

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

Monthly Report

Report for the month ended 30 September 2024



Investment Results

C SHARE CLASS – PERIOD RETURNS TO 30 SEPTEMBER 2024

	1 Month (%)	3 Month (%)	6 Month (%)	1 Year (%)	2 Year p.a (%)	Since Inception p.a ² (%)
Fund (net)	1.44	3.62	1.58	11.99	14.80	4.75
Benchmark ¹	4.33	4.66	7.35	17.27	14.21	1.46
Value Added	-2.89	-1.04	-5.77	-5.28	0.58	3.29

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 strongest contributor to returns during the period was from the holding in the Brazilian industrial business **WEG**. It specialises in the manufacturer of electrical motors and power distribution systems. After decades of under investment, US demand for electricity transmission and distribution equipment is strong at this time. WEG has positioned itself well to benefit from this trend via its investments in Mexican manufacturing facilities, which can be seen in recently announced results with revenues up at a mid-teens level from a year ago. We have decided to reduce the position following the strength in the share price as the holding is getting closer to our estimate of fair-value.

The second largest contributor to returns was from the holding in the Indian automotive manufacturer and distributor **Bajaj Auto**. 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.

STOCK LEVEL ATTRIBUTION

TOP CONTRIBUTORS TO RETURN

Name	Contribution (%)
WEG SA	0.69
Bajaj Auto	0.44
Clicks	0.38
Cipla	0.38
Mega Lifescience	0.37

TOP DETRACTORS TO RETURN

Name	Contribution (%)
Fomento Economico Mexicano	-0.66
Qualitas Controladora	-0.63
Advantech	-0.32
Heineken Holding	-0.22
Koh Young Technology	-0.11

The two largest negative contributors to the strategy were Mexican holdings **FEMSA** and **Qualitas Controladora**. There has been no bottom-up specific news that has driven this performance as both businesses continue to produce strong results. For example, FEMSA recently announced mid-teens revenue and profit growth. It has been Mexican politics which has impacted the Mexican peso as a result of the landslide majority which was won by the Morena party at the start of the year. This allowed the outgoing President to implement a program of judicial reform which combined with an unwinding of the Japanese carry trade during the period has negatively impacted the high-yielding Mexican peso.

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

Past performance does not predict future returns



Skerryvore



Investment Results

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.

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



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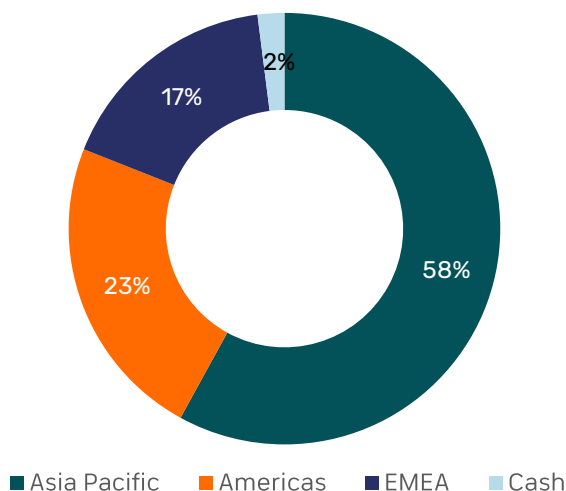
Past performance does not predict future returns



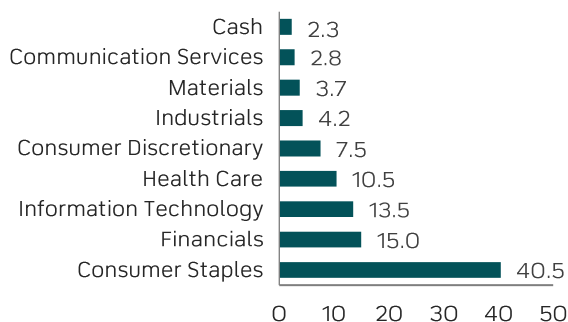
TOP 10 HOLDINGS

Name	Weight (%)
Fomento Economico Mexicano	5.46
TSMC	5.30
HDFC Bank Limited	5.09
Cipla	4.92
Tata Consultancy Services	3.50
Heineken Holding	3.23
Raia Drogasil	3.13
Coca-Cola HBC	3.13
Franco Nevada	3.07
Yifeng Pharmacy Chain	3.03

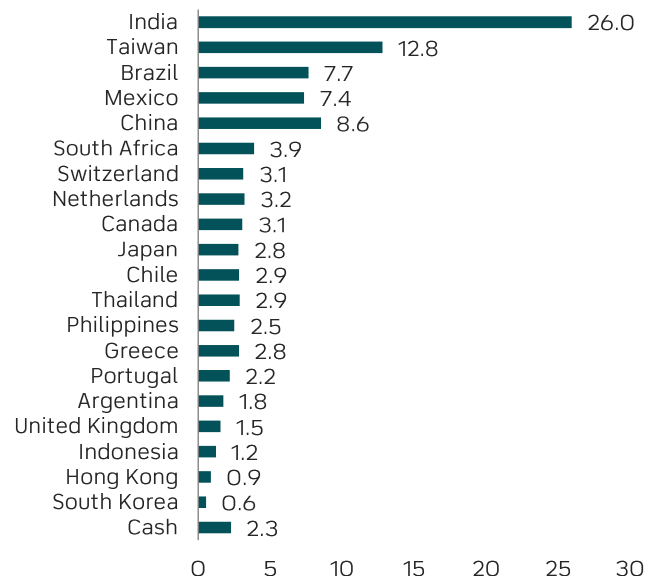
REGIONAL WEIGHTS



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 30 September 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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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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