

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

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

	1 M	3 M	YTD	1 Y	Annualised	
					3 YR	5 YR Inception
Class I GBP	-6.27	-9.18	-9.08	-19.30	3.80	-0.25
Benchmark	-3.00	-4.39	-3.92	-6.94	5.73	1.87
Relative return	-3.27	-4.79	-5.16	-12.36	-1.93	-2.12

Fund Calendar Year Performance - net of fees* (%)



	2021	2020	2019
Class I GBP	-10.09	26.94	16.06
Benchmark	-1.64	14.65	13.85
Relative return	-8.45	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) GBP
Fund Size	USD 48.8 million
Strategy Size ¹	USD 116.2 million
ISIN	IE00BD1R3L25
Bloomberg	GCEMEIG

¹Based on estimates and is not official

Charges & Subscriptions

Annual management fee	0.80%
Ongoing charges ²	0.97%
Minimum investment	USD 500,000

²As at 31 December 2021; including Annual management fee

Portfolio Characteristics

Number of stocks	25
Active share	77.8%
Net exposure	95.0%

Risk**

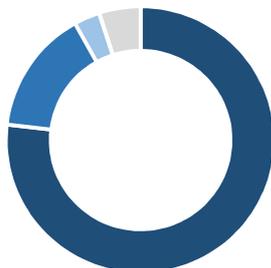
	Fund	Index
Tracking error	6.52	
Standard deviation	17.47	16.35
Information ratio	-0.18	
Sharpe ratio ³	0.35	0.45
Upside market capture	102.57	100.00
Downside market capture	106.98	100.00
Batting average	0.49	

**USD I Share Class

³Sharpe ratio calculated using Bloomberg US Generic Govt. 3 Month Yield

Geographic Allocation (%)

Asia Pacific	76.85
Latin America	15.06
United States	3.10
Cash	4.99



Sector Allocation (%)

Information Technology	27.65
Consumer Discretionary	26.20
Financials	13.80
Communication Services	11.05
Consumer Staples	6.84
Cash	4.99
Industrials	4.41
Real Estate	3.46
Health Care	1.60



Top 5 Holdings

	% of assets
TSMC	8.04%
MercadoLibre	7.32%
Samsung Electronics	7.18%
Tencent	5.48%
HDFC Bank	5.41%

Monthly Contributors / Detractors

	Contribution to return
+ CP ALL	0.31%
+ Yum China	0.28%
+ Ayala Land	0.23%
- EPAM Systems	-2.20%
- TSMC	-1.10%
- Alibaba	-0.76%

Manager Commentary

The MSCI Emerging Markets Index returned -3.0% in February. EMEA (-10.2%) was the worst performing region, with Russia (-53%) by far the biggest detractor. This is likely an underestimation of the impact of Russia on the Index, given that the Russian stock market was suspended as of the close on 25 February. Emerging Asia (-2.4%) declined during February, whereas Latin America (+4.8%) was again the strongest performing region. By sector, materials (+4.0%), industrials (+2.6%) and consumer staples (+0.7%) saw positive performance in the month, whilst energy (-13.6%), consumer discretionary (-7.0%) and communication services (-6.0%) were the biggest drags, largely a reflection of the composition of the heavily marked-down Russian market. The oil price rose by more than 10% during the month.

Positive contributors to performance included **CP ALL**, operator of the 7-11 franchise in Thailand, and **Yum China**, responsible for the KFC franchise in China, both potential beneficiaries of normalisation as economies re-open following COVID-related restrictions. Shares in Philippine real estate developer **Ayala Land** were also up for the month, buoyed by management commentary highlighting the strong return of footfall to their shopping malls.

In terms of detractors, shares in US-listed digital transformation business **EPAM** were adversely impacted by the disruption to their operations in Eastern Europe. Other negative contributors included Taiwanese semiconductor manufacturer **TSMC**, as markets became increasingly worried about a global economic slowdown, and Chinese e-commerce business **Alibaba**, whose shares were lower after reporting December quarter results.

Share Class Ratings

Overall Morningstar Rating™



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 production¹ of:



Controversial weapons²



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



Firearms or small arms ammunition

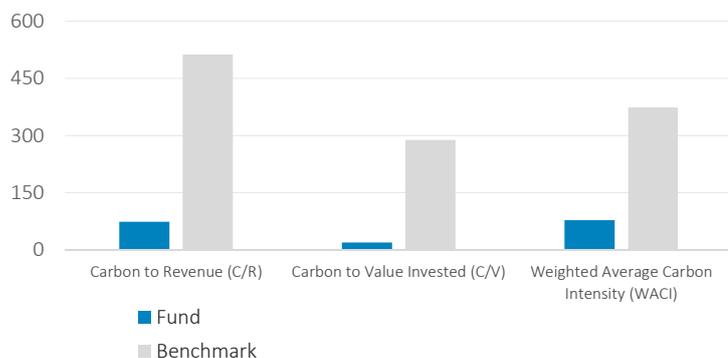


Tobacco products

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

²Includes anti-personnel landmines, cluster munitions, biological weapons and chemical weapons

Carbon Intensity

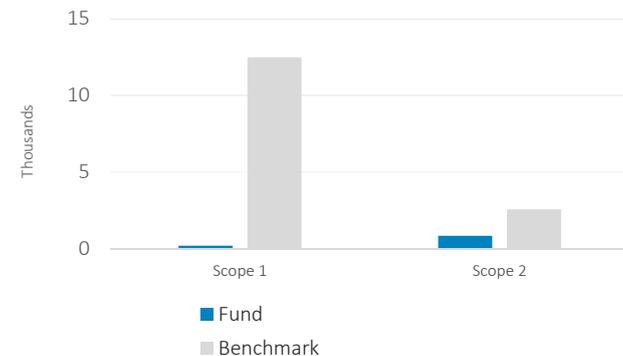


	Fund	Benchmark
Carbon to Revenue (C/R)	73.84	513.44
Carbon to Value Invested (C/V)	19.25	288.43
Weighted Average Carbon Intensity (WACI)	77.43	373.65

Source: S&P Trucost Limited © Trucost 2022; as at 31 December 2021. 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	192	12,489
Scope 2	833	2,562

Source: S&P Trucost Limited © Trucost 2022, as at 31 December 2021. 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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