

January 10th, 2019

The Fiera Global Equity strategy, while down in absolute performance, outperformed the MSCI World Index over the quarter, on a net basis. Our relative outperformance was mainly driven by our security selection, which was particularly successful in the Financials and Consumer Staples sectors. Partially offsetting these positives was our lack of exposure to the outperforming Utilities sector, whose stocks saw a boost as investors turned towards more defensive sectors.

Among the top contributing stocks for the quarter were CME Group and AutoZone. CME Group, the largest futures exchange in the world, outperformed as the volatility in the markets continued to rise leading to increased demand for hedging. The company experienced higher trading volumes on futures contracts, particularly in Equity Indices. CME Group has shown to be a great portfolio diversifier and risk-reducer during these volatile markets. AutoZone, the US auto parts retailer, reported strong results. The stock's outperformance was driven by AutoZone's Commercial business whose SSS accelerated for the 3rd quarter in a row. In contrast to the mild winters in 2016 and 2017 which had hurt AutoZone's business, the cold start to the winter has been favorable for the company, leading to increased auto parts demand.

Among the largest detractors over the quarter were TJX and Schindler. After multiple quarters of outperformance and exceptionally strong same-store sales, which remains strong across the board, TJX's stock gave back some of its performance. Two of TJX's divisions, HomeGoods and Winners/HomeSense have felt margin pressures due to higher freight costs and growing wage costs, impacting retailers today. The company continues to execute very well and has been gaining market share, including among the millennials demographic, which has offset some of the margin pressure. While Schindler reported solid Q3 numbers, investors are wary of the company's margin outlook. The company is facing margin pressure from tariffs, raw materials costs and pricing pressure in China. While the macro environment is more challenging, Schindler continues to demonstrate very solid execution as well as strong fundamentals which remain intact.

Our sector and regional weights are driven by bottom up stock selection. As we enter the first quarter of 2019, we remain underweight the Euro zone and Japan as we continue to find more attractive opportunities in other parts of the world, such as Switzerland and Emerging Markets. We are currently overweight Industrials, Consumer Staples and Health Care while underweight Energy, Real Estate and Utilities.

	4Q18	2018
Global Equity Strategy Composite*		
Gross	-10.32%	-3.00%
Net	-10.52%	-3.84%
MSCI World	-13.42%	-8.71%

	Avg. Wt.	Contrib. to Perf.
Top Detractors		
Moody's Corp.	5.62	-0.96
MasterCard Inc.	4.93	-0.79
TJX Companies Inc.	3.34	-0.71
Keyence Corp.	4.86	-0.65
Schindler Holding AG	2.54	-0.62

Top Contributors		
CME Group Inc.	2.58	0.28
HDFC Bank Ltd	2.47	0.26
AutoZone Inc.	2.17	0.17
Varian Med Sys Inc.	1.87	0.04
Roche Holdings AG	2.77	0.04

The holdings identified do not represent all of the securities purchased, sold or recommended. Information on the calculation methodology and a listing of every holding's contribution to the composite's performance during the period is available upon request.

*For information about the composite, see disclosures.

Past performance is no guarantee of future results. Inherent in any investment is the potential for loss. Please refer to Important Disclosures on the back of this performance overview regarding performance, the Participating Affiliate Arrangement, Index Comparisons and other important information.

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INDEX COMPARISONS

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MSCI World – The MSCI World Index is a stock market index made up of approximately 1,600 global stocks. It is often used as a common benchmark for ‘world’ or ‘global’ stock funds. The index comprises a collection of stocks of all the developed markets in the world, as defined by MSCI. The index includes stocks from 23 countries but excludes stocks from emerging and frontier economies. Index results assume the re-investment of all dividends and capital gains.