

# International Value Fund

## FLASH REPORT • October 31, 2020



### FUND DETAILS as of October 31, 2020

	Ticker	CUSIP	Net Expenses	Net Assets (\$)
Intl Value Fund - Instl Class	CIVIX	14949P208	0.85%	4,189,044,855
Intl Value Fund - Investor Class	CIVVX	14949P109	1.10%	278,402,143

### PERFORMANCE

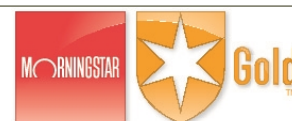
as of October 31, 2020, Inception date: October 26, 2001

### PRIOR QUARTER PERFORMANCE

as of September 30, 2020

	Year to							Since				
	Month	Date	1 Year	3 Years	5 Years	10 Years	Inception	1 Year	3 Years	5 Years	10 Years	Inception
Intl Value Fund - Instl Class (Net)	-4.64%	-21.06%	-15.56%	-7.23%	-0.91%	2.36%	5.49%	-7.83%	-5.25%	1.22%	3.36%	5.78%
Intl Value Fund - Investor Class (Net)	-4.61%	-21.21%	-15.77%	-7.42%	-1.12%	2.12%	5.24%	-8.06%	-5.45%	1.00%	3.13%	5.53%
MSCI EAFE (Gross)	-3.98%	-10.44%	-6.46%	-0.76%	3.35%	4.31%	5.59%	0.93%	1.11%	5.77%	5.11%	5.84%
MSCI EAFE Value (Gross)	-4.02%	-21.21%	-17.97%	-6.82%	-0.51%	1.87%	4.51%	-11.45%	-5.30%	1.74%	2.68%	4.76%

Performance greater than one year is annualized. **The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth less than their original cost and current performance may be lower than the performance quoted. For performance as of the most recent month-end, please call 1-866-947-7000.** Investment performance reflects fee waivers. In the absence of such fee waivers, total return would be reduced. Gross expenses before investment adviser fee waivers are 0.90% for Institutional Class shares and 1.15% for Investor Class shares. The waivers are contractual and in effect until 1/31/2022. Investor Class shares charge up to a 0.25% annual shareholder service fee. Total returns assume reinvestment of dividends and capital gains distributions at net asset value when paid.



### TOP 10 HOLDINGS as of October 31, 2020

Company Name	Weight	Country	Industry Group
1. Volkswagen AG	4.1%	Germany	Automobiles & Components
2. UniCredit S.p.A.	3.6%	Italy	Banks
3. BASF SE	3.5%	Germany	Materials
4. ING Groep NV	3.2%	Netherlands	Banks
5. Samsung Electronics Co., Ltd.	3.1%	South Korea	Technology Hardware & Equipment
6. Takeda Pharmaceutical Co., Ltd.	2.8%	Japan	Pharmaceuticals & Biotechnology
7. Novartis AG	2.8%	Switzerland	Pharmaceuticals & Biotechnology
8. FANUC Corp.	2.7%	Japan	Capital Goods
9. ABB Ltd.	2.6%	Switzerland	Capital Goods
10. Barclays Plc	2.6%	United Kingdom	Banks

Holdings are subject to change

### LARGEST CONTRIBUTORS for the month ended October 31, 2020

Company Name	Weight <sup>(1)</sup>	Return	Contribution to Return <sup>(2)</sup>	Country	Industry Group
Rolls-Royce Holdings Plc	1.4%	48.3%	0.62%	United Kingdom	Capital Goods
FANUC Corp.	2.7%	10.7%	0.27%	Japan	Capital Goods
Barclays Plc	2.6%	9.2%	0.19%	United Kingdom	Banks
Grupo Financiero Banorte SAB de CV	0.8%	28.4%	0.17%	Mexico	Banks
Murata Manufacturing Co. Ltd.	2.4%	8.2%	0.16%	Japan	Technology Hardware & Equipment
SAP SE	1.5%	-31.9%	-0.52%	Germany	Software & Services
Takeda Pharmaceutical Co., Ltd.	2.8%	-12.3%	-0.37%	Japan	Pharmaceuticals & Biotechnology
BASF SE	3.5%	-10.0%	-0.35%	Germany	Materials
UniCredit S.p.A.	3.6%	-9.7%	-0.34%	Italy	Banks
AXA SA	2.1%	-13.2%	-0.30%	France	Insurance

(1) Ending period weights

(2) Geometric average using daily returns and weights

The performance data quoted represents past performance. Past Performance does not guarantee future results.

# International Value Fund

## CHARACTERISTICS as of October 31, 2020

	International Value Fund	MSCI EAFE	MSCI EAFE Value
No. of Holdings	62	899	544
Wtd Avg Mkt Cap (Mn)	50,009	51,015	37,834
FY2 P/E	10.7x	14.8x	10.8x
P/B Value	1.0x	1.5x	0.9x
Return on Equity	8.1%	14.2%	9.7%

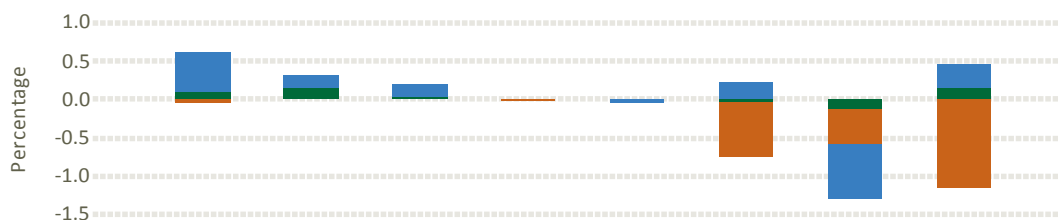
## SIGNIFICANT CHANGES for the month ended October 31, 2020

Company Name	Country	Industry Group	Wgt Beginning %	Wgt Ending %	Reason*
<b>Increases</b>					
Total	France	Energy	1.26%	1.88%	CD
SK hynix, Inc.	South Korea	Semiconductors & Semi Equipment	1.29%	1.71%	CD, IL
Zurich Financial Services	Switzerland	Insurance	1.21%	1.62%	IL
AXA SA	France	Insurance	1.74%	2.09%	IL
Takeda Pharmaceutical Co., Ltd.	Japan	Pharmaceuticals & Biotechnology	2.75%	2.83%	IL
<b>Decreases</b>					
Infineon Technologies AG	Germany	Semiconductors & Semi Equipment	2.54%	1.91%	RV
FANUC Corp.	Japan	Capital Goods	2.98%	2.74%	RV

\*Key: CA = Corporate Action CD = Cyclical Discount ER = Earnings Revision FM = Factor Model FR = Fundamental Review IL = Industry Laggard RB = Rebalance of Security Weightings RV = Relative Value

Holdings are subject to change. Current and future holdings subject to risk.

## RELATIVE REGIONAL ATTRIBUTION VS. MSCI EAFE for the month ended October 31, 2020



\*Total effects include cash

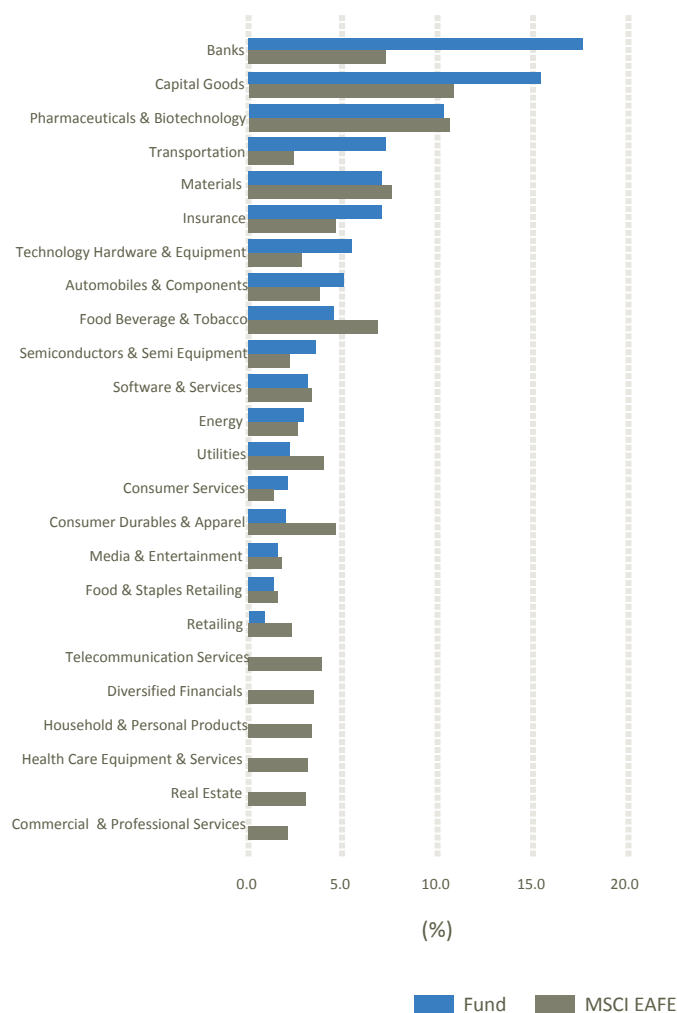
This chart shows where the Fund's investments in a region performed better or worse than the region in the benchmark index during the period. Attribution is based on the return of the Fund's holdings gross of management fees and other expenses and before any Fund fair valuation. Past performance is not an indication of future results.

# International Value Fund

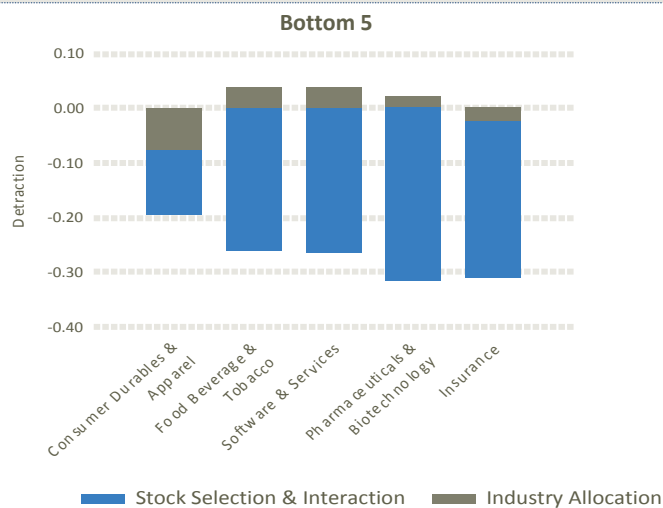
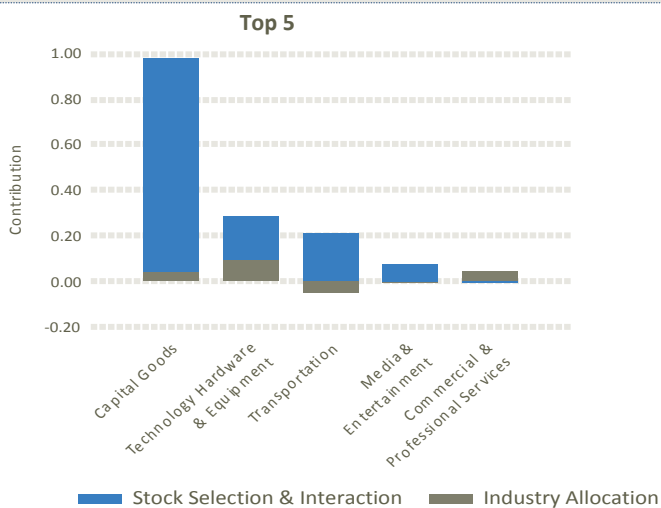
## COUNTRY ALLOCATION as of October 31, 2020

	FUND (%)	MSCI EAFE (%)
<b>Africa / Mideast</b>		
Israel	0.0	0.6
	<b>0.0</b>	<b>0.6</b>
<b>Emerging</b>		
China	2.1	0.0
Mexico	0.8	0.0
South Korea	4.8	0.0
	<b>7.7</b>	<b>0.0</b>
<b>Euro</b>		
Austria	0.0	0.2
Belgium	0.0	1.0
Finland	0.0	1.0
France	15.7	10.6
Germany	17.1	9.0
Ireland	2.0	0.7
Italy	5.2	2.2
Netherlands	6.0	4.4
Portugal	0.0	0.2
Spain	6.4	2.2
	<b>52.4</b>	<b>31.5</b>
<b>Europe - Other</b>		
Denmark	0.0	2.6
Norway	0.0	0.5
Sweden	1.2	3.3
Switzerland	11.1	10.2
United Kingdom	14.8	13.2
	<b>27.1</b>	<b>29.8</b>
<b>North America</b>		
Canada	1.2	0.0
	<b>1.2</b>	<b>0.0</b>
<b>Pacific</b>		
Australia	0.0	6.8
Hong Kong	0.9	3.4
Japan	10.3	26.5
New Zealand	0.0	0.3
Singapore	0.0	1.1
	<b>11.2</b>	<b>38.1</b>
<b>SUBTOTAL</b>	<b>99.6</b>	<b>100.0</b>
<b>CASH</b>	<b>0.4</b>	<b>-</b>
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>

## INDUSTRY GROUP ALLOCATION as of October 31, 2020



## ATTRIBUTION ANALYSIS: CONTRIBUTORS TO RELATIVE PERFORMANCE BY INDUSTRY for the month ended October 31, 2020



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**Causeway International Value Fund  
Review for Month Ended October 31, 2020**

**Commentary Highlights**

- **Optimism surrounding additional fiscal stimulus packages in the US and Europe bolstered equity markets in the first half of October; however, renewed coronavirus lockdowns in several European countries and a surge in cases in the US weakened investor sentiment and developed markets finished the month in negative territory.**
- **In the UK, the deadline to negotiate a Brexit deal marches closer without a resolution. Ultimately, we believe that a deal will be reached to prevent a further dampening of the UK economy in the face of the pandemic-induced recession.**
- **We believe that undervaluation alone is never enough, so we seek businesses that have used this crisis to reduce their cost bases by unprecedented levels, which should reinvigorate earnings as demand improves.**

**Performance Review**

Optimism surrounding additional fiscal stimulus packages in the US and Europe bolstered equity markets in the first half of October; however, renewed coronavirus lockdowns in several European countries and a surge in cases in the US weakened investor sentiment and developed markets finished the month in negative territory. The top performing markets in our investable universe included those that have made the most progress lowering new coronavirus cases: China, Mexico, South Korea, New Zealand, and Australia. The worst performing markets were generally in the opposite category: Germany, Finland, Norway, Italy, and Belgium. The best performing sectors in the MSCI EAFE Index (“Index”) were communication services, consumer discretionary, and financials. The worst performing sectors were health care, energy, and information technology.

Causeway International Value Fund (“Fund”) underperformed the Index during the month, due primarily to stock selection. Fund holdings in the insurance, pharmaceuticals & biotechnology, software & services, food beverage & tobacco, and consumer durables & apparel industry groups detracted from performance relative to the Index. Holdings in the capital goods, technology hardware & equipment, transportation, and media & entertainment industry groups, as well as an underweight position in the commercial & professional services industry group, offset some of the underperformance versus the Index. The largest detractor from performance was business software & services provider, SAP SE (Germany). Additional notable detractors included Takeda Pharmaceutical Co., Ltd. (Japan), diversified chemicals manufacturer, BASF SE (Germany), banking & financial services company, UniCredit S.p.A. (Italy), and insurer, AXA SA (France). The top contributor to return was jet engine manufacturer, Rolls-Royce Holdings Plc (United Kingdom). Other notable contributors included robotics manufacturer, FANUC Corp. (Japan), banking & financial services company, Barclays Plc (United Kingdom), banking & financial services company, Grupo Financiero Banorte SAB de CV (Mexico), and electronic components manufacturer, Murata Manufacturing Co., Ltd. (Japan).

**Economic Outlook**

Geopolitical events and a resurgence in coronavirus cases dominated news flow in October. In the US, the national election loomed large, particularly as it relates to the prospect for additional fiscal stimulus packages to mitigate the negative economic impact caused by COVID-19. Congressional gridlock stalled prior negotiations and we believe further support for consumers and small businesses would bolster the recovery. US daily coronavirus cases increased throughout the month, yet traditional economic indicators continued to point towards expansion. The IHS Markit US Composite Purchasing Managers’ Index (“PMI”) edged up in October, with both services and manufacturing sectors registering growth. In Europe, a second wave of coronavirus infections led to renewed national-level lockdowns. Despite ongoing labor market support in Europe (Spain extended its furlough scheme during the month), consumer confidence deteriorated amid the increase in infections.

Restrictions also led to a divergence in the Eurozone market, with the Services PMI indicating contraction and the Manufacturing PMI continuing to recover, with a steep expansion in October. In the UK, lockdowns were reinstated in the face of a second wave of coronavirus infections. Acknowledging the economic impact of this second lockdown, the government reversed course and extended its generous job support scheme that was set to expire in December. In addition, the deadline to negotiate a Brexit deal marches closer without a resolution. Ultimately, we believe that a deal will be reached to prevent a further dampening of the UK economy in the face of the pandemic-induced recession. However, the second coronavirus wave, tough lockdown restrictions and Brexit continue to pose threats to Britain's economic recovery.

In China, authorities relaxed internal controls restricting movement between provinces, which has, thus far, not led to a resurgence in infections. China's success in reducing the virus's impact has allowed its economic recovery to gain momentum. Imports are recovering, jumping 13.2% on a year-over-year basis in September, as domestic demand improves. Given weak demand in most other regions that face reintroduced coronavirus restrictions, Chinese consumer strength will likely benefit international exporters and add to global economic growth.

### Investment Outlook

We currently expect an end to the extremely negative economic effects wrought on the global economy by the pandemic in 2021, facilitated by widely available and efficacious testing, therapies, and potential vaccines. We used October's weakness in COVID-sensitive stocks to add to positions that we believe have some of the highest expected returns in the portfolio. With no relief from the pandemic thus far in early November, market participants have sold several stocks that we consider having significant potential upside from current prices. Some of our favorites include well-managed travel and aerospace equipment-related businesses, as well as those in travel software & services. In financials, our investment theses do not depend on rising nominal interest rates for our portfolio companies to perform well. For example, European and Japanese banks and insurance companies have contended with low-to-negative interest rates for the past several years, yet valuations are currently trading at three standard deviations below the post-2008 Global Financial Crisis mean. Several of these banks boast capital positions well in excess of regulatory requirements. As we ultimately exit the COVID-19 crisis, we expect these financials to rebound in profitability. That recovery, combined with financial strength, provides the potential for these stocks to re-rate upward. Our analysis indicates that these companies are well-positioned to return excess capital to shareholders. We believe that undervaluation alone is never enough, so we seek businesses that have used this crisis to reduce their cost bases by unprecedented levels, which should reinvigorate earnings as demand improves. Well-managed cyclical stocks trade at prices that imply permanent demand destruction, and the COVID-19 pandemic presents, in our view, a once-in-a-generation opportunity for disciplined value investors.

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## Risk Disclosure

Mutual fund investing involves risk, including possible loss of principal. In addition to the normal risks associated with equity investing, international investing may involve risk of capital loss from unfavorable fluctuations in currency values, from differences in generally accepted accounting principles or from economic or political instability in other nations. Emerging markets involve heightened risks related to the same factors as well as increased volatility and lower trading volume. Current and future holdings are subject to risk. There is no guarantee that securities mentioned will remain in or out of the Fund. There is no assurance that a Fund will achieve its stated objectives.

Wtd Avg Mkt Cap is a weighted average of the total market capitalization of stocks in the portfolio or index. FY2 P/E is the weighted harmonic average 2-year analysts' consensus forecast price-to-earnings ratio. Price to earnings is a ratio for valuing a company that measures its current share price relative to its per-share earnings. Price-to-book (P/B) value evaluates a firm's market value relative to its book value and is a weighted harmonic average. Return on Equity measures how efficiently a company is generating income from the equity investments of its shareholders. Return on Equity is calculated as a weighted average, winsorized using maximum Return on Equity figures at 3 standard deviations from the mean (winsorization is a statistical technique intended to remove the impact of outliers).

The Fund's benchmark, the MSCI EAFE Index, is a free float-adjusted market capitalization weighted index, designed to measure developed market equity performance excluding the U.S. and Canada, consisting of 21 stock markets in Europe, Australasia, and the Far East. The MSCI EAFE Value Index is a free float-adjusted market capitalization weighted index, designed to measure large and mid cap securities exhibiting overall value style characteristics across developed market equity performance excluding the U.S. and Canada, consisting of 21 stock markets in Europe, Australasia, and the Far East. The Indices is gross of withholding taxes, assumes reinvestment of dividends and capital gains, and assumes no management, custody, transaction, or other expenses. It is not possible to invest directly in an index.

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