

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

# Monthly Report

Report for the month ended 31 March 2024



# Investment Results

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

	1 Month (%)	3 Month (%)	6 Month (%)	1 Year (%)	2 Year p.a (%)	Since Inception <sup>2</sup> (%)
Fund (net)	2.08	6.13	10.25	13.51	11.74	13.99
Benchmark <sup>1</sup>	2.28	7.07	9.23	11.03	5.43	-2.48
Value Added	-0.20	-0.94	1.01	2.48	6.31	16.47

### 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 rose in Australian dollar terms during the period. The strategy produced a positive return but underperformed the MSCI emerging markets index.

The fund has performed strongly in absolute terms since its inception and we saw some profit taking and consolidation in names that had performed well the previous year. Areas such as South Korea also performed very strongly within the benchmark and our lack of exposure here was the largest negative relative contributor to returns.

### HOLDING LEVEL COMMENTARY & ANALYSIS

The largest contributor to returns during the period was from the holding in **TSMC** which is the world's largest chipmaker. The business is benefitting from the significant demand for high-powered chips that can meet the demand of applications that are using Artificial Intelligence (AI). This is driving strong revenue growth which is up 16% over the past twelve months. The business is also benefitting from the US Chips Act and has agreed to produce its latest cutting-edge 2-nanometre chips in a fabrication plant in Phoenix, Arizona.

The second largest contributor to returns during the period was from the holding in **Cipla**. All its underlying business units are performing well, with consolidated revenues up over 14% from a year ago and mid-teens levels of profit growth. We continue to believe that the shares are attractively valued and offer an acceptable absolute return opportunity underpinned by increasing consumption of healthcare products in India and Cipla's strong execution.

### STOCK LEVEL ATTRIBUTION

#### TOP CONTRIBUTORS TO RETURN

Name	Contribution (%)
TSMC	1.5
Cipla	1.2
Bajaj Auto	0.8
Qualitas Controladora	0.6
Century Pacific Food	0.5

#### TOP DETRACTORS TO RETURN

Name	Contribution (%)
HDFC Bank Limited	-0.6
Jerónimo Martins	-0.4
Banco Bradesco	-0.3
Hindustan Unilever Ltd	-0.2
Clicks	-0.2

The largest headwind to returns came from the holding in **HDFC**. The shares were weak due to concerns that the newly merged entity would have to compete more fiercely for customer deposits, impacting both profitability and the long-term growth rate. We see deposit competition having cyclical elements within it, and over the long term HDFC's branch expansion plans should allow it to gain its fair share of deposits. During periods of economic weakness there is a flight to safety and HDFC has been a consistent winner during these periods. We added to the position on this recent weakness.

1. MSCI Emerging Markets Index (AUD)  
2. Inception date – 02 August 2021

Past performance does not predict future returns



Skerryvore



The second largest negative contributor to returns during the period was from the holding in **Jerónimo Martins**. The business reported strong mid-teens revenue growth but warned that 2024 would be a more challenging year for profit growth as food deflation would probably hurt near-term margins. We believe that there are various cyclical leads and lags with regards to food inflation and the ability of businesses such as Jerónimo Martins to pass this on. The business has been able to compound profits over the long term and we believe that the management team will continue to do the right things to protect the long-term competitive position of the franchise.

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Past performance does not predict future returns



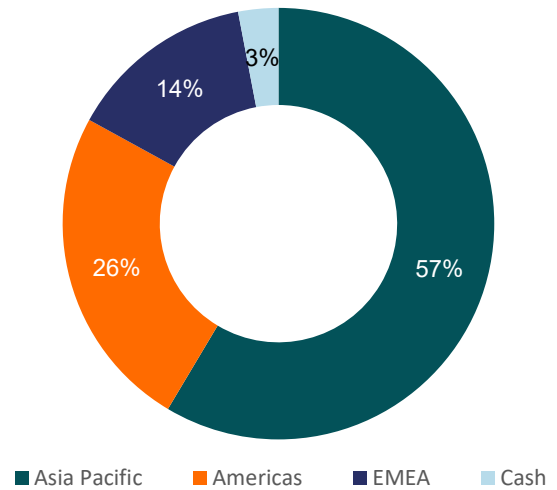
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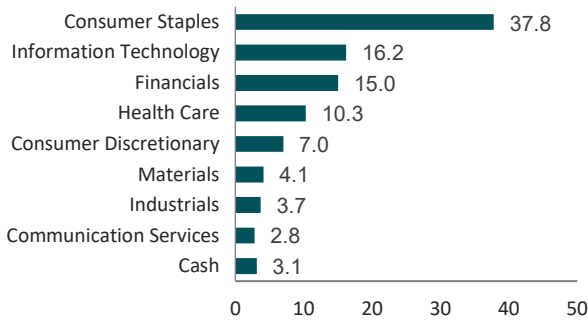
## TOP 10 HOLDINGS

Name	Weight (%)
Fomento Economico Mexicano	6.7
TSMC	6.1
Cipla	5.5
HDFC Bank Limited	4.4
Tata Consultancy Services	3.9
Franco Nevada	3.3
Advantech	3.3
Qualitas Controladora	3.2
Coca-Cola HBC	3.0
Mega Lifescience	3.0

## 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 and 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://www.skerryvoream.com)
-  1800 895 388 (AU) or 0800 442 302 (NZ)
-  [client.experience@bennelongfunds.com](mailto:client.experience@bennelongfunds.com)

Data as of 31 March 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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- The Fund may be leveraged.
- A substantial portion of the trades executed for the Fund take place on non-AUS exchanges.
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- 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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