

## Fund Performance

Past performance does not predict future returns

	Fund Gross	Fund Net	MSCI ACWI ex-US	Net Rel.
September	-4.1	-4.2	-3.1	-1.1
Q3	-5.9	-6.2	-3.7	-2.6
YTD	2.1	1.2	5.8	-4.4
1 Year	15.9	14.2	21.0	-5.6
Incep.	-8.7	-10.0	-5.9	-4.3

3, 5, 10 year and Incep. returns are annualised.

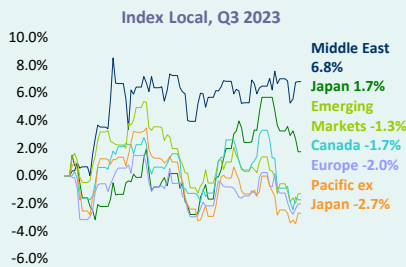
Returns are in USD

Fund Value (USD mil)	11
Inception 01/09/21	

## Q3 2023 Attribution

Region Allocation	-0.4
Security Selection	-2.1
Currency Effect	0.2
Management Effect	-2.3

## Markets



Source: MSCI. Returns are Gross Total Returns in local currency terms for the corresponding MSCI country/region index.

## Asset Allocation

Europe	79.9	↑
Emerging Markets	9.4	•
Japan	4.9	•
Pacific ex Japan	2.7	•
Cash	3.2	↓

## Top Five Securities %

AstraZeneca	UK	4.0
Novo-Nordisk	Denmark	4.0
Nestle	Switzerland	3.0
Dassault Aviation	France	3.0
Schott Pharma	Germany	2.9

Global equities fell in Q3 as investors positioned themselves for a sustained period of higher rates. The fund saw a negative absolute return, underperforming its benchmark.

## Performance

The fund finished behind its benchmark, with outperformance in Pacific ex Japan outweighed by underperformance in Europe.

## Market Background

Global equities fell in Q3 as investors positioned themselves for a sustained period of higher rates.

## Outlook

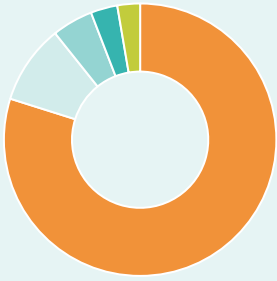
Portfolio positioning continues to be balanced with a defensive tilt, recognising that the macro environment remains challenging in many areas, most notably Europe and China. The US has held up reasonably well so far, but there are signs that higher rates are beginning to cause weakness there too. With a challenging macro backdrop and bond yields that continue to rise, equity valuations have come under pressure.

Looking forward, we can say with a high degree of confidence that we are nearer the end than the beginning of these headwinds. US inflation seems increasingly benign, and the aforementioned weakness in the economy suggests that bond yields should soon plateau. Similarly, with macro data having been weak for some time now, and expectations having come down a long way, it would appear that we are relatively well advanced through the downcycle. Finally, valuations have experienced a substantial reset in some areas of the market. We are starting to see real valuation dislocations and very strong companies trading at distressed prices. Consequently, we have tentatively started deploying cash to take advantage of these opportunities.

From a sector perspective, we continue to like attractively valued defensive growth names in both Industrials and Health Care. We also retain our exposure to the Defence sector. By contrast, we remain cautious on Financials, as well as Energy and Materials names that are vulnerable to late-cycle commodity price weakness.

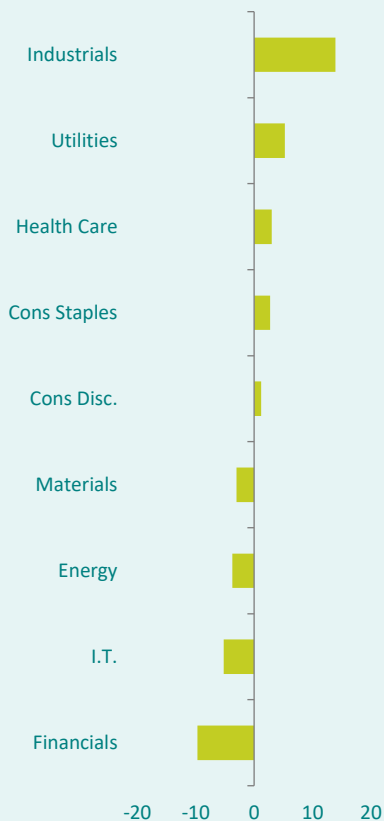
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## Allocation



- Europe (79.9%)
- Emerging Markets (9.4%)
- Japan (4.9%)
- Cash (3.2%)
- Pacific ex Japan (2.7%)

## Sectors relative to Index %



## Portfolio Positioning

Over the quarter we participated in the IPO of Schott Pharma, which operates in the drug packaging and delivery space. Its products include cartridges, vials and syringes. We believe this is a structural growth area, given the new class of injectable obesity drugs and the rapid growth of biologics, which again often require an injection.

Another purchase was Sony, which we regard as very attractively valued, with several divisions that are all starting to perform well.

We also bought wind turbine manufacturer Vestas after a severe sell-off across the renewables space, partly due to higher bond yields. This comes at a time when the structural medium-term outlook for many renewables stocks has never looked better in our view. A huge amount of policy support has been put in place, be it the Inflation Reduction Act or REPowerEU.

Conversely, we took some profits in Centrica, Reckitt Benckiser, Sabesp and Heineken.

Given a more challenging outlook for traditional luxury, we also trimmed LVMH and Moncler.

## Stocks

Below we highlight a major winner and a major loser:

### Sabesp

Sabesp is the largest sanitation company in Latin America, responsible for water supply, sewage collection and treatment services in 372 municipalities across the state of Sao Paulo. It is currently majority owned by the government, but the mayor of Sao Paulo has publicly declared his intention to privatise the business. We believe this will result not only in value being unlocked, but also more efficient operations. Whilst the prospect of a privatisation draws closer, Sabesp has been continuing to execute well, with particularly strong cost control. The shares performed well as investors became increasingly optimistic about the likelihood of a privatisation.

### Watches of Switzerland

Watches of Switzerland is the UK's largest luxury watch dealer. It has longstanding partnerships with a range of leading luxury brands, most notably Rolex. The shares sold off as Rolex recently acquired Bucherer, the largest global retail distributor of watches. On the face of it, this means that Rolex, which represents over 50% of sales at Watches of Switzerland, is now in direct competition with it. However, Rolex and Bucherer subsequently confirmed that the deal was done purely because Jorg Bucherer had no successor and heir to run the business, so it made sense for Rolex to step in. Rolex has committed to there being no disruption to the type of supply arrangements that Watches of Switzerland benefits from. Whilst the macro environment is more challenging, two-thirds of company sales are of 'supply-constrained stock', meaning that there is a waiting list of multiple people looking to purchase each item. This should help to cushion against any short-term weakness in demand. Watches of Switzerland has a capital markets day coming up in the autumn, which we expect to highlight its strong growth outlook. We continue to view the shares as undervalued relative to the growth opportunity on offer.

## Performance Attribution Q3 2023

On this page we identify where your portfolio added or subtracted value, relative to the benchmark.

### Regional Selection (%)

Region	Region Allocation	Security Selection	Currency Effect	Management Effect
<b>Total Portfolio</b>	<b>-0.4</b>	<b>-2.1</b>	<b>0.2</b>	<b>-2.3</b>
Equity	-0.5	-2.1	-0.6	-3.2
Pacific ex Japan	0.1	0.2	0.0	0.3
Emerging Markets	0.0	-0.2	-0.2	-0.4
Japan	-0.3	-0.6	0.1	-0.8
Europe	-0.3	-1.6	-0.4	-2.2
Non Equity	0.1	0.0	0.7	0.9
Foreign Exchange	0.0	0.0	0.7	0.7
Cash	0.1	0.0	0.1	0.2

### Highlights

- The fund finished behind its benchmark, with outperformance in Pacific ex Japan outweighed by underperformance in Europe.
- Samsonite rallied following excellent results, where margins were particularly impressive.
- Veterinary services provider CVS Group sold off after the Competition and Markets Authority launched a market review looking at industry pricing. CVS has increased its prices at less than the rate of inflation so we do not believe that it has a case to answer.

### Sector Selection (%)

Sector	Sector Allocation	Security Selection	Currency Effect	Management Effect
<b>Total Portfolio</b>	<b>-1.1</b>	<b>-1.4</b>	<b>0.2</b>	<b>-2.3</b>
Equities	-1.2	-1.4	-0.6	-3.2
Industrials	-0.2	0.6	-0.2	0.2
Health Care	0.0	0.2	-0.1	0.1
Communication Services	0.1	0.0	0.0	0.0
Real Estate	0.0	0.0	0.0	-0.1
Information Technology	0.3	-0.4	0.0	-0.2
Utilities	-0.4	0.1	-0.1	-0.3
Energy	-0.5	0.1	0.0	-0.4
Materials	0.0	-0.5	0.0	-0.5
Consumer Staples	-0.1	-0.4	0.0	-0.6
Consumer Discretionary	0.0	-0.5	-0.1	-0.6
Financials	-0.3	-0.4	-0.1	-0.8
Non Equity	0.1	0.0	0.7	0.9
Foreign Exchange	0.0	0.0	0.7	0.7
Cash	0.1	0.0	0.1	0.2

### Highlights

- At the sector level, outperformance in Industrials was outweighed by underperformance in Financials and Consumer Discretionary.
- BAE Systems performed well due to ongoing optimism about the Defence space.
- Watches of Switzerland struggled after its largest partner Rolex bought a rival watch distributor, Bucherer. However, this was done purely because Jorg Bucherer had no successor and heir to run the business. Rolex has committed to there being no disruption to the type of supply arrangements that Watches of Switzerland benefits from.

### Stock Selection (%)

	Stock	Country	Sector	Management Effect (%)	TT Held
Top Contributors	Samsonite International	Hong Kong	Consumer Discretionary	0.30	√
	Centrica	UK	Utilities	0.26	√
	BP PLC	UK	Energy	0.25	√
	Novo-Nordisk	Denmark	Health Care	0.21	√
	BAE Systems	UK	Industrials	0.20	√
Top Detractors	Cadeler	Norway	Industrials	-0.33	√
	CVS Group	UK	Health Care	-0.29	√
	EDP	Portugal	Utilities	-0.29	√
	Anglogold Ashanti	South Africa	Materials	-0.28	√
	Watches of Switzerland	UK	Consumer Discretionary	-0.28	√

### Portfolio Breakdown (%)

	TT Non-US		MSCI ACWI ex-US
	30 Jun	30 Sep	30 Sep
Brazil	3.4	2.5	1.5
India		1.4	4.5
Mexico	2.1	2.4	0.7
South Africa	1.3	1.2	0.9
Taiwan	2.2	2.0	4.2
Emerging Markets	9.6	9.4	28.3
Denmark	4.2	4.9	2.1
France	11.6	9.0	7.7
Germany	5.2	11.1	5.3
Ireland	7.6	7.6	0.3
Italy	1.1	0.5	1.7
Netherlands	7.1	6.8	2.7
Norway	2.0	2.5	0.5
Portugal	2.5	2.5	0.1
Switzerland	3.1	3.0	6.4
UK	30.7	31.8	9.8
Europe	77.4	79.9	41.7
Japan	5.8	4.9	14.7
Hong Kong	2.2	2.7	1.5
Pacific ex Japan	2.2	2.7	7.3
Cash	5.1	3.2	
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

### Sector Allocation (%)

	TT Non-US		MSCI ACWI ex-US
	30 Jun	30 Sep	30 Sep
Consumer Discretionary	13.7	13.1	11.9
Consumer Staples	13.1	11.1	8.4
Energy	1.9	2.2	6.0
Financials	9.1	11.4	21.2
Health Care	8.2	12.7	9.6
Industrials	23.5	27.0	13.1
Information Technology	5.3	6.1	11.3
Materials	5.3	4.8	7.9
Utilities	13.8	8.4	3.1
Cash	5.1	3.2	
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

### Top 10 Stocks

June 30, 2023			September 30, 2023		
Security	Country	Weight %	Security	Country	Weight %
Dassault Aviation	France	4.1	AstraZeneca	UK	4.0
AstraZeneca	UK	3.9	Novo-Nordisk	Denmark	4.0
Nestle	Switzerland	3.1	Nestle	Switzerland	3.0
Nexans	France	2.8	Dassault Aviation	France	3.0
Novo-Nordisk	Denmark	2.7	Schott Pharma	Germany	2.9
BAE Systems	UK	2.6	Nexans	France	2.8
Telecom Plus	UK	2.5	Beiersdorf	Germany	2.5
EDP	Portugal	2.5	Telecom Plus	UK	2.5
Sabesp	Brazil	2.3	EDP	Portugal	2.5
Reckitt Benckiser	UK	2.3	Cadeler	Norway	2.5
Top 10 Positions		28.7	Top 10 Positions		29.6
Top 20 Positions		48.6	Top 20 Positions		49.5
No. of stocks		64	No. of stocks		61

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