

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



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Quarterly Newsletter

The Rally Rockets Ahead

Global equity markets advanced to new highs in 2017, as synchronized global growth accelerated and monetary policy remained accommodative in a low inflationary environment. Entering the year, geopolitical risks were high on the list of investor worries. However, these risks were largely cast aside against a favorable macroeconomic backdrop and did little to temper investor optimism. Instead, company fundamentals improved, reflected by strong earnings growth and lower unemployment levels. The strength of the global economy allowed the central banks of the U.S., the U.K., and Canada to raise interest rates with minimal disruptions. Global equity markets rallied on renewed confidence, and investors' willingness to buy on the downturns resulted in positive returns for every month in 2017 for the MSCI World Net Index.

[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 3-year period ending December 31, 2017. All but the International ADR Equity strategy outperformed for the YTD period ending December 31, 2017.

International Equity	Q4-17	1 Yr	3 Yrs*
SGA (Gross)	3.58%	25.28%	8.71%
SGA (Net)	3.39%	24.13%	7.66%
MSCI EAFE (Net)	4.23%	25.03%	7.80%
SGA Excess (Gross)	-0.65%	0.25%	0.91%

[Click here for a full update and additional disclosures on SGA's International Equity strategy.](#)

International ADR Equity	Q4-17	1 Yr	3 Yrs*
SGA (Gross)	4.51%	23.69%	9.25%
SGA (Net)	4.31%	22.60%	8.24%
MSCI EAFE (Net)	4.23%	25.03%	7.80%
SGA Excess (Gross)	0.28%	-1.34%	1.45%

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International ACWI ex-U.S. Equity	Q4-17	1 Yr	Since Incept (6/30/2015)*
SGA (Gross)	4.09%	29.59%	8.43%
SGA (Net)	3.87%	28.38%	7.38%
MSCI ACWI ex USA (Net)	5.00%	27.19%	7.75%

SGA Excess (Gross) -0.91% 2.40% 0.68%

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International Small Cap Equity	Q4-17	1 Yr	3 Yrs*
SGA (Gross)	6.27%	38.54%	16.67%
SGA (Net)	6.04%	36.73%	15.01%
MSCI World ex USA Small Cap (Net)	5.83%	31.04%	12.96%
SGA Excess (Gross)	0.44%	7.50%	3.71%

[Click here for a full update and additional disclosures on SGA's International Small Cap Equity strategy.](#)

International All Cap Equity	Q4-17	1 Yr	3 Yrs*
SGA (Gross)	4.54%	30.07%	11.24%
SGA (Net)	4.32%	28.85%	12.48%
MSCI World ex USA IMI (Net)	4.46%	25.17%	8.11%
SGA Excess (Gross)	0.08%	4.90%	3.13%

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International SMID Cap Equity	Q4-17	1 Yr	3 Yrs*
SGA (Gross)	6.08%	38.33%	16.57%
SGA (Net)	5.85%	36.52%	14.91%
MSCI EAFE SMID Cap (Net)	5.59%	30.78%	12.21%
SGA Excess (Gross)	0.49%	7.55%	4.36%

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Global Equity	Q4-17	1 Yr	3 Yrs*
SGA (Gross)	7.16%	26.46%	10.28%
SGA (Net)	6.96%	25.30%	9.22%
MSCI World (Net)	5.51%	22.40%	9.26%
SGA Excess (Gross)	1.65%	4.06%	1.02%

[Click here for a full update and additional disclosures on SGA's Global Equity strategy.](#)

U.S. Large Cap Equity	Q4-17	1 Yr	3 Yrs*
SGA (Gross)	8.03%	27.42%	12.05%
SGA (Net)	7.89%	26.55%	11.24%
Russell 1000 (Gross)	6.59%	21.69%	11.23%
SGA Excess (Gross)	1.44%	5.73%	0.82%

[Click here for a full update and additional disclosures on SGA's U.S. Large Cap Equity strategy.](#)

*Denotes an annualized return.

Please note: The MSCI World ex-U.S. IMI Net benchmark statistic was misstated from 3Q 2016 – 3Q 2017. The corrected figures are included on the full update and additional disclosures for the International All Cap Equity product. Additionally, please contact SGA if you require a new copy of the presentation.

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