

# 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	45
Cash Weight	2.7%
Volatility	12.4%
Active Money	87.9%
Information Ratio	0.22
Beta	0.91
Fund Size	EUR 289.6m
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: 4.0% 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 May 2019	1M	3M	6M	YTD	1Y	2Y	3Y	5Y	10Y	SI
Magna Emerging Markets Dividend Fund	-4.75	0.73	10.31	13.44	3.72	5.41	10.72	6.40	NA	6.93
MSCI Emerging Markets Index	-6.73	-2.42	2.96	6.79	-4.36	2.50	9.85	5.99	NA	4.48
Added Value	1.98	3.15	7.35	6.65	8.07	2.91	0.88	0.41	NA	2.46

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.

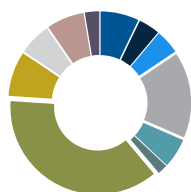
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## TOP HOLDINGS

Company Name	Country
Chailease	Taiwan
China Construction Bank	China
China Mobile	China
CNOOC	China
ICTSI	Philippines
Ping An	China
POWERGRID	India
TSMC	Taiwan
<i>In alphabetical order</i>	
Combined weight of top 8	37%

## SECTOR EXPOSURE (%)



Energy	7.1
Materials	4.0
Industrials	4.5
Consumer Discretionary	15.9
Consumer Staples	5.5
Health Care	1.9
Financials	37.2
Information Technology	8.3
Communication Services	6.0
Utilities	7.0
Real Estate	0.0
Cash	2.7
Total	100.0

## COUNTRY EXPOSURE (%)



Brazil	8.5
China	33.5
India	8.1
Korea	7.1
Mexico	2.7
Peru	1.5
Philippines	6.0
Russia	8.3
South Africa	4.0
Taiwan	8.7
Others (inc Cash)	11.7
Total	100.0

## COMMENTARY

Global equity markets had a torrid time in May, with emerging markets unsurprisingly underperforming. The month was bookended by anti-trade statements from Donald Trump. Early in the month, he made it clear that the prior consensus of a forthcoming resolution to the trade conflict with China was overly optimistic, with the increase in tariffs from 10% to 25% on USD200bn of imports from China. At the end, he unexpectedly slapped tariffs on imports from Mexico, due to the latter's failure (in his view) to stem the tide of immigration from across its 2,000 mile border with the US. Economic data are showing weakness in both emerging and developed economies, while earnings estimates are being revised downwards. Russia continues its surprising role as a safe haven, despite a sizeable correction in the oil price, Brent falling 12%, and almost all other commodities. Equally surprisingly was that the Turkish lira was the best performing emerging market currency, albeit following a lengthy period of weakness. Brazil was virtually the only other major emerging market to gain in the month, on optimism surrounding much-needed budget reform. By contrast China, Taiwan and Korea fell sharply on those trade concerns.

Of the leading Asian economies, China, Korea and Taiwan have all recently released contractionary manufacturing purchasing manager surveys. In China's case, this was below expectations. The composite indicators, which include services, remain positive but less so than earlier in the year.

More positively for the market, India's prime minister Narendra Modi was re-elected with a larger-than-expected majority. The economy is in a cyclical lull. The vote seems to give Modi the mandate for pro-growth policies which will create jobs. These include reducing the complexity of doing business in India, as well as policies aimed at the rural sector and infrastructure. India's stock market is seen as a safe haven from the US/China conflict.

The portfolio outperformed its benchmark during the month, even though Consumer Discretionary, an overweight sector, was the worst performing sector in emerging markets in May and despite our overweight in China.

Given the backdrop, it was no surprise that Indian holdings topped the positive contributors to performance while China-related names were among the leading detractors. On the plus side, Indiabulls Housing Finance and POWERGRID performed well. Not holding Alibaba and Tencent, two large index components, also helped relative returns. By contrast two Macau casino and hotel operators, Sands China and Wynn Macau, fell sharply due to concerns about a slowdown in discretionary spending. Wynn's results were slightly below par, with top-end customer bookings less than expected. However, our long-term thesis for Macau is based more on the expansion of the middle-income mass market.

We have recently added new names to the portfolio. Two are in China: Shenzhou International, which makes clothing for the likes of Adidas and Nike, and China Gas. The latter is a structural growth story as rural China switches from coal to gas, with returns and the payout ratio likely to improve over time. Both are in our view are somewhat defensive yet, in line with almost every China stock in the portfolio, demonstrate structural growth. The domestic focus means that the businesses we own in China are little impacted by the US tariffs. Outside China, we also have limited exposure to the Huawei dispute: TSMC should see only a minor negative impact while Samsung Electronics is in fact a beneficiary. The other two new positions were Santander Chile, and Arezzo, a mid-cap Brazilian footwear retailer, both of which we have known for many years. They were funded by reduction in some positions, notably China Construction Bank and Banorte.

## 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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