

# GuardCap Emerging Markets Equity Fund

Class: I (acc) GBP



## Investment Objective

The investment objective of the Fund is to deliver a superior return to the MSCI Emerging Markets Index over the long-term by investing primarily in equity and similar securities issued by companies that have significant exposure to emerging market economies.

## Investment Approach

Philosophy: growth drives returns; quality protects against downside; valuation matters.

- Concentrated, long-only strategy with 25-30 high quality, sustainably growing companies
- In-depth fundamental analysis, bottom-up analysis of selected high-confidence stocks
- Benchmark agnostic, unconstrained portfolio construction; high active share
- Genuine long-term investing with low portfolio turnover
- Large / Mid-cap focus

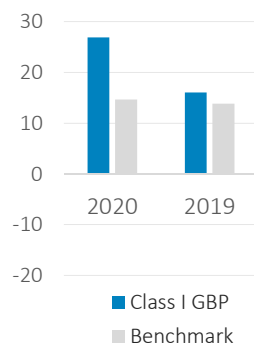
## Investment Team

	Joined GuardCap	Years of experience
Ed Wallace	2015	20
Joris Nathanson	2016	19
Alice Yin	2017	10
Dexu Qu	2020	8

## Performance\* (%)

	1 M	3 M	YTD	1 Y	Annualised	
					3 YR	5 YR Inception
Class I GBP	-2.09	-6.81	-9.99	-7.08	8.43	2.26
Benchmark	-1.12	-3.56	-1.55	3.39	7.85	2.89
Relative return	-0.97	-3.25	-8.44	-10.47	0.58	-0.63

## Calendar Year Performance\* (%)



	2020	2019
Class I GBP	26.94	16.06
Benchmark	14.65	13.85
Relative return	12.29	2.21

\*Past performance results are no indication of future results

## Fund Facts

Legal Status	UCITS
Fund launch date	19 December 2016
Class Inception	23 January 2018
Benchmark	MSCI Emerging Market Index (Net) £
Fund Size	USD 53.3 million
Strategy Size <sup>1</sup>	USD 125.3 million
ISIN	IE00BD1R3L25
Bloomberg	GCEMEIG

<sup>1</sup>Based on estimates and is not official

## Charges & Subscriptions

Annual management fee	0.80%
Ongoing charges <sup>2</sup>	1.04%
Minimum investment	USD 500,000

<sup>2</sup>As at 31 December 2020; including Annual management fee

## Portfolio Characteristics

Number of stocks	26
Active share	81.7%
Net exposure	98.1%

## Risk\*\*

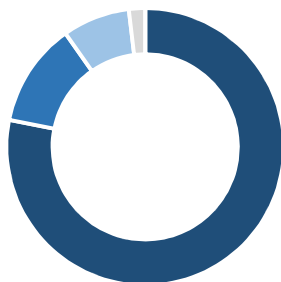
	Fund	Index
Tracking error	6.45	
Standard deviation	17.48	16.62
Information ratio	0.00	
Sharpe ratio <sup>3</sup>	0.48	0.51
Upside market capture	102.80	100.00
Downside market capture	102.69	100.00
Batting average	0.52	

\*\*USD I Share Class

<sup>3</sup>Sharpe ratio calculated using Bloomberg US Generic Govt. 3 Month Yield

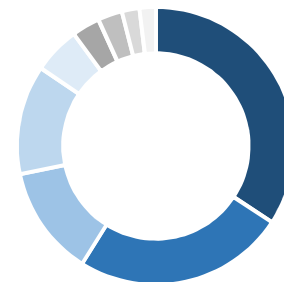
### Geographic Allocation (%)

■ Asia Pacific	78.13
■ Latin America	12.13
■ United States	7.85
■ Cash	1.89



### Sector Allocation (%)

■ Information Technology	34.24
■ Consumer Discretionary	24.67
■ Communication Services	12.82
■ Financials	12.74
■ Consumer Staples	5.46
■ Industrials	3.28
■ Real Estate	2.85
■ Health Care	2.05
■ Cash	1.89



### Top 5 Holdings

	% of assets
TSMC	9.39%
Samsung Electronics	6.55%
MercadoLibre	6.07%
Tencent	5.49%
HDFC Bank	5.23%

### Monthly Contributors / Detractors

	Contribution to return
+ Localiza Rent A Car	0.45%
+ JD.com	0.39%
+ NetEase	0.32%
- MercadoLibre	-1.18%
- Alibaba	-1.09%
- HDFC Bank	-0.30%

### Manager Commentary

Global equities declined sharply after the discovery of the new omicron variant of Covid-19, with the MSCI Emerging Markets Index returning -4.1% for November. The worst performing region was EMEA (-7.0%), followed by Asia (-3.6%) and Latin America (-3.0%). The three sectors with the biggest drawdowns were consumer discretionary (-10.1%), energy (-7.4%) and materials (-5.4%). The only sector to deliver a positive return was IT (+1.4%).

Detractors from performance included: Latin American e-commerce operator **MercadoLibre**, with the company raising new equity following a strong set of third quarter results; Chinese e-commerce and digital services group **Alibaba**, whose quarterly results fell short of expectations; and India's largest private sector bank, **HDFC Bank**, whose share price was weaker on concerns about the new Covid-19 variant. All three are growth companies and were all impacted by broader market concerns about how a global economic slowdown might affect corporate growth rates. The largest contributor to performance was **Localiza**, Brazil's biggest car rental company, which reported results during November and saw its share price recover somewhat from October's weakness. Other contributors included digital retailer **JD.com** and gaming group **NetEase** who both reported robust quarterly results amid slowing economic growth in China.

### Share Class Ratings

Overall Morningstar Rating™



### Fund ESG Ratings

Morningstar Sustainability Rating™

Morningstar Low Carbon Designation™



### Disclaimer:

Issued by GuardCap Asset Management Limited which is authorised and regulated by the Financial Conduct Authority. This document includes information concerning financial markets that was developed at a particular point in time and is subject to change at any time, without notice, and without update. This document may also include forward looking statements concerning anticipated results, circumstances, and expectations regarding future events. Forward-looking statements require assumptions to be made and are, therefore, subject to inherent risks and uncertainties. There is significant risk that predictions and other forward looking statements will not prove to be accurate. Investing involves risk. Equity markets are volatile and will increase and decrease in response to economic, political, regulatory and other developments. Investment funds are not guaranteed, their values change frequently and past performance is not a reliable indicator of future results. This information is for general information purposes only and is not intended as legal, tax, accounting, securities, or investment advice. This information is not intended for distribution into any jurisdiction where such distribution is restricted by law or regulation. It shall under no circumstances be considered an offer or solicitation to deal in any product mentioned herein. GuardCap Asset Management Limited is the Manager of the Fund and an indirect, wholly-owned subsidiary of Guardian Capital Group Limited, a publicly traded firm listed on the Toronto Stock Exchange. For further information on GuardCap Asset Management Limited, or this Fund please visit [www.guardcap.co.uk](http://www.guardcap.co.uk) to view the Prospectus, KIID and other relevant documents. **Note to Swiss Investors Only: This is marketing information. Investment in investment funds is subject to market risks. Past performance results are no indication of future results. Especially performance results referring to a period of less than twelve months are no reliable indicator for future results due to the short comparison period. Issuance and redemption commissions are not included in the performance figures. The domicile of the Fund is Ireland. For interested parties, the prospectus, the Key Investor Information Documents (KIIDs), the memorandum of articles as well as the annual and semi-annual reports may be obtained free of charge from the Swiss representative and paying agent in Switzerland: RBC Investor Services Bank S.A., Esch-sur-Alzette, Zurich Branch, Bleicherweg 7, CH-8027 Zurich.**

Overall Morningstar Rating™ is an assessment of a fund's past performance, based on both return and risk and shows how similar investments compare with their competitors. The Morningstar Sustainability Rating™ is a measure of how well the portfolio holdings are managing their ESG Risk relative to the portfolio's Global Category peer group. Sustainalytics provides company-level analysis used in the calculation of Morningstar's Historical Sustainability Score. The Morningstar Low Carbon Designation™ is Sustainalytics' evaluation of the degree to which a firm's activities and products are aligned with the transition to a low-carbon economy. Investment decisions should not be based on a high rating alone. All data is as at the document date unless indicated otherwise. © 2021 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. For more detailed information about Morningstar's Analyst Rating, including its methodology, please go to: <https://shareholders.morningstar.com/investor-relations/governance/Compliance--Disclosure/default.aspx> and <http://corporate1.morningstar.com/SustainableInvesting/>.

### For More Information

**Simon Melliush**

smelliush@guardiancapital.com | +44-20-4580-0581

**Alexandra Schwarz**

aschwarz@guardiancapital.com | +44-20-7907-2011