

# GuardCap Emerging Markets Equity Fund

Class: I (acc) EUR



## 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	21
Joris Nathanson	2016	20
Alice Yin	2017	11
Dexu Qu	2020	9

## Fund Performance - annualised, net of fees\* (%)

	1 M	3 M	YTD	1 Y	Annualised	
					3 YR	5 YR Inception
Class I EUR	-2.94	-10.75	-12.84	-19.12		-21.48
Benchmark	-0.40	-4.85	-5.30	-6.81		-9.55
Relative return	-2.54	-5.90	-7.54	-12.31		-11.93

\*Past performance results are no indication of future results

## Fund Facts

Legal Status	UCITS
Fund launch date	19 December 2016
Class Inception	22 February 2021
Benchmark	MSCI Emerging Market Index (Net) EUR
Fund Size	USD 43.8 million
Strategy Size <sup>1</sup>	USD 106.6 million
ISIN	IE00BF2YTR44
Bloomberg	GCEMIEA

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

## Charges & Subscriptions

Annual management fee	0.80%
Ongoing charges <sup>2</sup>	1.00%
Minimum investment	USD 500,000

<sup>2</sup>As at 31 December 2021; including Annual management fee

## Portfolio Characteristics

Number of stocks	26
Active share	79.0%
Net exposure	97.5%

## Risk\*\*

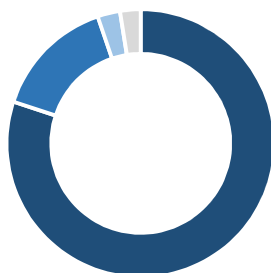
	Fund	Index
Tracking error	6.47	
Standard deviation	17.62	16.37
Information ratio	-0.26	
Sharpe ratio <sup>3</sup>	0.22	0.34
Upside market capture	102.57	100.00
Downside market capture	108.58	100.00
Batting average	0.48	

\*\*USD I Share Class

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

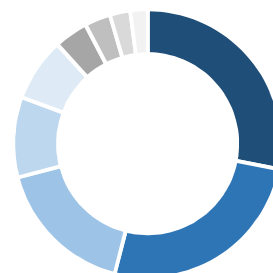
### Geographic Allocation (%)

■ Asia Pacific	80.02
■ Latin America	14.78
■ United States	2.73
■ Cash	2.47



### Sector Allocation (%)

■ Information Technology	28.06
■ Consumer Discretionary	25.89
■ Financials	17.01
■ Communication Services	9.67
■ Consumer Staples	7.62
■ Industrials	4.10
■ Real Estate	3.11
■ Cash	2.47
■ Health Care	2.07



### Top 5 Holdings

	% of assets
TSMC	7.79%
Samsung Electronics	7.29%
MercadoLibre	6.60%
HDFC Bank	5.76%
AIA Group	5.02%

### Monthly Contributors / Detractors

	Contribution to return
+ JD.com	0.73%
+ NetEase	0.30%
+ Becele	0.28%
- MercadoLibre	-1.03%
- Infosys	-0.73%
- TSMC	-0.50%

### Manager Commentary

The MSCI Emerging Markets Index returned -5.6% in April. US dollar returns for emerging market investors were negatively affected by the 4.7% increase in the US Dollar Index during the month, which reached its highest level since 2002. All three emerging market regions were down in US dollar terms with Latin America (-13.0%) the worst performer followed by Emerging Asia (-5.1%) and EMEA (-3.3%). By sector, only utilities (+1.1%) and energy (+0.3%) recorded positive returns, whereas IT (-10.7%), materials (-8.2%) and healthcare (-8.1%) recorded the largest monthly declines. The US 10-year Treasury yield reached 2.9%, almost double the level that it ended 2021.

Detractors from performance included: Latin American digital leader **MercadoLibre**, whose dollar denominated shares were lower on local currency weakness and a broader de-rating of growth companies; Indian IT consultant **Infosys's** revenue and margin guidance for the upcoming fiscal year fell short of market expectations; and **TSMC** raised full year guidance when it reported in mid-April but its shares fell by more than 10% over the course of the month.

Contributors to performance included: **JD.com**, as the market became more optimistic about the potential for an easing in the regulatory pressure on Chinese digital businesses; Chinese game developer **Netease** saw its shares rise when the local regulator granted publishing licences to the first batch of new video games since July 2021; and the shares of **Becele**, the Mexican owner of the Cuervo tequila brands, responded positively to first quarter results that were comfortably ahead of expectations.

## ESG Reporting\*

### Fund ESG Ratings

Morningstar Sustainability Rating™



Morningstar Low Carbon Designation™



### Sustainable Finance Disclosure Regulation (SFDR)

Classification: Article 8

### ESG Integration

All companies under consideration are assessed against the team's ten Investment Criteria, including strong "Foundations for Sustainable Growth" (FSG), which ensures that a company's ESG practices align with its potential for long-term sustainable growth. The Fund's concentrated approach (25-30 stocks) enables a thorough understanding of the sustainability risks and opportunities relevant to each company and an analysis of a company's ESG issues forms a key part of every investment decision.

### Active Ownership

Active ownership is deeply embedded in our investment philosophy and where practical we vote on every resolution and corporate action proposed by our companies. If a company is engaged in a practice that concerns us, we will engage with the company on the issue, seek to learn more about it and encourage positive change.

### Exclusion Policy

The Fund excludes direct investment in corporate issuers that are involved in the manufacture or production<sup>1</sup> of:



Controversial weapons<sup>2</sup>



Extraction of fossil fuels and/or generation of power from them



Firearms or small arms ammunition

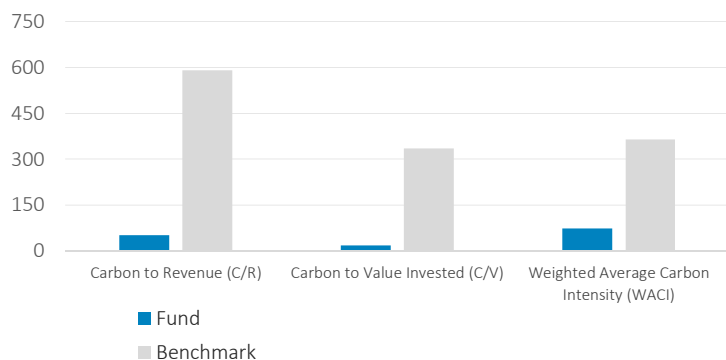


Tobacco products

<sup>1</sup>Subject to a specific revenue threshold of 5%, based on a company's annual report

<sup>2</sup>Includes anti-personnel landmines, cluster munitions, biological weapons and chemical weapons

### Carbon Intensity

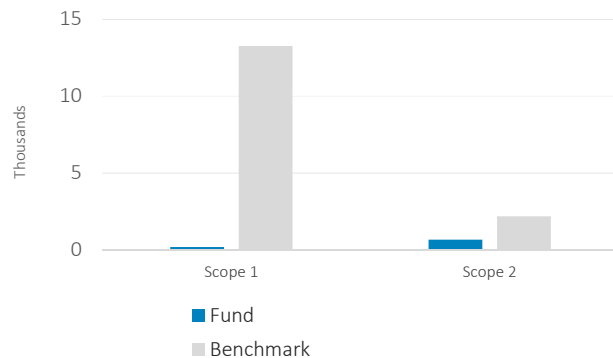


	Fund	Benchmark
Carbon to Revenue (C/R)	52.13	590.26
Carbon to Value Invested (C/V)	18.25	335.65
Weighted Average Carbon Intensity (WACI)	72.67	365.21

Source: S&P Trucost Limited © Trucost 2022; as at 31 March 2022. Carbon Intensity calculated in TCO2E/USD M. The lower the score the lower the intensity. Includes Scope 1 and Scope 2 emissions.

The Carbon to Revenue (C/R) metric shows the intensity of the portfolio and benchmark using the absolute apportioned carbon emissions and apportioned revenues, calculated on an ownership basis (value of holdings divided by chosen apportioning metric), as at the analysis date. The Carbon to Value (C/V) Invested metric takes the carbon emissions (apportioned using either market capitalisation or enterprise value) divided by the value of holdings in a portfolio or benchmark. The Weighted Average Carbon Intensity (WACI) metric takes the carbon intensity (total carbon emissions divided by total revenue) of each holding and multiplies it by its investment weight (the current value of the holding relative to the current value of the whole portfolio).

### Carbon Apportioned by Scope



	Fund	Benchmark
Scope 1	198	13,252
Scope 2	652	2,175

Source: S&P Trucost Limited © Trucost 2022, as at 31 March 2022. Calculated in TCO2E. The lower the score the lower the emissions. Greenhouse Gas (GHG) Protocol methodology.

This represents the absolute quantity of portfolio or benchmark emissions attributed from their underlying constituents on an ownership basis, as at the analysis date, based on the defined GHG methodology. Absolute carbon emissions are apportioned from a company to a portfolio based on equity ownership (market capitalisation) or share of financing (enterprise value). Scope 1 emissions are from directly emitting sources that are owned or controlled by a company. Scope 2 emissions are from the consumption of purchased electricity, steam, or other sources of energy generated upstream from a company's direct operations. Reference: GHG Protocol.

\*The decision to invest in the promoted fund should take into account all the characteristics or objectives of the promoted fund as described in its prospectus.

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\*Morningstar Analyst Rating™ is Morningstar's forward looking fund rating. 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/>.

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