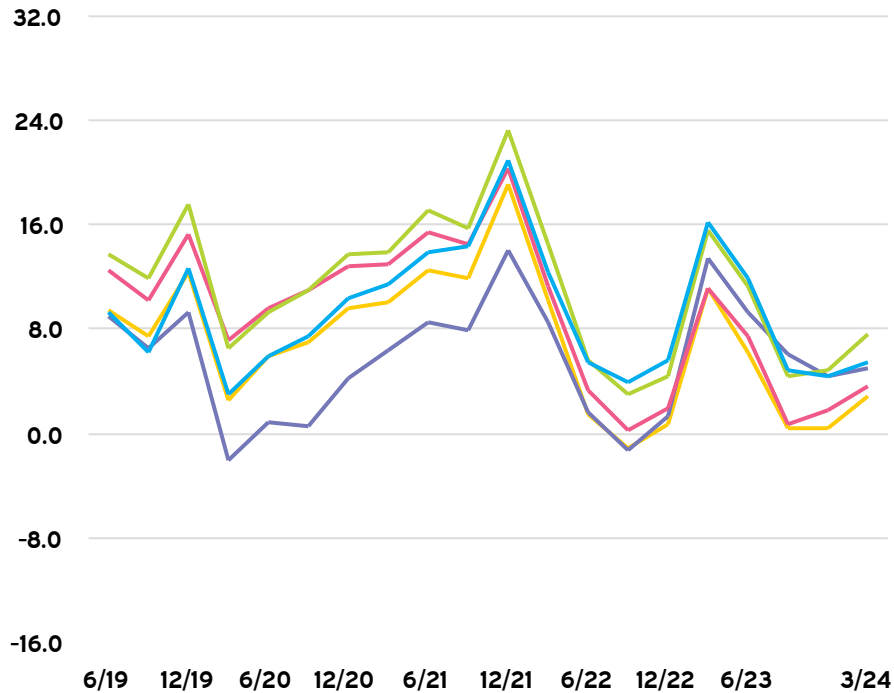
	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
C WorldWide International Equities	3.8	13.0	5.5	11.2	9.9	7.7
PineStone International Equity	7.6	17.3	7.7	12.0	11.8	9.2
Walter Scott EAFE Equity	4.5	11.2	3.6	8.8	9.4	8.0
MSCI World ex U.S. (Net)	5.6	15.3	4.9	7.5	6.8	4.8
MSCI World ex U.S. Growth (Net)	6.9	13.7	2.8	7.9	7.7	5.7

Calendar Year Performance

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
C WorldWide International Equities	21.5	-14.9	10.0	25.7	28.0	-16.3	33.6	-1.9	2.9	-0.2
PineStone International Equity	22.1	-19.7	17.8	20.1	32.4	-7.4	32.5	1.2	1.7	-1.9
Walter Scott EAFE Equity	19.8	-22.0	12.8	20.4	28.3	-6.8	28.2	5.6	1.1	-3.0
MSCI World ex U.S. (Net)	17.9	-14.3	12.6	7.6	22.5	-14.1	24.2	2.7	-3.0	-4.3
MSCI World ex U.S. Growth (Net)	17.5	-22.7	11.6	18.4	27.9	-13.1	27.6	-1.9	1.6	-3.3

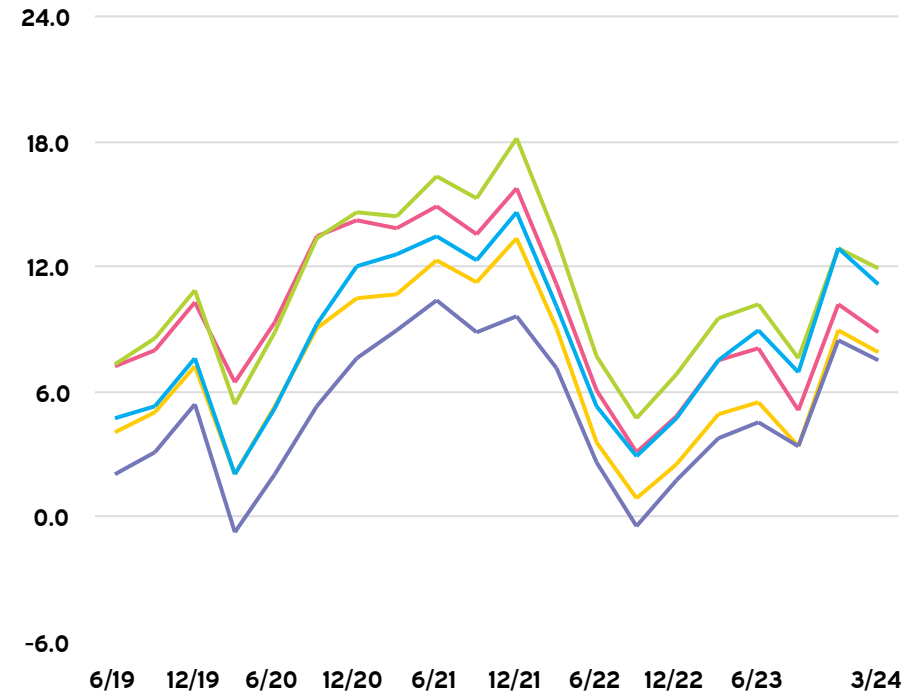
International Growth Equity Manager Search

Rolling 3-Year Returns



- C WorldWide International Equities
- PineStone International Equity
- Walter Scott EAFE Equity
- MSCI World ex U.S. (Net)
- MSCI World ex U.S. Growth (Net)

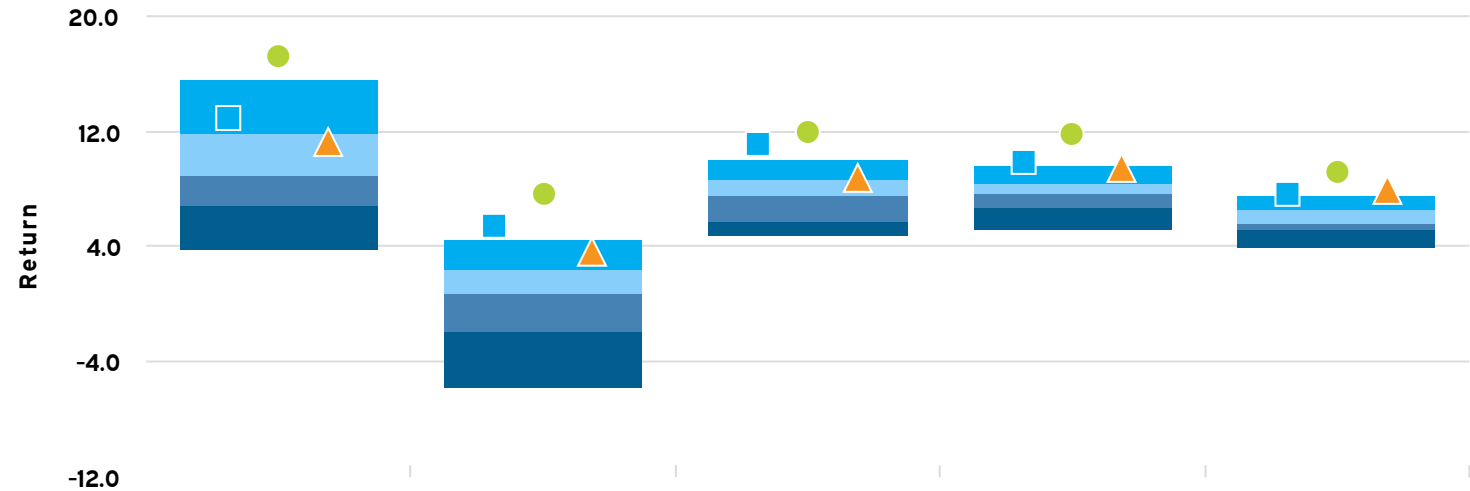
Rolling 5-Year Returns



- C WorldWide International Equities
- PineStone International Equity
- Walter Scott EAFE Equity
- MSCI World ex U.S. (Net)
- MSCI World ex U.S. Growth (Net)

International Growth Equity Manager Search

Peer Ranks vs. eV EAFE Large Cap Growth Universe as of March 31, 2024

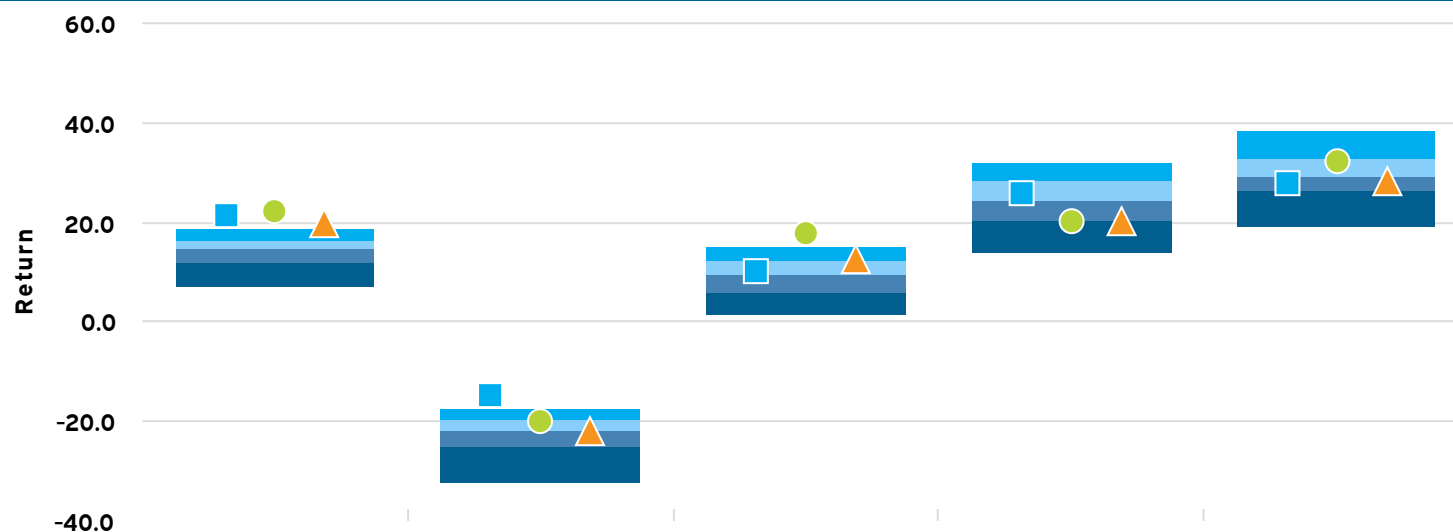


	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
C WorldWide International Equities	13.0 (15)	5.5 (1)	11.2 (1)	9.9 (3)	7.7 (1)
PineStone International Equity	17.3 (2)	7.7 (1)	12.0 (1)	11.8 (1)	9.2 (1)
Walter Scott EAFE Equity	11.2 (29)	3.6 (7)	8.8 (21)	9.4 (9)	8.0 (1)
5th Percentile	15.6	4.4	10.0	9.6	7.5
1st Quartile	11.8	2.4	8.7	8.4	6.6
Median	8.9	0.7	7.6	7.7	5.6
3rd Quartile	6.9	-1.9	5.8	6.7	5.1
95th Percentile	3.8	-5.7	4.8	5.2	3.9
Population	28	27	26	26	22

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

International Growth Equity Manager Search

Peer Ranks vs. eV EAFE Large Cap Growth Universe as of March 31, 2024



	2023	2022	2021	2020	2019
■ C WorldWide International Equities	21.5 (1)	-14.9 (1)	10.0 (47)	25.7 (37)	28.0 (57)
● PineStone International Equity	22.1 (1)	-19.7 (35)	17.8 (1)	20.1 (76)	32.4 (26)
▲ Walter Scott EAFE Equity	19.8 (2)	-22.0 (51)	12.8 (14)	20.4 (75)	28.3 (55)
5th Percentile	18.5	-17.7	15.0	31.9	38.5
1st Quartile	16.0	-19.3	12.1	28.2	32.5
Median	14.4	-21.8	9.6	24.3	29.2
3rd Quartile	12.0	-25.2	6.0	20.2	26.2
95th Percentile	6.8	-32.5	1.3	13.8	19.1
Population	30	30	30	30	30

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

International Growth Equity Manager Search

	5-Year Statistics As of March 31, 2024					
	Return	Standard Deviation	Sharpe Ratio	Excess Return	Tracking Error	Information Ratio
C WorldWide International Equities	11.17	17.52	0.58	10.16	5.91	0.56
PineStone International Equity	11.97	17.42	0.62	10.87	6.82	0.59
Walter Scott EAFE Equity	8.83	17.00	0.47	7.92	7.15	0.15
MSCI World ex U.S. (Net)	7.48	17.86	0.38	6.84	0.00	-
90 Day U.S. Treasury Bill	2.02	0.59	-	0.00	17.88	-0.38

	Alpha	Beta	Up Capture	Down Capture	R-Squared
C WorldWide International Equities	4.05	0.93	105.16	91.41	0.89
PineStone International Equity	5.00	0.90	106.28	89.60	0.86
Walter Scott EAFE Equity	2.24	0.87	95.68	88.62	0.84
MSCI World ex U.S. (Net)	0.00	1.00	100.00	100.00	1.00

International Growth Equity Manager Search

Characteristics				
As of March 31, 2024				
	C WorldWide International Equities	PineStone International Equity	Walter Scott EAFE Equity	MSCI World ex U.S.
Market Value				
Market Value \$B	0.6	11.6	31.1	-
# of Holdings	29	32	53	855
Characteristics				
Wtd. Avg. Mkt. Cap \$B	189.9	296.1	152.0	94.8
Median Mkt. Cap \$B	108.2	131.5	44.1	14.2
P/E ratio	26.9	26.8	27.4	15.8
Yield	1.7	0.8	1.9	3.1
EPS Growth - 5 Yrs.	13.9	10.7	8.6	8.6
Price/Book ratio	4.6	5.2	4.5	2.6
Company Size Distribution				
Greater than 25000M	95.6	82.1	83.1	73.6
16000M To 25000M	4.4	8.0	5.5	10.2
12000M To 16000M	0.0	1.9	4.5	4.9
8000M To 12000M	0.0	5.4	5.8	6.0
5000M To 8000M	0.0	2.7	0.0	4.6
3000M To 5000M	0.0	0.0	1.1	0.7
1000M To 3000M	0.0	0.0	0.0	0.0

PineStone data as of 12/31/2023.

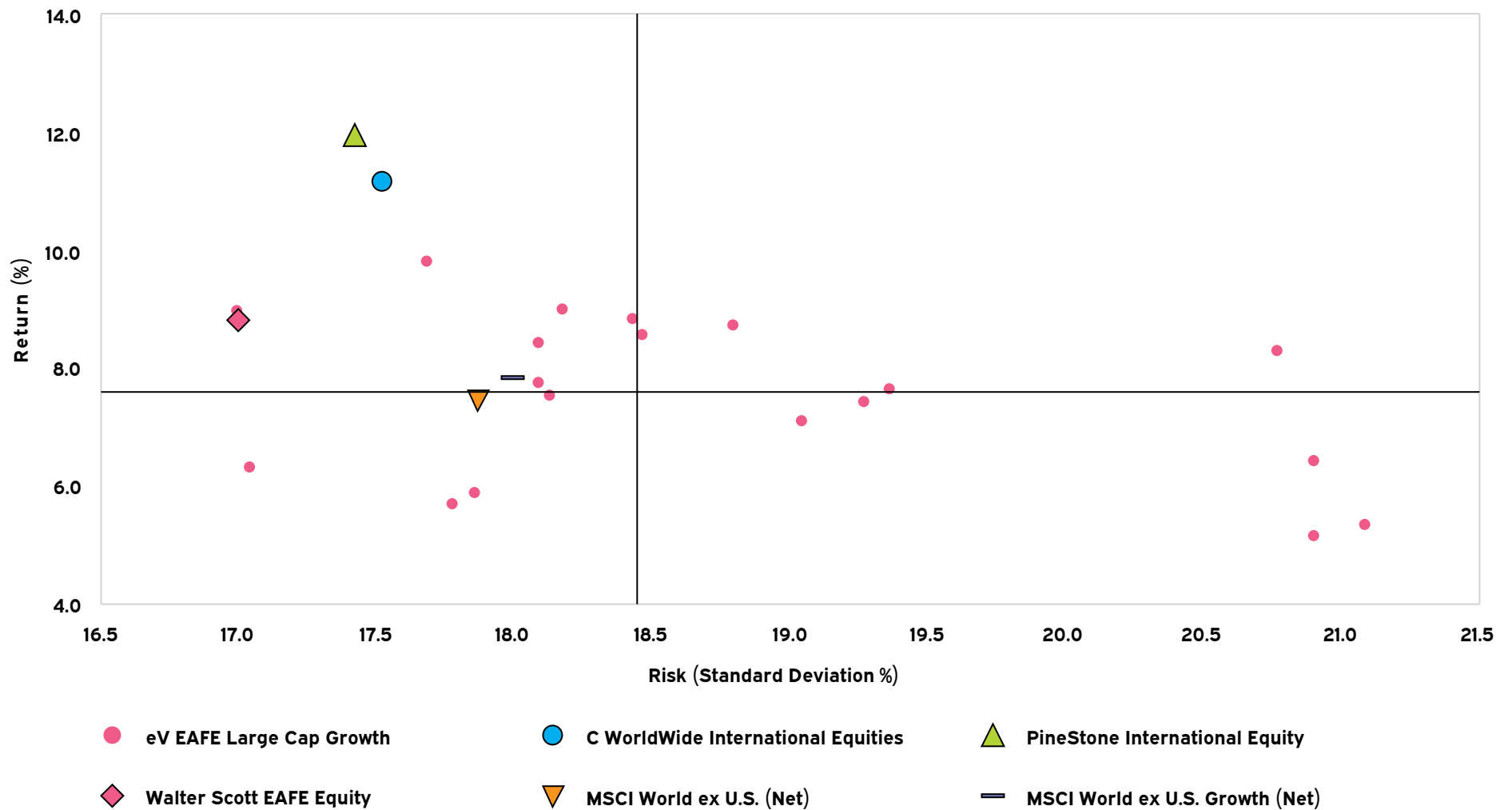
International Growth Equity Manager Search

Characteristics As of March 31, 2024				
	C WorldWide International Equities	PineStone International Equity	Walter Scott EAFE Equity	MSCI World ex U.S.
Developed Markets %	85.1	90.7	94.9	99.7
Emerging Markets %	14.9	9.3	4.2	0.0
Frontier Markets %	0.0	0.0	0.0	0.0
Region Allocation (%)				
Americas	0.0	3.5	5.1	10.5
Asia Pacific	29.9	17.8	31.9	30.2
EMEA	70.1	78.7	62.1	59.0
Other	0.0	0.0	0.8	0.3
Gics Sectors (%)				
Energy	0.0	0.0	1.8	5.6
Materials	5.0	4.1	5.8	7.5
Industrials	28.5	16.9	21.1	16.4
Consumer Discretionary	7.3	14.6	15.0	11.6
Consumer Staples	9.5	14.8	9.0	8.1
Health Care	13.6	16.5	21.0	11.3
Financials	13.1	14.0	2.4	21.0
Information Technology	20.5	19.0	19.6	9.4
Communication Services	0.0	0.0	1.0	3.7
Utilities	2.4	0.0	1.0	3.1
Real Estate	0.0	0.0	2.2	2.1

PineStone data as of 12/31/2023.

International Growth Equity Manager Search

Peer Group Scattergram 5 Years Ending March 31, 2024



Calculation based on monthly periodicity.

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