

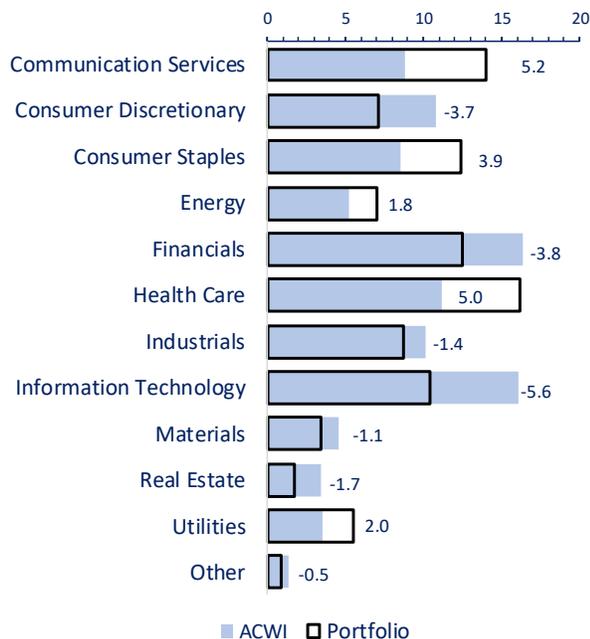
## GLOBAL EQUITY



S&P Performance	3Q19	YTD	1 Yr	3 Yrs	5 Yrs
Global Large Cap Gross	2.01%	20.55%	9.96%	12.12%	10.67%
Global Large Cap Net	1.83%	20.04%	9.30%	11.48%	10.29%
MSCI ACWI Total Return	0.09%	16.72%	1.96%	10.32%	7.26%

The equity markets followed strong year-to-date returns through the first half with continued positive, albeit more modest performance during the 3rd quarter. The major equity indices posted mixed results. The SGI Global equity strategy significantly outperformed its benchmark, the MSCI All Cap World Index, by 1.92% on a gross basis while taking significantly lower overall portfolio risk.

Globally, over \$15 trillion of the government bond market trades with negative yields. The U.S. and global economy show signs of slowing growth. Construction spending and manufacturing are in mild contraction, but the non-manufacturing sectors continue to expand. Trade negotiations between the U.S. and China are scheduled to resume, however, a comprehensive trade agreement is unlikely, and talks may take much longer than expected. The Federal Reserve will likely respond aggressively to weakening economic conditions. Despite two interest rate cuts in the second quarter, the futures markets have already priced in a 79.1% probability of an October rate decrease.



The three best performing companies were:

- **The Hershey Company (HSY)** up 16.20% as analysts upgraded the stock amid margin improvement, driven by price hikes and addition of new premium products.
- **Algonquin Power & Utilities (AQN)** up 14.30% as analysts upgraded the stock for its industry-leading growth profile.
- **Procter & Gamble (PG)** up 14.17% as Q4 organic sales growth at 7% was the best in a decade, driven by balanced growth in volumes, pricing, and product mix.

The three worst performing companies were:

- **Pfizer (PFE)** declined -16.28% as the company cut in full year revenue and EPS guidance and the street gave a thumbs-down to its deal announcement with Mylan.
- **SAP SE (SAP)** declined -13.84% as disappointing Q2 margins and slowing cloud orders dampened sentiment.
- **Telefonica (TEF)** declined 8.32% as analysts downgraded the stock amid intensifying domestic competition and the and the company's high exposure to deteriorating currencies, including UK pound sterling and Brazilian real.

Characteristics	Portfolio	ACWI
Strategy Assets (\$ Million)	40.8	-
Number of Holdings	56	1,424
Beta*	0.73	1.00
Standard Deviation*	9.0%	11.2%
Market Cap. (\$ Billion)	74.5	60.4
Price to Trailing Earnings	21.2	19.8
Price to Cash Flow	14.5	15.3
Price to Book	3.9	3.2
Enterprise Value to Sales	4.1	3.5
Debt as % of Assets	30.8	27.7
Dividend Yield (%)**	3.04	2.51
Return on Equity (%)	18.7	16.4

\* Beta & Standard Deviation 36 months

\*\* Dividend Yield index method, all other data weighted median

Top 10 Holdings	Ticker	Position
NIKE INC -CL B	NKE	1.9%
SANOFI-ADR	SNY	1.9%
CHUBB LTD	CB	1.9%
BRISTOL-MYERS SQUIBB CO	BMJ	1.9%
TC ENERGY CORP	TRP	1.8%
WALMART INC	WMT	1.8%
ALGONQUIN POWER & UTILITIES	AQN	1.8%
ORANGE-SPON ADR	ORAN	1.8%
FORTIS INC	FTS	1.8%
GLAXOSMITHKLINE PLC-SPON ADR	GSK	1.8%

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