

# GuardCap Global Equity Fund

Class: S (Acc) USD



Morningstar Analyst Rating™



Morningstar Sustainability Rating™

## Investment Objective

The investment objective of the Fund is to seek long-term growth of capital with lower than market volatility by investing primarily in equity and similar securities issued by high quality companies listed on recognised markets in countries, which are members of the Organisation for Economic Co-operation and Development ("OECD").

## Investment Approach

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

- Concentrated, long-only strategy with 20-25 high quality, sustainably growing companies
- Focused "total immersion", 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

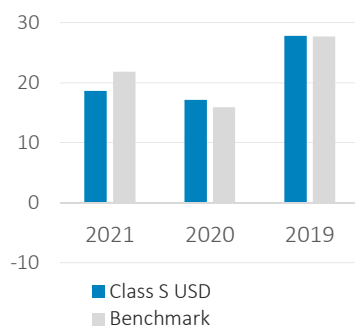
## Investment Team

	Joined GuardCap	Years of experience
Michael Boyd	2014	33
Giles Warren	2014	25
Bojana Bidovec	2016	14
Orlaith O'Connor	2015	11

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

	1 M	3 M	YTD	1 YR	Annualised		
					3 YR	5 YR	Inception
Class S USD	-5.83	-7.22	-14.22	-4.39	9.44		11.82
Benchmark	-8.31	-8.17	-13.03	-3.52	10.41		12.30
Relative return	2.48	0.95	-1.19	-0.87	-0.97		-0.48

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



	2021	2020	2019
Class S USD	18.62	17.12	27.79
Benchmark	21.82	15.90	27.67
Relative return	-3.20	1.22	0.12

\*Past performance results are no indication of future results

## Fund Facts

Legal Status	UCITS
Fund Launch date	10 December 2014
Class Inception	22 November 2018
Benchmark	MSCI World Index (Net) USD
Fund Size	USD 2.92 billion
Strategy AUM <sup>1</sup>	USD 11.62 billion
Strategy AUA <sup>1</sup>	USD 1.27 billion
ISIN	IE00BH3ZJN69
Bloomberg	GCGLESU

<sup>1</sup>AUM = Assets under management, AUA = Assets under advice; based on estimates and is not official

## Charges & Subscriptions

Annual management fee	1.50%
Ongoing charges <sup>2</sup>	1.56%
Minimum investment	USD 5,000

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

## Portfolio Characteristics

Number of stocks	25
Active share	91.1%
Net exposure	98.5%

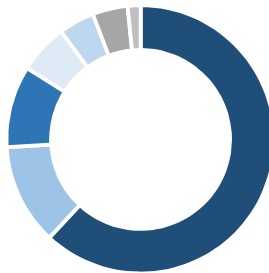
## Risk

	Fund	Index
Tracking error	5.08	
Standard deviation	13.34	14.58
Information ratio	0.82	
Sharpe ratio <sup>3</sup>	0.89	0.53
Upside market capture	100.87	100.00
Downside market capture	80.76	100.00
Batting average	0.63	

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

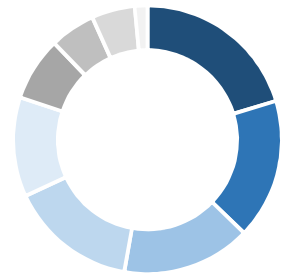
### Geographic Allocation (%)

United States	61.89
Denmark	12.18
France	9.86
United Kingdom	5.99
Switzerland	4.30
Japan	4.25
Cash	1.53



### Sector Allocation (%)

Consumer Discretionary	20.32
Information Technology	16.89
Health Care	15.56
Consumer Staples	15.37
Financials	11.98
Industrials	7.67
Communication Services	5.47
Materials	5.21
Cash	1.53



### Top 5 Holdings

	% of assets
CME Group	7.81
EssilorLuxottica	6.72
Booking Holdings	6.16
Novo Nordisk	5.78
Alphabet	5.47

### Monthly Contributors / Detractors

	Contribution to return
+ Novo Nordisk	0.14
+ Christian Hansen	0.14
+ Reckitt Benckiser	0.10
- Alphabet	-1.12
- MarketAxess	-0.90
- CME Group	-0.62

### YTD Contributors / Detractors

	Contribution to return
+ Novo Nordisk	0.21
+ UnitedHealth	0.17
+ Mastercard	0.08
- MarketAxess	-1.56
- Alphabet	-1.33
- EssilorLuxottica	-1.32

### Manager Commentary

The top contributors to performance year to date were **Novo Nordisk**, **UnitedHealth** and **Mastercard**.

**Novo Nordisk** is a focused pharmaceutical company with leading positions in diabetes, obesity, haemophilia and growth hormone. The company raised its 2022 forecast for sales growth from 6-10% to 10-14% and operating profit growth from 4-8% to 9-13% driven by accelerated demand for its GLP-1 and obesity treatments. **UnitedHealth** occupies a unique position with the US healthcare delivery system, not only as a dominant payer of scale (in commercial, Medicare and Medicaid markets), but also in local care delivery, pharmacy benefits management, and healthcare IT consulting leveraging its own data warehouse. Based on strong Q122 numbers, the company increased its 2022 earnings outlook. **Mastercard** benefits from the ongoing shift from cash to electronic payments, with ecommerce increasing demand for services such as authentication and cybersecurity, and has a large opportunity in digital B2B payments. Net revenues in Q122 rose 27% due to stronger-than-expected cross-border and domestic payment volumes and favourable cross-border mix.

The top detractors year to date were **MarketAxess**, **Alphabet** and **EssilorLuxottica**.

**MarketAxess** is the leading electronic trading network for the institutional market in credit products. The company is benefiting from a major structural shift to electronic trading driven by regulatory changes and market trends. Subdued spread volatility, currently impacting volume growth, should abate as central banks scale back their intervention. **Alphabet** faces tough comps against exceptionally strong organic growth throughout 2021. Organic revenue growth in Q122 was +26% (vs +32% in Q121) but was slightly behind expectations due to weaker brand advertising in Europe, the impact of lower commission rates on Play and Russia. **EssilorLuxottica** is the global leader in the design, manufacture and distribution of ophthalmic lenses, frames and sunglasses with 21% market share. Hoya, the second largest player in the industry, has a 2% share. Ageing demographics, premiumisation and youth lifestyles are strong long-term drivers of growth. Organic revenue growth of +11.5% in Q122 was better than expected but worries about the impact of geo-political issues on consumer spend weighed on the stock.

### Share Class Ratings

Morningstar Analyst Rating™



Overall Morningstar Rating™



Quantalys Rating™



Sauren Fondsmanager Rating™



# ESG Reporting\*

## Fund ESG Ratings

Morningstar Sustainability Rating™  
 Morningstar Low Carbon Designation™



## Sustainable Finance Disclosure Regulation (SFDR)

Classification: Article 8

## ESG Integration

All investee companies must meet the team's ten Confidence 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 (20-25 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 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

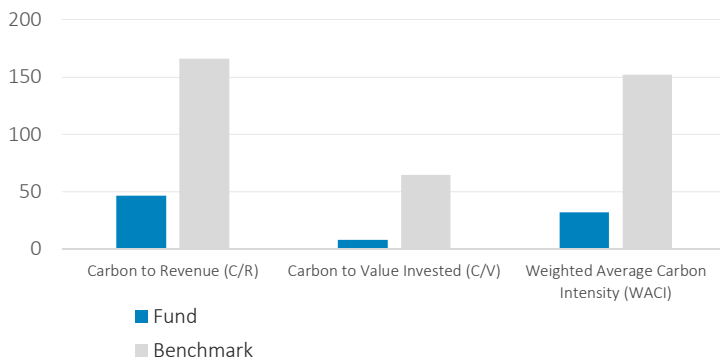


Tobacco products

<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

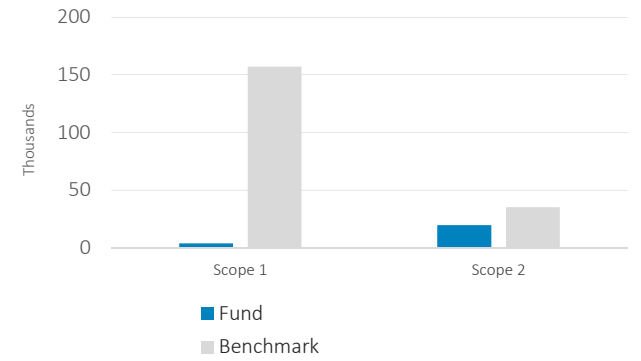


	Fund	Benchmark
Carbon to Revenue (C/R)	46.25	166.09
Carbon to Value Invested (C/V)	7.83	64.53
Weighted Average Carbon Intensity (WACI)	31.97	151.93

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	3,894	157,024
Scope 2	19,499	34,957

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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<https://shareholders.morningstar.com/investor-relations/governance/Compliance--Disclosure/default.aspx> and <http://corporate1.morningstar.com/SustainableInvesting/>.

Quantalys Rating™ is Quantalys' fund rating. For more information about Quantalys ratings and Quantalys' ratings methodology, please see <https://www.quantalys.com/espace/listeProduit/3480> and <https://quantalys.com/Whoarewe/Methodology>.

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