

## INVESTMENT REPORT – 31 MAY 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	6.5%
HDFC	Financials	6.2%
Thermo Fisher Sci	Healthcare	6.0%
Microsoft Corp	Information Technology	5.8%
Novo Nordisk	Healthcare	5.7%
Visa	Information Technology	5.0%
Home Depot	Consumer Discretionary	4.8%
Sony Corp	Consumer Discretionary	4.1%
Nestle	Consumer Staples	3.9%
Amazon	Consumer Discretionary	3.9%
		<b>51.9%</b>

Source: BNP Paribas Securities Services.

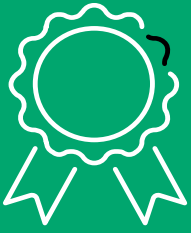
### TRUST PERFORMANCE

	TRUST GROSS	TRUST NET	BENCHMARK
1 Month %	-0.49	-0.57	-0.82
3 Months %	-5.49	-5.73	-4.81
FYTD %	-4.51	-5.38	-3.71
1 Year %	-0.45	-1.44	0.59
2 Years % p.a.	8.37	7.30	10.61
3 Years % p.a.	11.72	10.61	10.42
5 Years % p.a.	11.82	10.72	9.82
7 Years % p.a.	10.60	9.51	8.98
9 Years % p.a.	14.09	12.97	12.18
Since Inception (%)	14.11	12.98	12.08
Performance inception 27 May 2013			

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.



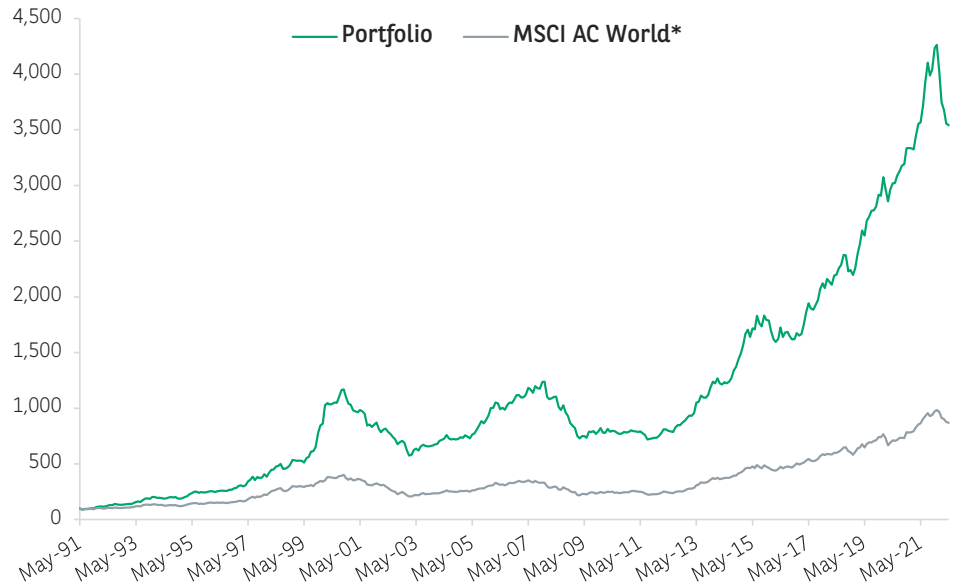
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**WINNER!**

At the 2022 Financial Standard Investment Leadership Awards, the BNP Paribas C Worldwide Global Equity Trust won the "International Equities - Active Core" category

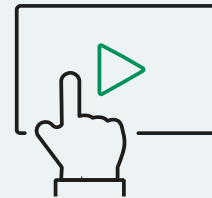
## LONG TERM PERFORMANCE



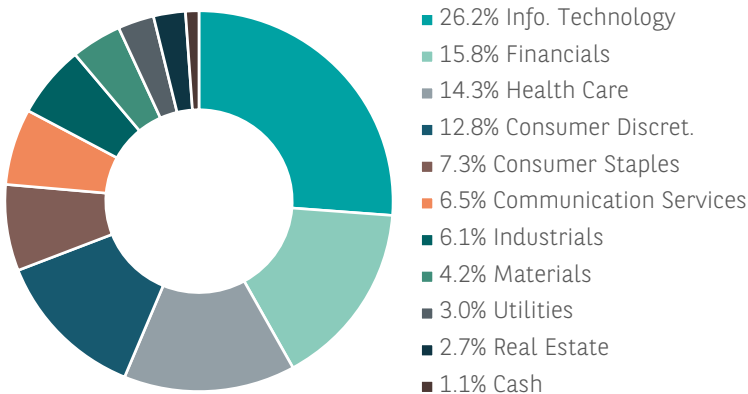
Source: C WorldWide Asset Management, in AUD. \*Benchmark was originally a customized index which changed on 31 March 1996 to MSCI World Index and subsequently on 31 December 2010 to MSCI All Country World Index. Ex-Tobacco strategy inception May 1991. The Trust performance commenced on 27 May 2013.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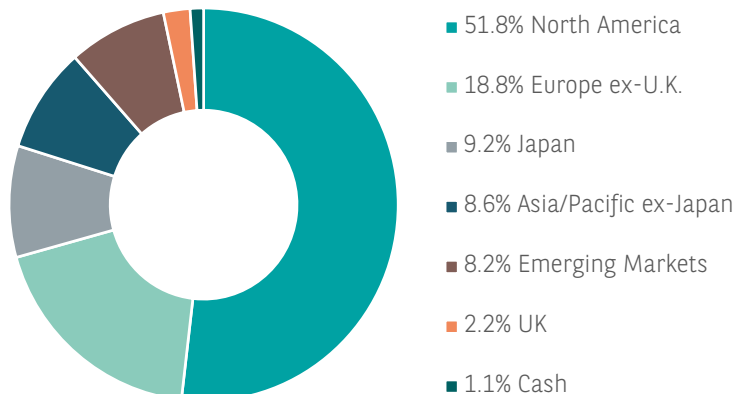


## SECTOR ALLOCATION



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

May started similarly to the first four months of the year with sharply declining markets due to continued fears of aggressive FED interest hikes, geopolitical turbulence, and Covid-lockdowns in China. In May, we could also add earnings misses from U.S. consumer and technology companies to the list. This is concerning, as the strength of the U.S. consumer had previously been held up as a positive offset to the other headwinds. The silver lining to the first signs of economic weakness is that FED Chairman Powell, in the middle of the month, ended speculation of 75 bps hikes.

### CONTRIBUTION TO THE PORTFOLIO

Among the top three contributors to performance in May were HOYA, NextEra, and American Tower.

HOYA reported solid numbers, with sales growing 12% over last year despite drags from chip shortages and pandemic restrictions in Japan affecting sales of its contact lenses. HOYA's sales of EUV mask blanks, where the company is the clear market leader, grew 20%.

In turbulent markets and with inflation fears remaining companies such as NextEra and American Tower with inflation protection written into contracts held up better than the market.

Among the top detractors were Novo Nordisk, Amazon, and Alphabet. Shares of Novo Nordisk declined in May but have performed well this year, being up 4% in an environment where many stocks are flirting with bear market territory. In the U.S. its GLP-1 franchise now commands a 61% market share and for Ozempic, growth seems to be accelerating, driven by pull from patients and word of mouth. Investment bank SEB reports that Ozempic now has more than 74 million views on TikTok compared to competitors Lilly's Trulicity at 5.5 million.

Shares of technology companies with exposure to the digital ad-market, such as Alphabet and Amazon struggled after competitor Snap preannounced negative results and pointed to broad-based weakness in digital ads across all regions and verticals. There are some reasons to believe that this could mostly be an issue for Snap and not the broader group of all digital ad companies. Snap has minimal exposure to the travel segment and with consumers shifting spending to travel away from buying merchandise, Snap could be a relative loser.

Furthermore, if macro and economic turbulence is affecting ad-dollars and with Snap only holding around a 2% market share, platforms such as Alphabet and Facebook could be gaining share as marketers consolidate their spending to large platforms. The threat from TikTok's popular shorter films and the potential that consumers are simply running out of time as they are flooded by streaming video services, computer games, podcasts, and music-on-demand are threats we are researching. Alphabet's YouTube showed a surprising miss vs. expectations last quarter and could be affected by TikTok's shorter film clips until its own "Shorts" format has started to be monetized later this year. With Alphabet's shares trading at around 17x 2023 earnings we think this threat already is reflected in valuations.

### 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)	\$461.2m
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	+0.15% / -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 and CWW as they do not provide financial services to retail clients in New Zealand and do 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.

