

# MAGNA EMERGING MARKETS DIVIDEND FUND

EUR

## FUND DETAILS

Structure	UCITS
Domicile	Ireland
Registrations	AT CH DE DK ES FI FR GB IE IT LU NL NO 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	47
Cash Weight	2.5%
Volatility	12.4%
Active Money	87.5%
Information Ratio	0.38
Beta	0.92
Fund Size	EUR 305.9m
Portfolio Managers	Ian Simmons and team

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

## DIVIDENDS

Historic Yield	Fund: 3.8% 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

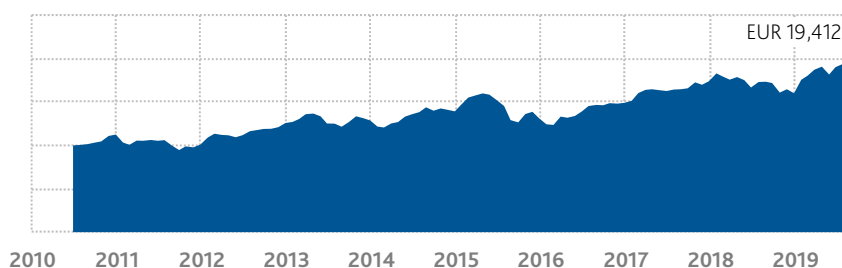
## GROSS FUND PERFORMANCE (%)

Period to 31 July 2019	1M	3M	6M	YTD	1Y	2Y	3Y	5Y	10Y	SI
Magna Emerging Markets Dividend Fund	2.02	1.69	10.45	21.11	12.14	8.63	10.06	6.99	NA	7.58
MSCI Emerging Markets Index	1.03	-2.03	3.51	12.16	2.80	3.97	8.57	5.66	NA	4.96
Added Value	0.99	3.73	6.94	8.95	9.35	4.65	1.50	1.33	NA	2.62

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 31 Dec 2018. A copy of the verification report and a presentation that adheres to GIPS standards are available upon request to the Marketing Department.

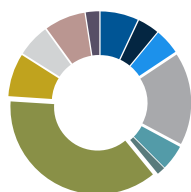
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## TOP HOLDINGS

Company Name	Country
Chailease	Taiwan
China Construction Bank	China
China Mobile	China
POWERGRID	India
ICTSI	Philippines
Ping An	China
CNOOC	China
TSMC	Taiwan
<i>In alphabetical order</i>	
Combined weight of top 8	36%

## SECTOR EXPOSURE (%)



Energy	7.0
Materials	4.0
Industrials	4.7
Consumer Discretionary	17.2
Consumer Staples	4.7
Health Care	1.5
Financials	36.9
Information Technology	8.0
Communication Services	6.0
Utilities	7.5
Real Estate	0.0
Cash	2.5
Total	100.0

## COUNTRY EXPOSURE (%)



Brazil	9.9
China	33.1
India	7.5
Korea	6.8
Mexico	2.6
Peru	1.5
Philippines	5.7
Russia	8.4
South Africa	3.9
Taiwan	8.5
Others (inc Cash)	12.0
Total	100.0

## COMMENTARY

After an unproductive G20 meeting between Presidents Trump and Xi, of the US and China respectively, emerging markets drifted lower in July. Investors expecting an interest rate cut of 0.5% from the US Federal Reserve at month end were also disappointed.

In this environment, those markets more detached from the trade wars delivered better returns. A growing consensus of further cuts from the Fed and contained inflation will also allow emerging market central banks to follow suit in order to address their slowing economies.

Brazilian holdings benefited from both these factors in the month with further gains for the year as local investors continue to rotate from high fixed income allocations towards equities. We increased exposure via a position in IRB Brasil RE, Brazil's largest reinsurance company which became fully privatised with the sale of the government's stake at an attractive discount. As the wider market rallied on the back of reform momentum we trimmed positions in Brasil Bolsa Balcao and CTEEP, both up in excess of 40% for the year.

Positive stock selection in a flat Chinese market was largely offset by the zero weights in Tencent and Alibaba, neither of which pay meaningful dividends. China Gas, led the way. While underlying operations are utility-like in nature it is a company still very much in growth and optimisation mode which saw earnings grow 30% with recent results. This is an example of our approach to the Chinese market in uncertain times. We believe there will continue to be pockets of growth and resilient activity which are aligned with policy, or benefit from structural trends even while the economy slows. In a USD 14 trillion economy, we only need to identify a handful of such companies for our concentrated portfolio. We have continued to reduce our Chinese bank exposure.

The Korean market is struggling in the face of a global trade slowdown and India was an underperformer on the back of a continued post-election slump in economic activity and political actions which could raise tensions with Pakistan. Neither market is characterised by an abundance of yield and our underweights added value. However, recent conversations with leading private bankers in India have suggested that we are close to the bottom of the cycle and our financial services position should benefit from a normalisation of the funding environment.

Central banks around the world are flagging a period of rate cuts. This should see developed and emerging market savers alike cast their net wider in search of attractive and growing dividends, especially when comparing these yields with real rates on offer in the bond markets. In uncertain times dividends provide a marker of quality and defensiveness. They demonstrate a business generating enough cash to return a portion to minorities, and in the companies we look for, to also retain a portion for reinvestment for further growth. Companies in the portfolio today are still expected to grow earnings close to 10% for 2019, significantly more impressive than the latest benchmark expectations of a 4% decline. With an average 4.5% yield on the portfolio today this seems an attractive prospect in uncertain times.

## 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	IE00BPLSH78	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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