

## INVESTMENT REPORT – 31 MAY 2021

# BNP PARIBAS 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
HDFC	Financials	6.7%
Alphabet	Communication Services	6.2%
Visa	Information Technology	6.2%
Microsoft Corp	Information Technology	4.9%
Amazon	Consumer Discretionary	4.8%
Home Depot	Consumer Discretionary	4.6%
Thermo Fisher Sci	Healthcare	4.5%
Sony Corp	Consumer Discretionary	3.9%
Novo Nordisk	Healthcare	3.7%
TSMC	Information Technology	3.6%
		<b>49.1%</b>

Source: BNP Paribas Securities Services.

### TRUST PERFORMANCE

	TRUST GROSS	TRUST NET	BENCHMARK
1 Month %	0.34	0.26	1.35
3 Months %	7.56	7.30	8.85
FYTD %	18.01	16.95	22.26
1 Year %	17.98	16.82	21.64
2 Years % p.a.	18.35	17.18	15.70
3 Years % p.a.	16.77	15.62	13.00
5 Years % p.a.	14.41	13.28	12.67
7 Years % p.a.	15.82	14.67	12.76
Since Inception (%) Performance inception 27 May 2013	16.07	14.92	13.61

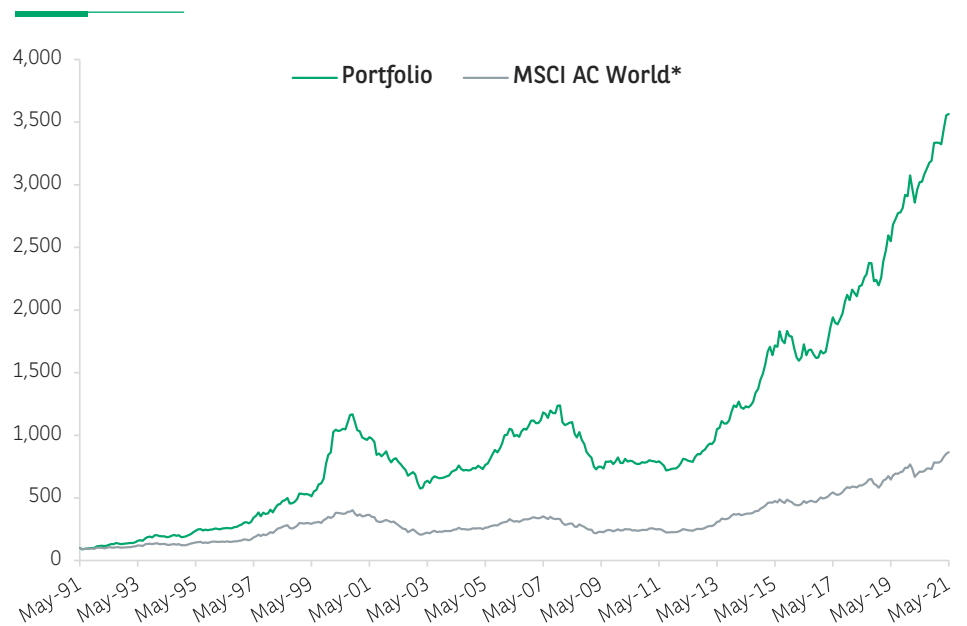
Source: BNP Paribas Securities Services. Benchmark: MSCI All Country World Index, incl. net dividends, measured in AUD. Gross returns are calculated before fees and net returns are calculated using exit prices net of ongoing fees of 0.99% p.a. (inclusive of RITC and GST) and assuming reinvestment of 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 performance of the Trust is determined by calculating the change in redemption price between two periods. The sell spread of the Trust was decreased from 30bps to 15bps effective 4 March 2021 and remains at 15bps as at the date of this report. This change impacts the reported performance of the Trust accordingly over time periods including March 2021, but is not reflective of the performance of the underlying assets.



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Winner of the International equities - high performance category in the 2021 Financial Standard Investment Leadership Awards

## LONG TERM PERFORMANCE

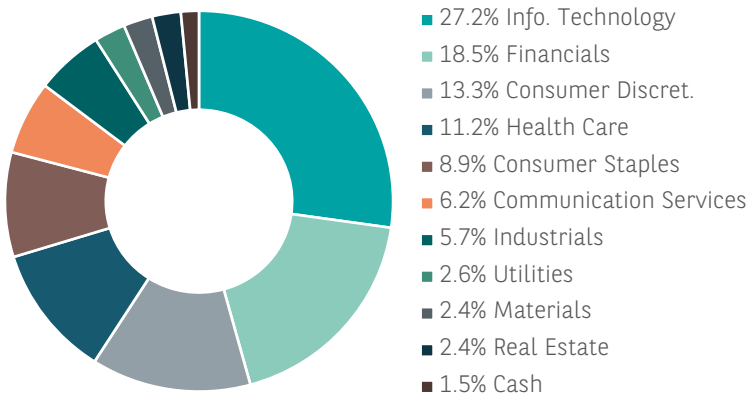


Source: C WorldWide Asset Management, in AUD. \*Benchmark was originally a customized index which changed on 31 March 1996 to MSCI World Index and subsequently on 31 December 2010 to MSCI All Country World Index. Ex-Tobacco strategy inception May 1991. The Trust performance commenced on 27 May 2013. 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.



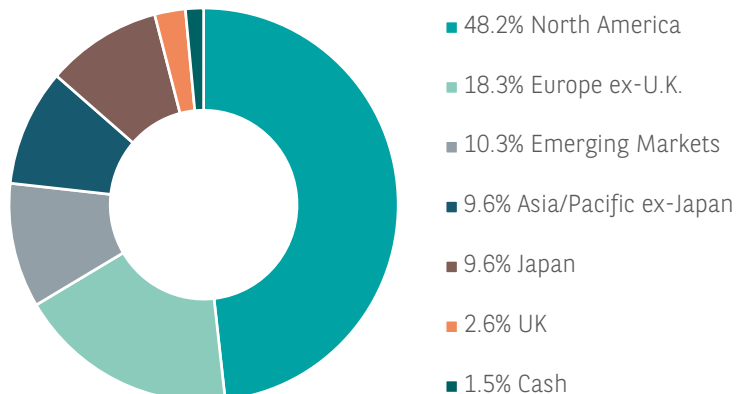
[Access our latest Webinars here](#) on our website.

## 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 PERSPECTIVES

As we have now seen the first quarter earnings' season, we can comfortably say two things: companies have started 2021 with very strong momentum in their businesses and that even though the reports were strong, share price reactions to good numbers were fairly muted. In Europe, the first quarter witnessed the highest number of earnings surprises ever recorded, driven by financial and consumer discretionary companies. However, what is more important to us than strong quarterly numbers is that several of our themes and fundamental drivers seem to have been strengthened. One company pointed out in an investor conference that all companies now need to be "the best possible digital self". Our portfolio is well positioned for that to materialize.

### CONTRIBUTION TO THE PORTFOLIO

The top three contributors to performance in May were HDFC, Hoya and Novo Nordisk. HDFC, an Indian housing finance company, has only seen a limited impact from the second Covid-19 wave in India. The company reported strong numbers for both operating profit and loan disbursements, and management is confident that the loan book can grow over the next 3-5 years driven by increased urbanisation.

Hoya saw its IT segment grow 20% when the company reported last month, driven by shipments of EUV mask blanks growing 80% over last year. Hoya's Life Care segment has been hurt by a healthcare system fully pre-occupied with Covid-19 and its contact and eyeglass business has seen a dampening in demand due to lockdowns. We see the latter two headwinds disappearing while EUV blank sales should remain strong as Samsung and TSMC further increases its use of EUV-technology to supply the most advanced semiconductor chips.

The narrative around Novo Nordisk is slowly changing as it is increasingly looked upon as an anti-obesity company and with the expected approval of the Semaglutide treatment for obesity in the US in early June as a trigger for the stock. Around 650 million people in the world are obese, around 1/3 of the US population and total global healthcare costs related to obesity are estimated to be around one trillion USD in 2020.

The top three detractors during the month were Amazon, Visa and NextEra Energy. Amazon's shares have been trading sideways since around early summer last year, as investors have refocused on "re-opening" companies. We would argue that the company's structural position has strengthened due to Covid-19 and observe that while the shares have not done much since late June last year, the company's net profit saw 55% growth since then, as announced in its latest Q1 2021 report.

The situation is similar for both Visa and NextEra Energy where stocks that trade on fairly high near-term valuations have seen languishing share price performance, but where the long-term structural drivers have been reinforced. Visa's high margin cross border revenue remains significantly below pre-Covid-19 levels as travel is two-thirds of segment revenue. The company noted at a conference that while travel currently remains subdued, cross border e-commerce has grown substantially during the pandemic and this shift looks to be structural.

Every month we see ongoing evidence of NextEra Energy's vision that more than 40% of US energy generation output should stem from renewable sources by 2030 gaining support. In late May, a Dutch court ruled that Shell is forced to reduce absolute CO2 emissions by at least 45% by 2030 pointing to a potential acceleration of the energy transition.

### PORTFOLIO CHANGES

There were no changes to the portfolio during the month.



## 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)	\$421.5m
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	+0.15% / -0.15%

## DISCLOSURE

This document is issued by BNP PARIBAS ASSET MANAGEMENT Australia Limited (ABN 78 008 576 449 AFSL 223418) (BNPP AMAU), the investment manager of the C WorldWide Global Equity Trust (ARSN 087 585 368) (Trust). The Responsible Entity of, and issuer of units in, the Trust is Equity Trustees Limited (ABN 46 004 031 298 AFSL 240975). Equity Trustees Limited is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). A Product Disclosure Statement (PDS) for the Trust is available at [www.bnpparibas-am.com.au](http://www.bnpparibas-am.com.au). You should consider the PDS in deciding whether to acquire or to continue to hold an investment in the Trust. This document has been prepared by BNPP AMAU to provide you with general information only. BNPP AMAU has not considered the financial objectives, situation or needs of any person in preparing this document. You should consider obtaining independent advice before making an investment decision in relation to the Trust. Neither BNPP AMAU, Equity Trustees nor any of its related parties, their employees or directors, provide any warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. The value of investments can go up and down. Past performance is not necessarily indicative of future performance. Any opinions expressed in this document constitute the judgement of the document's author at the time specified and are subject to change without notice. There can be no assurance that the investment objectives of the Trust will be achieved.

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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)

