

# GuardCap Global Equity Fund

Class: I (distr) GBP



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

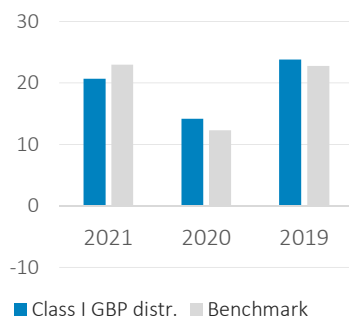
## Investment Team

	Joined GuardCap	Years of experience
Michael Boyd	2014	32
Giles Warren	2014	25
Bojana Bidovec	2016	17
Orlaith O'Connor	2015	11

## Performance\* (%)

	1 M	3 M	YTD	1 YR	Annualised		
					3 YR	5 YR	Inception
Class I GBP distr.	-6.95	-2.57	-6.95	16.73	15.45		11.20
Benchmark	-4.39	-1.31	-4.39	19.27	15.80		11.16
Relative return	-2.56	-1.26	-2.56	-2.54	-0.35		0.04

## Calendar Year Performance\* (%)



	2021	2020	2019
Class I GBP distr.	20.68	14.18	23.82
Benchmark	22.94	12.32	22.74
Relative return	-2.26	1.86	1.08

\*Past performance results are no indication of future results

## Fund Facts

Legal Status	UCITS
Fund Launch date	10 December 2014
Class Inception	10 August 2018
Benchmark	MSCI World Index (Net) GBP
Fund Size	USD 3.13 billion
Strategy AUM <sup>1</sup>	USD 12.13 billion
Strategy AUA <sup>1</sup>	USD 1.32 billion
ISIN	IE00BF2T2J22
Bloomberg	GCGLIGD

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

## Charges & Subscriptions

Annual management fee	0.80%
Ongoing charges <sup>2</sup>	0.86%
Minimum investment	USD 500,000

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

## Portfolio Characteristics

Number of stocks	25
Active share	92.0%
Net exposure	98.7%

## Risk\*\*

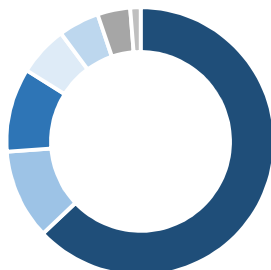
	Fund	Index
Tracking error	5.06	
Standard deviation	13.25	14.36
Information ratio	0.82	
Sharpe ratio <sup>3</sup>	1.02	0.65
Upside market capture	101.87	100.00
Downside market capture	80.67	100.00
Batting average	0.64	

\*\*USD I Share Class

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

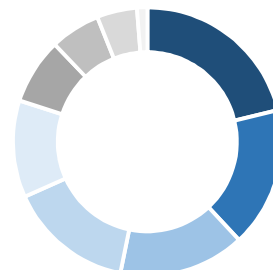
### Geographic Allocation (%)

United States	62.94
Denmark	10.82
France	10.11
United Kingdom	6.02
Japan	4.92
Switzerland	3.94
Cash	1.25



### Sector Allocation (%)

Consumer Discretionary	21.21
Information Technology	16.83
Health Care	15.20
Consumer Staples	15.05
Financials	11.68
Industrials	7.93
Communication Services	6.02
Materials	4.83
Cash	1.25



### Top 5 Holdings

	% of assets
CME Group	7.59
EssilorLuxottica	6.75
Booking Holdings	6.36
Alphabet	6.03
UnitedHealth	5.42

### Monthly Contributors / Detractors

	Contribution to return
+ Mastercard	0.42
+ Booking Holdings	0.20
+ CME Group	0.12
- EssilorLuxottica	-0.82
- MarketAxess	-0.62
- Novo Nordisk	-0.54

### YTD Contributors / Detractors

	Contribution to return
+ Mastercard	0.42
+ Booking Holdings	0.20
+ CME Group	0.12
- EssilorLuxottica	-0.82
- MarketAxess	-0.62
- Novo Nordisk	-0.54

### Manager Commentary

The top contributors to performance year to date were **Mastercard**, **Booking Holdings** and **CME**.

**Mastercard** reported stronger than expected Q4 earnings as consumer spending trends continued to improve. Net revenue increased 28% with cross-border spending exceeding pre-pandemic levels. The shift from cash and cheques to electronic payments by consumers and businesses is expected to continue to drive growth. **Booking Holdings'** share price rebounded in January after fears around the Omicron variant sparked a sell off in December. With its broad inventory of bookable rooms and easy to use technology, Booking should benefit from a rebound in global travel as well as the ongoing trend towards online booking and consolidation of a highly fragmented travel agency market. **CME** benefitted from increased volatility in the derivatives markets in January. Average daily volumes increased 28% with a very strong performance in its equities and interest rates product lines. The end of the pandemic should bring a reduction in Central Bank intervention, higher interest rates and continued risk management activity using derivatives.

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

**EssilorLuxottica** is the global leader in the design, manufacture and distribution of ophthalmic lenses, frames and sunglasses. It saw its share price decline after a very strong performance in 2021. Ageing demographics, premiumisation, youth lifestyles and multi-pair are strong long-term drivers of growth. Electronic bond trading platform **MarketAxess** continued to feel the impact of muted trading conditions after posting very strong volumes during the peak of the pandemic. Electronic bond trading is currently only about 20% penetrated but this is expected to grow as market participants increasingly look for better liquidity, price transparency and best execution. **Novo Nordisk** is a leader in the global diabetes market with about 30% value share. Its share price fell in January due to concerns around supply constraints and emerging competition for its GLP-1 franchise. Approximately 537 million adults globally suffer from diabetes and of these only about a quarter currently have access to care.

### Share Class Ratings

Morningstar Analyst Rating™



Overall Morningstar 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

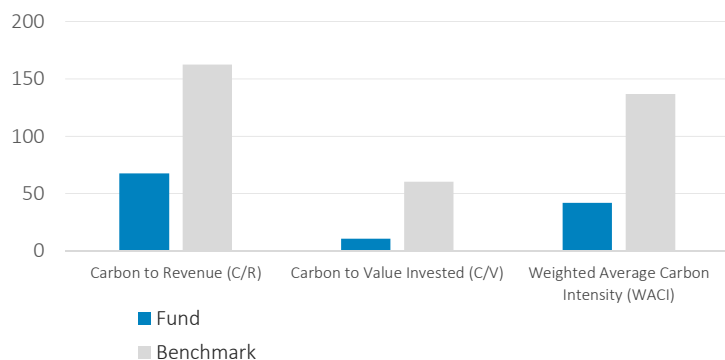


Tobacco products

<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

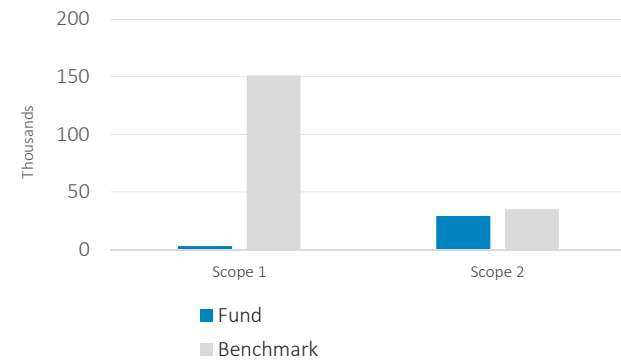


	Fund	Benchmark
Carbon to Revenue (C/R)	67.67	162.75
Carbon to Value Invested (C/V)	10.53	60.37
Weighted Average Carbon Intensity (WACI)	41.94	136.89

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	3,325	151,314
Scope 2	29,431	35,062

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.

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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/>.

**For More Information****Michael Hughes**

mhughes@guardiancapital.com | +44-20-7907-2405

**Alexandra Schwarz**

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