

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

Monthly Report

Report for the month ended 31 July 2024



Investment Results

C SHARE CLASS – PERIOD RETURNS TO 31 JULY 2024

	1 Month (%)	3 Month (%)	6 Month (%)	1 Year (%)	2 Year p.a (%)	Since Inception p.a ² (%)
Fund (net)	3.83	2.17	7.53	9.70	15.24	5.09
Benchmark ¹	2.58	4.26	14.45	9.66	10.91	0.86
Value Added	1.25	-2.08	-6.92	0.04	4.33	4.23

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 also rose in value and outperformed the MSCI emerging markets index.

In July the strategy benefitted from strong absolute returns in Korean mobile games developer **Nexon** and Brazilian electric motor manufacturer **WEG**. Leading Global IT consultants **TCS** and **Infosys** also performed well.

Portuguese listed Polish retailer **Jeronimo Martins** was the worst performer as the market tries to come to terms with a period of potential margin headwinds as high levels of inflation subside. Chinese pharmacy operator **Yifeng** also performed poorly as possible regulatory headwinds emerged. In our view the long-term outlook for both businesses remains bright.

During the month we reduced positions in Taiwanese technology names **TSMC** and **Advantech** as hype around AI investments continued to build. The proceeds were used to add to more defensive franchises such as **FEMSA**, Latin America's largest convenience store operator and Coca Cola bottler, and **Heineken** which had come back to more reasonable valuations.

We added a new holding in **Standard Bank** of South Africa. A recent meeting with its management team together with our own due diligence confirmed the bank continues to build a high-quality pan-African footprint to complement its domestic franchise. The current valuation of its shares does not in our opinion reflect this.

Finally we took the decision to exit the small position in Hong Kong based drinks company **Vitasoy**. We have for some time been looking for indications of improving operations in China following a very tough period for this business. A recent trip to China by team members highlighted not only the difficult consumer environment there but also the ferocious levels of competition in the FMCG sector. Against this backdrop it is likely to prove very challenging for Vitasoy to recover its lost momentum in the country.

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

Past performance does not predict future returns



Skerryvore



Investment Results

STOCK LEVEL ATTRIBUTION

TOP CONTRIBUTORS TO RETURN

Name	Contribution (%)
Nexon	0.6
WEG SA	0.5
Tata Consultancy Services	0.5
Franco Nevada	0.4
FEMSA	0.3

TOP DETRACTORS TO RETURN

Name	Contribution (%)
Yifeng Pharmacy	-0.2
Jeronimo Martins	-0.2
Qualitas Controladora	-0.2
Uni-President China Holdings	-0.1
HDFC Bank	-0.1

The strongest contributor to returns during the period was from Nexon, the Japanese listed but South Korean domiciled games developer. After a period of volatility, the share price performed well following the positive launch of new game titles. The second largest contributor to returns was from WEG which is an industry leading Brazilian electrical engineering business. It is seeing strong demand for its products and services as a result of increased spending on electricity infrastructure.

HOLDING LEVEL COMMENTARY & ANALYSIS

The largest negative contributor to returns was from Yifeng Pharmacy. There was no company specific news to explain this, and it would appear to be more related to volatility within the Chinese equity market. The second largest negative contributor to returns was from the Portuguese listed but predominantly Polish retailer Jeronimo Martins. The company issued disappointing results due to a softening in the inflation rate on food and perishable goods. We believe that this is a cyclical issue and historically this business has been good at managing the ups and downs of inflation, and able to grow long-term profits. The shares have de-rated significantly over the past twelve months and the current multiple gives the business little benefit for its ability to grow in the future.



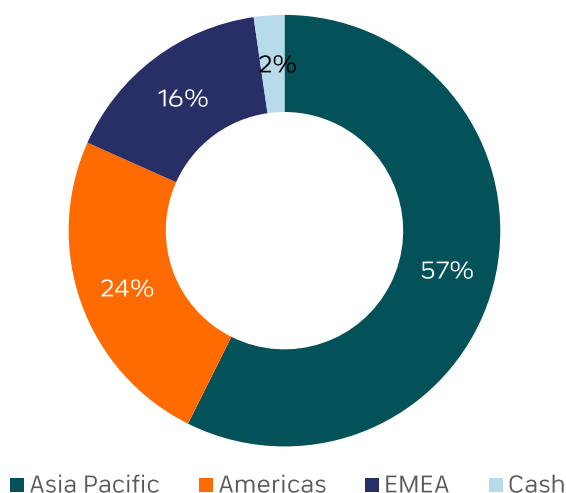
Past performance does not predict future returns



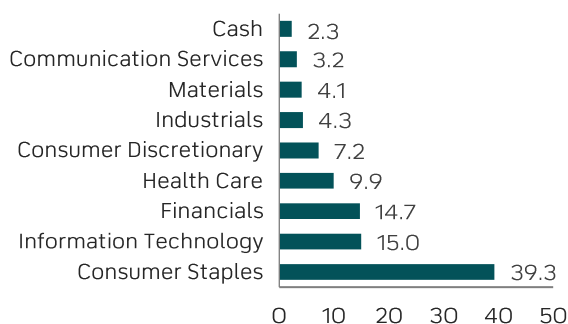
TOP 10 HOLDINGS

Name	Weight (%)
Fomento Economico Mexicano	6.1
TSMC	6.1
Cipla	5.0
Hdfc Bank Limited	4.8
Tata Consultancy Services	4.0
Franco Nevada	3.5
Heineken Holding	3.4
Raia Drogasil	3.4
Coca-Cola HBC	3.3
NEXON CO LTD	3.2

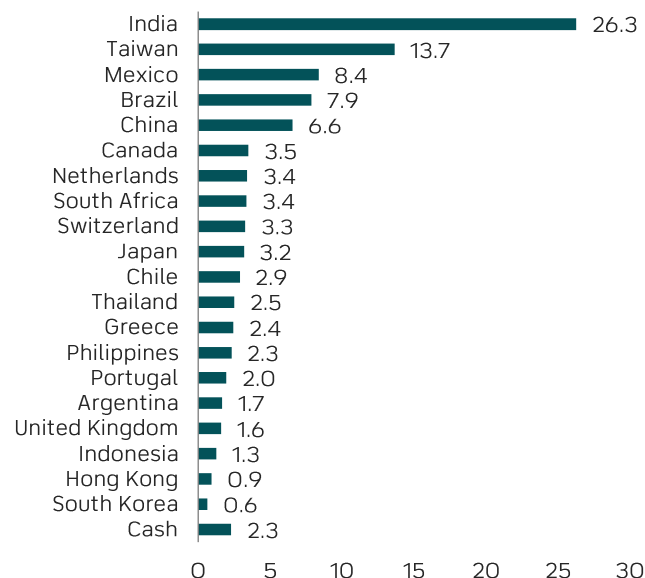
REGIONAL WEIGHTS



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

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

 client.experience@bennelongfunds.com

Data as of 31 July 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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Information for investors in Australia and New Zealand

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- There are restrictions on transferring interests in the Fund.
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