

## INVESTMENT REPORT – 31 JANUARY 2022

# 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
Alphabet	Communication Services	6.9%
HDFC	Financials	6.3%
Microsoft Corp	Information Technology	5.9%
Thermo Fisher Sci	Healthcare	5.4%
Home Depot	Consumer Discretionary	5.2%
Visa	Information Technology	4.8%
Novo Nordisk	Healthcare	4.5%
Amazon	Consumer Discretionary	4.3%
Sony Corp	Consumer Discretionary	4.3%
Taiwan Semicon Manuf	Information Technology	3.7%
		<b>51.3%</b>

Source: BNP Paribas Securities Services.

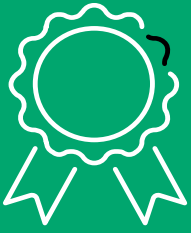
### TRUST PERFORMANCE

	TRUST GROSS	TRUST NET	BENCHMARK
1 Month %	-5.91	-5.99	-1.87
3 Months %	-0.82	-1.07	2.89
FYTD %	8.22	7.59	6.95
1 Year %	20.96	19.77	23.31
2 Years % p.a.	14.10	12.97	12.21
3 Years % p.a.	21.23	20.03	16.75
5 Years % p.a.	17.85	16.68	14.34
7 Years % p.a.	14.06	12.94	11.94
Since Inception (%) Performance inception 27 May 2013	16.34	15.19	13.94

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.



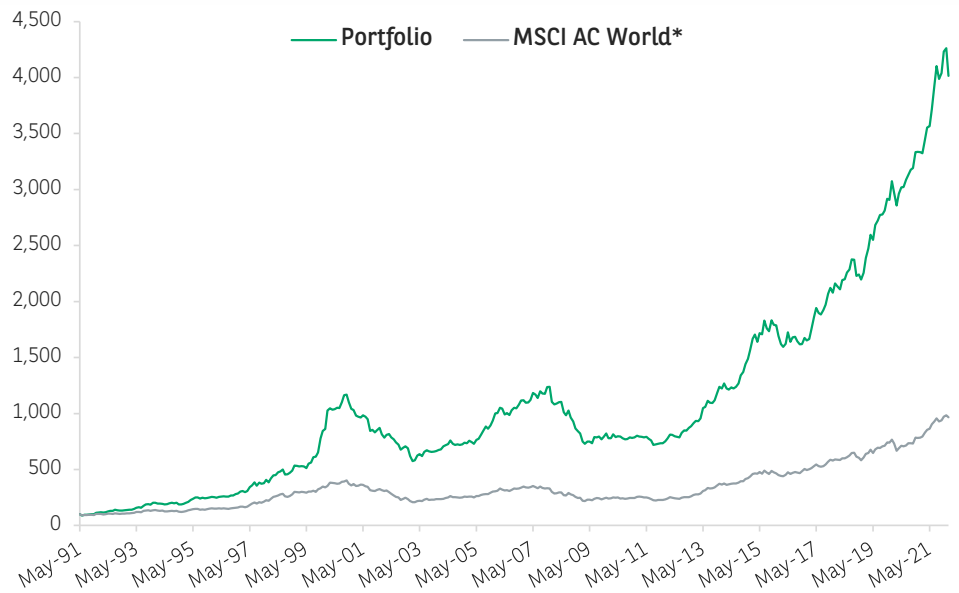
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**WINNER!**

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

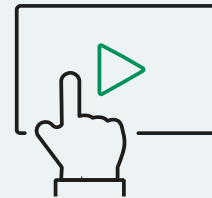
## LONG TERM PERFORMANCE



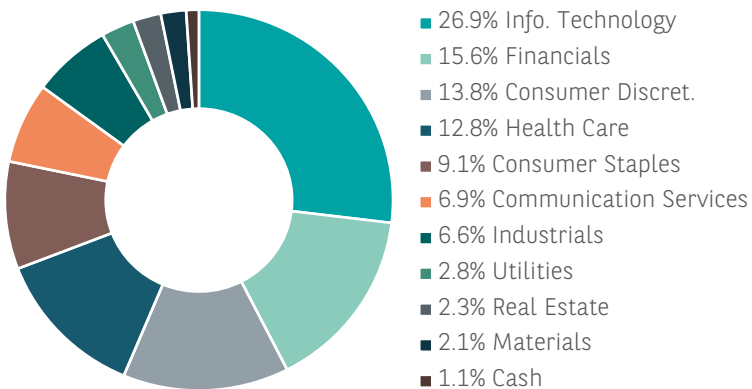
Source: C WorldWide Asset Management, in AUD. \*Benchmark was originally a customized index which changed on 31 March 1996 to MSCI World Index and subsequently on 31 December 2010 to MSCI All Country World Index. Ex-Tobacco strategy inception May 1991. The Trust performance commenced on 27 May 2013.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

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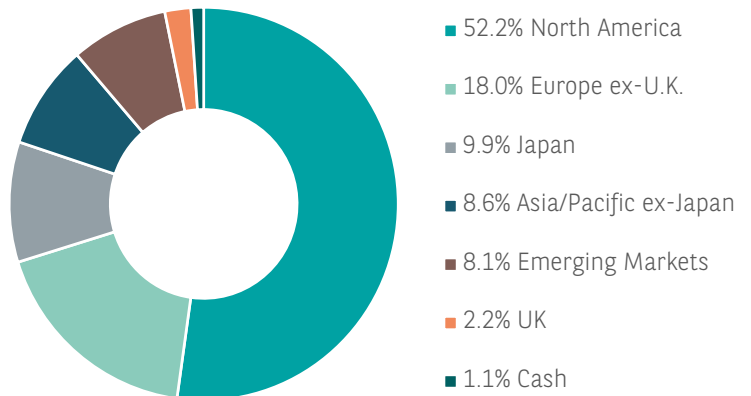


## SECTOR ALLOCATION



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 [C Worldwide Global Equity Strategy Portfolio Update](#) with Bo Knudsen

## COMMENTARY

### MARKET UPDATE

Global equity markets uniformly declined during the month of January. As investors now have started to view the US Federal Reserve as significantly more hawkish compared to only a couple of months ago, speculative, and long duration assets have sold off. At a geographic market level, the US proved the worst performing of the major markets, largely led by the Nasdaq, while the UK and Hong Kong proved the most resilient. Interestingly on a sector level, semiconductors, which has been one of the hardest hit in the sell-off, is continuing to see the strongest earnings revisions, outpacing other cyclical sectors such as energy and financials.

### CONTRIBUTION TO THE PORTFOLIO

Among the top contributors to performance in January were Visa, TSMC, and AIA. In what is clearly a macro driven market, banks and insurance companies performed strongly, as interest rates rose. Visa reported payments volumes growing 20% over last year and net revenues up 25%. Operating margins continue to expand even at these high levels and moved up to 70%, up an impressive 220 basis points from 2020. While Visa does not provide formal guidance, their internal assumptions are for net revenue to grow at the “high-end of teens” in fiscal 2022. The shares surged 11% on the day after the report was released.

TSMC raised its long-term guidance to 15-20% revenue growth and is showing it can grow profitably, as it also raised its long-term guidance for gross margins. The company expects to grow revenue in the mid-twenty percent range for 2022 driven by High-Performance Computing, which in turn is driven by increased use of cloud computing and its Artificial Intelligence and Machine Learning applications. While some investors are starting to fear a downcycle in semiconductors, and one should not forget that this is still a cyclical sector, each subsequent downturn has proven to be shallower than the previous one. This reduced cyclicity in combination with the company’s strong outlook is setting up TSMC to weather a more difficult short-term environment.

Among the top detractors were Thermo Fisher and Sony. Thermo Fisher, a key beneficiary of the Covid outbreak being the leading provider of PCR-testing equipment, gave up some of last year’s 45% gain, as the Omicron variant seems to have turned Covid into an endemic. The last week of January saw the same number of new cases, 21 million, as the previous week, pointing to a peak in infections.

On the 18th of January, Microsoft announced that it is acquiring Activision, a leading independent computer game developer and publisher with titles such as Call of Duty and World of Warcraft. As Activision’s titles, and Call of Duty in particular, are huge hits on Sony’s PlayStation consoles, and as investors feared that Microsoft would make the Activision titles exclusively for Microsoft’s Xbox console, they sent the shares of Sony down 13% after the announcement. This would imply that Microsoft’s acquisition would have wiped out close to a third of the value of Sony’s gaming business. In the short to medium term, Microsoft is highly unlikely to cut Sony out of its Call of Duty title, which gives Sony time to adjust, still being the number two publisher in the world after Tencent and ahead of Microsoft/Activision.

### CHANGES TO THE PORTFOLIO

There were no changes to the portfolio during the month.

Source: C WorldWide Asset Management



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## 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)	\$506.1m
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

Equity Trustees Limited ("Equity Trustees") ABN 46 004 031 298 | AFSL 240975 is the Responsible Entity for the BNP Paribas C WorldWide Global Equity Trust ("the Trust") (ARSN 087585368). Equity Trustees is a subsidiary of EQT Holdings Limited ABN 22 607 797 615, a publicly listed company on the Australian Securities Exchange (ASX: EQT). BNP Paribas Asset Management Australia Ltd ("BNPP AMAU") ABN 78 008 576 449 | AFSL 223418 is the investment manager of the Trust. This publication has been prepared by BNPP AMAU to provide you with general information only. In preparing this information, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither BNPP AMAU, Equity Trustees nor any of their related parties, their employees or directors, provide any warranty of accuracy or reliability in relation to such information or accept any liability to any person who relies on it. Past performance should not be taken as an indicator of future performance. You should obtain a copy of the Product Disclosure Statement (PDS) before making a decision about whether to invest in this product. The PDS can be obtained from <http://www.bnpparibas-am.com.au/> or from your adviser.

BNP Paribas C WorldWide Global Equity Trust's Target Market Determination available here [www.bnpparibas-am.com.au](http://www.bnpparibas-am.com.au). A Target Market Determination is a document which describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.

New Zealand financial services licensing and registration requirements do not apply to BNPP AMAU as it does not provide financial services to retail clients in New Zealand and does not have a place of business in New Zealand.

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)



**BNP PARIBAS ASSET MANAGEMENT Australia Limited** is recognised as a Responsible Investment Leader 2021 by the Responsible Investment Association Australasia (RIAA). This acknowledges our commitment to responsible investing; our explicit consideration of environmental, social and environmental factors in investment decision making, our strong and collaborative stewardship; and our transparency in reporting activity, including the societal and environmental outcomes being achieved.

