

MONTHLY PORTFOLIO COMMENTARY

March 09, 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 February 2022:

The portfolio underperformed the benchmark in February 2022 (N.B. the accounts were closed mid-month – *commentary is for the entire month*). Technology, luxury and high multiple growth stocks continued to experience a valuation contraction, as the value-growth sentiment shift continued, and the geopolitical environment changed dramatically after Russia's aggression towards Ukraine. Companies most affected by the conflict in Ukraine include those that are highly involved within global supply chain and those that depend on energy and commodities inputs (like wheat and various industrial metals). Portfolio underperformance was led by Shopify, Taiwan Semiconductor, and LVMH. The portfolio's holdings in Bank Rakyat, Novo Nordisk, Nestle and Pernod outperformed.

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 cyclicals, 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: February 01, 2022 - February 14, 2022

Account No : U18A103

Custodian Account No : N1YS

Account Activity Summary

Fund Balance Details:

Contribution Since Inception ¹	Beginning Market Value	Contributions/(Redemptions)	Portfolio Profit/(Loss)	Gross Ending Market Value	Management Fees	Net Market Value
\$17,610,765.86 ²	\$29,031,450.91	\$0.00	(\$967,754.67)	\$28,063,696.23	\$0.00	\$28,063,696.23

Contribution/(Redemption) Details

Date	Activity Description	Amount
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Account Performance Summary		MTD %	QTD %	YTD %	One Year %	Since Inception ¹ %
Strategy : U18A103	Gross	-3.33%	-13.60%	-13.60%	-12.83%	15.56%
	Net	-3.37%	-13.73%	-13.73%	-13.28%	15.16%
Benchmark : MSCI AC World ExUS NTR INDEX		2.60%	-1.18%	-1.18%	0.63%	12.19%

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: 14 February, 2022

Security Description	Security Type	% of Fund	Quantity	Share Price	Listing Currency	Book Value	Mkt Value	Book Value	Mkt Value	% Div Yield
						(In Local Currency)		(In Fund Currency)		

Account No : ZZU18A103
Custodian Account No : N1YS

FC - Fund Currency USD

Net Assets

Cash and Due Upon Settlement

United States

Cash	Currencies	3.0 %	831,641	0.00	USD	831,641	831,641	831,641	831,641	
Total for United States		3.0 %						831,641	831,641	
Total for Cash and Due Upon Settlement		3.0 %						831,641	831,641	

Investments

Australia

CSL LTD	Equity	1.1 %	1,789	243.56	AUD	338,266	435,729	239,106	310,326	1.2 %
REA GROUP LTD	Equity	2.6 %	7,538	135.44	AUD	663,699	1,020,947	461,449	727,118	1.0 %
Total for Australia		3.7 %						700,554	1,037,444	

Canada

CANADIAN PACIFIC RAILWAY LTD	Equity	1.7 %	6,607	91.61	CAD	559,466	605,267	431,015	475,391	0.8 %
THOMSON REUTERS CORP	Equity	2.2 %	6,164	129.58	CAD	925,439	798,731	727,123	627,341	1.6 %
SHOPIFY INC - CLASS A	Equity	2.6 %	865	1,078.95	CAD	571,415	933,292	432,174	733,028	
CONSTELLATION SOFTWARE INC	Equity	4.5 %	756	2,126.35	CAD	1,022,111	1,607,521	791,021	1,262,583	0.2 %
Total for Canada		11.0 %						2,381,334	3,098,343	

China

YUM CHINA HOLDINGS INC	Equity	1.4 %	7,900	391.60	HKD	3,909,451	3,093,640	503,195	396,443	1.0 %
JD.COM INC - CL A	Equity	1.6 %	12,100	289.60	HKD	3,639,615	3,504,160	468,509	449,050	

Holdings Report

As of: 14 February, 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
BYD CO LTD-H	Equity	2.0 %	18,872	235.40	HKD	5,735,123	4,442,469	737,192	569,292	0.1 %
Total for China		5.0 %						1,708,896	1,414,784	
Denmark										
NOVO NORDISK A/S-B	Equity	1.7 %	4,999	643.10	DKK	1,878,349	3,214,857	279,587	487,891	1.5 %
DSV Panalpina A/S	Equity	3.4 %	5,013	1,261.00	DKK	5,137,880	6,321,393	810,449	959,342	0.3 %
Total for Denmark		5.2 %						1,090,036	1,447,233	
France										
L'OREAL	Equity	1.5 %	1,054	353.10	EUR	361,263	372,167	434,093	420,400	1.1 %
PERNOD RICARD SA	Equity	2.3 %	2,965	190.25	EUR	448,527	564,091	505,848	637,197	1.6 %
TELEPERFORMANCE	Equity	3.4 %	2,602	320.40	EUR	369,272	833,681	423,549	941,726	0.7 %
AIRBUS SE	Equity	3.7 %	7,820	116.30	EUR	767,646	909,466	930,201	1,027,333	
LVMH MOET HENNESSY LOUIS VUI	Equity	3.8 %	1,391	670.00	EUR	398,674	931,970	447,976	1,052,753	1.0 %
Total for France		14.5 %						2,741,668	4,079,410	
Germany										
ZALANDO SE	Equity	1.4 %	5,542	61.72	EUR	544,384	342,052	663,255	386,382	
Total for Germany		1.4 %						663,255	386,382	
India										
ICICI BANK LTD-SPON ADR	Equity	1.4 %	20,253	19.62	USD	392,260	397,364	392,260	397,364	0.3 %
INFOSYS LTD-SP ADR	Equity	3.1 %	39,470	22.19	USD	901,788	875,839	901,788	875,839	1.8 %
HDFC BANK LTD-ADR	Equity	3.5 %	14,887	65.94	USD	756,122	981,649	756,122	981,649	0.4 %
Total for India		8.0 %						2,050,170	2,254,852	
Indonesia										
BANK RAKYAT INDONESIA PERSER	Equity	3.0 %	2,760,700	4,410.00	IDR	11,041,082,619	12,174,687,000	769,929	849,832	2.2 %
Total for Indonesia		3.0 %						769,929	849,832	
Japan										
DAIKIN INDUSTRIES LTD	Equity	2.3 %	3,393	21,530.00	JPY	40,747,252	73,051,290	369,940	631,986	0.8 %

Holdings Report

As of: 14 February, 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
RECRUIT HOLDINGS CO LTD	Equity	3.4 %	19,000	5,764.00	JPY	51,617,147	109,516,000	468,555	947,452	0.4 %
Total for Japan		5.6 %						838,494	1,579,438	
Mexico										
WALMART DE MEXICO SAB DE CV	Equity	3.0 %	239,447	72.76	MXN	14,399,308	17,422,164	726,636	852,256	2.2 %
Total for Mexico		3.0 %						726,636	852,256	
Netherlands										
ASML HOLDING NV	Equity	3.2 %	1,420	559.70	EUR	424,514	794,774	483,523	897,777	0.6 %
KONINKLIJKE DSM NV	Equity	3.6 %	5,685	159.15	EUR	438,124	904,768	505,747	1,022,026	1.5 %
Total for Netherlands		6.8 %						989,270	1,919,802	
New Zealand										
FISHER & PAYKEL HEALTHCARE C	Equity	2.9 %	44,384	26.08	AUD	724,427	1,157,535	500,267	824,396	1.4 %
Total for New Zealand		2.9 %						500,267	824,396	
Poland										
DINO POLSKA SA	Equity	2.9 %	11,507	281.50	PLN	1,458,936	3,239,221	378,215	804,016	
Total for Poland		2.9 %						378,215	804,016	
Singapore										
SEA LTD-ADR	Equity	1.3 %	2,807	129.17	USD	566,287	362,580	566,287	362,580	
Total for Singapore		1.3 %						566,287	362,580	
Sweden										
ATLAS COPCO AB-A SHS	Equity	3.3 %	17,563	497.60	SEK	9,485,466	8,739,349	1,118,025	930,490	1.5 %
Total for Sweden		3.3 %						1,118,025	930,490	
Switzerland										
LONZA GROUP AG-REG	Equity	2.7 %	1,182	603.00	CHF	709,914	712,746	760,576	769,870	0.5 %
NESTLE SA-REG	Equity	3.1 %	6,958	117.30	CHF	784,713	816,173	827,071	881,587	2.3 %

Holdings Report

As of: 14 February, 2022

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
SIKA AG-REG	Equity	3.8 %	3,323	296.10	CHF	537,876	983,940	544,782	1,062,800	0.8 %
Total for Switzerland		9.7 %						2,132,429	2,714,258	
Taiwan										
TAIWAN SEMICONDUCTOR-SP ADR	Equity	3.9 %	9,235	119.77	USD	544,644	1,106,076	544,644	1,106,076	1.6 %
Total for Taiwan		3.9 %						544,644	1,106,076	
United Kingdom										
LONDON STOCK EXCHANGE GROUP	Equity	2.0 %	6,009	6,874.00	GBP	310,910	413,059	400,844	558,703	1.1 %
DIAGEO PLC	Equity	3.6 %	20,595	3,632.00	GBP	607,955	748,010	791,698	1,011,759	2.0 %
Total for United Kingdom		5.6 %						1,192,542	1,570,462	
Total for Investments		97.0 %						21,092,651	27,232,055	
Total for Net Assets		100.0 %						21,924,292	28,063,696	
Total for NIYS		100.0 %						21,924,292	28,063,696	

For the Period: 1 February, 2022 - 28 February, 2022

Transaction Report

Transaction Type	Description	Quantity	Trade Date	Settlement Date	Price	Cashflow	Notes
Account No : U18A103							
Custodian Account No : N1YS							
USD							
IntIncomeNonTrading	United States Dollar	36.17	01 Feb 2022	01 Feb 2022	1.0000 USD	36.17	Interest income
Total for USD						36.17	