

## Fiera Capital

Global Equity: MSCI World Benchmark

For the month of: **August** 2020

### Manager Performance Calculations

\* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Fiera	4.37%	12.68%	19.13%	N/A	N/A
MSCI World	6.68%	14.74%	16.79%	N/A	N/A

### Performance Attribution & Strategy Comments

The fastest bear-market recovery in history showed little sign of wavering in August. Investor optimism remained buoyant on signs of progress in developing a vaccine to quell the pandemic, which helped to instill confidence in a swift global economic revival. Meanwhile, the sheer abundance of policy support and the conciliatory tone on US-China trade also emboldened risk appetite during the month. Importantly, the Federal Reserve's prominent policy shift rippled across financial markets after Chair Powell unveiled an average inflation targeting regime that will allow for a more relaxed approach towards inflation and consequently, an extended period of monetary accommodation – providing yet another tailwind for the global economy and stock markets alike.

Month to date through August, while the Global Equity strategy outperformed on an absolute basis, it underperformed relative to the MSCI World Index. Our relative underperformance was driven mostly by our security selection, more specifically within the Information Technology sector. Partially offsetting these negatives were our selections within the Communications Services sector as well as our lack of exposure to the underperforming Utilities sector. From an individual name perspective, some of the top contributors over the month of August were Mastercard, InterContinental Hotels Group, and Varian Medical Systems, while the top detractors were Becton, Dickinson, and Company, Keyence Corporation, and Diageo.

In terms of sectors, we remain overweight in Consumer Staples, Industrials, and Financials. We remain underweight in Communication Services, Materials, and Information Technology and maintain our lack of exposure in Real Estate, Utilities, and Energy due to our perception that many firms in these sectors lack competitive pricing power.

### Organizational/Personnel Changes

n/a

### Account Turnover

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
	Reason(s):				

### Manager Style Summary

Fiera is a "bottom-up" manager, whose process is driven by individual security selection. They invest in quality companies and seek to consistently compound shareholder wealth at attractive rates of return over the long term while preserving capital. Country and sector exposures are by-products of the security selection process. The portfolio consists of roughly 30-50 securities at a time. It is a concentrated global equity portfolio, and as such, may experience more volatility relative to the market.



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**Portfolio Guideline Compliance**

August

2020

Portfolio Guideline:	Index	Fiera	Calc	Min	Max	Compliance
B3. No more than 10% of the account shall be invested in any one security @ purchase						Yes
B4. Number of issues		34		30	50	ok
B5. Issuer market capitalization: above \$1 billion @ purchase						Yes
B6. Normal Regional Exposures (* benchmark +/- min/max):						
North America		60%		30%	80%	ok
Japan		7%		0%	30%	ok
Europe ex UK		18%		10%	50%	ok
UK		8%		0%	50%	ok
Pacific ex Japan		0%		0%	30%	ok
Emerging Markets		6%		0%	20%	ok
Non-Index Countries		0%		0%	20%	ok
Total		100%				
B7. Normal Global Portfolio Characteristics						
ROE	11.3	24.3	216%	100%		ok
ROIC	10.1	27.4	271%	100%		ok
Price/Earnings	35.0	33.5	96%	50%		ok
Price/Book Value	2.6	7.2	282%	50%		ok
Price/Cash Flow	13.3	21.4	161%	50%		ok
Dividend Yield	2.3	1.4	61%	25%		ok
Market Capitalization	312,180	158,578	51%	25%		ok
C2. Max value of forwards w/single counterparty		0%			30%	ok
C3. Cash/cash equiv in non-USD currencies		0%			10%	ok
F2. Brokerage commissions not to exceed \$0.05/share for U.S. equities						Yes
F3. Annual turnover		10%		10%	20%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

**Manager Explanations for Deviations from Portfolio Guidelines**

There were no deviations.