



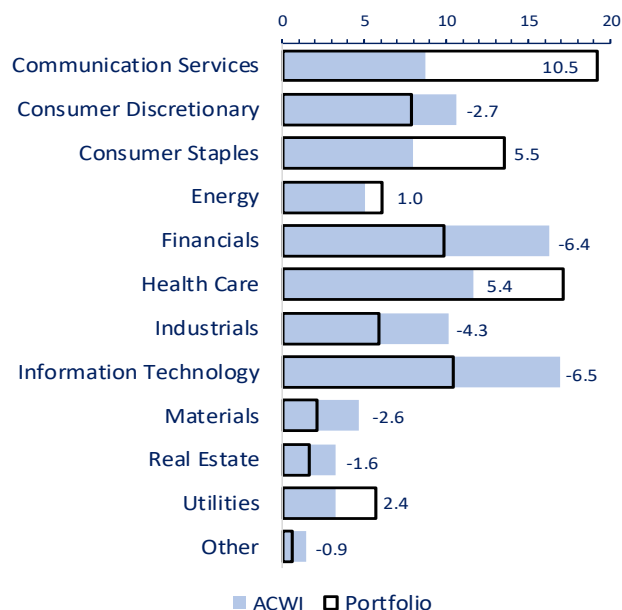
# GLOBAL EQUITY

S&P Performance	4Q19	1 Yr	3 Yrs	5 Yrs
Global Large Cap Gross	3.86%	25.21%	14.19%	10.45%
Global Large Cap Net	3.66%	24.44%	13.46%	10.03%
MSCI ACWI Total Return	9.05%	27.29%	13.06%	9.02%

The equity markets had a very strong 4th quarter and full year. On a gross basis, the SGI Global equity strategy underperformed its benchmark, the MSCI ACWI Index, by 2.08% for the year all of it coming during the 4th quarter 5.19% underperformance. All SGI equity strategies maintain lower overall portfolio risk than their respective benchmarks.

During December the House of Representatives impeached President Trump. The Senate trial is unlikely to remove him from office. A “phase one” trade deal has been agreed upon by the U.S. and China. The economy continues its modest growth averaging 2.1% during the previous quarter. Industrial production and manufacturing have been weak, but consumer and services sectors continue to grow modestly. Although the effective Fed funds rate fell from 2.40% to 1.55% during the year, the futures markets have already priced in a 96.3% probability of at least another 25 basis point cut during 2020.

Portfolio sector weights are shown below:



The three best performing companies were:

- **Eli Lilly (LLY)** up 18.21% as analysts upgraded the stock amid strong FY 2020 earnings guidance
- **Lancaster Colony (LANC)** up 15.98% as Q1 EPS and revenue beat estimates, driven by benign raw material prices and increased food service momentum.
- **Enbridge (ENB)** up 15.04% as the company boosted its dividend guidance for FY 2020 and reaffirmed its long-term equity self-funded 5%-7% free cash growth outlook.

The three worst performing companies were:

- **Public Storage (PSA)** declined -12.32% as analysts expressed concerns over the company’s low earnings visibility amid elevated industry supply.
- **McDonald’s Corp (MCD)** declined -7.37% as disappointing Q2 US same-store sales growth drove target price downgrades by analysts.
- **PT Telekomunikasi (TLK)** declined 5.35% as analysts downgraded the stock amid intensifying domestic competition and the company’s elevated capex plans.

Characteristics	Portfolio	ACWI
Strategy Assets (\$ Million)	40.9	-
Number of Holdings	50	2,287
Beta*	0.70	1.00
Standard Deviation*	8.7%	11.2%
Market Cap. (\$ Billion)	88.2	65.0
Price to Trailing Earnings	23.9	22.5
Price to Cash Flow	16.2	16.5
Price to Book	4.1	3.5
Enterprise Value to Sales	3.9	3.9
Debt as % of Assets	30.0	27.5
Dividend Yield (%)**	2.72	2.38
Return on Equity (%)	18.0	15.9

\* Beta & Standard Deviation 36 months

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

Top 10 Holdings	Ticker	Position
ELI LILLY & CO	LLY	2.3%
ENBRIDGE INC	ENB	2.3%
GLAXOSMITHKLINE PLC-SPON ADR	GSK	2.2%
LANCASTER COLONY CORP	LANC	2.2%
NOVO-NORDISK A/S-SPONS ADR	NVO	2.2%
SAP SE-SPONSORED ADR	SAP	2.2%
MICROSOFT CORP	MSFT	2.2%
SANOFI-ADR	SNY	2.1%
T ROWE PRICE GROUP INC	TROW	2.1%
NOVARTIS AG-SPONSORED ADR	NVS	2.1%

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