

PineStone

Global Equity: MSCI World Benchmark

For the month of: **January** **2025**

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>
PineStone	4.59%	5.41%	N/A	N/A	N/A
MSCI World	3.53%	5.46%	N/A	N/A	N/A

Performance Attribution & Strategy Comments

Global equity markets moved higher in January continuing the momentum seen in the fourth quarter of 2024. A significant focus was put on the inauguration of President Trump and what it would mean for the markets. Many executive orders were signed in the first few days of his presidency but no major announcement on trade/tariffs or deregulation were made.

The strategy was up in absolute returns and outperformed its benchmark, the MSCI World Index, in the month. Outperformance in January was mostly attributable to security selection. Selection within the Information Technology and Consumer Discretionary sectors were the largest positive drivers. Offsetting this was negative security selection in Financials and Industrials. Sector allocation furthermore contributed positively, particularly driven by our overweight position to the outperforming Consumer Discretionary sector.

Among the top relative contributors held in the strategy for the month were Compagnie Financière Richemont SA and Alphabet Inc. (GOOGLE). Compagnie Financière Richemont SA reported Q3 sales results that surpassed expectations highlighted by 10% sales growth with double-digit gains in all regions except for China. This represented the highest quarterly sales in the company's history. The results showed improvement over H1 across all business areas, driven by an acceleration at the group's four Jewellery Maisons (Buccellati, Cartier, Van Cleef & Arpels and Vhernier) to +14%. LVMH and other luxury retailers also saw their shares move up following this news. Alphabet Inc.'s stock maintained its upward trend in January, building on the momentum from the fourth quarter of 2024. The rerating of the shares persisted, driven by positive earnings momentum and the potential influence of the new US administration on the ongoing litigation with the Department of Justice.

Carrier Global Corporation and Diageo plc were among the top relative detractors held in the strategy for January. Carrier's shares were impacted due to concerns over potential US tariffs, potentially affecting the HVAC industry at wide, with important manufacturing in Mexico. As for Diageo plc., the stock was also likely impacted by potential tariffs, though the Investment Team believes given the premiumization of their products, pricing strategies may be implemented, as seen in the past. The company furthermore continued to struggle due to a challenging economic environment post-COVID and recent disappointing results in Latin America.

During the month, we did not initiate nor exit any existing positions in the Strategy.

Manager Style Summary

PineStone 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

Portfolio Guideline:	Index	PineStone	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		31		25	50	ok
B5. Issuer market capitalization: above \$1 billion @ purchase						Yes
B6. Normal Regional Exposures (* benchmark +/- min/max):						
North America		66%		30%	80%	ok
Japan		3%		0%	30%	ok
Europe ex UK		16%		10%	50%	ok
UK		7%		0%	50%	ok
Pacific ex Japan		0%		0%	30%	ok
Emerging Markets		9%		0%	20%	ok
Non-Index Countries		0%		0%	20%	ok
Total		100%				
B7. Normal Global Portfolio Characteristics						
ROE	12.5	27.1	217%	100%		ok
ROIC	11.5	36.2	315%	100%		ok
Price/Earnings	21.6	27.0	125%	50%		ok
Price/Book Value	3.5	8.0	225%	50%		ok
Price/Cash Flow	15.1	23.7	157%	50%		ok
Dividend Yield	1.6	1.3	77%	25%		ok
Market Capitalization	770,601	633,465	82%	25%		ok
C2. Max value of forwards w/single counterpart		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		0%		10%	20%	check
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

F3. Annual Turnover: As the account inception was in April 2024, there is no annual turnover data available to date.

Total Firm Assets Under Management (\$m) as of:

Qtr 4 \$ 54,903

Organizational/Personnel Changes

In January 2025, the Investment Team hired a Junior Analyst following the completion of his summer internship.

Account Turnover

Gained: Number of Accounts: 11 Total Market Value (\$m): \$427.17 M
Lost: Number of Accounts: 1 Total Market Value (\$m): \$6.3 M
Reason(s): Assets being repurposed.