

# MAGNA EMERGING MARKETS DIVIDEND FUND

EUR

## FUND DETAILS

Structure	UCITS
Domicile	Ireland
Registrations	AT BE CH DE DK ES FI FR GB IE IT LU NL SE SG
Launch Date	28 Jun 2010
Income	Accumulated or distributed
Daily Dealing	12 noon (Dublin time)
Dealing Cut-off	T - 1
Number of Holdings	39
Cash Weight	3.9%
Volatility	12.4%
Active Money	88.9%
Information Ratio	0.11
Beta	0.94
Fund Size	EUR 290.0m
Portfolio Advisors	Ian Simmons and team

Volatility, Information Ratio and Beta are calculated from the last 3 years monthly fund data.

## DIVIDENDS

Historic Yield	Fund: 4.1%	Index: 2.9%
Payment Dates	Jun / Dec	

## AWARDS & RATINGS



**ELITE RATED**  
by FundCalibre.com

## FUND OBJECTIVE

The Magna Emerging Markets Dividend Fund seeks to achieve a combination of income and long-term capital growth by investing in a diversified portfolio of higher yielding Global Emerging Market Securities. The Magna Emerging Markets Dividend Fund is a sub-fund of the Magna Umbrella Fund plc.

## STRATEGY DESCRIPTION

We look to invest in quality companies, with strong management and sustainable growth prospects, at attractive valuations. Our approach to investing is bottom-up, stock-focused and research-driven. We focus on both quantitative and qualitative analysis and search for less well-understood opportunities. Regular management meetings are a key principle of our process. We like to find companies we can invest in for the long term. Belief in the sustainability of their growth and evidence of good shareholder relations are key drivers for us. Portfolios are built on the basis of our conviction; we are aware of any benchmark index but if we don't like a stock, we don't invest in it, regardless of its index weighting. This strategy invests in high dividend paying companies across emerging markets without restriction, aiming to provide a combination of income and long-term capital growth.

## HIGHLIGHTS

- A portfolio of quality companies with a dividend paying culture
- Combination of capital growth and income
- Opportunities across all regions, sectors and market caps

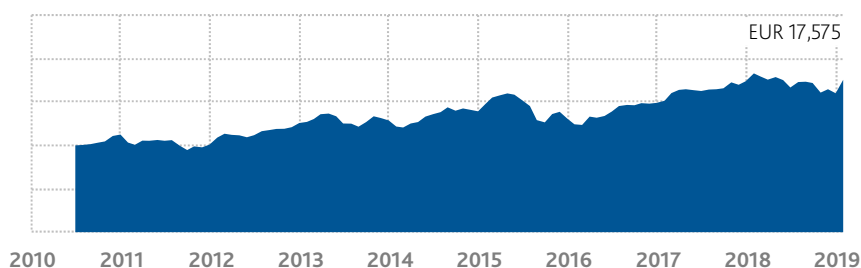
## GROSS FUND PERFORMANCE (%)

Period to 31 January 2019	1M	3M	6M	YTD	1Y	2Y	3Y	5Y	10Y	SI
Magna Emerging Markets Dividend Fund	9.66	9.14	1.53	9.66	-3.99	7.69	12.20	7.60	NA	6.79
MSCI Emerging Markets Index	8.36	8.85	-0.68	8.36	-6.89	6.73	12.64	8.21	NA	4.83
Added Value	1.29	0.28	2.22	1.29	2.90	0.97	-0.44	-0.61	NA	1.96

Calendar Year	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Magna Emerging Markets Dividend Fund	-7.92	16.77	13.94	-6.09	8.12	2.30	24.79	-10.34	NA	NA
MSCI Emerging Markets Index	-10.27	20.59	14.51	-5.23	11.38	-6.81	16.41	-15.70	NA	NA
Added Value	2.35	-3.82	-0.57	-0.87	-3.26	9.11	8.38	5.35	NA	NA

Returns are presented gross of management fees, in EUR  
SI Since Inception (30 June 2010)

## GROWTH OF EUR 10,000



Performance is represented by the Magna Emerging Markets Dividend Composite comprising all share classes of the Magna Emerging Markets Dividend Fund. Composite performance figures are shown gross, ie before fees, in EUR. The Magna Emerging Markets Dividend Fund is not managed against a benchmark. Performance figures are annualized for periods in excess of one year. Past performance should not be seen as an indication of future performance. Fiera Capital claims compliance with the Global Investment Performance Standards (GIPS®) and has been independently verified for the period 1 Jun 2000 through 30 Jan 2018. A copy of the verification report and a presentation that adheres to GIPS standards are available upon request to the Marketing Department.

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## TOP HOLDINGS

Company Name	Country
Chailease	Taiwan
China Construction Bank	China
China Mobile	China
CNOOC	China
Ping An	China
POWERGRID	India
Samsung Electronics	Korea
TSMC	Taiwan
<i>In alphabetical order</i>	
Combined weight of top 8	42%

## SECTOR EXPOSURE (%)



Energy	7.0
Materials	4.2
Industrials	3.4
Consumer Discretionary	13.7
Consumer Staples	6.0
Health Care	1.6
Financials	38.3
Information Technology	10.2
Communication Services	7.0
Utilities	4.7
Real Estate	0.0
Cash	3.9
Total	100.0

## COUNTRY EXPOSURE (%)



Brazil	7.7
China	33.1
India	7.8
Indonesia	1.6
Korea	7.9
Mexico	4.2
Philippines	5.8
Russia	7.9
South Africa	4.0
Taiwan	9.8
Others (inc Cash)	10.2
Total	100.0

## COMMENTARY

In a turnaround from last year, 2019 has so far seen a positive performance for all major asset classes. Emerging markets were near the top of the list, with Latin America in turn leading the pack. This was primarily due to further optimism for Brazil under the new president, Jair Bolsonaro, in particular about the outlook for pension reform. Chinese stocks responded positively to the cut in the Reserve Requirement Ratio and on hopes of lessening of trade tensions with the US, following a worse-than-expected export print. China's latest economic data provide further signs of rebalancing, with the December manufacturing PMI coming in below expectations while the services PMI was higher than forecast. Stocks in Russia and Turkey also performed well, the former on an easing of US sanctions and higher oil prices, the latter on lower credit spreads as investors look ahead to inflation peaking in the coming months. India - held back by concerns about the pending elections and by lower than expected industrial production growth - was the only market not to rise in US dollar terms. Taiwan also lagged.

Encouragingly for us, consumer discretionary - a significant laggard in 2018 - was the best performing emerging market sector. Equally encouragingly, the Fund outperformed its benchmark despite high yield as an overall style underperforming the market.

The catalyst seems to have been a major reversal by the US Federal Reserve. Having signalled a fairly orthodox stance late last year, chairman Powell indicated a more dovish - in his words, 'patient' - stance. This implies a protracted pause in interest rate increases and, more importantly, less quantitative tightening, if any. There is as yet little evidence of a deterioration in the US economy, although most economists are forecasting softness in the global economy including the US. It seems yet another example of asset prices driving policy rather than the other way round. Oil settled above USD60 a barrel on renewed optimism of production cuts, together with increased political chaos in Venezuela. Other commodities gained, but generally less so.

China-related shares contributed positively to performance in January. Wuliangye Yibin, a drinks producer, gained following a positive profits alert, with improving sales and profits, the latter growing almost 40% in 2018. Chailease - a Taiwanese leasing firm whose main growth driver is their Chinese business - also announced results that were comfortably ahead of consensus, driven by lower costs relative to income as well as better asset quality. Brasil Bolsa Balcao, the Brazilian stock exchange operator, also had a good month, driven largely by the bullish sentiment surrounding the country. The shares are a relatively inexpensive and cash generative play on domestic capital markets. The company is being rewarded with a re-rating ahead of both a cyclical recovery and potentially meaningful structural tailwinds as Brazilian capital markets deepen.

On the other hand, Indian names were a drag on performance, largely for the macro reasons referred to above. The share prices of the Fund's holding in Indiabulls Housing Finance and POWERGRID both fell in the month. Indiabulls disclosed that its cash position fell during the most recent quarter. We are now expecting earnings to have fallen during the period. These shares are more volatile than most Indian banks, as seen by the sharp gain in December.

In terms of valuations, forward PE ratios in emerging markets are now in line with longer term averages, having bounced from lows of only 10x at the end of last year. Nonetheless, in relative terms, the emerging market discount to developed markets remains higher than average. The fixed income markets also offer encouragement to emerging market equities, with a very sharp compression in spreads (yields relative to US treasuries) during the month. This suggests a more favourable pricing of fundamental emerging market risk by investors.

## SUBSCRIPTION INFORMATION

	B Acc Shares	B Dist Shares	N Acc Shares	R Acc Shares	R Dist Shares
Minimum Subscription	GBP 5,000	GBP 5,000	EUR 1,000,000	EUR 5,000	EUR 5,000
Additional Subscriptions	GBP 100	GBP 100	EUR 1,000	EUR 100	EUR 100
Annual Management Fee	1.00%	1.00%	1.25%	1.75%	1.75%
Performance Fee	No	No	No	No	No
Front-end Load	Up to 5%	Up to 5%	Up to 5%	Up to 5%	Up to 5%
WPKN Code	A110R6	A12DGT	A1CZJJ	A1CZMK	A1CZML
ISIN Code CHF	IE00BKX57Y42	IE00BKX57Z58		IE00BKX58072	IE00BKX58189
EUR	IE00BBPLSG61	IE00BBPLSJ92	IE00B3MQTC12	IE00B670Y570	IE00B671B485
GBP	IE00B8260R81	IE00B8QB4001	IE00B53FMY46	IE00B5910H59	IE00B4TFBZ51
USD	IE00BBPLSH78	IE00BBPLSK08	IE00B53GDK00	IE00B57ML554	IE00B58H2N45
Bloomberg Code	MEMDBAS	MEMDBDS	MAGEMNA	MAGEMRA	MAGEMRD
Valor Number EUR	22127774	22908944	11378786	11378804	11378813

N Class Distribution Shares also available. A full NAV history of all share classes is available on [uk.fieracapital.com](http://uk.fieracapital.com)

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