

# GuardCap Global Equity Fund

Class: I (Acc) EUR



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

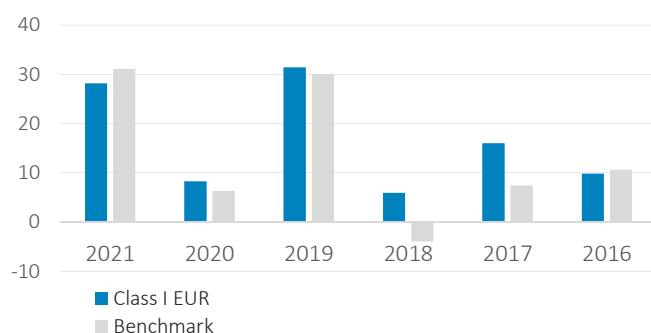
## Investment Team

	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 I EUR	-4.65	-3.28	-11.52	4.11	12.07	12.22	12.17
Benchmark	-1.45	-1.15	-7.61	8.64	14.14	10.78	10.09
Relative return	-3.20	-2.13	-3.91	-4.53	-2.07	1.44	2.08

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



	2021	2020	2019	2018	2017	2016
Class I EUR	28.18	8.29	31.44	5.97	16.00	9.85
Benchmark	31.07	6.33	30.02	-3.97	7.42	10.63
Relative return	-2.89	1.96	1.42	9.94	8.58	-0.78

\*Past performance results are no indication of future results

## Fund Facts

Legal Status	UCITS
Fund Launch date	10 December 2014
Class Inception	29 October 2015
Benchmark	MSCI World Index (Net) EUR
Fund Size	USD 2.86 billion
Strategy AUM <sup>1</sup>	USD 11.11 billion
Strategy AUA <sup>1</sup>	USD 1.20 billion
ISIN	IE00BZ036616
Bloomberg	GCGLEIE
WKN	A140FA

<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	91.2%
Net exposure	98.3%

## Risk\*\*

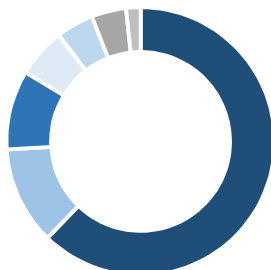
	Fund	Index
Tracking error	5.20	
Standard deviation	13.35	14.50
Information ratio	0.70	
Sharpe ratio <sup>3</sup>	0.85	0.53
Upside market capture	98.79	100.00
Downside market capture	80.76	100.00
Batting average	0.62	

\*\*USD I Share Class

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

### Geographic Allocation (%)

United States	62.21
Denmark	11.83
France	9.57
United Kingdom	5.94
Japan	4.55
Switzerland	4.18
Cash	1.72



### Sector Allocation (%)

Consumer Discretionary	20.87
Information Technology	17.25
Consumer Staples	15.27
Health Care	14.52
Financials	12.24
Industrials	7.47
Communication Services	5.64
Materials	5.02
Cash	1.72



### Top 5 Holdings

	% of assets
CME Group	7.32
Booking Holdings	6.47
EssilorLuxottica	6.46
Novo Nordisk	5.73
Alphabet	5.64

### Monthly Contributors / Detractors

	Contribution to return
+ Yum China	0.28
+ MarketAxess	0.25
+ Fanuc	0.09
- CME Group	-0.85
- Illumina	-0.73
- EssilorLuxottica	-0.46

### YTD Contributors / Detractors

	Contribution to return
+ UnitedHealth	0.40
+ Mastercard	0.27
+ Novo Nordisk	0.27
- Illumina	-1.33
- EssilorLuxottica	-1.32
- Alphabet	-1.05

### Manager Commentary

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

**UnitedHealth** engages in the provision of health coverage, software, data and consultancy services. Its health insurance business utilises technology and data capabilities to help coordinate patient care, improve affordability, analyse cost trends, manage pharmacy benefits, and create a simpler consumer experience. The stock has benefitted from its US domestic focus and being in an industry where inflation is not unusual. **Mastercard** is a technology company in the global payments industry that connects consumers, financial institutions, merchants, governments, digital partners and businesses worldwide, enabling them to use electronic forms of payments instead of cash and cheques. The company is evolving to address a broader set of payment flows such as business-to-business payments. Q122 results beat market expectations due to a recovery in cross border travel to 2019 levels, operating leverage, lower tax and new client wins. **Novo Nordisk** is a focused pharmaceutical company with leading positions in diabetes, obesity, haemophilia and growth hormone. Q122 constant currency top line growth of 18% was the strongest quarterly growth in more than two decades driven by accelerated demand for GLP-1 treatments and obesity. 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%.

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

**EssilorLuxottica** is the global and integrated leader for the eyecare and eyewear industry. Organic revenue growth of +12% in Q122 was better than expected but worries about the impact of geo-political issues on consumer spend weighed on the stock. **Illumina** is a leading producer of gene sequencing equipment, and through its acquisition of Grail, is working to transform cancer care through early detection. Q122 results came in ahead of market expectations and the company reaffirmed core full year revenue growth in the range of 13% to 15%. The stock is under pressure due to uncertainty around the EC and FTC investigation of the Grail acquisition, the loss of a patent case, and a competitor coming out of stealth mode claiming it can piece together whole genomes at \$100 per genome. **Alphabet** faces tough comparisons against exceptionally strong organic growth throughout 2021. Organic revenue growth in Q122 was +26% (vs +32% in Q121) but came in slightly behind consensus due to weaker brand advertising in Europe, the impact of lower commission rates on Play and Russia.

### 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

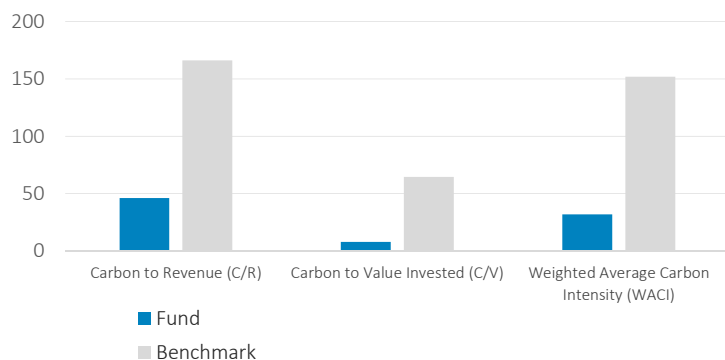


Tobacco products

<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



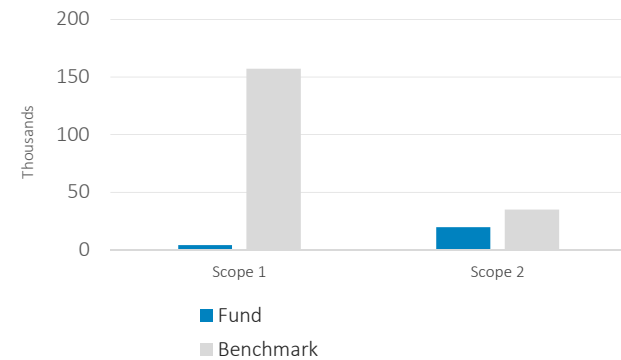
	Fund	Benchmark
Carbon to Revenue (C/R)	46.25	166.09
Carbon to Value Invested (C/V)	7.83	64.53
Weighted Average Carbon Intensity (WACI)	31.97	151.93

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).

\*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.

## 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.

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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/>.

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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