

# GuardCap Emerging Markets Equity Fund

Class: I (acc) USD



## 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 USD	1.35	-3.31	-8.00	7.66	12.73	10.90
Benchmark	0.99	-0.49	-0.27	16.96	12.30	11.04
Relative return	0.36	-2.82	-7.73	-9.30	0.43	-0.14

## Calendar Year Performance\* (%)



	2020	2019	2018	2017
Class I USD	31.03	20.63	-20.77	42.55
Benchmark	18.31	18.42	-14.57	37.28
Relative return	12.72	2.21	-6.20	5.27

\*Past performance results are no indication of future results

## Fund Facts

Legal Status	UCITS
Fund launch date	19 December 2016
Class Inception	19 December 2016
Benchmark	MSCI Emerging Market Index (Net) US\$
Fund Size	USD 51.2 million
Strategy Size <sup>1</sup>	USD 131.7 million
ISIN	IE00BSJCNT20
Bloomberg	GCEMEIU
WKN	A2DPJA

<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	25
Active share	83.1%
Net exposure	97.3%

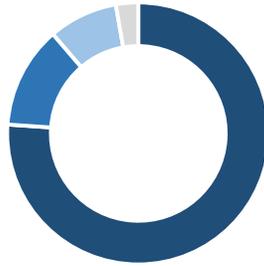
## Risk

	Fund	Index
Tracking error	6.49	
Standard deviation	17.44	16.61
Information ratio	0.03	
Sharpe ratio <sup>3</sup>	0.55	0.57
Upside market capture	102.80	100.00
Downside market capture	102.09	100.00
Batting average	0.53	

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

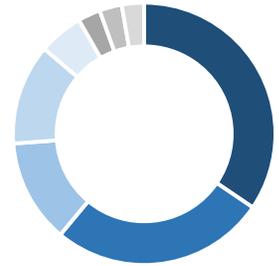
### Geographic Allocation (%)

Asia Pacific	76.09
Latin America	12.62
United States	8.54
Cash	2.75



### Sector Allocation (%)

Information Technology	34.49
Consumer Discretionary	26.55
Financials	12.79
Communication Services	12.41
Consumer Staples	5.49
Industrials	2.77
Real Estate	2.76
Cash	2.75



### Top 5 Holdings

	% of assets
TSMC	8.68%
Mercado Libre	7.20%
Samsung Electronics	6.22%
Alibaba	5.65%
Tencent	5.48%

### Monthly Contributors / Detractors

	Contribution to return
+ EPAM Systems	0.78%
+ Alibaba	0.58%
+ Longi Green Energy	0.40%
- Mercado Libre	-0.97%
- Localiza Rent A Car	-0.55%
- Samsung Electronics	-0.28%

### Manager Commentary

The MSCI Emerging Markets Index returned +1.0% for October. The best performing region was EMEA (+2.6%), followed by Asia (+1.3%). Latin America (-5.3%) was again the weakest of the three. The three sectors that delivered positive returns for the month were consumer discretionary (+7.0%), communication services (+3.3%) and financials (+2.0%). The weakest performing sectors were healthcare (-7.1%), real estate (-3.8%) and utilities (-3.1%).

The top contributors to performance were digital consultancy **EPAM Systems**, e-commerce and digital services group **Alibaba** and **Longi Green Energy**, a leading manufacturer of solar power technologies. All three companies are exposed to strong secular tailwinds and all three have reported strong revenue growth in 2021. The largest detractor from performance was Latin American e-commerce operator **MercadoLibre**, amid concerns about slowing economic growth in markets including Brazil. Similar concerns led to share price weakness for the Fund's holding in **Localiza**, Brazil's largest car rental company. **Samsung Electronics** recorded its second highest quarterly operating profit of all time when it reported Q3 results at the end of October but recent weakness in memory prices weighed on the stock.

### Share Class Ratings

Overall Morningstar Rating™  
Quantalys Rating™



### Fund ESG Ratings

Morningstar Sustainability Rating™  
Morningstar Low Carbon Designation™



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