

SKERRYVORE GLOBAL EMERGING MARKETS ALL-CAP EQUITY FUND  
C SHARE CLASS

# Monthly Report

Report for the month ended 31 May 2024



# Investment Results

## C SHARE CLASS – PERIOD RETURNS TO 31 MAY 2024

	1 Month (%)	3 Month (%)	6 Month (%)	1 Year (%)	2 Year p.a (%)	Since Inception <sup>2</sup> (%)
Fund (net)	-1.24	0.42	6.62	7.81	11.47	12.14
Benchmark <sup>1</sup>	-1.81	1.35	7.13	9.36	5.32	-3.36
Value Added	0.57	-0.93	-0.51	-1.55	6.15	15.51

### FUND OBJECTIVE

The fund's objective is to achieve long-term capital appreciation through investing in companies operating in, or exposed to, emerging markets.

### COMMENTARY

Global emerging market equities fell in Australian dollar terms during the period. The strategy produced a negative return and outperformed the MSCI emerging markets index.

The fund has performed strongly in absolute terms since its inception and we saw some consolidation in names that had performed well the previous year. We continue to be enthusiastic by the long-term investment opportunity in the developing world noting that returns for the fund have been driven predominantly by strong earnings growth rather than multiple expansion over the past twelve months.

### HOLDING LEVEL COMMENTARY & ANALYSIS

The largest contributor to returns during the period was from the holding in **Cipla** which is a leading Indian pharmaceutical manufacturer. The business recently announced strong results with double-digit growth in both revenues and profits driven by strength in its One-India branded generics business and strong market share gains in its international divisions. We continue to believe that the shares offer an attractive investment opportunity as there is a long runway for future growth, strong bottom-up execution from an aligned management team and an attractive valuation.

The largest headwind to returns came from the holding in **Advantech** which is a leading Taiwanese manufacturer and distributor of industrial automation systems. The shares reacted negatively as the company steered to a slowing demand environment as there has been a build-up of inventory within its distribution channel.

### STOCK LEVEL ATTRIBUTION

#### TOP CONTRIBUTORS TO RETURN

Name	Contribution (%)
Cipla	0.4
Phillippine Seven	0.3
Mercadolibre	0.3
Uni-President China	0.3
Jeronimo Martins	0.2

#### TOP DETRACTORS TO RETURN

Name	Contribution (%)
Advantech	-0.3
Jumbo SA	-0.2
Tata Consultancy Services	-0.2
WEG SA	-0.2
Koh Young	-0.2

Whilst the long-term demand for industrial automation is likely to grow over time, the industry does exhibit periods of cyclicity as its revenues are driven by the capital investment programs of its customers. Through periods of weakness Advantech has historically continued to invest in its research and development capabilities and in combination with its strong balance sheet and sensible capital allocation has been a long-term share winner. With this in mind we continue to see the shares as being attractively valued.

1. MSCI Emerging Markets Index (AUD)

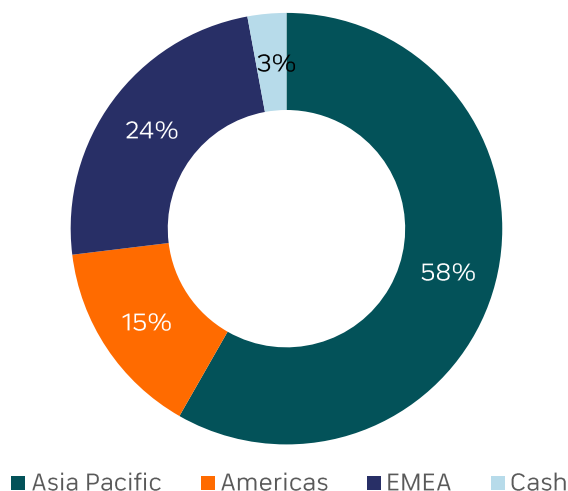
2. Inception date – 02 August 2021



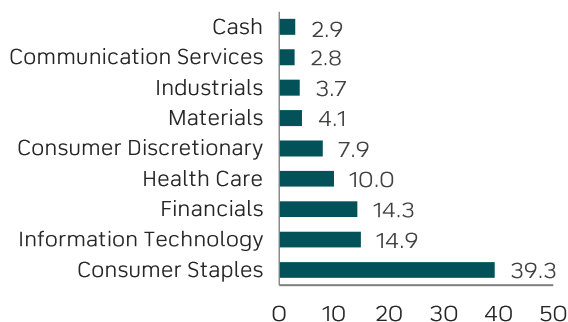
## TOP 10 HOLDINGS

Name	Weight (%)
TSMC	6.1
Fomento Economico Mexicano	6.0
Cipla	4.9
Hdfc Bank Limited	4.7
Franco Nevada	3.5
Tata Consultancy Services	3.4
Qualitas Controladora	3.2
Coca-Cola HBC	3.1
Heineken Holding	3.0
YIFENG PHARMACY CHAIN LTD A	2.8

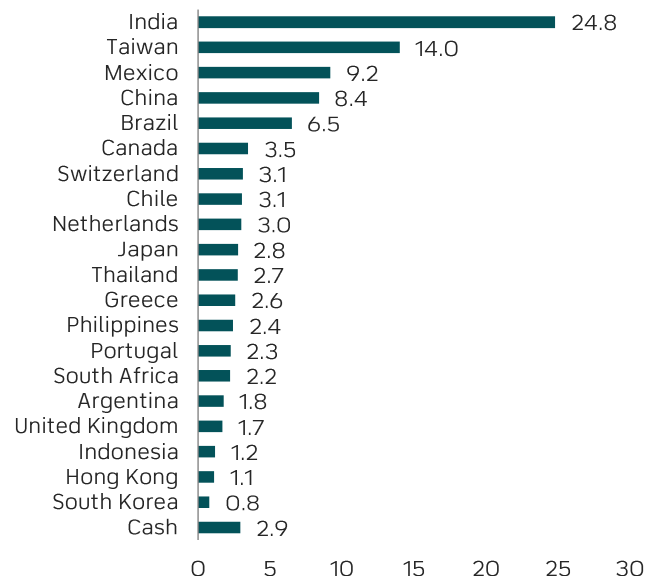
## REGIONAL WEIGHTS



## SECTOR WEIGHTS



## COUNTRY WEIGHTS



## THE FUND AT A GLANCE

Feature	Fund Facts
APIR code	BFL3229AU
Benchmark	MSCI Emerging Markets Index (AUD)
Investment objective	Achieve long-term capital appreciation through investing in companies, operating in, or exposed to, emerging markets
Portfolio managers	Glen Finegan, Nicholas Cowley, Michael Cahoon
Active stock limit	+10%
Cash	0-10%
Recommended investment period	Long term (five years plus)
Buy/sell spread	+/-0.3%
Entry/exit fees	Nil
Management fees & costs*	1.10% p.a. of Net Asset Value of the fund

## HOW TO INVEST

The fund is open to investors directly via the PDS (available on our [website](#)) or via the following platforms: AMP North - BT (Panorama) - Hub24 - Macquarie Wrap - Netwealth - Mason Stevens - Powerwrap - Praemium

Visit [how to invest](#) to find out more.

## GET IN TOUCH

 [skerryvoream.com](https://skerryvoream.com)

 1800 895 388 (AU) or 0800 442 302 (NZ)

 [client.experience@bennelongfunds.com](mailto:client.experience@bennelongfunds.com)

Data as of 31 May 2024

Source: Landy Tech

\*Management fees and costs consist of annual management fee rate and capped recoverable expenses. For a detailed split of the fees and costs, please refer to the fund(s) PDS.



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# Disclaimer

Among the risks we wish to call to the particular attention of prospective investors are the following:

- Investments in Emerging Markets can involve a higher degree of risk.
- The Fund's investment programme is speculative in nature and entails substantial risks.
- The investments of each Fund may be subject to sudden and large falls in price or value and there could be a large loss upon realisation of a holder's investment, which could equal the total amount invested.
- The Fund does not hedge currency exposure. If the currency of the share class is different from the local currency in the country in which you reside, the figures shown in this document may increase or decrease if converted into your local currency.
- Equity prices fluctuate daily, based on many factors including general, economic, industry or company news. In difficult market conditions, the Fund may not be able to sell a security for full value or at all. This could affect performance and could cause the Fund to defer or suspend redemptions of its shares.
- The Fund may be leveraged.
- A substantial portion of the trades executed for the Fund take place on non-AUS exchanges.
- The use of a single adviser group could mean a lack of diversification and, consequently, higher risk, and may depend on the services of key personnel, and if certain or all of them become available, the Fund may prematurely terminate.
- An investment in the Fund is illiquid and there is no secondary market for the sale of interests in the Fund and none is expected to develop.
- There are restrictions on transferring interests in the Fund.
- The Fund is not a mutual fund pursuant to, and therefore is not subject to regulation under, the United States Investment Company Act.
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