



## CC RWC Global Emerging Markets Fund (APIR: CHN8850AU)

31 July 2019

### Fund Benefits

#### Exclusive Australian Access:

Access to a proven global fund manager not otherwise available to Australian investors.

#### Investment Team Expertise:

RWC has an experienced investment team drawing on knowledge and global information networks to uncover growth opportunities across more than 60 markets globally.

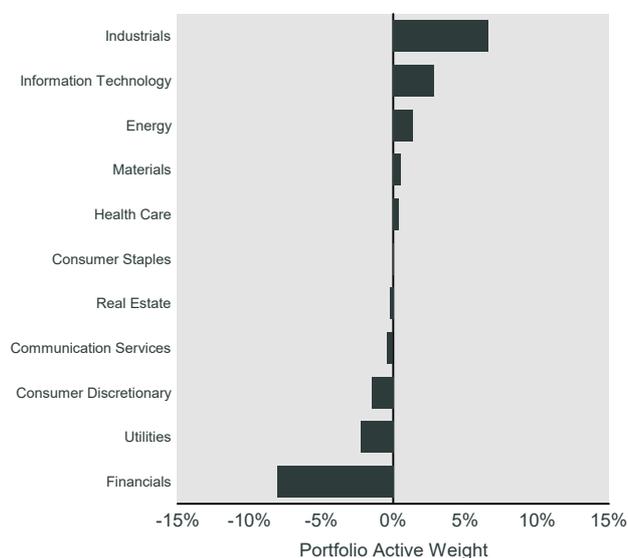
#### Overseas Opportunities and Diversification:

Investing in Emerging Markets and Frontier Markets may provide long-term capital appreciation of companies situated in countries with growing economies, and may provide a useful source of portfolio diversification.

### Performance (Australian Dollars)

Returns (after fees)	Fund*
1 Month	1.67%
3 Months	0.35%
FYTD	1.67%
1 Year	-
2 Years p.a.	-
3 Years p.a.	-
Inception	6.44%

### Relative Sector Breakdown\*\*



### Fund Facts

Investment Manager	Channel Investment Management Ltd
Underlying Fund Investment Manager	RWC Asset Advisors (US) LLC ('RWC') (Portfolio Manager: John Malloy)
Structure / Underlying Fund	The Fund invests into the RWC Global Emerging Markets Fund Class F Shares
Inception Date <sup>^</sup>	19 February 2019
Management Fee #	1.23% p.a.
Distributions	Annually
Fund Size <sup>+</sup>	AUD \$18 million

### Top 5 Holdings

Stock Name	Sector
First Quantum Minerals Ltd.	Materials
Yandex NV Class A	Communication Services
Sberbank Russia OJSC	Financials
Petroleo Brasileiro SA	Energy
Tencent Holdings Ltd	Communication Services

Source: RWC Asset Advisors (US) LLC

### Relative Geographic Breakdown\*\*



### Platform Availability

BT Panorama IDPS and Super	BT Wrap IDPS and Super
Hub 24 IDPS and Super	Macquarie Wrap IDPS
Netwealth IDPS	Powerwrap IDPS and Super
Praemium IDPS and Super	

### Further Information

Phone:	1800 940 599
Email:	distribution@channelcapital.com.au
Web:	www.channelcapital.com.au

# All figures disclosed include the net effect of GST and RITC. ^ Inception Date for performance calculation purposes. + Fund size refers to the CC RWC Global Emerging Markets Fund ARSN 630 341 249. \* Performance is for the CC RWC Global Emerging Markets Fund (APIR: CHN8850AU), and is based on month end unit prices before tax in Australian Dollars. Net performance is calculated after management fees and operating costs, excluding taxation. This is historical performance data. It should be noted the value of an investment can rise and fall and past performance is not indicative of future performance. \*\* Relative Sector Breakdown and Relative Geographic Breakdown refer to the Underlying Fund and show portfolio weights relative to the MSCI Emerging Markets Index Net AUD. Data provided by RWC.



## Fund and Market Review

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Emerging markets fell during the month of July as expectations of interest rate cuts by the Federal Reserve failed to boost global equity markets while trade tensions simmered. The MSCI Emerging Markets Index NR in AUD returned 0.57% and the CC RWC Global Emerging Markets Fund (the Fund) rose 1.67%. China fell -0.6% during the month despite relatively positive macroeconomic data. Industrial production and fixed asset investment expanded +6.3% year-on-year and inflation remains under control at +2.7% year-on-year. Exports continue to remain steady while total social financing growth rose to +10.7% year-on-year. South Korea fell -3.9% despite a +1.1% quarter-on-quarter rebound in real GDP growth. India fell -5.2% after rallying significantly following President Modi's election win. Industrial production remains strong at +3.1% year-on-year while inflation is under control at +3.2% year-on-year. Brazil rose +2.4% during the month as social security reform was approved in the first round by the Lower House and Russia rose +0.7% as the Central Bank cut the policy rate by 25 basis points to 7.25%.

Taiwan was a significant contributor to performance for the Fund. Win Semiconductors rose +37.7% as the company completed the initial qualification for new iPhone models to be launched in 2020 with its partner Lumentum. The company may benefit from Huawei's switching away from vendors in the United States for radio frequency components in addition to increased demand for components due to the increasing penetration of 5G. Globalwafers also rose +15.0%. The outlook for the company remains positive as wafer demand will likely grow owing to increased automation and the internet of things phenomenon. SK Hynix rose +8.0% as supply disruptions caused by Japan chemical export restrictions are triggering inventory re-stocking which has a positive effect on DRAM prices. The outlook for the company remains strong due to growing demand for memory over the long term.

The Fund's copper exposure was a detractor during the month as the commodity fell -1.5% to 2.66 per lb. First Quantum Minerals fell -2.7% while KAZ Minerals declined -7.9%. First Quantum reported encouraging earnings results during the month with production at the company's new mine, Cobre Panama, coming in at 30.9kt, ahead of estimates. Furthermore, the company has reached a settlement with the Zambian government which should boost investor sentiment. KAZ Minerals continues to show strong production from its two mines, Aktogay and Bozshakol. Tullow Oil fell -11.0% as the oil price declined -7.0% to \$59 per barrel on the back of a weaker global demand outlook. In RWC's view, curtailed supply will likely keep the oil price supported and the investment thesis for Tullow remains intact. Production at the company's TEN field in Ghana is robust which may boost earnings growth.

The information contained in this report is provided by the Underlying Fund Investment Manager, RWC Asset Advisors (US) LLC ('RWC'). Channel Investment Management Limited ACN 163 234 240 AFSL 439007 ('Channel') is the Responsible Entity and issuer of units in the CC RWC Global Emerging Markets Fund ARSN 630 341 249 ('the Fund'). Neither Channel nor RWC, their officers, or employees make any representations or warranties, express or implied as to the accuracy, reliability or completeness of the information contained in this report and nothing contained in this report is or shall be relied upon as a promise or representation, whether as to the past or the future. Past performance is not a reliable indication of future performance. A reference to quarters is a reference to a calendar quarter. This information is given in summary form and does not purport to be complete. Information in this report, should not be considered advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling units in the Fund and does not take into account your particular investment objectives, financial situation or needs. Before acting on any information you should consider the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek independent financial advice. Readers are cautioned not to place undue reliance on forward looking statements. Neither Channel nor RWC have any obligation to publicly release the result of any revisions to these forward looking statements to reflect events or circumstances after the date of this report. For further information and before investing, please read the Product Disclosure Statement available on request.