

We have maintained a long-held thesis that a rotation toward more value-oriented equities began in the fourth quarter of 2020. Since then, the data supports the notion that value investing may be back or on its way. Furthermore, non-US equity markets have benefited from this move back to value. As illustrated below, several value indexes have outperformed their growth counterparts. And despite their recent strength, in our view and as reflected in the graph, non-US equities remain significantly undervalued, near 20-year lows relative to US equities, and are cheap on an absolute basis.

**FOR THOSE WHO FEEL THAT VALUE AND INTERNATIONAL INVESTING ARE DEAD, WE ENCOURAGE THEM TO THINK AGAIN.**

### THE ONGOING ROTATION TO VALUE

CUMULATIVE INDEX RETURNS (IN LOCAL CURRENCY)  
(09/30/2020 - 12/31/2023)

S&P 500 VALUE	65.7%
S&P 500 GROWTH	34.1%
MSCI EAFE VALUE INDEX	62.6%
MSCI EAFE GROWTH INDEX	24.4%
MSCI WORLD VALUE INDEX	50.8%
MSCI WORLD GROWTH INDEX	35.6%

Non-US Equities Have Rarely Been Cheaper vs US Stocks



Source: MSCI

Value investing involves the risk that the market will not recognize a security's intrinsic value for a long time, or that a security thought to be undervalued may in fact be appropriately priced when purchased.

Past performance is no guarantee of future results. All investing, including value investing, involves the risk of loss, including the loss of principal. The investment returns presented represent the past performance of the indices shown and should not be considered indicative or representative of the past or future performance of accounts managed by Tweedy, Browne Company LLC.



All investing involves the risk of loss, including the loss of principal. Current and future portfolio holdings are subject to risk. Investing in foreign securities involves additional risks beyond the risks of investing in securities of US markets. These risks which are more pronounced in emerging markets, include economic and political considerations not typically found in US markets, including currency fluctuation, political uncertainty and different financial standards, regulatory environments, and overall market and economic factors in the countries. The securities of small, less well-known companies may be more volatile than those of larger companies. Force majeure events such as pandemics and natural disasters are likely to increase the risks inherent in investments and could have a broad negative impact on the world economy and business activity in general. Dividends are not guaranteed, and a company currently paying dividends may cease paying dividends at any time. Diversification does not guarantee a profit or protect against a loss in declining markets. There is no assurance that a portfolio will achieve its investment objective.

This material contains forthright opinions and statements on investment techniques, economics, market conditions and other matters. Of course, there is no guarantee that these opinions and statements will prove to be correct, since some of them are inherently speculative; as such, they should not be relied upon as statements of fact. Opinions expressed herein are subject to change without notice.

#### INDEX DEFINITIONS

The MSCI USA Index is designed to measure the performance of the large and mid-cap segments of the US market. With 627 constituents as of September 29th, 2023, the index covers approximately 85% of the free float-adjusted market capitalization in the US.

MSCI EAFE Value Index captures large and mid-cap securities exhibiting overall value style characteristics across Developed Markets countries around the world, excluding the US and Canada. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield. MSCI EAFE Growth Index captures large and mid-cap securities exhibiting overall growth style characteristics across Developed Markets countries around the world, excluding the US and Canada. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and long-term historical EPS growth trend and long-term historical sales per share growth trend.

S&P 500 Value Index. Constituents of the S&P 500 Value index are drawn from the S&P 500. The S&P Style Indices divide the complete market capitalization of each parent index into growth and value segments. The S&P 500 Value index is constructed using three factors: the ratios of book value, earnings, and sales to price. S&P 500 Growth Index. Constituents of the S&P 500 Growth index are drawn from the S&P 500. The S&P Style Indices divide the complete market capitalization of each parent index into growth and value segments. The S&P 500 Growth index is constructed using three factors: sales growth, the ratio of earnings change to price, and momentum.

MSCI World Value Index captures large and mid-cap securities exhibiting overall value style characteristics across 23 Developed Markets (DM) countries. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield. MSCI World Growth Index captures large and mid-cap securities exhibiting overall growth style characteristics across 23 Developed Markets (DM) countries. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and long-term historical EPS growth trend and long-term historical sales per share growth trend.

The S&P 500 Index is a market capitalization weighted index composed of 500 widely held common stocks that assumes the reinvestment of dividends. The index is generally considered representative of US large capitalization stocks.