

Portfolio Appraisal and Commentary

Of Note - Account inception was November 4, 2015 and due to settlement issues of securities that were out on loan the account was hurt by 61 bps. Overall the portfolio was negative 3.28% for the time period versus the MSCI ACWI ex US negative 2.17%. If we incorporate the 61 basis point adjustment for securities that were out on loan the differential was an under performance of 50 bps. The portfolios slight overweight to emerging markets hurt the portfolio as two financials stocks (Bancolombia and Standard Chartered) were marked down along with Greek Organisation of Football Prognostics also know as OPAP. Although Opap smashed consensus numbers in their most recent reporting they were hit by an unexpected decision by Greek regulators to increase the taxes a player must pay to play. Opap is fighting this decision in court. Other detractors came in the form of healthcare, with Sanofi being down 11% after rolling out future plans at their capital markets day. Being slightly overweight technology stocks, particularly in Japan, helped the portfolio. Both Fujitsu Limited and Omron rallied with high single digit returns on the back of reporting sound numbers. Halma, the UK based electronic technology company (fire and safety) also continued to perform as they have again increased revenue and profit targets for another consecutive quarter. Overall they have increase revenue and profit every year for the past 10 consecutive years. As we look to the end of the year we remain underweight financials and overweight information technology, and consumer discretionary.