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3rd Quarter 2018 Newsletter

Storm Clouds Abroad As U.S. Market Rolls On

Global equity markets delivered positive performance for the quarter, primarily driven by robust U.S. market results. Year to date, the major ex-U.S. indices sustained negative returns, underperforming the Russell 1000 Index by more than 1,000 basis points. Although we believe the outlook for global growth remains healthy, market expectations have modestly decelerated as significant divergences between countries occur and U.S. economic growth outperforms other developed regions. Alternatively, emerging markets faced numerous headwinds including the Turkish financial crisis, escalating trade tariff uncertainties and weakening commodity prices. Despite these setbacks, economic indicators such as corporate earnings growth, capital investments and labor market trends continue to be resilient.

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

Strategy Update

The SGA equity strategies highlighted below have all outperformed their respective benchmarks since inception. All but the International ACWI ex-U.S. Equity, International Small Cap Equity, and Global Equity strategies outperformed for the 3-year period ending September 30, 2018.

International Equity	3Q-18	1 Yr	3 Yrs*	Since Inception* (11/30/05)
SGA (Gross)	1.01%	1.01%	9.27%	6.61%
SGA (Net)	0.82%	0.26%	8.28%	5.58%
MSCI EAFE (Net)	1.35%	2.74%	9.23%	4.48%
SGA Excess (Gross)	-0.34%	-1.73%	0.04%	2.13%

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International ADR Equity	3Q-18	1 Yr	3 Yrs*	Since Inception* (6/30/06)
SGA (Gross)	1.81%	3.19%	9.50%	5.33%
SGA (Net)	1.62%	2.42%	8.54%	4.39%
MSCI EAFE (Net)	1.35%	2.74%	9.23%	3.49%
SGA Excess (Gross)	0.46%	0.45%	0.27%	1.84%

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International ACWI ex-U.S. Equity	3Q-18	1 Yr	3 Yrs*	Since Inception* (6/30/15)
SGA (Gross)	1.30%	1.40%	9.74%	5.58%
SGA (Net)	1.08%	0.54%	8.71%	4.58%
MSCI ACWI ex USA (Net)	0.71%	1.76%	9.97%	4.89%
SGA Excess (Gross)	0.59%	-0.36%	-0.23%	0.69%
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International Small Cap Equity	3Q-18	1 Yr	3 Yrs*	Since Inception* (3/31/10)
SGA (Gross)	-3.74%	-0.78%	12.18%	12.21%
SGA (Net)	-3.96%	-1.67%	10.75%	10.63%
MSCI World ex USA Small Cap	-0.85%	3.42%	12.23%	8.20%
SGA Excess (Gross)	-2.89%	-4.20%	-0.05%	4.00%
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International All Cap Equity	3Q-18	1 Yr	3 Yrs*	Since Inception* (4/30/08)
SGA (Gross)	0.81%	1.64%	10.64%	5.15%
SGA (Net)	0.60%	0.78%	9.60%	4.13%
MSCI World ex USA IMI (Net)	0.98%	2.78%	9.72%	2.40%
SGA Excess (Gross)	-0.17%	-1.14%	0.92%	2.75%
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International SMID Cap Equity	3Q-18	1 Yr	3 Yrs*	Since Inception* (9/30/06)
SGA (Gross)	0.17%	1.92%	13.74%	7.20%
SGA (Net)	-0.05%	1.01%	12.28%	5.66%
MSCI EAFE SMID Cap (Net)	0.16%	3.80%	11.41%	4.90%
SGA Excess (Gross)	0.01%	-1.88%	2.33%	2.30%
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Global Equity	3Q-18	1 Yr	3 Yrs*	Since Inception* (10/31/13)
SGA (Gross)	4.17%	10.78%	13.06%	10.97%
SGA (Net)	3.98%	9.96%	12.04%	9.93%
MSCI World (Net)	4.98%	11.24%	13.54%	8.59%
SGA Excess (Gross)	-0.81%	-0.46%	-0.48%	2.37%
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U.S. Large Cap Equity	3Q-18	1 Yr	3 Yrs*	Since Inception* (6/30/07)
SGA (Gross)	7.26%	18.00%	17.13%	9.30%
SGA (Net)	7.12%	17.37%	16.34%	8.51%
Russell 1000 (Gross)	7.42%	17.76%	17.07%	8.43%
SGA Excess (Gross)	-0.16%	0.24%	0.06%	0.87%
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*Denotes an annualized return.

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