



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

31 May 2020

### 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.

### 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 +	AUD \$27 million

### Performance (Australian Dollars)

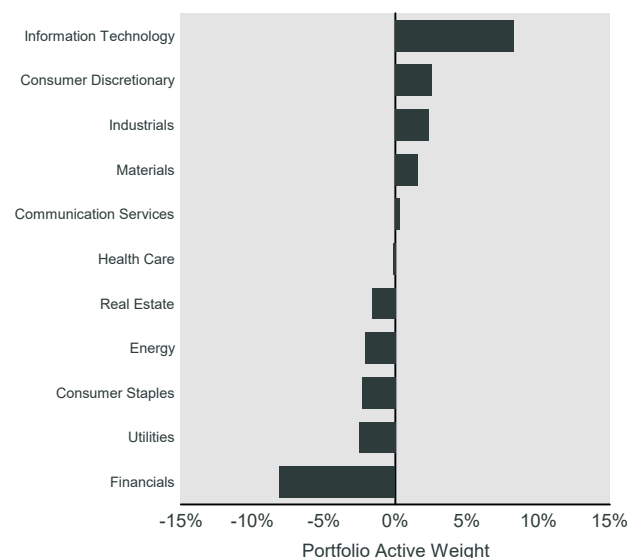
Returns (after fees)	Fund*	MSCI Emerging Markets Index Net AUD <sup>^</sup>	Fund Returns vs Index (after fees)
1 Month	-0.55%	-0.61%	0.07%
3 Months	-9.09%	-9.62%	0.53%
FYTD	-6.29%	-4.86%	-1.44%
1 Year	-0.90%	-0.20%	-0.70%
2 Years p.a.	-	-	-
3 Years p.a.	-	-	-
Inception p.a.	-1.49%	-0.28%	-1.21%

### Top 5 Holdings

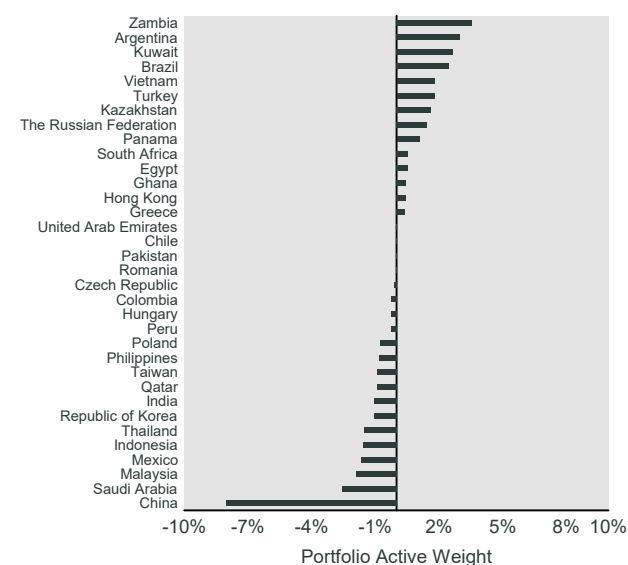
Stock Name	Sector
Tencent Holdings Ltd	Communication Services
Taiwan Semiconductor Manufacturing Co.,	Information Technology
First Quantum Minerals Ltd.	Materials
Alibaba Group Holding Ltd.	Consumer Discretionary
MercadoLibre, Inc.	Consumer Discretionary

Source: RWC Asset Advisors (US) LLC

### Relative Sector Breakdown\*\*



### Relative Geographic Breakdown\*\*



### Platform Availability

Ausmaq	BT Panorama Super & IDPS
BT Wrap Super & IDPS	Hub 24 Super & IDPS
Macquarie Wrap Super & IDPS	Mason Stevens
MLC Wrap/Navigator	Netwealth Super & IDPS
Powerwrap Super & IDPS	Praemium Super & IDPS

### Further Information

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# 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. ^^The index refers to the MSCI Emerging Markets Index Net in AUD and is provided for reporting and illustrative purposes only as the Fund is not actively managed against the index as a benchmark. \*\* 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

Emerging Markets rose slightly during the month of May as COVID-19 cases and deaths continued to roll over and lockdown restrictions eased. Despite the re-emergence of geopolitical tensions between the United States and China, the MSCI Emerging Markets Index rose 0.77% and detracted -0.61% in Australian dollar terms, while, the CC RWC Global Emerging Markets Fund declined -0.55%. North Asian markets recorded mixed performance during the month, despite better economic data. China fell -0.6%, Taiwan was down -2.5% while South Korea rose 2.2%. Chinese export growth turned positive to 3.5% year-on-year, PMIs remain in expansionary territory and mobility continues to improve. India fell -2.6%, despite the government pledging significant stimulus to support the economy. Russia, Brazil and South Africa rose 8.5%, 8.6% and 2.1%, respectively, as governments continued to tackle the pandemic with fiscal stimulus and accommodative monetary policy.

Latin America was a contributor to performance for the Fund during May. Mercado Libre rose 46.0% as the company reported encouraging results showing GMV growth of 34% year-on-year including strong trends during lockdown. Net revenues increased 70% year-on-year while total payment volumes increased 82% year-on-year. The outlook for the company remains positive as Mercado Libre is a key beneficiary of the secular growth in e-commerce and financial technology within the region. PagSeguro was also a contributor to performance, rising 25.3%, as the company reported better-than-expected earnings results. The Fund's food delivery exposure rose significantly during the month with Delivery Hero and Meituan Dianping rising 13.7% and 41.4%, respectively. JD.com, an e-commerce provider in China, rose 26.1% during the month as the company continues to take advantage of the country's growth in online retail sales.

India was a detractor for the Fund, despite the administration's pledge to support the economy with significant fiscal stimulus. HDFC and ICICI Bank fell -14.0% and -13.3%, respectively. While asset quality remains an issue for HDFC, the company has provisioned adequately and proactively. Operating profit trends are encouraging and demand for housing should recover along with the rest of the economy as lockdown restrictions ease. The Rs. 3 trillion package offered to micro, small and medium enterprises is a key boost for the country's financial system as a whole and should relieve significant pressure. Furthermore, ICICI Bank's strong deposit franchise should also support net interest margins.

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