

## **Portfolio Appraisal and Commentary**

Driven by China Global growth is accelerating. The return of Opec is positive for Energy prices and is inflationary. Post the election the US Fed will start raising interest rates again at a slow and measured pace. This will be a positive tailwind for the dollar and the financial sector.

The portfolio was up 9.93 % for the quarter compared to 6.26% for the MSCI ACWI Index. Though we are underweight in Japan the outperformance was in Japan where Dena a mobile gaming company appreciated 53.7% and Fujitsu an IT company was up 46.27% compared to 9.7% for the Japanese market in USD as they both reported strong earnings. Our China exposure also helped as Anta a sportswear company was up 38% and Las Vegas Sands was up 33.96% compared to 12.97% for the Hong Kong Market. NXPI (a 2% position) a Semi company was also up 31% based on a rumored takeout.

The portfolio is overweight energy as oil prices are trading below the marginal cost of production and once Opec acts rationally again the oil price should return to \$60. The portfolio is underweight Consumer Staples, Utilities and Telecom as these sectors are over valued due to their attractive dividend Yields The portfolio is underweight financials due to the negative rate environment in global markets.