

## INVESTMENT REPORT – 31 DECEMBER 2020

# C WORLDWIDE GLOBAL EQUITY TRUST

### OBJECTIVE

The investment objective of the Trust is to achieve long-term capital growth exceeding the return of the market by investing in global equities. C WorldWide Asset Management aims to generate excess returns relative to the Benchmark over a 3 year period, before taking fees and expenses into account.



### DISTINGUISHING FEATURES

- A unique long-term investment approach that combines stable growth companies with thematic driven stock picks.
- Stability and experience of the C WorldWide Asset Management global decision team, which has managed the global portfolio since the early 1990s.
- A concentrated portfolio of 30 stocks enables C WorldWide Asset Management to focus on a select group of investment ideas.

### TOP 10 HOLDINGS

SECURITY	SECTOR	TRUST
Housing Development	Financials	7.1%
Visa	Information Technology	6.3%
Amazon	Consumer Discretionary	5.1%
Alphabet	Communication Services	4.8%
Thermo Fisher Sci	Healthcare	4.7%
Microsoft	Information Technology	4.6%
Sony Corp	Consumer Discretionary	4.2%
Home Depot	Consumer Discretionary	4.1%
Novo Nordisk	Healthcare	3.5%
Hoya Corporation	Healthcare	3.4%
		<b>47.8%</b>

Source: BNP Paribas Securities Services.

### TRUST PERFORMANCE

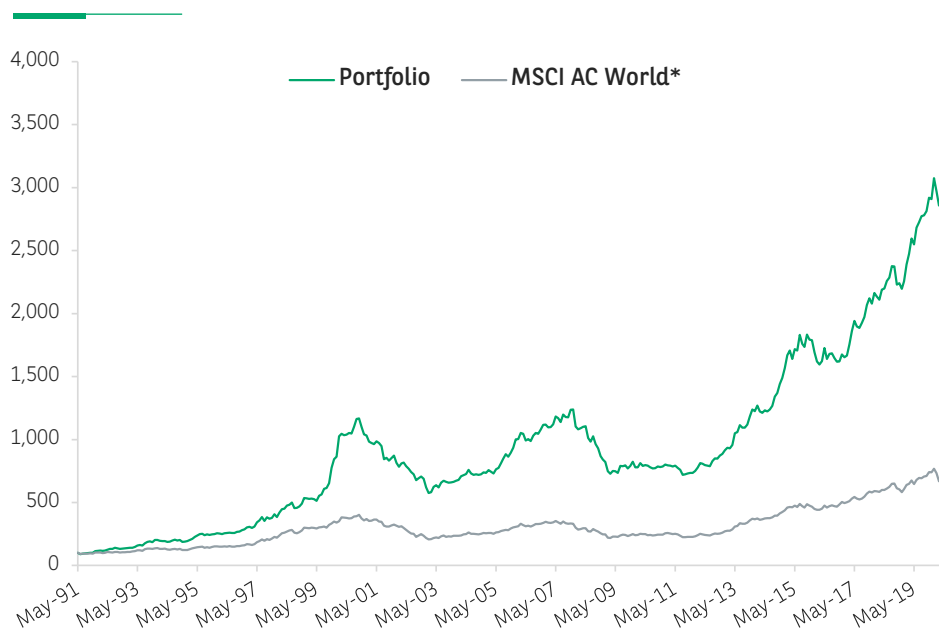
	TRUST GROSS	TRUST NET	BENCHMARK
1 Month %	0.39	0.30	-0.08
3 Months %	5.07	4.81	6.52
FYTD %	10.46	9.91	10.65
1 Year %	14.52	13.39	5.90
2 Years % p.a.	23.23	22.02	15.88
3 Years % p.a.	15.60	14.46	10.56
5 Years % p.a.	12.53	11.42	10.94
7 Years % p.a.	14.95	13.82	11.20
Since Inception (%) Performance inception 27 May 2013	16.00	14.85	12.90

Source: BNP Paribas Securities Services. Benchmark: MSCI All Country World Index, incl. net dividends, measured in AUD. Gross returns are calculated before fees and net returns are calculated using exit prices net of ongoing fees of 0.99% p.a. (inclusive of RITC and GST) and assuming reinvestment of distributions. No allowance is made for tax when calculating these figures. Gross returns are provided for wholesale investors only, retail investors should refer to net returns.



The C Worldwide Global Equity Trust outperformed the benchmark in December

## LONG TERM PERFORMANCE

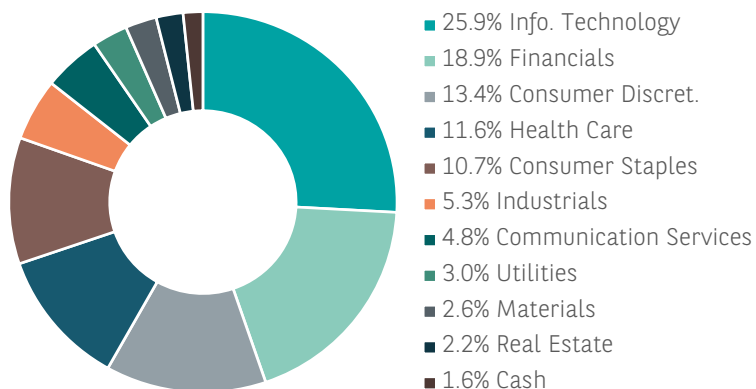


Source: C WorldWide Asset Management, in AUD. \*Benchmark was originally a customized index which changed on 31 March 1996 to MSCI World Index and subsequently on 31 December 2010 to MSCI All Country World Index. Ex-Tobacco strategy inception May 1991. The Trust performance commenced on 27 May 2013. To give a longer-term view, the above chart shows the composite returns for C WorldWide Global Equity Ex. Tobacco Strategy (gross of fees), according to which the Trust is currently managed. The performance of the Trust will however differ from the Strategy due to factors such as fees and charges applicable to the Trust, and the impact of applications and withdrawals. Please note the performance calculation methodology applied to the Trust may differ from the composite returns presented.



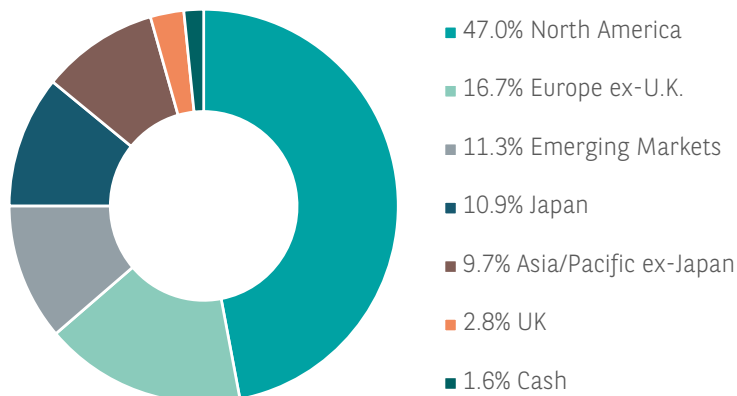
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## SECTOR ALLOCATION



Source: BNP Paribas Securities Services – Percentages may not add up to 100% due to rounding.

## REGIONAL ALLOCATION



Source: BNP Paribas Securities Services – Percentages may not add up to 100% due to rounding.



## RISKS OF MANAGED INVESTMENT SCHEMES

All investments carry risk.

Some of the general risks of managed investment schemes include:

Active Management Risk, Company Specific Risk, Concentration Risk, Counterparty Credit Risk, Currency Risk, Emerging Markets Risk, Interest Rate Risk, Legal Risk, Liquidity Risk, Market Risk, Operational Risk, Political Risk, Stock Selection Risk, and Trust Risk.

For further details of the risks associated with the Trust, a Product Disclosure Statement (PDS) for the Trust is available at [www.bnpparibas-am.com.au](http://www.bnpparibas-am.com.au)



In case you missed it, view our [latest edition of the Portfolio Snapshot Series](#) with Bo Knudsen now

## COMMENTARY

### MARKET COMMENTARY

With December now past, a quick look-back at 2020 is in order. Global stock markets fell deep into bear market territory, with the MSCI All Country World Index retracting more than 30% (USD), only to rally strongly on unprecedented monetary and fiscal stimulus followed by positive news on new vaccines to end the year 16% higher over last year's close. This strong performance was also reflected in the portfolio that ended the year on a positive note well above benchmark.

Clearly, it was a year filled with volatility that puts an even stronger emphasis on maintaining long-term investment conviction in order not to be whip-sawed by market movements. The S&P500, for instance, registered 28 days of +/-3% daily moves, more than the last nine years combined.

The pandemic has accelerated some of the major trends that our portfolio is geared towards such as the move of data to the cloud and the adoption of artificial intelligence and machine learning.

This is evident by the astonishingly strong results for the global Technology Hardware sector (including ASML) up 52%, closely followed by the Semiconductor sector (including Samsung) at 50% and Software (including Microsoft) up 37% for the year. The Technology Hardware sector ended the year on a strong note with an 11% performance in December, while the Semiconductor sector managed to take third place, up 6.5%.

### PORTFOLIO PERSPECTIVES

Among the top contributors to performance in December was Samsung that also belongs to the leading sectors for the full year. Additionally, AIA Group performed well in the last month of 2020, but the top spot was, as last month, taken by Indian HDFC.

Indian financial companies have rallied strongly since September on results showing lower non-performing assets than what the market expected. HDFC is up close to 60% since September but still trades only in line with its five-year average measured on Price/Book.

Samsung is geared towards the booming semiconductor sector with their foundry business producing the most advanced 5 nanometre chips, found for instance in Apple's new 5G-iPhones.

The top three detractors to performance were S&P Global, Home Depot, and American Towers.

S&P Global announced a merger with IHS Markit. Market fears of initial earnings dilution in combination with weaker comparative sales growth and strong 2020 debt issuance saw the shares decline in December. We believe these short-term fears to be misguided as this new business combination puts S&P Global's oligopolistic position in ratings and strong position in indices together with IHS Markit's market data business in good standing. This should provide for less volatile revenues and substantial cost synergies going forward.

Despite reporting profit per share rising 26% year-over-year in November, Home Depot's shares have, after a very strong initial bounce from March to August, remained flattish. This is likely due to investors anticipating a potential renewed lockdown in the US with the number of COVID-19 cases rising rapidly and the new administration taking office in January.

### PORTFOLIO CHANGES

There were no changes to the portfolio during December.



## HAVE QUESTIONS?

All enquiries welcome. Please contact your local sales representative.

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## CHARACTERISTICS

APIR Code	AR00006AU
Benchmark	MSCI All Country World Index, incl. net dividends, measured in AUD
Trust Size (AUD)	\$383.2m
Performance Inception	27 May 2013
Distribution Frequency	Usually annually, as at 30 June
Minimum Investment	\$25,000
Delegated Investment Manager	C Worldwide Asset Management
Management Costs (includes GST after allowing for RITCs)	Capped at 0.99% p.a.
Performance Fee	Nil
Currency	AUD, unhedged
Buy/Sell Spread	+0.30% / -0.30%

## DISCLOSURE

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For more information regarding the Trust please call the Client Service Team on 1800 267 726 (Australia) or +612 9619 6041 or visit our website [www.bnpparibas-am.com.au](http://www.bnpparibas-am.com.au)

