

## INVESTMENT REPORT – 31 OCTOBER 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
HDFC	Financials	7.0%
Novo Nordisk	Healthcare	6.3%
Thermo Fisher Sci	Healthcare	6.0%
Alphabet Inc.	Communication Services	6.0%
Microsoft Corp	Information Technology	5.6%
Visa	Information Technology	5.5%
Nestle	Consumer Staples	3.9%
Amazon	Consumer Discretionary	3.7%
Procter & Gamble	Consumer Staples	3.5%
Nextera Energy Inc.	Utilities	3.5%
		<b>51.0%</b>

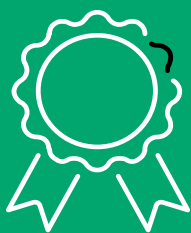
Source: BNP Paribas Securities Services.

### TRUST PERFORMANCE

	TRUST GROSS	TRUST NET	BENCHMARK
1 Month %	4.28	4.19	6.62
3 Months %	-3.24	-3.48	0.78
FYTD %	3.79	3.44	6.25
1 Year %	-12.82	-13.68	-5.98
2 Years % p.a.	5.35	4.31	9.85
3 Years % p.a.	7.94	6.87	7.48
5 Years % p.a.	10.53	9.44	9.13
7 Years % p.a.	9.24	8.16	8.85
9 Years % p.a.	13.40	12.28	11.15
Since Inception (%) Performance inception 27 May 2013	13.39	12.27	11.69

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.

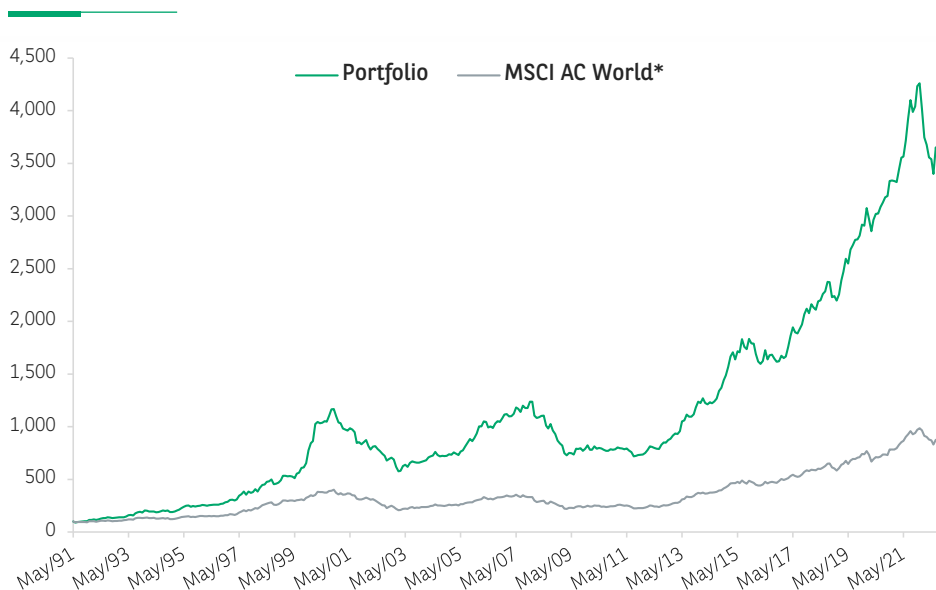




**WINNER!**

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

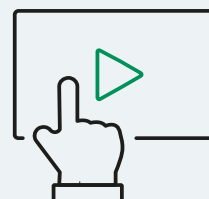
## LONG TERM PERFORMANCE



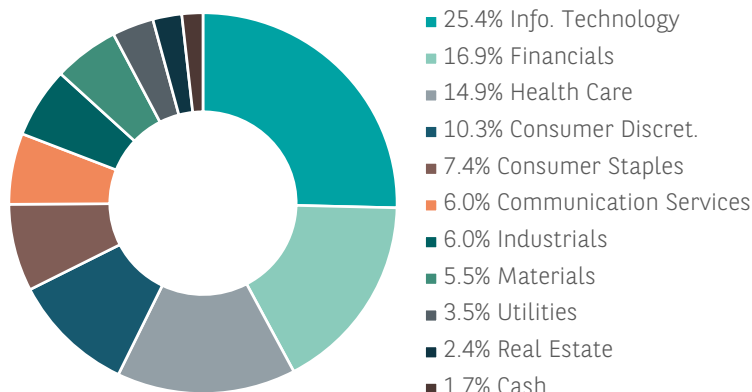
Source: C WorldWide Asset Management, in AUD. \*Benchmark was originally a customized index which changed on 31 March 1996 to MSCI World Index and subsequently on 31 December 2010 to MSCI All Country World Index. Ex-Tobacco strategy inception May 1991. The Trust performance commenced on 27 May 2013.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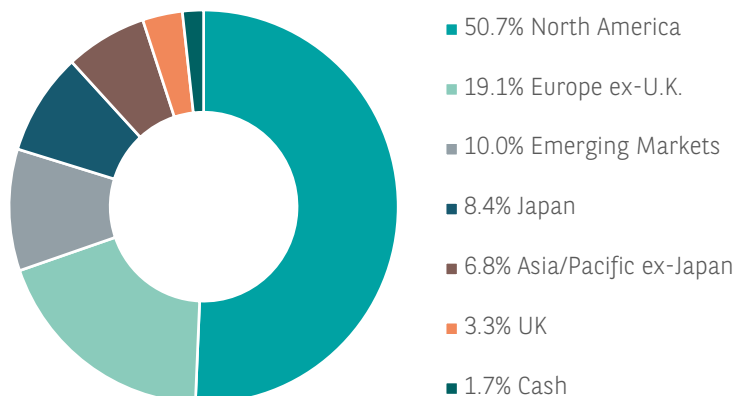


## SECTOR ALLOCATION



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

The closely watched China Party Congress turned out to be a little bit more dramatic than expected, when president Xi, had former president Hu, escorted out of the congress hall, another sign that China is turning into a country ruled by one man. The U.S. introduced a wide range of restrictions on exports of semiconductors to China. What surprised investors the most was the U.S. forbidding U.S. citizens to work with or for China's semiconductor companies. While the full implications are unknown, these new significant restrictions will likely hinder China's ambitions to catch up with the U.S. in the semiconductor arms race. The recent earnings season saw some of the large U.S. technology giants finally come up against tough comparisons from last year, just as a slowing economy is starting to be recognized in current and guided sales numbers.

### CONTRIBUTION TO THE PORTFOLIO

Among the top contributors to performance in October were Visa, Novo Nordisk and ASML. Visa reported solid numbers with payment volumes growing 12%, the same pace as last quarter and thus not showing any signs of a consumer slowdown. Cross border travel, and the attributed high margin cross-border-payments, is still a long way below pre-Covid levels. Analysts at Morgan Stanley report that departures to Asia are 52% below 2019 levels and the corresponding number for Europe is 21% below. Visa direct, a key driver for Visa, beyond the cyclical recovery after Covid, grew 42% in the quarter, accelerating by 700 bps. The shares of Novo Nordisk, a key outperformer all year, continued to do well during the month as the European Medicines Agency, EMA, warned of supply shortages of Ozempic, due to increased off-label use for the treatment of obesity. The GLP-1 treatments, led by Novo Nordisk's Ozempic have gone viral, with Ozempic getting north of 200 million views on TikTok. Supply shortages for its new drug Wegovy soon to be relaunched in the U.S., could continue to be an issue for the company, but the demand is clearly there. The order intake of lithography maker ASML, reached a record high in its third quarter at 8.9 billion EUR. This is up from a range of 1.5-2 billion just a couple of years ago and up 44% over last year. Meanwhile, the company claims that only about 5% of its backlog will be impacted by the new US export restrictions. Its EUV machines, now close to half of its systems sales, have been restricted for sale to China since 2019 and are not affected by the new ban.

Among the top detractors were AIA, Amazon and TSMC. Similar to last month the list of detractors had a geographical tilt, with several of the top detractors being listed in Asia. As the new semiconductor export restrictions were announced, many of our holdings related to this sector experienced further declining share prices. Amazon reported disappointing numbers across the board late in the month with operating income coming in 48% lower than last year, sales guidance weaker than expected and growth in AWS decelerating by 500bps from last quarter. Amazon is one of the companies in the portfolio with the longest-term thinking and the management team normally has a large degree of leeway to take the company through extended periods on increased investments. At the moment though, that long-term thinking, backed by significant investments, is coming up against a rapidly slowing consumer environment, especially in international markets where sales declined 5% over last year and a reversal of overearning during Covid. Amazon arguably overinvested and over hired coming out of Covid at the start of this year. While consumer demand could be weak for a couple of quarters, creating share price headwinds, the investments Amazon is making now will enable it to gain market share as the economy recovers. We have not seen convincing evidence that the shifts to online shopping or the move to the cloud are changing pace structurally.

### 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)	\$461.5m
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

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)

