INVESTMENT REPORT Q42021

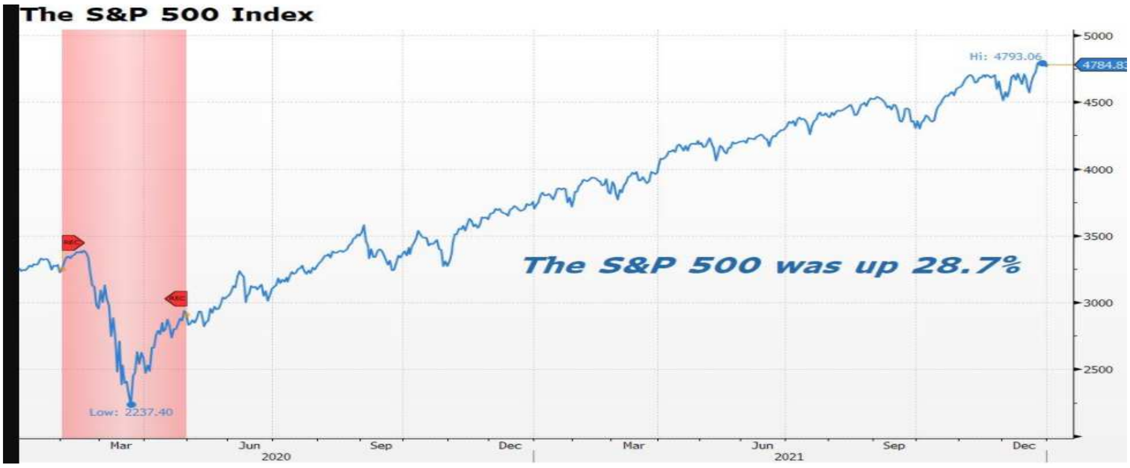
The economic recovery from the Covid-19 recession faces threats from increasing Covid rates, inflationary pressures and an energy crisis as the end of year approaches whereas company earnings on the other hand continue to rebound and surprise positively. For most of 2021, investors have concentrated on the progress of the recovery from the Covid-19-induced global recession and the likely reaction of central banks to any pickup in inflationary pressures. With the exception of China, the recovery has proceeded more or less as expected since the vaccination started earlier this year. For the fourth quarter of 2021, financial markets witnessed the same trends that has been in place all throughout the year. It was a great year for stocks, as they followed a rising trend. However, bonds continued to struggle to make gains as ten-year Treasury yields finished right where they began.

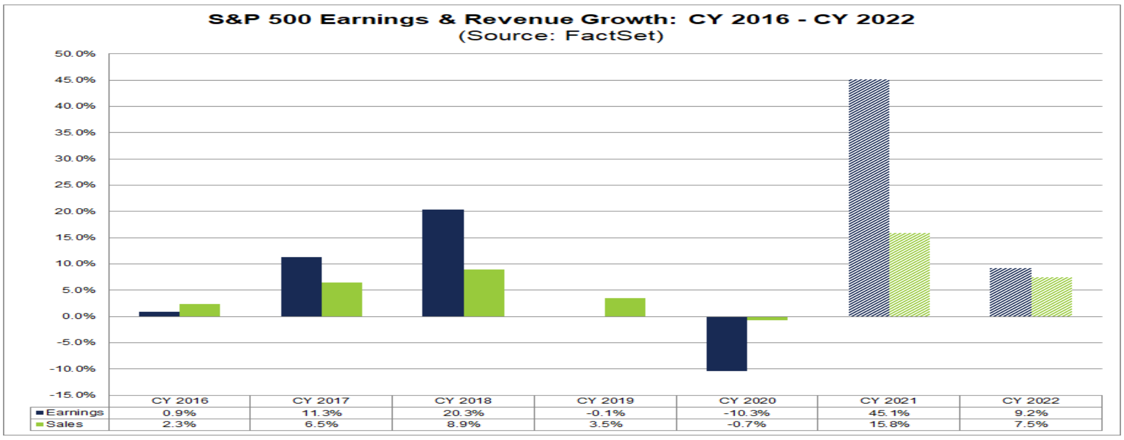
Equity Markets

In 2021, the S&P 500 was very consistent, marching higher throughout the year, with no exception for the fourth quarter. The S&P 500 gained 11% in the quarter and finished the year with a total return of 28.7%. The S&P 500 hit a new high during every calendar month of the year and its biggest drawdown of the year was around 5% in the third quarter. Corporate earnings rose in 2021 as the economy reopened and business revenue and margins moved higher. Profits for S&P 500 companies rose by 22% in the fourth quarter and 45. 1%, nearly 50%. After in 2021, we expect S&P 500 Index profits to grow by approximately 12% in 2022. We see sales rising at an above average pace, margins stabilizing as supply-chain issues ease, and stock buybacks reaching record levels. The good news is that consumer demand remains strong going into 2022. Despite the fact that spending appears to have moderated a bit recently and supply chain issues will continue to surface in corporate commentary, omicron is expected to slow but not crash the economic recovery. Once again, we believe earnings will be strongest in sectors such as Industrials, Energy, and Consumer Discretionary, with Information Technology also expected to post good results for the year.

Mid-cap stocks, as measured by the Russell Mid-Cap ETF, were up 6.45% for the quarter and finished the year up 22.4%. Small-cap stocks, as measured by the Russell 2000 Small-Cap ETF, were up 2.0% for the quarter and gained 14.5% in 2021, lagging their larger counterparts.

Outside the U.S., International Developed markets, as measured by the EFA ETF, were up 2.8% during the fourth quarter and finished 2021 with a gain of 11.5%. Emerging markets, as measured by the EEM ETF, were down 1.6% for the quarter and fell 3.6% for the year. Emerging markets lagged global stocks throughout 2021 due to the significant weighting of Chinese equities within emerging markets. Chinese stocks sold off during the year as several new policies initiated by the government were viewed as unfriendly to businesses. Globally, the MSCI World Index gained 7.0% in the fourth quarter and notched another stellar year, rising 18.7% in 2021, largely driven by the strength in U.S. stocks.

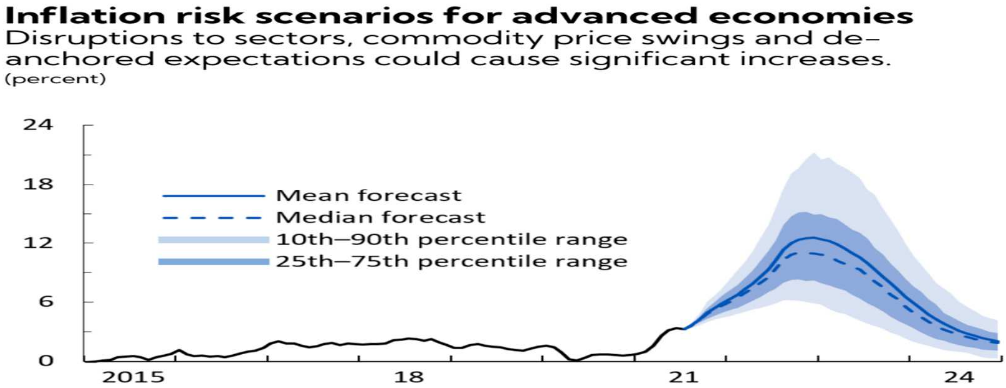




Inflation

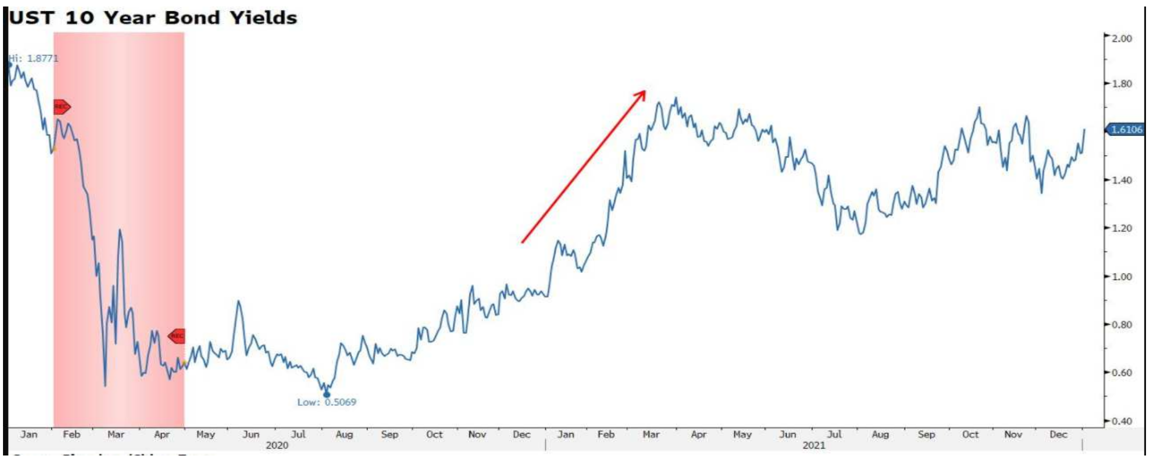
The increase in energy prices constitute important upcoming risks to global inflation and, if confirmed, could weigh on growth in energy-importing countries. Excluding food and energy prices, so-called core CPI increased 5.5% year over year and 0.6% from the previous month compared with estimates of 5.4% and 0.5%. For core inflation, it was the strongest annual growth since February 1991. Despite recent increases in headline inflation in both advanced and emerging market economies, long-term inflation expectations remain static. Headline inflation was projected to surge during the end of 2021 but is predicted to revert to pre-pandemic levels in the first half of 2022 for most economies. Due to several uncertainties, inflation could grow higher for various reasons. Governments and central banks can help in controlling inflation by taking action to contain demand and price pressures. Rising inflation expectations are troubling because it could indicate that households, firms and financial market participants are expecting high levels of inflation to continue for longer period than Fed policymakers has projected and this would be an undesirable development. The Federal Reserve is taking actions in order to support the

U.S. economy in this difficult period, thereby promoting its maximum employment and price stability goals to reassure investors that they have the inflation under control.

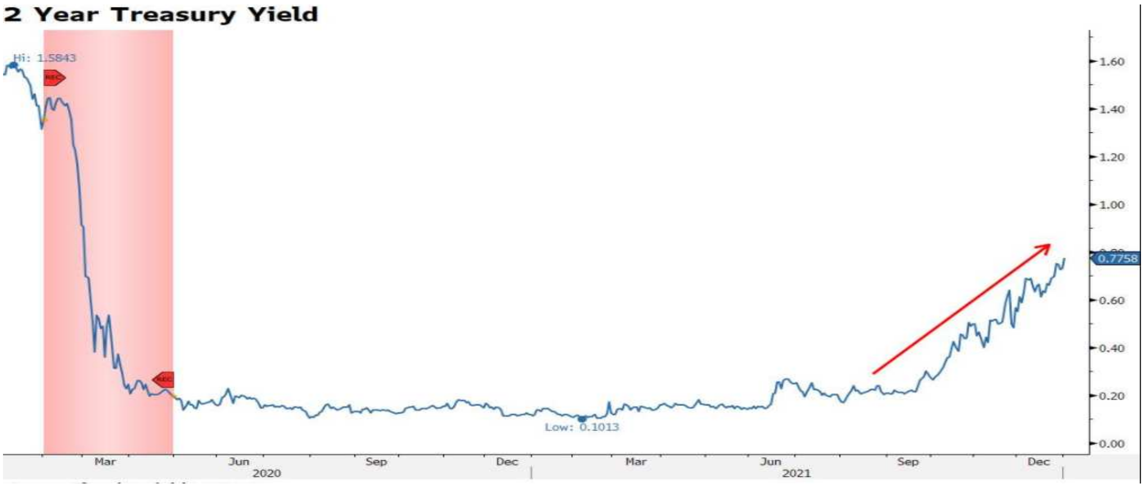


Interest Rates

Due to the rising interest rates at the start of 2021, it was a difficult year for bond investors. The Bloomberg AGG fell 1.54% in 2021 and the Bloomberg Intermediate AGG fell 1.29%. It was the third-worst year for bond investors in the last 30 years and only the fourth time in the past 30 years that returns were negative. The increase in yield last year was really a setup from the pandemic-induced low levels of 2020, as the rise in yield occurred entirely in the early part of the year.



Short-term rates have acknowledged the Fed's new guidance and the yields on two-year U.S. Treasury bonds continued to rise from 10 basis points to over 70 basis points by the end of the year. Rising short-term rates is welcome news for savers, yet those yields remain well below the early 2020 levels of 1.58%, before the current Fed intervention program began.



Emerging markets

In the fourth quarter, the MSCI Emerging Markets Index lost value and underperformed the MSCI World Index, with US dollar strength a headwind. Turkey was the weakest index market, amid extreme volatility in the currency. The central bank lowered its policy rate by a total of 400bps to 14%, despite ongoing above-target inflation which accelerated to 21.3% year-on-year in November. With the lira coming under significant pressure, President Erdogan announced an unorthodox scheme to compensate savers for lira weakness, in an effort to reduce the use of US dollars.

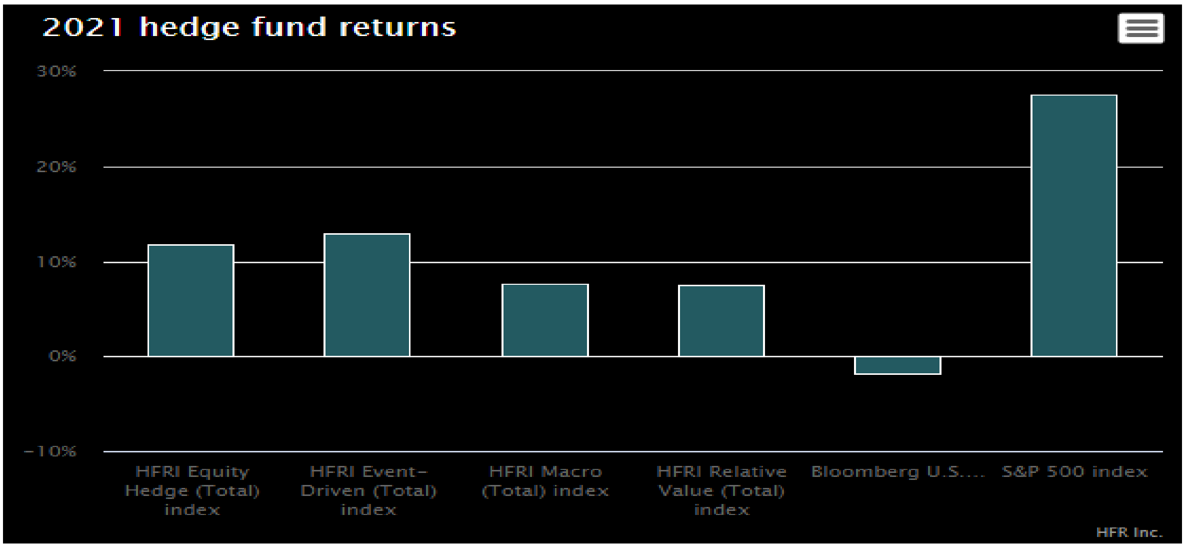
Chile lagged the index as leftist Gabriel Boric was elected president. Brazil underperformed as the central bank continued to hike rates in response to rising inflation; the policy rate was increased by a total of 300bps during the quarter. Meanwhile, concerns over the fiscal outlook, and political uncertainty ahead of October 2022's presidential election, also weighed on sentiment.

Russia lagged as geopolitical tensions with the West ratcheted up, amid a build-up of Russian troops on its border with Ukraine. China also finished in negative territory as concerns over slowing growth persisted, exacerbated later in the quarter by uncertainty created by rising daily new cases of Covid-19.

By contrast, Egypt finished in positive territory and was the best performing index market. Peru and the UAE also posted double-digit gains in dollar terms. Taiwan, aided by strong performance from IT stocks, Indonesia and Mexico all recorded solid gains and outperformed.

Hedge funds

Hedge funds return to normal to end this difficult period this 2021 delivering an annual return of 10.3%, the third best performance since 2009. HRF's benchmark HFRI Fund Weighted Composite Index increased by1.28% in December 2021 compared to a 2% fall in November 2021 successfully operating under stressful market conditions and extreme volatility he annual gain of 10.3% was slightly lower than the previous year's 11.83% rise. By hedge fund category, the HFRI Event-Driven (Total) index had the best return of 13.06% in the year ended Dec. 31 followed by the 11.96% return of the HFRI Equity Hedge (Total) index; HFRI Relative Value (Total) index, 7.65%; and HFRI Macro (Total) index, 7.52%. HFR's Macro Index has increased to 7.52%, its best performance since 2010, in large part led by a 23.57% surge in the Commodity Index. As per HFR, Cryptocurrencies Index leaped to 215% in 2021, even more positive than the 193% returns delivered in 2020. Commodity focused funds continue to be part of the strongest performing segments of the hedge fund business, with October average returns at +3.10% and YTD performance at +22.63%. Since the beginning of the pandemic, that total hedge fund assets in 2021-topped $4 trillion in capital for the first time.



Commodities

The S&P GSCI Index recorded a moderately positive return in the fourth quarter despite a sharp decline in the price of natural gas. The industrial metals component was the best-performing segment in the quarter as the global economic recovery gathered pace. There were strong gains in the prices of zinc, nickel, lead and copper.

The agriculture component also achieved a positive return in the quarter, with robust gains recorded for coffee, cotton, corn and Kansas Wheat. Precious metals also gained in the quarter, with modest price gains for silver and gold. The energy component recorded a modest decline the quarter, with a sharp fall in the price of natural gas offset by modestly higher prices for unleaded gasoline, crude oil and Brent crude.

The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested.

Overview

Total returns (net) % – to end December 2021

	3 months			12 months		
Equities	**USD**	**EUR**	**GBP**	**USD**	**EUR**	**GBP**
MSCI World	7.8	9.8	7.3	21.8	31.1	22.9
MSCI World Value	7.2	9.2	6.7	21.9	31.2	23.1
MSCI World Growth	8.2	10.2	7.7	21.2	30.4	22.3
MSCI World Smaller Companies	2.2	4.2	1.8	15.8	24.5	16.8
MSCI Emerging Markets	-1.3	0.6	-1.8	-2.5	4.9	-1.6
MSCI AC Asia ex Japan	-1.2	0.7	-1.7	-4.7	2.5	-3.8
S&P500	11.0	13.2	10.5	28.7	38.5	29.9
MSCI EMU	3.7	5.6	3.2	13.5	22.2	14.6
FTSE Europe ex UK	5.5	7.6	5.1	16.3	25.2	17.4
FTSE All-Share	4.7	6.7	4.2	17.2	26.2	18.3
TOPIX*	-4.8	-2.9	-5.2	1.1	8.8	2.0

	3 months			12 months		
Government bonds	**USD**	**EUR**	**GBP**	**USD**	**EUR**	**GBP**
JPM GBI US All Mats	0.2	2.1	-0.2	-2.6	4.8	-1.7
JPM GBI UK All Mats	2.9	4.9	2.5	-6.1	1.0	-5.3
JPM GBI Japan All Mats**	-3.2	-1.4	-3.6	-10.5	-3.7	-9.7
JPM GBI Germany All Traded	-1.7	0.2	-2.1	-9.6	-2.8	-8.8
Corporate bonds	**USD**	**EUR**	**GBP**	**USD**	**EUR**	**GBP**
BofA ML Global Broad Market Corporate	-0.5	1.5	-0.9	-3.0	4.4	-2.1
BofA ML US Corporate Master	0.2	2.1	-0.3	-1.0	6.6	-0.0
BofA ML EMU Corporate ex T1 (5-10Y)	-2.8	-0.9	-3.2	-8.3	-1.3	-7.4
BofA ML £ Non-Gilts	0.9	2.8	0.4	-3.9	3.4	-3.0
Non-investment grade bonds	**USD**	**EUR**	**GBP**	**USD**	**EUR**	**GBP**
BofA ML Global High Yield	-0.7	1.2	-1.2	1.4	9.1	2.3
BofA ML Euro High Yield	-1.9	0.0	-2.3	-5.1	2.1	-4.3

As we enter the New Year, we maintain our positive outlook for economic growth and equity market. New variants risks from the ongoing coronavirus pandemic and new changing Federal Reserve moving toward the first-rate hike since 2018 and taking action in order to tamp down inflation. Strong growth scenario is forecasted but will be riskier. There will be reasonable economic growth over the coming quarters, especially in the developed economies, due to normalisation of labour markets and monetary and financial conditions that are still complaisant. Nevertheless, growth in the world regions may be affected by several risks, market liquidity resulting from public stimulus, large household savings, high inflation and tight labor markets—not to mention the many new market highs and very low inflation-adjusted, or real, interest rates. The U.S. stock market will most likely deliver more modest gains accompanied by higher volatility in the next quarters. Many investors think that the year 2022 will be the year in which the imbalances brought by the pandemic will begin to stabilize. Inflation is expected to remain transitory and it is believed that it will be returning to a more convenient level for central banks in most countries by the end of 2022. The Year 2022 will be full of global recovery and most probably the end of the global pandemic.