

# 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

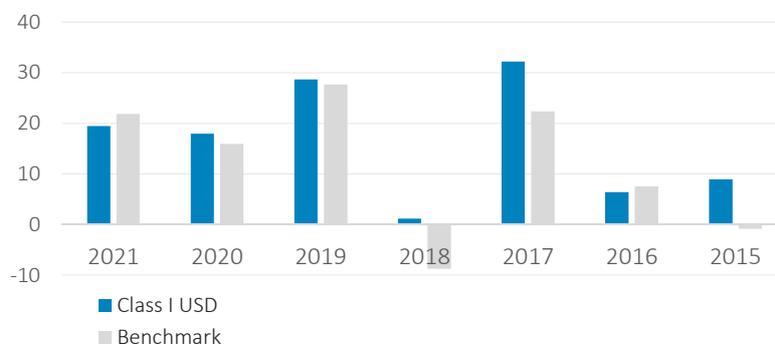
## Investment Team

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

## Performance\* (%)

	1 M	3 M	YTD	1 Y	Annualised		
					3 YR	5 YR	Inception
Class I USD	7.00	9.72	19.45	19.45	21.94	19.39	15.83
Benchmark	4.27	7.77	21.82	21.82	21.70	15.03	11.55
Relative return	2.73	1.95	-2.37	-2.37	0.24	4.36	4.28

## Calendar Year Performance\* (%)



	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 3.41 billion
Strategy Size <sup>1</sup>	USD 14.28 billion
ISIN	IE00BSJCNS13
Bloomberg	GCGLIEU
WKN	A2AELB

<sup>1</sup>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	98.4%

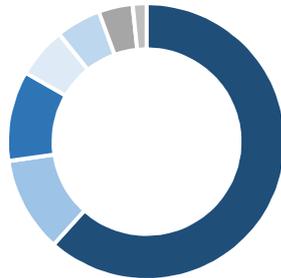
## Risk

	Fund	Index
Tracking error	5.00	
Standard deviation	12.91	14.25
Information ratio	0.93	
Sharpe ratio <sup>3</sup>	1.16	0.72
Upside market capture	101.87	100.00
Downside market capture	77.34	100.00
Batting average	0.65	

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

### Geographic Allocation (%)

United States	61.63
Denmark	11.13
France	10.54
United Kingdom	5.90
Japan	5.25
Switzerland	3.96
Cash	1.60



### Sector Allocation (%)

Consumer Discretionary	20.85
Information Technology	16.96
Health Care	15.45
Consumer Staples	14.89
Financials	10.81
Industrials	8.03
Communication Services	6.63
Materials	4.79
Cash	1.60



### Top 5 Holdings

	% of assets
EssilorLuxottica	7.07
CME Group	6.95
Alphabet	6.63
Booking Holdings	5.71
UnitedHealth	5.30

### Monthly Contributors / Detractors

	Contribution to return
+ Booking Holdings	0.76
+ UnitedHealth	0.67
+ Mastercard	0.61
- Nike	-0.06
- Yum China	-0.02
- Keyence	0.04

### YTD Contributors / Detractors

	Contribution to return
+ Alphabet	4.36
+ Novo Nordisk	2.61
+ EssilorLuxottica	2.29
- MarketAxess	-0.92
- Yum China	-0.49
- Fanuc	-0.45

### Manager Commentary

The top contributors to performance year to date were **Alphabet**, **Novo Nordisk** and **EssilorLuxottica**.

Throughout 2021, **Alphabet** reported strong quarterly results consistently exceeding market expectations. While the business was aided by easy comparisons in core search, growth was driven by broad-based strength in digital advertiser spend and elevated consumer online activity. The company's AI-first strategy is paying off; investments in AI are creating more helpful products for people and for partners in local communities. **Novo Nordisk**, the global diabetes and obesity leader, raised guidance three times in 2021 driven by its diabetes franchise and a successful US launch of its obesity drug, Wegovy. Supply of Wegovy will be disrupted in 2022 due to short term issues at a contract manufacturer. The long-term opportunity is significant with 650 million people living with obesity, most of whom are untreated. **EssilorLuxottica** is the global leader in the design, manufacture and distribution of ophthalmic lenses, frames and sunglasses. The strong sales recovery in 2021 was primarily driven by North America posting double-digit growth. As a vertically integrated business with limited reliance on external supply, the company has seen limited impact from market-wide supply disruption. Ageing demographics, premiumisation, youth lifestyles and multi-pair are strong long-term drivers of growth.

The top detractors year to date were **MarketAxess**, **Yum China** and **Fanuc**.

**MarketAxess** is the leading electronic bond trading platform. Electronification of bond trading is driven by efficiency and regulation, and penetration remains very low compared to other forms of trading. Lower interest rate volatility due to extensive central bank intervention has temporarily put pressure on its volumes, revenues and market share and the stock has underperformed following a very strong performance in 2020. **Yum China** is Yum! Brands sole master franchisee in China. Brands include KFC, Pizza Hut, Taco Bell, COFFii & Joy and a JV with Lavazza. The company has 11,415 restaurants with the potential to grow to over 20,000. It has unrivalled development and digital capabilities with over 350 million loyalty members. Business has been impacted by China's zero-COVID policy resulting in strict regional lockdowns. **Fanuc** is a Japanese provider of automation products and services. Global shortages of semiconductors, machinery and raw materials led to weaker than expected results. Guidance for the year was reduced in anticipation of further component shortages and increasing distribution expenses. Underlying demand for its industrial automation solutions remains very robust. Concerns of wage inflation and labour shortages further boost the case for automation across industries.

### Share Class Ratings

Morningstar Analyst Rating™



Overall Morningstar Rating™



Quantalys Rating™



Sauren Fondsmanager Rating™



### ESG Fund Facts

- ESG Integration ✓
- Voting and Engagement ✓
- ESG Exclusions ✓

### Fund ESG Ratings

- Morningstar Sustainability Rating™
- Morningstar Low Carbon Designation™



### 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.

### Voting and Engagement

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.

### ESG Exclusions

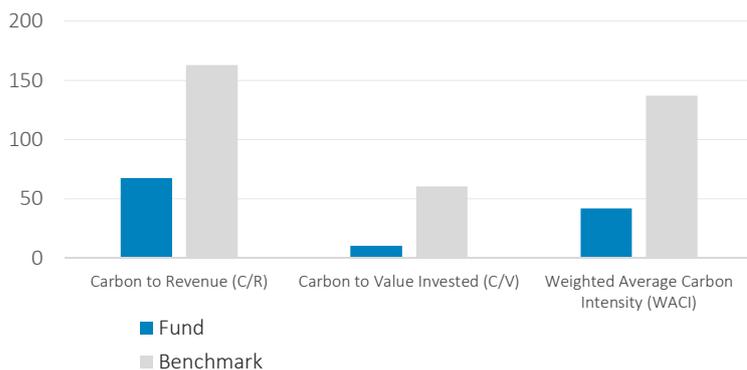
The Fund excludes direct investment in corporate issuers that are involved in the manufacture or production<sup>1</sup> of:

-  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

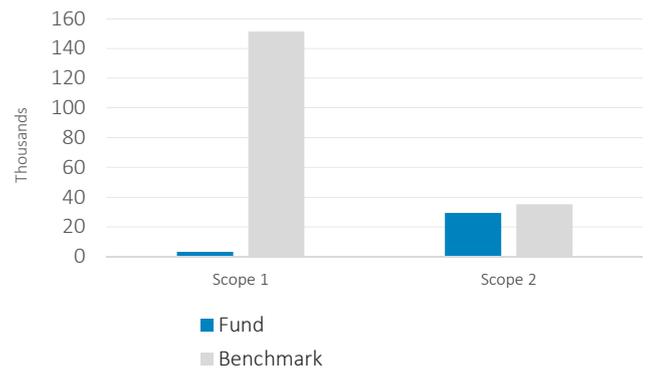


	Fund	Benchmark
Carbon to Revenue (C/R)	67.67	162.75
Carbon to Value Invested (C/V)	10.53	60.37
Weighted Average Carbon Intensity (WACI)	41.94	136.89

Source: Trucost; as at 31 December 2021. Carbon Intensity calculated in TCO2E/USD M. 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: Trucost, as at 31 December 2021. Calculated in TCO2E. 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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