

A globally applied fundamental process that integrates proprietary systematic and traditional research



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Quarterly Newsletter

The Beat Goes On

Healthy corporate earnings and lower unemployment levels supported higher global equity markets in the third quarter. Markets were generally positive with only a few exceptions for both the quarter and year to date. A weakening U.S. dollar (USD) further translated the MSCI World Index return of 3.94% in local currency terms to 4.84% in USD terms for the third quarter and 12.51% local currency returns into 16.01% in USD terms on a year to date basis. European countries were generally the top performing countries, advancing on positive economic data. A central theme has been the markets' warm reception of defined paths towards more restrictive monetary policy, especially in the U.S., the E.U., and Canada. Looking forward, a combination of low inflation, robust economic growth, and strong corporate earnings serves as a catalyst for higher equity prices.

[Click here for SGA's complete market overview and outlook.](#)

Strategy Update

The SGA equity strategies highlighted below have all outperformed their respective benchmarks for the Q3 and the 3-year period ending September 30, 2017. All but the International ADR Equity strategy outperformed for the YTD period ending September 30, 2017.

International Equity	Q3-17	YTD	3 Yrs*
SGA (Gross)	5.56%	20.95%	7.21%
SGA (Net)	5.30%	20.06%	6.15%
MSCI EAFE (ND)	5.40%	19.96%	5.04%
SGA Excess (Gross)	0.16%	0.99%	2.17%

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International ADR Equity	Q3-17	YTD	3 Yrs*
SGA (Gross)	5.54%	18.35%	6.82%
SGA (Net)	5.29%	17.53%	5.82%
MSCI EAFE (ND)	5.40%	19.96%	5.04%
SGA Excess (Gross)	0.14%	-1.61%	1.78%

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International ACWI ex-U.S. Equity	Q3-17	YTD	Since Incept (6/30/2015)*
SGA (Gross)	7.02%	24.50%	7.49%
SGA (Net)	6.76%	23.59%	6.44%
MSCI ACWI ex-U.S. (ND)	6.16%	21.13%	6.32%
SGA Excess (Gross)	0.86%	3.37%	1.17%

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International Small Cap Equity	Q3-17	YTD	3 Yrs*
SGA (Gross)	8.55%	30.36%	13.44%
SGA (Net)	8.16%	28.94%	11.77%
MSCI World ex-U.S. Small Cap (ND)	7.26%	23.82%	9.59%
SGA Excess (Gross)	1.29%	6.54%	3.85%

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International All Cap Equity	Q3-17	YTD	3 Yrs*
SGA (Gross)	7.35%	24.42%	9.37%
SGA (Net)	7.08%	23.51%	8.30%
MSCI World ex-U.S. IMI (ND)	5.86%	19.82%	5.23%
SGA Excess (Gross)	1.49%	4.60%	4.14%

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International SMID Cap Equity	Q3-17	YTD	3 Yrs*
SGA (Gross)	9.03%	30.40%	13.98%
SGA (Net)	8.64%	28.98%	12.30%
MSCI EAFE SMID (ND)	6.70%	23.86%	9.73%
SGA Excess (Gross)	2.33%	6.54%	4.25%

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Global Equity	Q3-17	YTD	3 Yrs*
SGA (Gross)	5.99%	18.01%	8.93%
SGA (Net)	5.73%	17.15%	7.86%
MSCI World (ND)	4.84%	16.01%	7.69%
SGA Excess (Gross)	1.15%	2.00%	1.24%

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U.S. Large Cap Equity	Q3-17	YTD	3 Yrs*
SGA (Gross)	6.20%	17.95%	11.18%
SGA (Net)	6.00%	17.30%	10.37%
Russell 1000 (ND)	4.33%	13.68%	9.97%
SGA Excess (Gross)	1.87%	4.27%	1.21%

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*Denotes an annualized return.

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