

# Global Equity Income Fund FACTSHEET



August 2020

## Monthly Portfolio Commentary

Global equities were strong in August, up 5.4%, with again strength in the megacap 'FANG' technology stocks being the main contributor, offsetting worries about a resurgence of the Coronavirus around the world, escalating US/China tensions and a weaker US dollar. The Global Equity Income Fund rose by 2.1% as its strategy parameters don't allow it to invest in those megacap technology stocks, and income remains out of favour as an equity investment theme. Outperforming holdings included catering giant Compass (+17%) on re-opening hopes, while US industrial Honeywell and US technology stock Texas Instruments were both up 10% on good earnings. Other good performers included Vinci (+8%), SmurfitKappa (+7%), Walmart (+7%) and Intel (+6%). The main detractors were Cisco Systems (-11%) and Diageo (-8%) on weaker outlooks. Over the month we diversified the portfolio further by initiating three new, more cyclical, US holdings – media giant Comcast, fund manager BlackRock and railroad company Norfolk Southern – and Korean tech giant Samsung Electronics.

## Why choose the Global Equity Income Fund?

Much analysis has shown that in the long term the majority of equity market returns are made up of dividends and dividend growth. Hence we believe a portfolio combining high quality companies where management are focused on growing their dividend is very much aligned with our own investment beliefs.

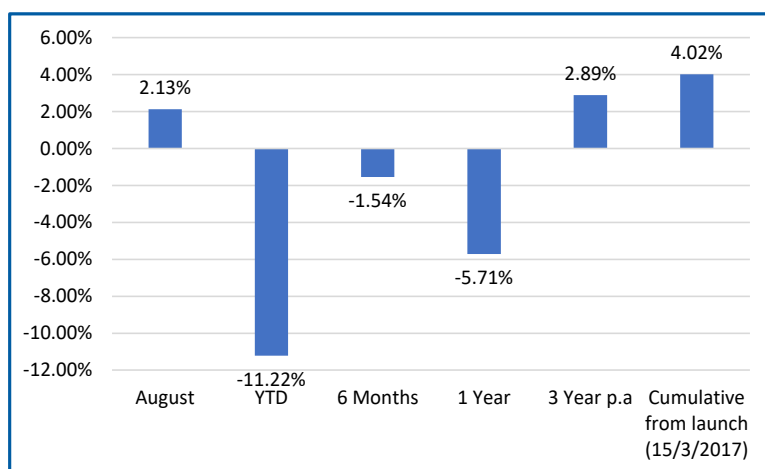
## Conservatism

Conservatism features strongly in our investment process when allocating our clients capital. We are unashamed of this and protecting our clients from losses is at the forefront of our risk management process.

## Experience of the team

The team was one of the first investment managers to focus on dividend paying companies as a strategy. Over the last 30 years we have experienced the peaks and troughs of the markets and have successfully navigated these events by sticking rigidly to our investment philosophy and process.

## Investment Returns– Net of Total Expense Ratio (TER)\*



\*Source: Northern Trust as of 31/08/2020

## Investment Objective

The investment objective of the Global Equity Income Fund is to invest in a diversified global portfolio of financially-strong, well-managed companies that have a proven record in paying an attractive dividend and have management commitment to consistently increase it.

We aim to improve long-term risk-adjusted total equity returns while maintaining a balanced exposure to dividend yield, quality and dividend growth. We will aim to generate a c. 5-6% return annually over the medium term.

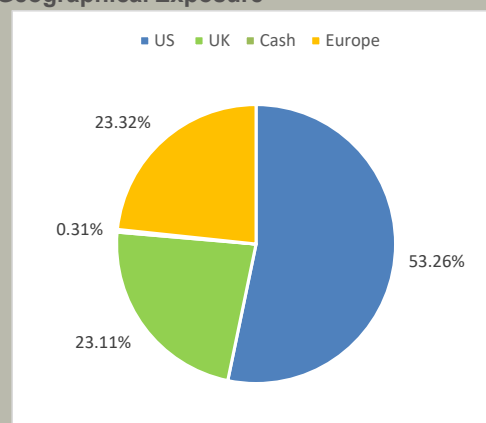
## Portfolio Management Team

Pramit Ghose, Bernard Murphy & Gareth Walsh

Fund Metrics*	
Dividend Yield	2.59%
No. of Equity holdings	31

ISIN : IE00BYX7S230  
AMC : 0.4% (TER 0.6% p.a.)  
Launch Date : 15/03/2017

## Geographical Exposure\*



## Calendar Year Returns — Net of TER\*

Year	2020	2019	2018
Return (%)	-11.22%	23.6%	-5.9%

\*Source: Northern Trust as at 31/08/2020

WARNING: Past performance is not a reliable guide to future performance. The value of your investment may go down as well as up.

WARNING: This fund may be affected by changes in currency exchange rates

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## Top 10 Equity Holdings (39.94% of assets)\*:

Company	Sector
Johnson & Johnson	Health Care
Unilever Plc	Consumer Staples
Reckitt Benckiser Group	Consumer Staples
Diageo Plc	Consumer Staples
Walmart Inc	Consumer Staples
Texas Instruments Inc	Information Technology
Vinci Sa	Industrials
Mondelez International	Consumer Staples
Nestle Sa	Consumer Staples
M & T Bank Corp	Financials

## Sector Weights\*:

Sector	Global Equity Income
Consumer Staples	31.0%
Information Technology	21.8%
Health Care	18.1%
Industrials	9.5%
Financials	8.6%
Materials	5.6%
Consumer Discretionary	2.9%
Communication Services	2.3%
Cash	0.3%
Energy	0.0%
Utilities	0.0%
Real Estate	0.0%

\*Source: Northern Trust as at 31/08/2020

## Holding Update\*\*



Comcast Corporation is a global media and technology company with three primary businesses. Comcast Cable, NBC Universal and Sky. Comcast Cable is one of the United States largest high-speed internet video and phone providers to residential customers under the Xfinity brand, and also provides these services to businesses. NBC Universal is global and operates news, entertainment and sports cable networks, Universal Pictures and Universal parks and resorts. Sky is one of Europe's leading media and entertainment companies, connecting customers through its pay television services. It also provides communication services, including residential high speed internet, phone and wireless services. Sky operates the Sky News broadcast network and sports and entertainment network.

Recent 2Q2020 results were strong led by Xfinity internet and margin improvement at cable and NBCU. Comcast's capital allocation priorities focus on maintaining a strong balance sheet, investing organically for profitable growth, and returning capital to shareholders. Consolidated adjusted net debt/ Ebitda in the twelve months to 2Q2020 reduced from 3.1x to 2.7x and the dividend was increased by 10.0%, its 12th consecutive annual increase. The stock yields 2.0% and 18.4x 2020 earnings.

\*\*Source: Bloomberg & Cantor Fitzgerald Ireland Research Ltd

WARNING: This is not a stock recommendation

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