

## MONTHLY PORTFOLIO COMMENTARY

January 17, 2021

To:

**Leading Edge Investment Advisors**

ARI Account Number: U18A103

Client Name: NYCERS

Custodian Account: N1YS

Portfolio Manager: Mark Lin, CIO

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Portfolio Commentary for the month of December 2021:

The portfolio lagged its benchmark in December as investors sold Chinese equities and growth companies that commanded high valuations. Chinese companies, namely BYD, JD.com and Yum China, categorized in the consumer discretionary sector were the main performance laggards. Sea Ltd in the communications services sector also experienced a share price correction on high valuation. Holdings in the consumer staples and industrials sectors were the main performance leaders.

Market Outlook:

- **The Quarter...**In Q4-21, U18A103 gained 4.56%, outperforming the MSCI ACWI ex. US index by 2.74%. For 2021, the account increased 8.31%, outperforming the benchmark by 0.48%.
  - Despite a volatile November, most global equity markets performed strongly overall in the final quarter of 2021 as investors focused on robust corporate earnings growth and resiliency, offsetting worries over the spread of the new Omicron variant and fears of runaway inflation. China was one of the worst-performing major equity markets in the quarter, along with neighbor Hong-Kong, on investor concerns about the government's stringent "zero COVID" policy and political scrutiny on certain domestic business models. The interest rate environment in Q4 reflected uncertainty, due to the spread of the Omicron variant in December.
  - Luxury goods names performed strongly in the period, recovering from the summer sell-off which was caused by the introduction of policies and scrutiny focused on "common prosperity" in China. During the quarter, the account benefitted from appreciation in its top European positions, including: Sika, Teleperformance, DSM and Atlas Copco. The strategy was negatively impacted by a decline in Sea Ltd.
- **ARI's View...**
  - The equity market risk-reward ratio is mixed with opportunities within certain business models and greater risks to valuation in others.
  - Supply chain constraints caused by labor shortages and stricter lockdown measures across SE Asia to increasingly add pressure on material and input costs. Corporate earnings for many exposed companies are likely to be negatively affected over the next few quarters.
  - China continues to experience regional COVID outbreaks, which may intensify and prove troublesome for a restart of the economy. In addition, ARI's view on the investing risks in China has not changed, ARI established a framework to categorize China's political events in 2021 (1) limiting the dominance of powerful corporate players (2) promoting common prosperity to reduce income/wealth inequality (3) evolving social values (4) reinvigorating long term population growth and therefore long term sustainable economic growth.
  - ARI expects further volatility in equity markets throughout 2022 as investors balance the effects of higher inflation, ongoing supply chain disruptions and increasing policy tightening actions from the US Fed. Relatively high stock valuations in growth and long-duration cash flow technology stocks could also add to meaningful market movements.
- **Risks ARI is Monitoring...** 1. Higher/permanent inflation and higher interest rates, 2. Spread and seriousness of Omicron COVID variant, 3. Relatively high equity market valuations, 4. Issues with China: (i) US-China tensions, (ii) China domestic policy scrutiny and, (iii) Chinese real estate and property financial deleveraging. 5. Supply chain disruptions, rising raw material costs. 6. Investor rotation to cyclical, energy, financials from growth and long-duration technology stocks.
- **Portfolio Positioning...**The account divested two positions during the period, the Japanese medical company M3, due to concerns over high valuation and Wuxi Aptec due to potential regulatory risks between US - China. Proceeds were used to initiate a new position in Nestle while weight was added to existing position, Infosys. As equity markets face uncertainties, ARI believes that investing in companies that have a clear growth path, funded by internally generated cashflow, relatively lower balance sheet leverage and strong market position offers a favorable risk/reward versus the broader market. ARI has seen market volatility and temporary sector rotations in the past, and continues to stick to its investment process.

## Statement of Performance

For the Period: December 01, 2021 - December 31, 2021

**Account No : U18A103**

**Custodian Account No : N1YS**

### Account Activity Summary

Fund Balance Details:

Contribution Since Inception <sup>1</sup>	Beginning Market Value	Contributions/(Redemptions)	Portfolio Profit/(Loss)	Gross Ending Market Value	Management Fees	Net Market Value
\$17,610,765.86 <sup>2</sup>	\$31,643,244.41	(\$49,569.08)	\$888,590.37	\$32,482,265.70	(\$31,255.02)	\$32,451,010.68

### Contribution/(Redemption) Details

Date	Activity Description	Amount
12/8/2021	Redemption	\$49,569.08

Account Performance Summary		MTD %	QTD %	YTD %	One Year %	Since Inception <sup>1</sup> %
<b>Strategy</b> : U18A103	Gross	2.81%	4.56%	8.31%	8.31%	22.05%
	Net	2.73%	4.46%	7.88%	7.88%	21.60%
<b>Benchmark</b> : MSCI AC World ExUS NTR INDEX		4.13%	1.82%	7.82%	7.82%	13.17%

Note: Unless specifically noted, the performance shown reflect the deduction for management fees, accrued performance allocations, all expenses of the strategy/account, net interest and the reinvestment of dividends, and include gains or losses from "new issues," if any. Actual returns for a particular investor will vary depending upon, among other things, the level of fees charged, whether such investor participates in new issues and the timing of subscriptions and redemptions. In the event of any discrepancy between the information contained herein and the information contained in an investor's monthly account statement, the latter shall govern.

1. Inception Date : January 01, 2019.

2. Initial contribution made on December 28, 2018.

All amounts reflected in USD

# Holdings Report

As of: 31 December, 2021

Security Description	Security Type	% of Fund	Quantity	Share Price	Listing Currency	Book Value (In Local Currency)	Mkt Value	Book Value (In Fund Currency)	Mkt Value	% Div Yield
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**Account No : U18A103**

**Custodian Account No : N1YS**

FC - Fund Currency USD

## Net Assets

### Accrued Investment Income and Expenses

#### Canada

Canada Dollar	Currencies	0.0 %	1,255	1.00	CAD	1,255	1,255	993	993	
Total for Canada		0.0 %						993	993	

#### United States

Cash	Currencies	0.0 %	4,964	0.00	USD	4,964	4,964	4,964	4,964	
Total for United States		0.0 %						4,964	4,964	
Total for Accrued Investment Income and Expenses		0.0 %						5,958	5,958	

### Cash and Due Upon Settlement

#### United States

Cash	Currencies	0.9 %	277,396	0.00	USD	277,396	277,396	277,396	277,396	
Total for United States		0.9 %						277,396	277,396	
Total for Cash and Due Upon Settlement		0.9 %						277,396	277,396	

## Investments

#### Australia

CSL LTD	Equity	1.2 %	1,789	290.72	AUD	338,266	520,098	239,106	377,747	1.0 %
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As of: 31 December, 2021

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REA GROUP LTD	Equity	2.8 %	7,538	167.64	AUD	663,699	1,263,670	461,449	917,804	0.8 %
Total for Australia		4.0 %						700,554	1,295,551	
<b>Canada</b>										
CANADIAN PACIFIC RAILWAY LTD	Equity	1.5 %	6,607	90.98	CAD	559,466	601,105	431,015	475,671	0.8 %
THOMSON REUTERS CORP	Equity	2.3 %	6,164	151.27	CAD	925,439	932,428	728,485	737,856	1.3 %
SHOPIFY INC - CLASS A	Equity	3.7 %	865	1,735.00	CAD	571,415	1,500,775	432,174	1,187,604	
CONSTELLATION SOFTWARE INC	Equity	4.3 %	756	2,346.94	CAD	1,022,111	1,774,287	791,021	1,404,041	0.2 %
Total for Canada		11.7 %						2,382,695	3,805,171	
<b>China</b>										
YUM CHINA HOLDINGS INC	Equity	1.2 %	7,900	382.60	HKD	3,909,451	3,022,540	503,195	387,674	1.0 %
JD.COM INC - CL A	Equity	1.3 %	12,100	274.00	HKD	3,639,615	3,315,400	468,509	425,237	
BYD CO LTD-H	Equity	2.0 %	18,872	266.60	HKD	5,735,123	5,031,275	737,192	645,317	0.1 %
Total for China		4.5 %						1,708,896	1,458,227	
<b>Denmark</b>										
NOVO NORDISK A/S-B	Equity	1.7 %	4,999	735.00	DKK	1,878,349	3,674,265	279,587	561,780	1.3 %
DSV Panalpina A/S	Equity	3.6 %	5,013	1,527.50	DKK	5,137,880	7,657,358	810,449	1,170,778	0.3 %
Total for Denmark		5.3 %						1,090,036	1,732,558	
<b>France</b>										
L'OREAL	Equity	1.5 %	1,054	416.95	EUR	361,263	439,465	434,093	499,672	1.0 %
PERNOD RICARD SA	Equity	2.4 %	3,275	211.50	EUR	492,361	692,663	556,003	787,557	1.5 %
AIRBUS SE	Equity	3.1 %	7,820	112.36	EUR	767,646	878,655	930,201	999,031	
LVMH MOET HENNESSY LOUIS VUI	Equity	3.5 %	1,391	727.00	EUR	398,674	1,011,257	447,976	1,149,799	1.0 %
TELEPERFORMANCE	Equity	3.6 %	2,602	392.00	EUR	369,272	1,019,984	423,549	1,159,722	0.6 %
Total for France		14.1 %						2,791,823	4,595,781	
<b>Germany</b>										
ZALANDO SE	Equity	1.4 %	5,542	71.14	EUR	544,384	394,258	663,822	448,271	
Total for Germany		1.4 %						663,822	448,271	

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<b>India</b>										
ICICI BANK LTD-SPON ADR	Equity	1.2 %	20,253	19.79	USD	392,260	400,807	392,260	400,807	0.3 %
HDFC BANK LTD-ADR	Equity	3.0 %	14,887	65.07	USD	756,122	968,697	756,122	968,697	0.4 %
INFOSYS LTD-SP ADR	Equity	3.5 %	44,733	25.31	USD	1,015,922	1,132,192	1,015,922	1,132,192	1.6 %
<i>Total for India</i>		7.7 %						2,164,304	2,501,696	
<b>Indonesia</b>										
BANK RAKYAT INDONESIA PERSER	Equity	2.4 %	2,760,700	4,110.00	IDR	11,041,082,619	11,346,477,000	769,929	795,128	2.3 %
<i>Total for Indonesia</i>		2.4 %						769,929	795,128	
<b>Japan</b>										
DAIKIN INDUSTRIES LTD	Equity	2.4 %	3,393	26,090.00	JPY	40,747,252	88,523,370	369,940	769,233	0.7 %
RECRUIT HOLDINGS CO LTD	Equity	3.5 %	19,000	6,972.00	JPY	51,617,147	132,468,000	468,555	1,151,095	0.3 %
<i>Total for Japan</i>		5.9 %						838,494	1,920,328	
<b>Mexico</b>										
WALMART DE MEXICO SAB DE CV	Equity	3.2 %	277,929	76.09	MXN	16,394,298	21,147,618	831,103	1,030,114	2.1 %
<i>Total for Mexico</i>		3.2 %						831,103	1,030,114	
<b>Netherlands</b>										
ASML HOLDING NV	Equity	3.5 %	1,420	706.70	EUR	424,514	1,003,514	483,523	1,140,995	0.5 %
KONINKLIJKE DSM NV	Equity	3.9 %	5,685	198.00	EUR	438,124	1,125,630	505,747	1,279,841	1.2 %
<i>Total for Netherlands</i>		7.5 %						989,270	2,420,837	
<b>New Zealand</b>										
FISHER & PAYKEL HEALTHCARE C	Equity	3.0 %	44,384	30.53	AUD	724,427	1,355,044	500,267	984,168	1.2 %
<i>Total for New Zealand</i>		3.0 %						500,267	984,168	

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<b>Poland</b>										
DINO POLSKA SA	Equity	3.2 %	11,507	367.30	PLN	1,458,936	4,226,521	378,215	1,047,413	
<i>Total for Poland</i>		3.2 %						378,215	1,047,413	
<b>Singapore</b>										
SEA LTD-ADR	Equity	1.9 %	2,807	223.71	USD	566,287	627,954	566,287	627,954	
<i>Total for Singapore</i>		1.9 %						566,287	627,954	
<b>Sweden</b>										
ATLAS COPCO AB-A SHS	Equity	3.7 %	17,563	625.80	SEK	9,485,466	10,990,925	1,117,041	1,213,904	1.2 %
<i>Total for Sweden</i>		3.7 %						1,117,041	1,213,904	
<b>Switzerland</b>										
NESTLE SA-REG	Equity	3.0 %	6,958	127.44	CHF	784,713	886,728	827,071	971,330	2.2 %
LONZA GROUP AG-REG	Equity	3.0 %	1,182	761.60	CHF	709,914	900,211	758,166	986,101	0.4 %
SIKA AG-REG	Equity	4.3 %	3,323	380.20	CHF	537,876	1,263,405	544,782	1,383,946	0.7 %
<i>Total for Switzerland</i>		10.3 %						2,130,020	3,341,377	
<b>Taiwan</b>										
TAIWAN SEMICONDUCTOR-SP ADR	Equity	4.0 %	10,740	120.31	USD	619,800	1,292,129	619,800	1,292,129	1.6 %
<i>Total for Taiwan</i>		4.0 %						619,800	1,292,129	
<b>United Kingdom</b>										
LONDON STOCK EXCHANGE GROUP	Equity	1.7 %	6,009	6,930.00	GBP	310,910	416,424	400,844	563,505	1.1 %

# Holdings Report

As of: 31 December, 2021

Security Description	Security Type	% of Fund	Quantity	Share Price	Listing Currency	Book Value (In Local Currency)	Mkt Value (In Local Currency)	Book Value (In Fund Currency)	Mkt Value (In Fund Currency)	% Div Yield
DIAGEO PLC	Equity	3.5 %	20,595	4,036.00	GBP	607,955	831,214	791,698	1,124,799	1.8 %
Total for United Kingdom		5.2 %						1,192,542	1,688,304	
Total for Investments		99.1 %						21,435,097	32,198,912	
Total for Net Assets		100.0 %						21,718,451	32,482,266	
Total for NIYS		100.0 %						21,718,451	32,482,266	

For the Period: 1 December, 2021 - 31 December, 2021

## Transaction Report

Transaction Type	Description	Quantity	Trade Date	Settlement Date	Price	Cashflow	Notes
<b>Account No : U18A103</b>							
<b>Custodian Account No : N1YS</b>							
<b>AUD</b>							
DivIncome	FISHER & PAYKEL HEALTHCARE C	8,460.48	02 Dec 2021	15 Dec 2021	1.0000 AUD	8,460.48	Cash dividend
DivTaxes	FISHER & PAYKEL HEALTHCARE C	1,269.07	02 Dec 2021	15 Dec 2021	1.0000 AUD	-1,269.07	Dividend tax on cash dividend
Sell	Australia Dollar	7,191.41	15 Dec 2021	16 Dec 2021	0.7123 AUD	-7,191.41	
<b>Total for AUD</b>						<b>0.00</b>	
<b>BRL</b>							
DivIncome	RAIA DROGASIL SA	3,923.49	12 Mar 2021	01 Dec 2021	1.0000 BRL	3,923.49	Cash dividend
DivTaxes	RAIA DROGASIL SA	588.52	12 Mar 2021	01 Dec 2021	1.0000 BRL	-588.52	Dividend tax on cash dividend
Sell	Brazilian Real	3,334.97	02 Dec 2021	03 Dec 2021	0.1772 BRL	-3,334.97	
<b>Total for BRL</b>						<b>0.00</b>	
<b>CHF</b>							
Sell	SIKA AG-REG	277.00	09 Dec 2021	13 Dec 2021	376.0727 CHF	104,120.05	Compliance trade
Sell	Swiss Franc	104,120.05	10 Dec 2021	13 Dec 2021	1.0840 CHF	-104,120.05	
Purchase	NESTLE SA-REG	798.00	14 Dec 2021	16 Dec 2021	124.0895 CHF	-99,072.93	Building position
Purchase	Swiss Franc	99,072.93	15 Dec 2021	16 Dec 2021	1.0822 CHF	99,072.93	
Purchase	NESTLE SA-REG	2,286.00	16 Dec 2021	20 Dec 2021	127.1137 CHF	-290,727.21	
Purchase	Swiss Franc	290,727.21	17 Dec 2021	20 Dec 2021	1.0840 CHF	290,727.21	
<b>Total for CHF</b>						<b>0.00</b>	
<b>EUR</b>							
DivIncome	LVMH MOET HENNESSY LOUIS VUI	4,173.00	30 Nov 2021	02 Dec 2021	1.0000 EUR	4,173.00	Cash dividend



For the Period: 1 December, 2021 - 31 December, 2021

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<b>Account No : U18A103</b>							
<b>Custodian Account No : N1YS</b>							
DivTaxes	LVMH MOET HENNESSY LOUIS VUI	625.95	30 Nov 2021	02 Dec 2021	1.0000 EUR	-625.95	Dividend tax on cash dividend
Sell	Euro	3,547.05	02 Dec 2021	03 Dec 2021	1.1294 EUR	-3,547.05	
<b>Total for EUR</b>						<b>0.00</b>	
<b>HKD</b>							
Sell	WUXI APPTEC CO LTD-H	19,680.00	16 Dec 2021	20 Dec 2021	139.9472 HKD	2,748,991.34	Potential target for US sancti
Sell	Hong Kong Dollar	2,748,991.34	17 Dec 2021	20 Dec 2021	0.1282 HKD	-2,748,991.34	
Purchase	YUM CHINA HOLDINGS INC	1,400.00	20 Dec 2021	22 Dec 2021	367.9617 HKD	-516,113.32	Compliance trade
Purchase	Hong Kong Dollar	516,113.32	21 Dec 2021	22 Dec 2021	0.1282 HKD	516,113.32	
<b>Total for HKD</b>						<b>0.00</b>	
<b>IDR</b>							
Sell	Indonesian Rupiah	433,412.12	08 Dec 2021	08 Dec 2021	0.0001 IDR	-433,412.12	
<b>Total for IDR</b>						<b>-433,412.12</b>	
<b>JPY</b>							
DivIncome	DAIKIN INDUSTRIES LTD	305,370.00	29 Sep 2021	02 Dec 2021	1.0000 JPY	305,370.00	Cash dividend
DivIncome	RECRUIT HOLDINGS CO LTD	199,500.00	29 Sep 2021	10 Dec 2021	1.0000 JPY	199,500.00	Cash dividend
Sell	Japanese Yen	305,370.00	02 Dec 2021	03 Dec 2021	0.0088 JPY	-305,370.00	
Sell	Japanese Yen	199,500.00	10 Dec 2021	13 Dec 2021	0.0088 JPY	-199,500.00	
<b>Total for JPY</b>						<b>0.00</b>	

For the Period: 1 December, 2021 - 31 December, 2021

## Transaction Report

Transaction Type	Description	Quantity	Trade Date	Settlement Date	Price	Cashflow	Notes
<b>Account No : U18A103</b>							
<b>Custodian Account No : N1YS</b>							
<b>MXN</b>							
DivIncome	WALMART DE MEXICO SAB DE CV	102,833.73	24 Dec 2021	28 Dec 2021	1.0000 MXN	102,833.73	Cash dividend
DivIncome	WALMART DE MEXICO SAB DE CV	125,068.05	24 Dec 2021	28 Dec 2021	1.0000 MXN	125,068.05	Cash dividend
Sell	Mexican Peso	227,901.78	29 Dec 2021	30 Dec 2021	0.0486 MXN	-227,901.78	
<b>Total for MXN</b>						<b>0.00</b>	
<b>USD</b>							
DivIncome	THOMSON REUTERS CORP	2,496.42	17 Nov 2021	15 Dec 2021	1.0000 USD	2,496.42	Cash dividend
DivIncome	YUM CHINA HOLDINGS INC	780.00	23 Nov 2021	16 Dec 2021	1.0000 USD	780.00	Cash dividend
IntIncomeNonTrading	United States Dollar	8.11	01 Dec 2021	01 Dec 2021	1.0000 USD	8.11	Interest income
Sell	Euro	3,547.05	02 Dec 2021	03 Dec 2021	1.1294 USD	4,005.92	
Sell	Brazilian Real	3,334.97	02 Dec 2021	03 Dec 2021	0.1772 USD	590.84	
Sell	Japanese Yen	305,370.00	02 Dec 2021	03 Dec 2021	0.0088 USD	2,695.75	
TransAcct	United States Dollar	0.00	08 Dec 2021	08 Dec 2021	1.0000 USD	-49,569.08	Redemption from U18A103 to zzzConCapUSD
Sell	Indonesian Rupiah	433,412.12	08 Dec 2021	08 Dec 2021	0.0001 USD	30.18	
Sell	Japanese Yen	199,500.00	10 Dec 2021	13 Dec 2021	0.0088 USD	1,758.66	
Sell	Swiss Franc	104,120.05	10 Dec 2021	13 Dec 2021	1.0840 USD	112,867.26	
Sell	SEA LTD-ADR	886.00	14 Dec 2021	16 Dec 2021	223.3842 USD	197,908.53	To fund purchase NESN SW
Sell	Australia Dollar	7,191.41	15 Dec 2021	16 Dec 2021	0.7123 USD	5,122.44	
Purchase	Swiss Franc	99,072.93	15 Dec 2021	16 Dec 2021	1.0822 USD	-107,214.13	
DivTaxes	YUM CHINA HOLDINGS INC	234.00	16 Dec 2021	16 Dec 2021	1.0000 USD	-234.00	Dividend tax adj
Sell	Hong Kong Dollar	2,748,991.34	17 Dec 2021	20 Dec 2021	0.1282 USD	352,288.45	
Purchase	Swiss Franc	290,727.21	17 Dec 2021	20 Dec 2021	1.0840 USD	-315,134.71	
Purchase	Hong Kong Dollar	516,113.32	21 Dec 2021	22 Dec 2021	0.1282 USD	-66,143.53	

For the Period: 1 December, 2021 - 31 December, 2021

## Transaction Report

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<b>Account No : U18A103</b>							
<b>Custodian Account No : N1YS</b>							
MiscAdjExp	United States Dollar	287.60	29 Dec 2021	29 Dec 2021	1.0000 USD	-287.60	Invoice paid
Sell	Mexican Peso	227,901.78	29 Dec 2021	30 Dec 2021	0.0486 USD	11,076.90	
<b>Total for USD</b>						<b>153,046.41</b>	

**Commissions 01 Dec 21 - 31 Dec 21**

	Total \$ Consideration FC	Total Commission FC	% Commission	Trade Count	# of Shares
<b>Account No : U18A103</b>					
<b>Custodian Account No : N1YS</b>					
<i>FC - Fund Currency USD</i>					
<b>Loop Capital Global Cash</b>	483,949.94 USD	151.82 USD	31.22 %	4	3,361
<b>Pictet</b>	668,562.39 USD	334.53 USD	68.78 %	2	21,966
<b>Total</b>	<u>1,152,512.34 USD</u>	<u>486.35 USD</u>	<u>100.00 %</u>	<u>6</u>	<u>25,327</u>