

INVESTMENT REPORT – 30 NOVEMBER 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	7.1%
Novo Nordisk	Healthcare	6.5%
Thermo Fisher Sci	Healthcare	6.0%
Alphabet Inc.	Communication Services	5.9%
Microsoft Corp	Information Technology	5.6%
Visa	Information Technology	5.3%
Nestle	Consumer Staples	3.9%
Sony Corp	Consumer Discretionary	3.6%
Procter & Gamble	Consumer Staples	3.5%
Nextera Energy Inc.	Utilities	3.5%
		50.9%

Source: BNP Paribas Securities Services.

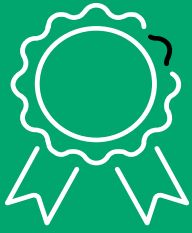
TRUST PERFORMANCE

	TRUST GROSS	TRUST NET	BENCHMARK
1 Month %	5.35	5.27	2.89
3 Months %	5.33	5.07	5.77
FYTD %	9.35	8.89	9.32
1 Year %	-12.31	-13.18	-6.43
2 Years % p.a.	5.85	4.81	7.69
3 Years % p.a.	8.43	7.36	6.98
5 Years % p.a.	11.19	10.09	9.12
7 Years % p.a.	10.42	9.33	9.67
9 Years % p.a.	13.40	12.28	10.89
Since Inception (%)	13.89	12.77	11.92
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. Returns greater than one year are annualised.



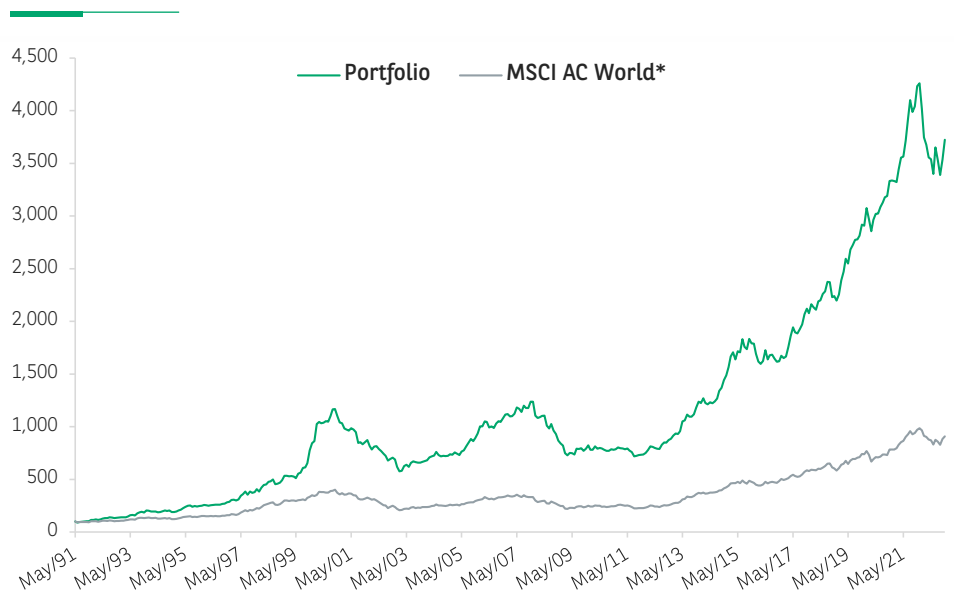
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WINNER!

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

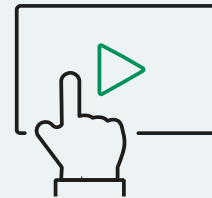
LONG TERM PERFORMANCE



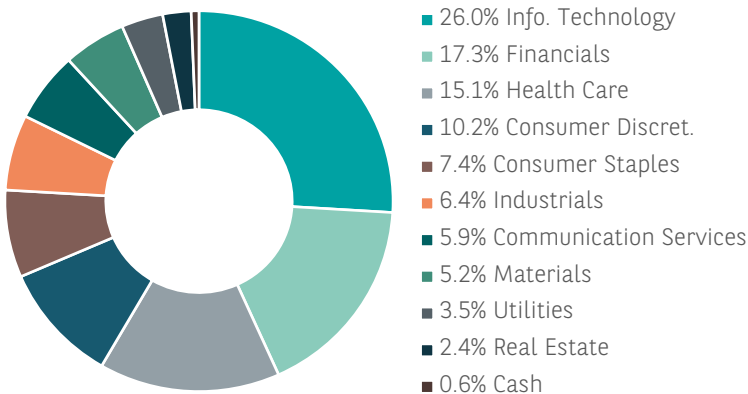
Source: C WorldWide Asset Management, in AUD. *Benchmark was originally a customized index which changed on 31 March 1996 to MSCI World Index and subsequently on 31 December 2010 to MSCI All Country World Index. Ex-Tobacco strategy inception May 1991. The Trust performance commenced on 27 May 2013. To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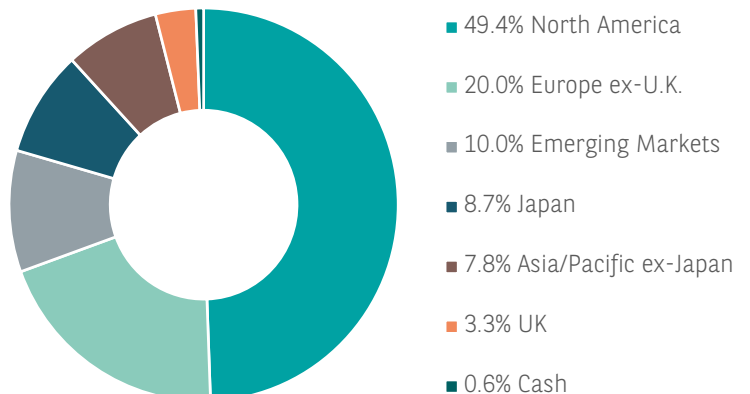


SECTOR ALLOCATION



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



In case you missed it

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

COMMENTARY

MARKET UPDATE

Anti-lockdown protests in China turned so violent that the government seemed to blink and warm up to cautiously easing restrictions. Lower than expected inflation in the U.S. and statements from Federal Reserve chair Powell indicating a need to slow rate hikes as early as December pushed the 10-year rate in the U.S. down more than 60bps from its peak. As the dollar declined, emerging market stocks rebounded. The risk-on mode was also reflected on a sector basis with Chinese Internet companies and global semiconductor companies performing relatively strong.

CONTRIBUTION TO THE PORTFOLIO

Among the top contributors to performance in November were Sony, ASML and Siemens. Sony, in addition to benefitting from being a cyclical, Asian-listed company with semiconductor exposure, issued a “beat-and-raise” quarterly report. Operating profit in the quarter grew 8% y/y and full-year guidance was raised due to strength in its Music, Movies and Sensor businesses. The company’s largest segment, Game & Network Services, with its key PlayStation franchise, has struggled with supply of new consoles. Only 3.3 million units were sold during the quarter. Production was almost twice as high though, which bodes well for the upcoming holiday season and for subsequent sales of high-margin software.

ASML held its capital markets day in Veldhoven, Netherlands, and substantially upgraded its guidance for 2025 and 2030. The midpoint of the 2030 revenue guidance was raised more than 30%, due to stronger demand for chips from datacentres, the automotive industry, and industrial applications. Interestingly, ASML also suggested that the need for countries to achieve technological sovereignty will increase the need for semiconductor capacity. This is expected to add a 1%-point to annual unit growth, and it is a concrete example that globalization is slowing. Atlas Copco, a key sub-supplier to ASML, also highlighted this trend at its recent capital markets day. In the long run, oversupply is bad for everyone, but in the medium term, semiconductor equipment manufacturers will benefit from what ASML expects to be a 10% inefficiency in global semiconductor manufacturing by 2030. Shares of ASML have surged almost 50% since mid-October due to a combination of lower rates, a strong Q3 report and the company’s upbeat long-term guidance.

Siemens benefits from the same digitalisation trends as ASML. Siemens Digital Industry grew its revenue by 18% y/y in Q3 (its fiscal Q4) and guided for growth of 10-13% in FY23. This segment of Siemens is particularly important due to the visibility of sales and because guidance for EBITA margins is 19-22% – more than twice as high as its Mobility margins and 1.5x its Smart Infrastructure margins.

The only two negative contributors to portfolio return in November were Amazon and Ecolab. Amazon announced a pause on new corporate hiring early in the month and followed up mid-month with cutting 3% of its corporate work force. Amazon has struggled as online shopping growth has slowed in the wake of the pandemic, just as Amazon added significant capacity. These cost cutting measures by new CEO Andy Jassy are needed to protect margins.

Ecolab is struggling with cost inflation and that dine-in foot traffic is still 30% below pre-Covid levels. The company’s cleaning products simply cost more to produce while demand is lower from restaurants. The company issued disappointing guidance for 2023 with growth not expected to come back strongly until the second half of the year.

CHANGES TO THE PORTFOLIO

There were no changes to the portfolio during the month.

Source: C WorldWide Asset Management





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)	\$482.4m
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. 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

