

## MONTHLY PORTFOLIO COMMENTARY

February 14, 2022

To:

**Leading Edge Investment Advisors**

ARI Account Number: U18A103

Client Name: NYCERS

Custodian Account: N1YS

Account Representative: Amira Strasser, CEO

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Portfolio Commentary for the month of January 2022:

The portfolio underperformed the benchmark in January 2022, as technology and high multiple growth stocks experienced a violent valuation contraction. Financials and Energy sectors outperformed while Technology, Communications Services and Industrials performed poorly. Portfolio underperformance was led by Sea Ltd, Shopify, ASML Holding, Teleperformance and Sika. The portfolio's holdings in Emerging Market banks (such as HDFC Bank, ICICI Bank and Bank Rakyat) outperformed during the month.

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: January 01, 2022 - January 31, 2022

**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>	\$32,482,262.48	\$0.00	(\$3,450,811.58)	\$29,031,450.91	\$0.00	\$29,031,450.91

Contribution/(Redemption) Details

Date	Activity Description	Amount
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Account Performance Summary		MTD %	QTD %	YTD %	One Year %	Since Inception <sup>1</sup> %
<b>Strategy</b> : U18A103	Gross	-10.62%	-10.62%	-10.62%	-2.46%	17.05%
	Net	-10.62%	-10.62%	-10.62%	-2.84%	16.65%
<b>Benchmark</b> : MSCI AC World ExUS NTR INDEX		-3.69%	-3.69%	-3.69%	3.63%	11.42%

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 January, 2022

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
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Account No : **U18A103**

Custodian Account No : **N1YS**

FC - Fund Currency USD

## Net Assets

### Cash and Due Upon Settlement

#### United States

Cash	Currencies	2.9 %	831,605	0.00	USD	831,605	831,605	831,605	831,605	
Total for United States		2.9 %						831,605	831,605	
Total for Cash and Due Upon Settlement		2.9 %						831,605	831,605	

### Investments

#### Australia

CSL LTD	Equity	1.1 %	1,789	260.35	AUD	338,266	465,766	239,106	329,204	1.1 %
REA GROUP LTD	Equity	2.7 %	7,538	145.10	AUD	663,699	1,093,764	461,449	773,072	0.9 %
Total for Australia		3.8 %						700,554	1,102,276	

#### Canada

CANADIAN PACIFIC RAILWAY LTD	Equity	1.6 %	6,607	90.94	CAD	559,466	600,841	431,015	472,545	0.8 %
THOMSON REUTERS CORP	Equity	2.3 %	6,164	136.46	CAD	925,439	841,139	727,123	661,533	1.5 %
SHOPIFY INC - CLASS A	Equity	2.9 %	865	1,226.95	CAD	571,415	1,061,312	432,174	834,693	
CONSTELLATION SOFTWARE INC	Equity	4.5 %	756	2,189.35	CAD	1,022,111	1,655,149	791,021	1,301,729	0.2 %
Total for Canada		11.3 %						2,381,334	3,270,500	

#### China

YUM CHINA HOLDINGS INC	Equity	1.3 %	7,900	364.60	HKD	3,909,451	2,880,340	503,195	369,416	1.0 %
JD.COM INC - CL A	Equity	1.5 %	12,100	279.60	HKD	3,639,615	3,383,160	468,509	433,905	

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BYD CO LTD-H	Equity	1.8 %	18,872	221.40	HKD	5,735,123	4,178,261	737,192	535,881	0.1 %
Total for China		4.6 %						1,708,896	1,339,202	
Denmark										
NOVO NORDISK A/S-B	Equity	1.7 %	4,999	656.10	DKK	1,878,349	3,279,844	279,587	495,175	1.4 %
DSV Panalpina A/S	Equity	3.5 %	5,013	1,337.50	DKK	5,137,880	6,704,888	810,449	1,012,272	0.3 %
Total for Denmark		5.2 %						1,090,036	1,507,448	
France										
L'OREAL	Equity	1.5 %	1,054	376.85	EUR	361,263	397,200	434,093	446,214	1.1 %
PERNOD RICARD SA	Equity	2.2 %	2,965	189.00	EUR	448,527	560,385	505,848	629,537	1.7 %
TELEPERFORMANCE	Equity	3.4 %	2,602	333.40	EUR	369,272	867,507	423,549	974,557	0.7 %
AIRBUS SE	Equity	3.4 %	7,820	112.12	EUR	767,646	876,778	930,201	984,973	
LVMH MOET HENNESSY LOUIS VUI	Equity	3.9 %	1,391	722.60	EUR	398,674	1,005,137	447,976	1,129,170	1.0 %
Total for France		14.3 %						2,741,668	4,164,451	
Germany										
ZALANDO SE	Equity	1.5 %	5,542	69.98	EUR	544,384	387,829	663,255	435,687	
Total for Germany		1.5 %						663,255	435,687	
India										
ICICI BANK LTD-SPON ADR	Equity	1.5 %	20,253	21.73	USD	392,260	440,098	392,260	440,098	0.3 %
INFOSYS LTD-SP ADR	Equity	3.2 %	39,470	23.57	USD	901,788	930,308	901,788	930,308	1.7 %
HDFC BANK LTD-ADR	Equity	3.5 %	14,887	68.63	USD	756,122	1,021,695	756,122	1,021,695	0.4 %
Total for India		8.2 %						2,050,170	2,392,100	
Indonesia										
BANK RAKYAT INDONESIA PERSER	Equity	2.7 %	2,760,700	4,070.00	IDR	11,041,082,619	11,236,049,000	769,929	782,019	2.4 %
Total for Indonesia		2.7 %						769,929	782,019	
Japan										
DAIKIN INDUSTRIES LTD	Equity	2.4 %	3,393	23,825.00	JPY	40,747,252	80,838,225	369,940	702,513	0.7 %

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RECRUIT HOLDINGS CO LTD	Equity	3.2 %	19,000	5,595.00	JPY	51,617,147	106,305,000	468,555	923,829	0.4 %
Total for Japan		5.6 %						838,494	1,626,342	
<b>Mexico</b>										
WALMART DE MEXICO SAB DE CV	Equity	2.8 %	239,447	70.14	MXN	14,399,308	16,794,813	726,636	814,077	2.3 %
Total for Mexico		2.8 %						726,636	814,077	
<b>Netherlands</b>										
ASML HOLDING NV	Equity	3.3 %	1,420	594.20	EUR	424,514	843,764	483,523	947,884	0.6 %
KONINKLIJKE DSM NV	Equity	3.7 %	5,685	166.05	EUR	438,124	943,994	505,747	1,060,483	1.4 %
Total for Netherlands		6.9 %						989,270	2,008,368	
<b>New Zealand</b>										
FISHER & PAYKEL HEALTHCARE C	Equity	2.8 %	44,384	26.35	AUD	724,427	1,169,518	500,267	826,616	1.4 %
Total for New Zealand		2.8 %						500,267	826,616	
<b>Poland</b>										
DINO POLSKA SA	Equity	3.0 %	11,507	314.00	PLN	1,458,936	3,613,198	378,215	885,327	
Total for Poland		3.0 %						378,215	885,327	
<b>Singapore</b>										
SEA LTD-ADR	Equity	1.5 %	2,807	150.31	USD	566,287	421,920	566,287	421,920	
Total for Singapore		1.5 %						566,287	421,920	
<b>Sweden</b>										
ATLAS COPCO AB-A SHS	Equity	3.5 %	17,563	543.20	SEK	9,485,466	9,540,222	1,118,025	1,023,168	1.3 %
Total for Sweden		3.5 %						1,118,025	1,023,168	
<b>Switzerland</b>										
LONZA GROUP AG-REG	Equity	2.8 %	1,182	633.40	CHF	709,914	748,679	760,576	807,898	0.5 %
NESTLE SA-REG	Equity	3.1 %	6,958	119.08	CHF	784,713	828,559	827,071	894,096	2.3 %

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SIKA AG-REG	Equity	4.0 %	3,323	321.10	CHF	537,876	1,067,015	544,782	1,151,414	0.8 %
Total for Switzerland		9.8 %						2,132,429	2,853,408	
<b>Taiwan</b>										
TAIWAN SEMICONDUCTOR-SP ADR	Equity	3.9 %	9,235	122.63	USD	544,644	1,132,488	544,644	1,132,488	1.5 %
Total for Taiwan		3.9 %						544,644	1,132,488	
<b>United Kingdom</b>										
LONDON STOCK EXCHANGE GROUP	Equity	2.0 %	6,009	7,220.00	GBP	310,910	433,850	400,844	583,398	1.1 %
DIAGEO PLC	Equity	3.6 %	20,595	3,723.00	GBP	607,955	766,752	791,698	1,031,051	1.9 %
Total for United Kingdom		5.6 %						1,192,542	1,614,449	
<b>Total for Investments</b>		97.1 %						21,092,651	28,199,846	
<b>Total for Net Assets</b>		100.0 %						21,924,255	29,031,451	
<b>Total for NIYS</b>		<b>100.0 %</b>						<b>21,924,255</b>	<b>29,031,451</b>	

For the Period: 1 January, 2022 - 31 January, 2022

## 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>EUR</b>							
Sell	PERNOD RICARD SA	310.00	12 Jan 2022	14 Jan 2022	200.8790 EUR	62,241.35	Compliance trade
Sell	Euro	62,241.35	13 Jan 2022	14 Jan 2022	1.1447 EUR	-62,241.35	
<b>Total for EUR</b>						<b>0.00</b>	
<b>MXN</b>							
Sell	WALMART DE MEXICO SAB DE CV	38,482.00	24 Jan 2022	26 Jan 2022	69.9741 MXN	2,692,358.50	Compliance trade
Sell	Mexican Peso	2,692,358.50	25 Jan 2022	26 Jan 2022	0.0484 MXN	-2,692,358.50	
<b>Total for MXN</b>						<b>0.00</b>	
<b>USD</b>							
DivTaxes	TAIWAN SEMICONDUCTOR-SP ADR	1,118.62	16 Dec 2021	13 Jan 2022	1.0000 USD	-1,118.62	Dividend tax on cash dividend
DivIncome	TAIWAN SEMICONDUCTOR-SP ADR	5,326.80	16 Dec 2021	13 Jan 2022	1.0000 USD	5,326.80	Cash dividend
DivIncome	CONSTELLATION SOFTWARE INC	756.00	17 Dec 2021	11 Jan 2022	1.0000 USD	756.00	Cash dividend
DivIncome	CANADIAN PACIFIC RAILWAY LTD	990.16	30 Dec 2021	31 Jan 2022	1.0000 USD	990.16	Cash dividend
IntIncomeNonTrading	United States Dollar	13.32	03 Jan 2022	03 Jan 2022	1.0000 USD	13.32	Interest income
Sell	INFOSYS LTD-SP ADR	5,263.00	12 Jan 2022	14 Jan 2022	25.7550 USD	135,495.24	Compliance trade
DivIncome	TAIWAN SEMICONDUCTOR-SP ADR	8.50	13 Jan 2022	13 Jan 2022	1.0000 USD	8.50	Dividend and dividend tax adj
Sell	Euro	62,241.35	13 Jan 2022	14 Jan 2022	1.1447 USD	71,245.12	
Sell	TAIWAN SEMICONDUCTOR-SP ADR	1,505.00	14 Jan 2022	19 Jan 2022	140.3637 USD	211,231.24	Compliance trade
MiscAdjInc	United States Dollar	0.01	18 Jan 2022	18 Jan 2022	1.0000 USD	0.01	O/S

# Transaction Report

For the Period: 1 January, 2022 - 31 January, 2022

Transaction Type	Description	Quantity	Trade Date	Settlement Date	Price	Cashflow	Notes
<div>Account No : U18A103</div> <div>Custodian Account No : N1YS</div>							
Sell	Mexican Peso	2,692,358.50	25 Jan 2022	26 Jan 2022	0.0484 USD	130,260.70	
Total for USD						554,208.47	



***Commissions 01 Jan 22 - 31 Jan 22***

	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>	206,755.36 USD	88.28 USD	72.35 %	2	5,573
<b>Pictet</b>	342,017.77 USD	33.74 USD	27.65 %	2	39,987
<b>Total</b>	<u>548,773.14 USD</u>	<u>122.02 USD</u>	<u>100.00 %</u>	<u>4</u>	<u>45,560</u>