

Portfolio Appraisal and Commentary

The portfolio was down 1.15% for the month of October 2016 compared to the MSCWI ACWI EX Index which was down 1.44%. Our consumer discretionary exposure drove the outperformance as it was up 3.1% compared to the MSCI AC World Consumer Discretionary index which was down 1.63%. This was driven by Expedia which was up 11% for the QTR driven by growth in their Homeaway business and Kering which was up 10% driven by a recovery in luxury. Also Pao de Acucar was up 16% driven by the recovery in Brazilian retail sales. Returns were held back by Healthcare which was down 7% compared to 6% for the MSCI AC World Healthcare Index on election angst. Though we are overweight UK we were down 4.36% less than the MSCI United Kingdom index down 5.06% driven by pound weakness. The worst performing name in the portfolio was Amec Foster Wheeler down 27% due to a surprise announcement of the need for fundraising.