

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

Monthly Report

Report for the month ended 31 October 2024



Investment Results

C SHARE CLASS – PERIOD RETURNS TO 31 OCTOBER 2024

	1 Month (%)	3 Month (%)	6 Month (%)	1 Year (%)	2 Year p.a (%)	Since Inception p.a ² (%)
Fund (net)	1.36	1.15	3.35	13.74	14.62	5.06
Benchmark ¹	1.21	3.26	7.66	21.13	16.40	1.80
Value Added	0.15	-2.11	-4.30	-7.39	-1.78	3.26

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 and outperformed the MSCI emerging markets index.

There was only one significant transaction during the period and that was the complete sale of Bajaj Auto, a leading Indian manufacturer and distributor of both conventional and electric two and three-wheel scooters and rickshaws on valuation grounds. The position had been purchased during the middle of 2020 and there has been a significant volume recovery since the pandemic lows which has been supplemented by strong bottom-up execution by the business which has launched new models that have been well received. Whilst there is still some room for a normalisation in both international demand and profits, the share price now incorporates some very rosy thinking by others in the market. A recent review of the investment case led us to believe that we would unlikely be able to earn our required rate of return from the shares at their current price and we decided to completely exit the position. The capital raised was invested into other holdings within the portfolio where we have higher conviction.

OUTLOOK

Many years' experience of investing in inflation-prone emerging markets has taught us to seek out companies with strong pricing power. A proven ability to create intellectual property, ownership of strong brands and well-managed retail franchises are some of the attributes of companies we have seen navigate previous periods of high inflation. Regulated assets or assets at high risk of being regulated often lack pricing power, which can leave them more exposed to inflationary pressures, and for that reason we have tended to avoid holding these in our portfolios.

Finally, many central banks appear to consider the spectre of inflation to have been banished leading to falling interest rates which may help Emerging Markets and encourage investment which should lead to improved growth. History has taught us, however, that investing on the basis of what might happen is less useful than focusing on what has happened in the form of long-term track records of the businesses we own. We continue to believe that the owners and managers of our companies will be in a good position to take advantage of whatever the economic weather throws at them.

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

Past performance does not predict future returns



Investment Results

STOCK LEVEL ATTRIBUTION

TOP CONTRIBUTORS TO RETURN

Name	Contribution (%)
TSMC	0.69
Franco Nevada	0.39
CRISIL	0.34
HDFC Bank Limited	0.30
Fomento Economico Mexicano	0.27

TOP DETRACTORS TO RETURN

Name	Contribution (%)
Bajaj Auto	-0.32
Hindustan Unilever Ltd	-0.21
Merida Industry	-0.17
Nexon Co Ltd	-0.16
China Resources Beer	-0.15

HOLDING LEVEL COMMENTARY & ANALYSIS

The largest positive contributor to returns was from TSMC which is the world's largest contract chipmaker. It recently reported very strong results as it is experiencing very strong demand for advanced chips used in Artificial Intelligence applications. We have been using the recent strength in the stock price to reduce the position size as the shares are getting closer to our estimation of fair-value. The second largest positive contributor to returns was from Franco Nevada, which is a leading global gold-focussed royalty and streaming business. The share price is benefitting from record gold prices and realised higher revenues and cash flows compared to the start of the year.

The largest negative contributor to returns was from Bajaj Auto, a leading Indian manufacturer and distributor of both conventional and electric two and three-wheel scooters and rickshaws. The shares have been exceptionally strong over the past twelve months and recent results were not good enough to maintain the momentum in the share price. We took the decision to sell the entire holding with the belief that the shares were fully valued.

The second largest negative contributor to returns was from Hindustan Unilever which is a leading Indian consumer goods business. The shares have been very strong since the recent Indian election and the most recent results showed a business that continues to execute strongly but where the overall business momentum is steady rather than accelerating. We believe the shares are attractively valued noting that we believe that there is a long-term compounding opportunity for Hindustan Unilever within the consumer goods space.

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

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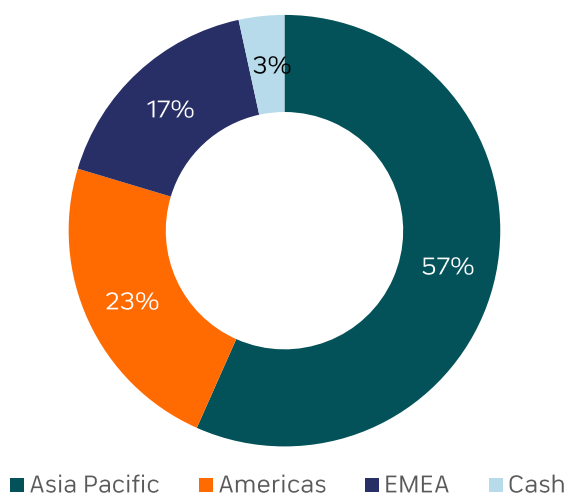
Skerryvore



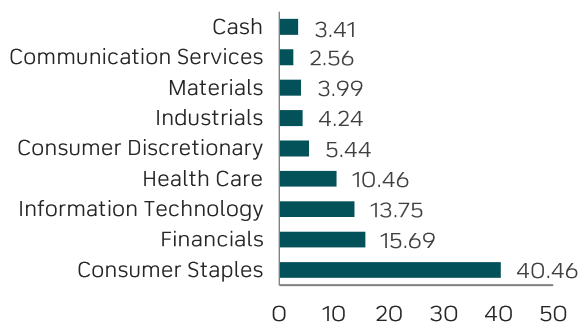
TOP 10 HOLDINGS

Name	Weight (%)
Fomento Economico Mexicano	5.84
TSMC	5.47
HDFC Bank Limited	5.43
Cipla	4.88
Tata Consultancy Services	3.39
Coca-Cola HBC	3.37
Franco Nevada	3.37
Yifeng Pharmacy Chain	3.25
Raia Drogasil	3.09
Mega Lifescience	3.05

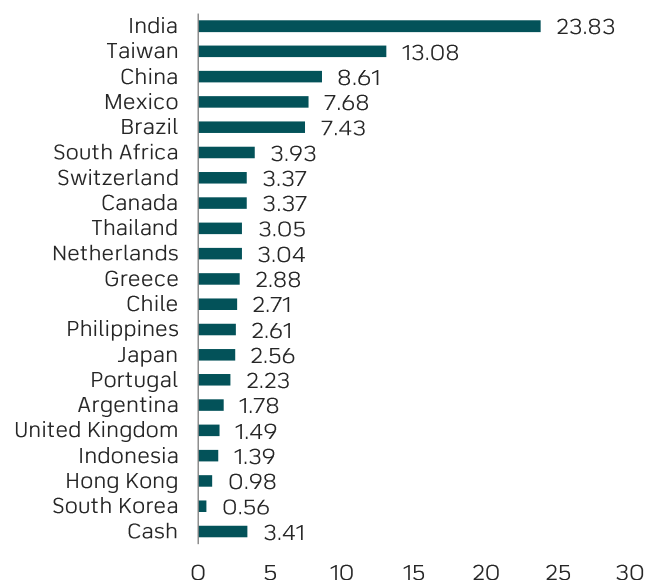
REGIONAL WEIGHTS



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 October 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.

Disclaimer

Information for investors in Australia and New Zealand

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Effective 1 August 2024, following regulatory approval, from the UK's Financial Conduct Authority, BennBridge became a wholly owned subsidiary of Skerryvore AM LLP ("Skerryvore") and now trades as Skerryvore Asset Management.

Collectively, BennBridge and Skerryvore are referred herein as the Investment Manager or Firm. The registered office of the Firm is Windsor House, Station Court, Station Road, Great Shelford, Cambridge CB22 5NE.

Skerryvore is majority owned by eight partners, with Bennelong Funds Management Group Pty Ltd, the parent company of BFML, holding a minority stake in Skerryvore.

In addition, BFML has been appointed to act as a distributor for the Firm in relation to this Fund in Australia and New Zealand and with regards to the Firm's strategy(s) in certain other Agreed Jurisdictions as defined in a distribution agreement dated 1 August 2024.

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You should also consider the relevant Information Memorandum (IM) and or Product Disclosure Statement (PDS) which is available on the BFML website, bennelongfunds.com or by phoning 1800 895 388 (AU) or 0800 442 304 (NZ). Information about the Target Market Determinations (TMDs) for the Bennelong Funds is available on the BFML website.

BFML may receive management and or performance fees from the Funds, details of which are also set out in the current IM and/or PDS. BFML, the Fund, their affiliates, and associates accept no liability for any inaccurate, incomplete, or omitted information of any kind or any loss or damage caused by using this information. All investments carry risks. There can be no assurance that any Fund will achieve its targeted rate of return and no guarantee against loss resulting from an investment in any Fund. Past performance does not predict future returns. Information is current as at the date of this document.

The terms of investment in any of the Funds described herein (or any other fund) are solely set out in the relevant Fund's prospectus or private placement memorandum (including any supplements or key investor information documents thereto), as the case may be, application forms/or memorandum and articles of association or limited partnership agreement or instrument of incorporation or other constitutional documents, as the case may be (collectively, the "Fund Documents"). Any decision to purchase securities or interests with respect to the Fund described herein must be based solely upon the information contained in the Fund Documents, which must be received and reviewed prior to any investment decision. Before acquiring an interest in any Fund, each prospective investor is required to confirm that they have carefully reviewed the various risks of an investment in the Fund, as set out in the Fund Documents, and is required to acknowledge and agree to the existence of any actual and potential conflicts of interests described in the Fund Documents and waives, to the fullest extent permitted by any applicable law, any claim with respect to the existence of such conflicts. Any person subscribing for an investment must be able to bear the risks involved (including the risk of a total loss of capital) and must meet the suitability requirements relating to such investments. Some or all alternative investment programmes may not be suitable for certain investors. Any investment in the Fund should be viewed as medium to long term. Past performance does not predict future returns.



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.
- The members of the Bennelong Group and their affiliates may receive performance-based compensation, which may result in riskier investments, and the Fund's fees may offset trading profits.
- The Fund is subject to certain conflicts of interest.

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Disclaimer

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