

July 2, 2018

The Fiera Capital Global Equity strategy was up in absolute performance however underperformed the MSCI World Index in the 2nd quarter of 2018.

Fanuc, the Japanese leader in factory automation, robotics and CNC systems came in below expectations, mainly due to the company's conservative outlook on the growth rate in the Robomachine division, where demand is largely driven by the smartphone industry. While we acknowledge the lumpier nature of the business, we believe that the long-term growth drivers are still intact. As for Middleby, the US manufacturer of premium food servicing equipment, the company reported weaker results than expected with continued slow growth in the Commercial Food Services division. Middleby is undergoing a salesforce realignment, as well as a sharp decline in the more cyclical Food Processing segment, which was hurt by a few large orders not materializing.

Despite ongoing headlines about the rise of e-commerce and the fall of brick and mortar affecting retailers, TJX showed accelerating Same-Store-Sales (SSS) and store growth, exceeding investor expectations. TJX's largest division, Marmaxx, was especially strong, with SSS of 4%. The company continues to demonstrate a solid track record of execution and a strong value proposition. Intertek, the UK-based Testing and Certification company, experienced strong organic growth in its Product group - responsible for the safe execution and delivery of products - as well as a recovery in the Resources segment, led by increased demand in Intertek's Mining services. Furthermore, we believe Intertek's new strategy around Quality Assurance continues to be on track as a potential growth driver for the company.

Our sector and regional weights are driven by bottom-up stock selection. As we enter the third quarter of 2018, 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.

	2Q18	YTD18
Global Equity Strategy Composite*		
Gross	1.00	1.56
Net	0.79	1.13
MSCI World	1.73	0.43

	Avg. Wt.	Contrib. to Perf.
Top Detractors		
Keyence Corporation	5.08	-0.52
Fanuc Corporation	1.83	-0.48
Taiwan Semicndctr	2.54	-0.46
Middleby Corp	1.76	-0.34
3M Company	2.49	-0.28

	Avg. Wt.	Contrib. to Perf.
Top Contributors		
Mastercard Inc	5.07	0.45
Intertek Group plc	3.28	0.42
TJX Companies Inc	3.12	0.40
NIKE, Inc. Class B	2.43	0.34
Becton, Dickinson an	4.26	0.33

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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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.