

# GuardCap Global Equity Fund

Class: I (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

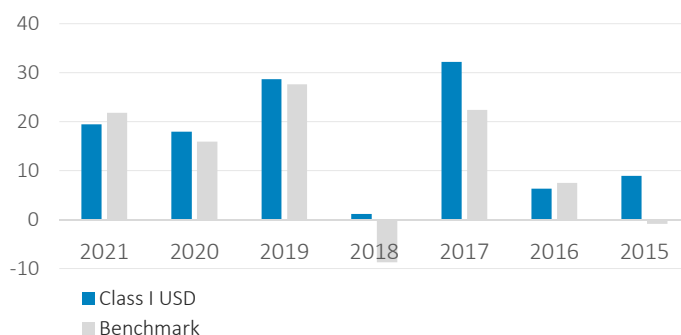
## Investment Team

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

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

	Annualised							
	1 M	3 M	YTD	1 YR	3 YR	5 YR	7 YR	Inception
Class I USD	1.29	-8.74	-8.74	7.09	13.76	15.06	13.35	13.82
Benchmark	2.74	-5.15	-5.15	10.12	14.98	12.42	10.33	10.33
Relative return	-1.45	-3.59	-3.59	-3.03	-1.22	2.64	3.02	3.49

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



	2021	2020	2019	2018	2017	2016	2015
Class I USD	19.45	17.95	28.68	1.19	32.21	6.38	8.96
Benchmark	21.82	15.90	27.67	-8.71	22.40	7.51	-0.87
Relative return	-2.37	2.05	1.01	9.90	9.81	-1.13	9.83

\*Past performance results are no indication of future results

## Fund Facts

Legal Status	UCITS
Fund Launch date	10 December 2014
Class Inception	10 December 2014
Benchmark	MSCI World Index (Net) USD
Fund Size	USD 3.11 billion
Strategy AUM <sup>1</sup>	USD 12.20 billion
Strategy AUA <sup>1</sup>	USD 1.23 billion
ISIN	IE00BSJCNS13
Bloomberg	GCGLEIU
WKN	A2AELB

<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	91.8%
Net exposure	98.3%

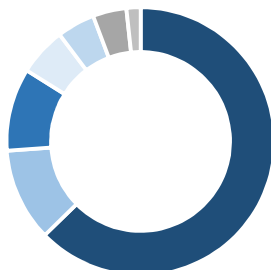
## Risk

	Fund	Index
Tracking error	5.04	
Standard deviation	13.17	14.27
Information ratio	0.76	
Sharpe ratio <sup>3</sup>	0.99	0.64
Upside market capture	100.87	100.00
Downside market capture	81.19	100.00
Batting average	0.63	

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

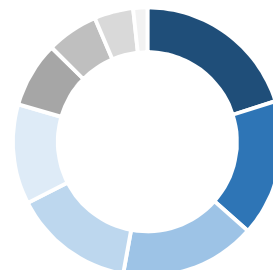
### Geographic Allocation (%)

United States	62.66
Denmark	11.23
France	9.98
United Kingdom	5.80
Japan	4.58
Switzerland	4.06
Cash	1.69



### Sector Allocation (%)

Consumer Discretionary	20.11
Information Technology	16.44
Health Care	16.34
Consumer Staples	14.59
Financials	12.01
Industrials	7.87
Communication Services	6.24
Materials	4.71
Cash	1.69



### Top 5 Holdings

	% of assets
CME Group	7.93
EssilorLuxottica	6.74
Alphabet	6.25
Booking Holdings	6.13
UnitedHealth	5.90

### Monthly Contributors / Detractors

	Contribution to return
+ Booking Holdings	0.49
+ Novo Nordisk	0.48
+ Verisk Analytics	0.46
- Yum China	-0.88
- MarketAxess	-0.51
- Reckitt Benckiser	-0.31

### YTD Contributors / Detractors

	Contribution to return
+ CME Group	0.34
+ UnitedHealth	0.15
+ Novo Nordisk	0.07
- EssilorLuxottica	-0.91
- Nike	-0.87
- MarketAxess	-0.72

### Manager Commentary

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

**CME** is the world's leading and most diverse derivatives marketplace. Average daily volumes in the quarter increased 19% with a very strong performance in its equities and interest rates product lines. Increased geo-political risk and the end of the pandemic are catalysts for increased risk management activity using derivatives. **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/ revenue cycle management leveraging its own data warehouse. The stock has been seen as a safe haven due to its high domestic exposure. **Novo Nordisk** is a focused pharmaceutical company with leading positions in diabetes, obesity, haemophilia and growth hormone. The company reported 14% revenue growth in 2021 having started the year guiding 5-9%. Better than expected uptake of Wegovy, its obesity drug, was the key driver. The company is guiding up to 10% revenue growth for 2022.

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

With 21% market share, **EssilorLuxottica** is the global leader in the design, manufacture and distribution of ophthalmic lenses, frames and sunglasses with its vertically integrated model. 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. **Nike** reported strong Q3 2021 results alleviating concerns around China. Gross margin outperformance, up 100 basis points year-on-year, and Q4 guidance demonstrates strength of position for the brand. Near term the market is focused on global risk. **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.

### 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

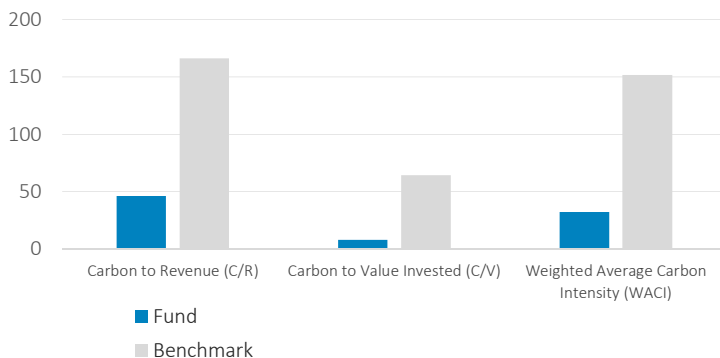


Tobacco products

<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

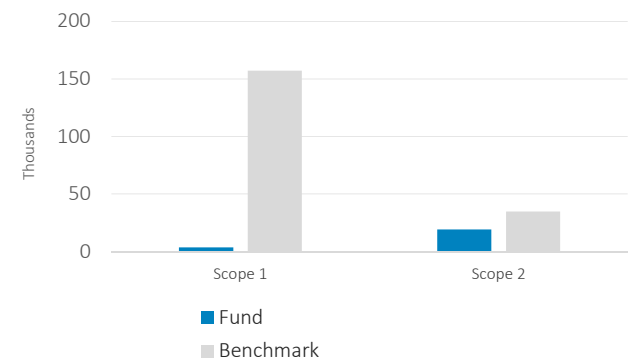


	Fund	Benchmark
Carbon to Revenue (C/R)	46.25	166.09
Carbon to Value Invested (C/V)	7.83	64.53
Weighted Average Carbon Intensity (WACI)	31.97	151.93

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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