Monthly Performance
March 2018

HANSEATIC MANAGEMENT SERVICES

	Mar	Feb	Jan	Rolling 3 Months	Year to Date	Rolling 1 Year	Rolling 3 Year	Rolling 5 Year	Rolling 7 Year	Rolling 10 Year	Inception
DOMESTIC STRATEGIES											
LARGE CAP EQUITY											**Jan-02**
Gross	-0.99%	-1.96%	8.22%	5.05%	5.05%	28.42%	12.84%	14.97%	13.79%	10.19%	9.68%
Net	-1.01%	-1.98%	8.19%	4.98%	4.98%	28.00%	12.45%	14.59%	13.41%	9.81%	9.29%
Russell 1000 Growth	-2.74%	-2.62%	7.08%	1.42%	1.42%	21.25%	12.90%	15.53%	14.09%	11.34%	7.74%
ALL CAP GROWTH EQUITY											**Sep-10**
Gross	-1.00%	-3.66%	5.95%	1.05%	1.05%	22.43%	9.43%	13.69%	12.47%		16.95%
Net	-1.04%	-3.70%	5.90%	0.92%	0.92%	21.90%	9.12%	13.30%	12.17%		16.66%
Russell 3000 Growth	-2.44%	-2.64%	6.84%	1.48%	1.48%	21.06%	12.57%	15.32%	13.86%		16.97%
ALL CAP GROWTH CONCENTRATED EQUITY											**Jul-16**
Gross	-1.92%	-0.55%	10.01%	7.30%	7.30%	30.07%					29.75%
Net	-1.98%	-0.60%	9.96%	7.14%	7.14%	29.38%					29.20%
Russell 3000 Growth	-2.44%	-2.64%	6.84%	1.48%	1.48%	21.06%					21.02%
MID CAP EQUITY											**Jul-14**
Gross	0.04%	-3.21%	6.89%	3.50%	3.50%	23.34%	9.67%				8.49%
Net	-0.02%	-3.27%	6.83%	3.32%	3.32%	22.35%	8.78%				7.62%
Russell Midcap Growth	-0.16%	-3.14%	5.66%	2.17%	2.17%	19.74%	9.17%				10.22%
SMID EQUITY											**Jul-15**
Gross	-0.92%	-3.73%	2.87%	-1.88%	-1.88%	16.90%					6.71%
Net	-0.93%	-3.73%	2.86%	-1.90%	-1.90%	16.52%					6.20%
Russell 2500 Growth	0.82%	-3.28%	4.99%	2.38%	2.38%	19.92%					9.73%
SMALL CAP EQUITY											**Jul-15**
Gross	0.28%	-3.68%	3.28%	-0.24%	-0.24%	19.17%					5.58%
Net	0.28%	-3.68%	3.27%	-0.25%	-0.25%	19.11%					5.52%
Russell 2000 Growth	1.35%	-2.85%	3.90%	2.30%	2.30%	18.63%					8.82%

*Please refer to page 3 of this presentation for performance disclosures. Past performance is not indicative of future results. *estimate*

Monthly Performance
March 2018

HANSEATIC
MANAGEMENT SERVICES

	Mar	Feb	Jan	Rolling 3 Months	Year to Date	Rolling 1 Year	Rolling 3 Year	Rolling 5 Year	Rolling 7 Year	Rolling 10 Year	Inception
INTERNATIONAL STRATEGIES											
DEVELOPED MARKETS EQUITY											**Apr-17**
Gross	-2.13%	-4.78%	7.56%	0.24%	0.24%	20.58%					20.58%
Net	-2.13%	-4.78%	7.56%	0.24%	0.24%	20.55%					20.55%
MSCI EAFE	-2.24%	-4.71%	4.99%	-2.20%	-2.20%	11.86%					11.86%
INTERNATIONAL EQUITY											**Apr-17**
Gross	-2.41%	-4.03%	8.02%	1.17%	1.17%	23.12%					23.12%
Net	-2.41%	-4.04%	8.02%	1.16%	1.16%	23.06%					23.06%
MSCI ACWI ex USA	-2.12%	-4.89%	5.53%	-1.76%	-1.76%	13.68%					13.68%
LATIN AMERICA EQUITY											**Jan-14**
Gross	-1.08%	-3.78%	10.13%	4.82%	4.82%	19.85%	15.52%				11.02%
Net	-1.14%	-3.84%	10.06%	4.63%	4.63%	19.05%	14.82%				10.41%
Russell Latin America	-1.05%	-3.55%	12.32%	7.20%	7.20%	18.11%	10.36%				1.20%
MODERATELY CONSERVATIVE STRATEGY											
GROWTH & INCOME EQUITY											**Sep-10**
Gross	-1.21%	-3.58%	4.26%	-0.69%	-0.69%	16.33%	7.96%	9.48%	11.38%		12.01%
Net	-1.28%	-3.65%	4.19%	-0.90%	-0.90%	15.52%	7.28%	8.82%	10.90%		11.56%
S&P 500 Total Return	-2.54%	-3.69%	5.73%	-0.76%	-0.76%	13.99%	10.78%	13.31%	12.71%		15.34%
TAX EFFICIENT STRATEGY											
ALL CAP TAX EFFICIENT EQUITY											**Nov-17**
Gross	-0.63%	-0.80%	7.10%	5.57%	5.57%						7.23%
Net	-0.72%	-0.88%	7.01%	5.30%	5.30%						6.77%
SPDR S&P 500 ETF Trust	-3.13%	-3.64%	5.64%	-1.39%	-1.39%						2.33%

*Please refer to page 3 of this presentation for performance disclosures. Past performance is not indicative of future results. *estimate*

Hanseatic Management Services, Inc. is an independent registered investment adviser. For informational purposes only. This is not a solicitation. Past results are not necessarily indicative of future results and no representation is made that a client will or is likely to achieve results similar to those shown. Hanseatic Management Services, Inc. claims compliance with the Global Investment Performance Standards (GIPS®). A GIPS® compliant presentation and/or a list of composite descriptions are available upon request by contacting Amy Stangel/CCO at astangel@hanseaticgroup.com. Hanseatic Management Services, Inc. has been independently verified by Ashland Partners and Company LLP for the periods January 1, 2002 through June 30, 2017. Performance includes the reinvestment of all income and is annualized for periods greater than one year. The U.S. Dollar is the currency used to express performance.

The Large Cap Equity composite includes all fully discretionary accounts invested in the Large Cap strategy. The strategy seeks long-term growth of capital. The strategy typically invests in large capitalization stocks that have optimal risk/return profiles according to their Q Score. The proprietary Hanseatic Q Score is a dynamic quantitative analytic for identifying strong market performers. On April 25, 2017 the composite name was changed to Large Cap Equity. Prior to April 25, 2017 the composite was known as the Large Cap Institutional Equity. The benchmarks for the composite are the Russell 1000® Growth Index and the S&P 500® Total Return Index.

The All Cap Growth Equity composite includes all fully discretionary accounts invested in the All Cap Growth strategy. The strategy seeks long-term growth of capital. The strategy typically invests in small, mid and large capitalization stocks that have optimal risk/return profiles according to their Q Score. The proprietary Hanseatic Q Score is a dynamic quantitative analytic for identifying strong market performers. The strategy may comprise companies of any size, from large, well-established firms to small, emerging growth franchises. The benchmark for the composite is the Russell 3000® Growth Index. On October 1, 2014 the benchmark was changed to the Russell 3000 Growth benchmark for a more suitable comparison.

The All Cap Growth Concentrated Equity composite includes all fully discretionary accounts invested in the All Cap Growth Concentrated strategy. The strategy seeks long-term growth of capital. The strategy typically invests in small, mid and large capitalization stocks that have optimal risk/return profiles according to their Q Score. The proprietary Hanseatic Q Score is a dynamic quantitative analytic for identifying strong market performers. The strategy is concentrated, non-diversified, and may comprise companies of any size, from large, well-established firms to small, emerging growth franchises. The benchmarks for the composite are the SPDR® S&P 500 ETF (SPY) and Russell 3000 Growth Index. On April 1, 2018, the SPDR® S&P 500 ETF (SPY) benchmark was added, retroactively to inception of the composite, for a more suitable comparison.

The Mid Cap Equity composite includes all fully discretionary accounts invested in the Mid Cap strategy. The strategy seeks long-term growth of capital. The strategy typically invests in medium capitalization stocks, between $2 and $10 billion, which have optimal risk/return profiles according to their Q Score. The proprietary Hanseatic Q Score is a dynamic quantitative analytic for identifying strong market performers. The benchmark for the composite is the Russell Midcap® Growth Index. On April 1, 2015 the benchmark was changed to the Russell Midcap® Growth Index to provide a more suitable comparison. The S&P 400® Total Return was shown in presentations prior to April 1, 2015.

The SMID Cap Equity composite includes all fully discretionary accounts invested in the SMID Cap strategy. The strategy seeks long-term growth of capital. The strategy typically invests in small and medium capitalization stocks which have optimal risk/return profiles according to their Q Score. The proprietary Hanseatic Q Score is a dynamic quantitative analytic for identifying strong market performers. The benchmark for the composite is the Russell 2500™ Growth Index.

The Small Cap Equity composite includes all fully discretionary accounts invested in the Small Cap strategy. The strategy seeks long-term growth of capital. The strategy typically invests in small capitalization stocks which have optimal risk/return profiles according to their Q Score. The proprietary Hanseatic Q Score is a dynamic quantitative analytic for identifying strong market performers. The benchmark for the composite is the Russell 2000® Growth Index. The benchmark for the composite is the Russell 2000® Growth Index.

The Developed Markets Equity composite includes all fully discretionary accounts invested in the Developed Markets strategy. The strategy seeks long-term growth of capital. The strategy typically invests in large, mid and small capitalization stocks that have optimal risk/return profiles according to their Q Score. The proprietary Hanseatic Q Score is a dynamic quantitative analytic for identifying strong market performers. The strategy may comprise companies of any size, from large, well-established firms to small, emerging growth franchises. The investable universe includes stocks selected from a broad range of companies in Europe, Australia, Asia, and the Far East from the MSCI EAFE, an index primarily composed of large- and mid-capitalization developed market equities, excluding the U.S. and Canada. The benchmark for the composite is the MSCI EAFE Index.

The International Equity composite includes all fully discretionary accounts invested in the International strategy. The strategy seeks long-term growth of capital. The strategy typically invests in large, mid and small capitalization stocks that have optimal risk/return profiles according to their Q Score. The proprietary Hanseatic Q Score is a dynamic quantitative analytic for identifying strong market performers. The strategy may comprise companies of any size, from large, well-established firms to small, emerging growth franchises. The investable universe includes stocks selected from a broad range of international developed and emerging market companies from the MSCI ACWI ex U.S., an index primarily composed of large- and mid-capitalization non-U.S. equities. The benchmark for the composite is the MSCI ACWI ex U.S. Index.

The Latin America Equity composite includes all fully discretionary accounts invested in the Latin America strategy. The strategy seeks long-term growth of capital. The strategy typically invests in small, mid and large capitalization stocks that have optimal risk/return profiles according to their Q Score. The proprietary Hanseatic Q Score is a dynamic quantitative analytic for identifying strong market performers. The strategy may comprise companies of any size, from large, well-established firms to small, emerging growth franchises. The benchmark for the composite is the Russell Latin America Index.

The Growth & Income Equity composite includes all fully discretionary accounts invested in the Growth & Income strategy. The strategy seeks income and capital appreciation via a portfolio of companies that have the ability and willingness to pay dividends. The strategy typically invests in small, mid and large capitalization stocks that have optimal risk/return profiles according to their Q Score. The proprietary Hanseatic Q Score is a dynamic quantitative analytic for identifying strong market performers. The strategy may comprise companies of any size, from large, well-established firms to small, emerging growth franchises. The benchmark for the composite is the S&P 500® Total Return Index.

The All Cap Tax Efficient Equity composite includes all fully discretionary accounts invested in the All Cap Tax Efficient strategy. The strategy seeks long-term growth of capital by using equities in a tax efficient manner: long-term holding period (greater than 18 months) and lower turnover target (approximately 40% or lower). The strategy typically invests in mid and large capitalization stocks that have optimal risk/return profiles according to their Q Score. The proprietary Hanseatic Q Score is a dynamic quantitative analytic for identifying strong market performers. The strategy may comprise companies of any size, from large, well-established firms to smaller, emerging growth franchises. The benchmark for the composite is the SPDR® S&P 500 ETF (SPY).

Performance results are based on estimates. For gross and net performance results, see performance table. Commentary section is based on gross performance results only for better comparison to benchmark data. Although the information contained in the commentary sections have been obtained from sources we believe to be reliable, the accuracy and completeness of such information and the opinions expressed herein cannot be guaranteed. Past performance is not necessarily indicative of future results. Different types of investments involve varying degrees of risk.

MARKET COMMENTARY

FIRST QUARTER 2018

U.S. stocks fell slightly over the first quarter. The S&P 500 index lost 0.8% on a total return basis and ended a streak of nine positive quarterly returns. The return of market volatility was the most notable market feature during the quarter as the index suffered its first 10% correction since January 2016. The selloff and enhanced volatility was aggravated by the unwinding of short volatility trades by speculators who made leveraged bets on the continuation of the low volatility environment. The primary catalyst for the correction which began in early February was increased concern that the Fed would hasten its pace of rate hikes after the reports of larger than expected increases in wages. Heightened volatility continued through the end of the quarter with escalating trade tensions the primary focus.

With the announcement of steel and aluminum tariffs and the more recent tariffs of up to $60 billion on Chinese imports, trade war concerns are now at the forefront of market risks. Tariffs can bestow advantages and perhaps fairness at the micro level by leveling the playing field for US producers in this case, but they penalize everyone at the macro level. Consumers pay higher prices and exporters face smaller markets, lowering overall demand. That said, few would argue that China does not engage in a litany of unfair trade practices, but the fact is that past administrations have been unsuccessful in solving unfair trade issues with import restrictions, most recently in the early 2000s. In that case, the costs to the economy and the layoffs from U.S. companies which relied on steel imports were such that the tariffs were abandoned in 2003.

As expected, the Fed raised the Fed funds rate by another quarter of a percentage point at its March meeting. The Fed also continues with its forecast of three hikes this year. The Central Bank raised its forecast for the number of rate hikes beyond this year, implying a planned three rate hikes in 2019 and 2020. The Fed also upgraded its estimates for economic growth and inflation for 2018 and 2019. Despite the somewhat more hawkish tone from the Fed, our take is that the current monetary policy is not a threat to equity markets; rather they are likely following the market's lead and adjusting rates in line with at least moderately better growth. Monetary policy is at this point a tailwind for growth, not a headwind.

5600 Wyoming Blvd. NE, Suite 220, Albuquerque, NM 87109
321 N. Clark Street, 5th Floor, Chicago, IL, 60654
505.828.2824 – info@hanseaticgroup.com

Volatility levels have been quite high over the past two months, but certainly not unprecedented. By our measures, volatility reached similar levels in September 2015, January 2016, and late 2011. Volatility scares investors, but volatility itself isn't necessarily bad. High volatility is an environment where the magnitude and frequency of the market's rallies and corrections are greater than normal. From our perspective, volatility is the market's mechanism for adjusting expectations of earnings, valuations or market risk to the perception of a new forward environment. Sometimes high volatility can be a warning sign of fundamental economic problems, something that could cause a recession. This was the case over much of the year 2000 as well as early 2008. Volatility levels in the current environment remain elevated, but in our view it likely represents an adjustment in expectations, rather than a warning of something more ominous.

The proximate cause for the decline in February seems to have been concerns about the rise in interest rates and inflation. The yield on the 10-year Treasury note has risen from about 2.4% at the end of 2017 to just above 2.8% currently. The dividend yield on the S&P 500 index is about 1.8%, so the 10-year now yields around 1000 basis points more than stocks for the first time in several years. Rising interest rates typically do not have a negative impact on stock returns, but with recent market volatility and ongoing political and geopolitical turmoil, a shift in sentiment is possible.

While stocks have historically fared well in rising rate environments, especially when interest rates are low, that has not been the case when inflation was higher, i.e. greater than 3%. According to the U.S. Labor Department, the current U.S. inflation rate is 2.2% for the 12 months ending February, 2018. The Fed prefers the Personal Consumption Expenditures Price Index which had a core inflation rate of 1.5% YOY as of January 2018.

Bear markets in stocks nearly always take place within the context of economic decline. There have been nine bear markets in the post-World War II era. Only two bear markets, 1966 and 1987, were not accompanied by recession. The 1966 selloff was provoked by excessive tightening of monetary policy that was quickly reversed. The 1987 market crash was preceded by a tighter monetary policy initiated in 1986 to combat inflation and a steep run-up in stock prices. There is little threat of recession or a meaningfully tighter monetary policy on the horizon, and certainly not the euphoria about stocks that is usually present at market tops.

The macro U.S. economic data continue to suggest positive growth, and there is optimism about the upcoming earnings season. S&P 500 companies are expected to post an 18% increase in earnings for fiscal 2018, according to analysts surveyed by FactSet. That would be the strongest annual earnings increase since 2010. Meanwhile, valuations have contracted. The forward 12-month P/E ratio for the S&P 500 is 16.1, which is exactly the 25-year average, also according to FactSet. The implication is significant: appreciation in stock prices can now be potentially driven by both earnings growth <u>AND</u> valuation expansion.

Finally, regarding the U.S. markets, we are also encouraged by the health of the Tech, Financial, and Industrial market sectors as measured by our models. It is notable that our trend measures for Guggenheim's unweighted index of the S&P 500 Tech companies (RYT) is stronger than the equivalent scores for the Nasdaq 100 index and XLK Tech ETF, both of which have large weights in the so-called FAANG stocks. For us, the most important aspects of the Tech leadership has been its breadth and persistence, and very little to do with the outsized importance attributed to the FAANG stocks.

Turning to non-U.S. markets, one year ago in our Q1 2017 commentary, we noted that with the emergence of European equities from a three year bear market along with positive monthly trends in Asian and emerging market stocks, we were witnessing the first synchronized global bull market in several years. One year later that remains the case with the notable exceptions of India and Mexico. It is interesting that without exception every country ETF in our country universe has experienced the same correction/volatility profile in February/March 2018 as the U.S. equity markets. Also of note is the fact that Chinese stocks, which one year ago were relative laggards, are now the top ranked country.

HANSEATIC QUARTERLY COMPOSITE PERFORMANCE AND ATTRIBUTION

LARGE CAP EQUITY (LG)

The Large Cap Equity composite return was 5.05%, the Russell 1000 Growth benchmark return was 1.42%. The composite's first quarter outperformance was derived from relative outperformance in seven of eleven sectors. Healthcare, Tech, Financials, and Industrials were the most notable sectors contributing 2.04%, 1.24%, 0.44%, and 0.36% respectively to the relative performance. Real Estate, Telecom, and Staples contributed a combined 0.22%. Consumer Discretionary, Materials, and Energy detracted 0.05%, 0.26%, and 0.36% respectively from performance. The portfolio is overweight Financials and Industrials, and underweight Staples.

ALL CAP GROWTH EQUITY (AG)

The All Cap Growth Equity composite return was 1.05%, the Russell 3000 Growth benchmark return was 1.48%. The composite's first quarter lag was derived from relative underperformance in six of eleven sectors. Consumer Discretionary and Industrials contributed 1.05% and 0.40% to relative performance. Real Estate and Utilities contributed a combined 0.14%. Technology, Healthcare and Materials detracted 0.82%, 0.68%, and 0.41% respectively from relative performance. Telecom, Staples, and Financials detracted a combined 0.11% during the quarter. The portfolio is overweight Financials, Industrials, and Consumer Discretionary and underweight Tech and Staples.

ALL CAP GROWTH CONCENTRATED EQUITY (CD)

The All Cap Growth Concentrated Equity composite return was 7.30%, the SPDR S&P 500 ETF Trust (SPY) benchmark return was negative 1.39%. The composite's first quarter outperformance was derived from strong performance by 6 stocks: Veeva Systems Inc. (VEEV, Tech), Weight Watchers International, Inc. (WTW, Consumer Discretionary), NVIDIA Corporation (NVDA, Tech), Micron Technology, Inc. (MU), Copart, Inc. (CPRT, Industrials), and IDEXX Laboratories, Inc. (IDXX, Healthcare) contributing a combined 8.23% to the relative gain. Notable detractors were Exelixis, Inc. (EXEL, Healthcare), Cognex Corporation (CGNX, Tech), AbbVie Inc. (ABBV, Healthcare) detracting a combined 2.30% from performance. The balance of portfolio holdings contributed in a range from up 0.72% to down 0.56%, with 13 winning stocks and 9 losing stocks during the quarter. The portfolio is overweight Industrials, Materials, Consumer Discretionary, and Tech and underweight Staples and Energy.

ALL CAP TAX EFFICIENT EQUITY (TE)

The All Cap Tax Efficient Equity composite return was 5.57%, the SPDR S&P 500 ETF Trust (SPY) benchmark return was -1.39%. The composite's first quarter outperformance was anchored by strong performance in 3 stocks: Herbalife Ltd. (HLF, Staples), Micron Technology, Inc. (MU), and Zebra Technologies Corporation (ZBRA, Tech) contributing a combined 3.57% to the relative gain. There were no notable detractors during the quarter. The balance of portfolio holdings contributed in a range from up 0.96% to down 0.71%, with 23 winning stocks and 11 losing stocks during the quarter. The portfolio is overweight Consumer Discretionary, Industrials, and Tech and underweight Staples, Financials, Utilities, and Healthcare.

MID CAP EQUITY (MC)

The Mid Cap Equity composite return was 3.50%, the Russell Midcap Growth benchmark return was 2.17%. The composite's first quarter outperformance was derived from relative outperformance in five of eleven sectors. Tech and Healthcare were the most notable contributing 1.26% and 1.12% respectively to relative performance. Financials, Real Estate, and Telecom contributed a combined 0.31%. Relative underperformance in Materials, Energy, Consumer Discretionary, Staples, and Industrials ranged from -0.57% (Materials) to -0.09% (Industrials). The portfolio is overweight Tech and Financials and is underweight Healthcare and Real Estate.

SMID EQUITY (SM)

The SMID Cap Equity composite return was -1.88%, the Russell 2500 Growth benchmark return was 2.38%. The composite's first quarter underperformance was derived from relative underperformance in six of eleven sectors. Utilities, Real Estate, Staples, Telecom, and Industrials contributed a combined 0.75% to relative performance. Healthcare, Consumer Discretionary, Tech, Financials, Materials, and Energy detracted 1.23%, 1.04%, 0.97%, 0.77%, 0.72%, and 0.27% sequentially from relative performance. The portfolio is overweight Consumer Discretionary, Telecom, and Utilities and is underweight Industrials and Real Estate.

SMALL CAP EQUITY (SC)

The Small Cap Equity composite return was -0.24%, the Russell 2000 Growth benchmark return was 2.30%. The Small Cap Equity composite's first quarter underperformance was derived from relative underperformance in six of eleven sectors. Consumer Discretionary, Technology, Utilities, Real Estate, and Telecom were all notable contributing 0.92%, 0.23%, 0.22%, 0.12%, and 0.09% respectively to relative performance. Healthcare, Materials, Industrials, Energy, Financials, and Staples detracted 2.54%, 0.66%, 0.50%, 0.22%, 0.18%, and 0.03% sequentially from relative performance. The portfolio is overweight Consumer Discretionary and underweight Industrials and Real Estate.

DEVELOPED MARKETS (DM)

The Develop Markets Equity composite return was 0.24%, the MSCI EAFE Index return was -2.20%. The composite's first quarter outperformance was derived from positive performance in three of eleven sectors. Consumer Discretionary, Tech, and Healthcare contributed 0.76%, 0.56%, and 0.13% respectively to performance. Energy, Financials, Materials, Industrials, Telecom, and Staples detracted a combined 1.21% from performance. Utilities and Real Estate had no exposure. At the sector level, the portfolio is overweight Materials, Energy, Industrials, Consumer Discretionary, and Tech and underweight Healthcare, Real Estate, Staples, and Utilities. The portfolio is overweight Netherlands 5.56%, Japan 4.55%, South Africa 4.20%, and China 3.54%; and underweight Switzerland 5.95%, U.K. 4.89%, and Hong Kong 3.60%.

INTERNATIONAL (IN)

The International Equity composite return was 1.17%, the MSCI ACWI ex USA Index return was -1.76%. The composite's first quarter outperformance was derived from positive performance in five of eleven sectors. Materials, Tech, Financials, Healthcare, and Telecom contributed 0.72%, 0.66%, 0.31%, 0.14%, and 0.10% sequentially to performance. Utilities, Real Estate and Staples had no exposure. Energy, Consumer Discretionary, and Industrials detracted 0.47%, 0.27%, and 0.03% respectively from performance. At the sector level, the portfolio is overweight Materials, Financials, Consumer Discretionary, and Energy and underweight Staples, Real Estate, and Industrials. At the market level, the portfolio is overweight EM 12.28% (due to appreciation, no more EM will be added) and underweight DM 13.28%. At the country level, the portfolio is overweight Brazil 7.43%, China 6.46%, South Africa 3.89%, and Netherlands 3.66%; and underweight Germany 4.84%, Korea 3.81%, and U.K. 2.82%.

LATIN AMERICA EQUITY (LA)

The Latin America Equity composite return was 4.82%, the Russell Latin America Index return was 7.20%. The composite's first quarter underperformance was derived from negative performance in two of eleven sectors. Most notable were Energy, Financials, Industrials, and Materials contributing 2.64%, 1.50%, 1.50%, and 1.01% respectively to performance. Utilities, Tech, Staples, and Telecom contributed a combined 0.87%. Consumer Discretionary and Real Estate detracted 1.86% and 0.83% from performance. The portfolio is overweight Industrials and is underweight Financials and Staples.

GROWTH & INCOME EQUITY (GI)

The Growth & Income Equity composite return was -0.69%, the S&P 500 Total Return Index return was -0.76%. The composite's first quarter outperformance was derived from relative outperformance in six of eleven sectors. Notable were Tech, Staples, Financials, Telecom, Healthcare, and Industrials contributing 0.76%, 0.27%, 0.20%, 0.16%, 0.10%, and 0.09% respectively to relative performance. Consumer Discretionary, Materials, Real Estate, Energy, and Utilities detracted a combined 1.50% from relative performance. The portfolio is overweight Industrials, Consumer Discretionary, and Materials and is underweight Healthcare and Staples.

5600 Wyoming Blvd. NE, Suite 220, Albuquerque, NM 87109
321 N. Clark Street, 5th Floor, Chicago, IL, 60654
505.828.2824 – info@hanseaticgroup.com