

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	42
Cash Weight	3.3%
Volatility	12.1%
Active Money	89.2%
Information Ratio	0.08
Beta	0.91
Fund Size	EUR 327.0m
Portfolio Advisors	Mark Bickford-Smith and team

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

DIVIDENDS

Historic Yield	Fund: 3.6%	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.

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 29 March 2018	1M	3M	6M	YTD	1Y	2Y	3Y	5Y	10Y	SI
Magna Emerging Markets Dividend Fund	-1.92	1.06	6.01	1.06	7.20	14.90	3.68	5.27	NA	7.56
MSCI Emerging Markets Index	-2.81	-1.11	4.59	-1.11	8.50	16.47	3.96	5.91	NA	5.60
Added Value	0.89	2.17	1.41	2.17	-1.29	-1.56	-0.29	-0.64	NA	1.97

Calendar Year	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Magna Emerging Markets Dividend Fund	16.77	13.94	-6.09	8.12	2.30	24.79	-10.34	NA	NA	NA
MSCI Emerging Markets Index	20.59	14.51	-5.23	11.38	-6.81	16.41	-15.70	NA	NA	NA
Added Value	-3.82	-0.57	-0.87	-3.26	9.11	8.38	5.35	NA	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 Jun 2017. 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
Indiabulls Housing Finance	India
Ping An	China
Samsung Electronics	Korea
TSMC	Taiwan
<i>In alphabetical order</i>	
Combined weight of top 8	41%

SECTOR EXPOSURE (%)



Energy	10.0
Materials	3.4
Industrials	5.0
Consumer Discretionary	15.9
Consumer Staples	2.0
Health Care	0.0
Financials	36.3
Information Technology	11.3
Telecommunication Services	8.1
Utilities	4.7
Real Estate	0.0
Cash	3.3
Total	100.0

COUNTRY EXPOSURE (%)



Brazil	10.4
China	26.9
India	8.6
Korea	8.1
Mexico	4.6
Philippines	2.0
Russia	7.0
South Africa	3.8
Taiwan	12.1
Turkey	5.4
Others (inc Cash)	11.2
Total	100.0

COMMENTARY

The increase in market volatility accelerated in March, as the announcement of import tariffs by the US has increased concerns of trade wars. China's response so far to the tariffs has been restrained and the economic impact of these steps is likely to be insignificant. The larger concerns are that they signal a move away from globalisation and that barriers to trade will rise over time, even if the losers include US consumers and US business such as General Motors with significant domestic business in economies like China. We do not share the view that "trade wars are good, and easy to win". A targeted approach towards trade restrictions will inevitably lead to unintended consequences: the uncertainty about what those consequences will be is a main cause of the weakness in stockmarkets that we've seen in recent weeks. The month also saw the positive news of a meeting between the leaders of the two Koreas followed by one between Kim Jong-Eun and Trump. The anticipated interest rate increase announced by the new Federal Reserve Board was almost lost in the political noise coming from Washington: it remains to be seen if this, rather than trade noise, has the greater impact on markets in the longer term. Meanwhile, the conclusion of the twice-a-decade National Party Congress in China was to strengthen Premier Xi Jinping's position.

Emerging markets fell in the month, but outperformed developed markets. For the quarter as a whole, they remain slightly higher in US dollar terms, in contrast to the weakness in developed markets. Consumer discretionary stocks had a poor month while Tech sold off around the world in response to a scandal concerning the misuse of data originally from Facebook. Oil held firm, supported by agreement between Saudi Arabia and Russia. By country, Korea gained – an unintended consequence of the US's trade pressure on China has been to improve relations between the latter and Korea – as did some of the smaller markets, while Indonesia and Turkey were among the laggards.

The Fund outperformed the index again during the month, capping a good first quarter. Financials have done especially well, but the sources of performance have been widespread. Having suffered in relative terms in the last two years from not being able to own some large tech and internet names, it is encouraging that the drivers over the first quarter were stocks we do own rather than those we don't.

Kenya's Equity Bank was the sharpest gainer in March. The IMF has been pressuring the country to repeal the law which caps interest rates, and the government has started to do this. Chailease, the Taiwanese leasing company, did well once again, cementing its status as one of the best performing stocks in the portfolio over the last two years. Earnings per share grew 31% last year, while the first two months of 2018 have seen this growth continue. The first half of this year is likely to continue to see strong trading for the business: by our forecasts, the shares trade at just 10x 2019 earnings, with a dividend yield of over 5%.

Astro, the Malaysian pay TV operator, extended its February weakness. Part of this was no doubt linked to the fall in tech and media stocks in the US. The latest annual results were moderate, with stagnant sales, but cost operating margins are rising and the growth rate in EPS over the last 5 years is 15%, which is more than reasonable. With a stronger ringgit, a recovery in consumption and firmer commodity prices, the company should be able to produce better numbers. Brazilian airmiles operator Smiles's shares responded to a surprise lowering of the dividend. The news overshadowed positive operating momentum and, having met the company again in the month, we have maintained our position with the stock down to 13x PE.

Although the latest reporting period is likely to have been the first in six quarters in which earnings did not exceed consensus forecasts – misses driven almost entirely by Korea – there were further upward revisions in EPS for 2018. Unusually, in a period of global volatility, the performance of emerging markets equities has been almost serene. They remain marginally up so far this year, while developed markets have fallen.

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

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