

SKERRYVORE GLOBAL EMERGING MARKETS ALL-CAP EQUITY FUND  
C SHARE CLASS

# Monthly Report

Report for the month ended 31 May 2025



**Skerryvore**  
ASSET MANAGEMENT





## Monthly Report

Report for the month ended 30 May 2025

### THE FUND AT A GLANCE

Feature	Fund Facts
APIR code	BFL3229AU
Benchmark	MSCI Emerging Markets Index (AUD)
Active stock limit	+10%
Cash	0-10%
Recommended investment period	Long term (five years plus)
Buy/sell spread	+/-0.25%
Entry/exit fees	Nil
Management fees & costs*	1.10% p.a. of Net Asset Value of the fund

### C SHARE CLASS - PERIOD RETURNS TO 30 MAY 2025

	1 Month (%)	3 Month (%)	6 Month (%)	1 Year (%)	2 Year p.a (%)	3 Year p.a (%)	Since Inception p.a (%)
Fund (net)	-0.60	5.04	9.64	11.25	9.50	11.40	5.95
Benchmark <sup>1</sup>	3.67	2.72	9.91	16.81	13.01	9.02	3.22
Value Added	-4.27	2.32	-0.27	-5.57	-3.50	2.38	2.73

### ABOUT US

We are an independent investment management boutique established in Edinburgh in 2019. Our sole focus is emerging markets equities. Our core investment team has been together a decade with an average of over 17 years investment experience.

### INVESTMENT PHILOSOPHY

Our philosophy stresses the importance of alignment. We invest alongside managers and owners with good reputations that share our belief in a long-term approach to investment - the strategies have a history of preserving as well as growing client capital by investing alongside owners and managers with a record of integrity and delivery.

### INVESTMENT OBJECTIVE

Achieve long-term capital appreciation through investing in companies, operating in, or exposed to, emerging markets

### PORTFOLIO MANAGERS

Glen Finegan  
Lead Portfolio Manager

Nicholas Cowley  
Portfolio Manager

Michael Cahoon  
Portfolio Manager

1. MSCI Emerging Markets Net Total Return Index (AUD). The Index captures large and mid-cap representation across emerging market countries. (MSCI EM Net Total Return Index (AUD)).

2. Inception date – 03 August 2021

Past performance does not predict future returns

\*Management fees and costs consist of annual management fee rate and capped recoverable expenses. For a detailed split of the fees and costs, please refer to the fund(s) PDS.

## KEY CHARACTERISTICS

Number of holdings	50
Number of countries	19
Number of sectors	8
Number of industries	25
7-day liquidity (%)	96
Average market capitalization (\$m)	46,836
12 months trailing turnover (%)	24
Active share (%)	91

## TOP 10 COUNTRY WEIGHTS

Country	Fund (%)	Benchmark (%)
India	21.49	18.65
Taiwan	11.42	18.52
Mexico	10.69	2.06
Brazil	8.09	4.36
China	7.63	28.20
South Africa	6.84	3.25
Canada	3.83	0.00
Chile	3.50	0.46
Greece	3.43	0.63
Netherlands	2.94	0.00
Cash	2.58	0.00

## SECTOR WEIGHTS



## HOW TO INVEST

The fund is open to investors directly via the PDS (available on our [website](#)) or via the following platforms: AMP North - BT (Panorama) - Hub24 – Macquarie Wrap - Netwealth – Mason Stevens - Powerwrap – Praemium

Visit [how to invest](#) to find out more.

## FINANCIAL CHARACTERISTICS

	Representative Fund <sup>1</sup>
ROE (Return on Equity) <sup>2</sup>	21.15
ROA (Return on Assets) <sup>3</sup>	6.24
Leverage Ratio	10.39
ROIC Annual (Return on Investment Capital) <sup>4</sup>	9.25
Earnings Growth – 12m fwd*	11.55
Current P/CF – 12m fwd* (Price to Cash Flow)	12.29

## REGIONAL WEIGHTS

Region	Fund (%)	Benchmark (%)
Asia Pacific	49.59	80.65
EMEA	19.59	11.78
Americas	28.24	7.58
Cash	2.58	0.00

## STOCK LEVEL ATTRIBUTION

## TOP DETRACTORS TO RETURN

Name	Contribution (%)
Raia Drogasil	-0.93
Cipla	-0.34
Yifeng Pharmacy Chain	-0.27
Kotak Mahindra Bank	-0.23
United Breweries	-0.16

## STOCK LEVEL ATTRIBUTION

## TOP CONTRIBUTORS TO RETURN

Name	Contribution (%)
TSMC	0.35
Nexon Co Ltd	0.31
Airtac International Group	0.20
Advantech	0.20
MercadoLibre	0.18

## GET IN TOUCH



[skerryvoream.com](http://skerryvoream.com)



1800 895 388 (AU) or 0800 442 302 (NZ)



[client.experience@bennelongfunds.com](mailto:client.experience@bennelongfunds.com)

1. A representative global portfolio was used to illustrate this fund.  
 2. Return on Common Equity is calculated as of the date of analysis as [(Trailing 12M Net Income (Losses) - Trailing 12M Total Cash Preferred Dividends) / Average Total Common Equity]  
 3. Return on Assets (in percentage) is calculated as of the date of analysis as [(Trailing 12M Net Income (Losses) - Trailing 12M Total Cash Preferred Dividends) / Average Total Assets]  
 4. Trailing 12M Net operating profit after tax / Average invested capital  
 \* These are forward looking, based on certain assumptions and subject to certain known and unknown risks and should not be relied upon as being indicative of future performance or events

## GEM All-Cap Equity Fund

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### POSITIONING & STRATEGY

The fund's objective is to achieve long-term capital appreciation through investing in companies operating in, or exposed to, emerging markets.

### COMMENTARY

Global emerging market equities rose in Australian dollar terms during the period. The fund fell in value and underperformed the benchmark index<sup>1</sup> as markets rallied on hopes that trade tensions may have eased somewhat.

### HOLDING LEVEL COMMENTARY

The top contributors to performance were **Nexon** and **Jeronimo Martins**, the former garnering a positive response to their upcoming video game release and the latter reporting a recovery in margins in their latest quarterly results.

The holding in Brazilian pharmacy operator **Raia Drogasil** had a significant negative impact as its shares fell sharply on the back of a lacklustre earnings release. A strong Taiwanese dollar put **Advantech** and **Airtac** among the top contributors, despite relatively lacklustre local share price performance.

Compared to the index, being underweight **TSMC** had a significant negative impact on relative returns. A broader rally in Taiwanese AI exposed stocks, plus the strong move in the Taiwanese dollar accounted for much of the month's underperformance.

We continued to reduce **Coca-Cola HBC** into a strong rise in its share price and redeployed some of the proceeds into cheaper Latin American Coca-Cola bottlers. We also trimmed some **Cipla** after another strong set of results.

In Brazil we added a new holding in **Sendas Distribuidora**, which operates the popular Assai chain of cash and carry retail stores, and added to Raia Drogasil as its share price fell. The Brazilian market remains quite out of favour with investors as very high interest rates curb demand.

Finally, we added a new holding in medical device maker **Shenzhen Mindray** as its valuation began to reflect the challenging outlook for domestic demand in China. We have been watching this well-run company de-rate over the last four years.

### OUTLOOK

In an increasingly capricious political environment strong corporate governance is more important than ever to protect investors. We actively seek out owners and management teams with long track records of treating all their stakeholders fairly.

Many years' experience of investing in inflation-prone emerging markets has taught us to seek out companies with strong pricing power. A proven ability to create intellectual property, ownership of strong brands and well-managed retail franchises are some of the attributes of companies we have seen navigate previous periods of inflation. Regulated assets or assets at high risk of being regulated often lack pricing power, which can leave them more exposed to inflationary pressures, and for that reason we have tended to avoid holding these in our portfolios.

The fund has a significant exposure to high quality domestic franchises such as leading retailers and soft drinks makers. These may prove to be more defensive in the current period of trade friction and are also beneficiaries of the demographic opportunity available in some emerging markets.

Finally, strong balance sheets help companies weather economic cycles, and as a result we won't invest in businesses with a record of excessive borrowing. Most importantly our investment philosophy and process are designed to weather stormy waters. Historically these storms have originated within our own markets, but developed markets are the source of the current bout of volatility.

We believe valuations for businesses within our portfolio look attractive on an absolute basis and the long-term return opportunity in emerging markets continues to be an attractive one.

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1. MSC Emerging Markets Net Total Return Index (AUD) as of 30 May 2025

## Disclaimer

### Information for investors in Australia and New Zealand

This document is issued by Bennelong Funds Management Ltd (ABN 39111214085; AFSL 296806) (“BFML”). BFML has appointed Skerryvore Asset Management Ltd (formerly BennBridge Ltd) (“Skerryvore”) as the Fund’s Investment Manager. Skerryvore is authorised and regulated by the United Kingdom’s Financial Conduct Authority (Firm Reference Number: 769109) and is registered as an investment adviser with the U.S. Securities and Exchange Commission (“SEC”) and operates from 45 Charlotte Square, Edinburgh, Eh2 4HQ, United Kingdom. Skerryvore is a Corporate Authorised Representative of BFML (AFSL Representative No. 1281639).

Effective 1 August 2024, following regulatory approval, from the UK’s Financial Conduct Authority, Skerryvore became a wholly owned subsidiary of Skerryvore AM LLP.

Skerryvore may be referred to herein as the Investment Manager or Firm. The registered office of the Firm is Windsor House, Station Court, Station Road, Great Shelford, Cambridge CB22 5NE. Collectively, BennBridge and Skerryvore are referred herein as the Investment Manager or Firm. The registered office of the Firm is Windsor House, Station Court, Station Road, Great Shelford, Cambridge CB22 5NE.

Skerryvore AM LLP is majority owned by eight partners, with Bennelong Funds Management Group Pty Ltd, the parent company of BFML, holding a minority stake in Skerryvore.

In addition, BFML has been appointed to act as a distributor for the Firm in relation to this Fund in Australia and New Zealand and with regards to the Firm’s strategy(s) in certain other Agreed Jurisdictions as defined in a distribution agreement dated 1 August 2024.

For the purposes of this disclaimer “Fund” refers to the fund and/or share class described herein.

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Among the risks we wish to call to the particular attention of prospective investors are the following:

- Investments in Emerging Markets can involve a higher degree of risk.
- The Fund’s investment programme is speculative in nature and entails substantial risks.
- The investments of each Fund may be subject to sudden and large falls in price or value and there could be a large loss upon realisation of a holder’s investment, which could equal the total amount invested.
- The Fund does not hedge currency exposure. If the currency of the share class is different from the local currency in the country in which you reside, the figures shown in this document may increase or decrease if converted into your local currency.

## Disclaimer

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- The Fund may be leveraged.
- A substantial portion of the trades executed for the Fund take place on non-AUS exchanges.
- The use of a single adviser group could mean a lack of diversification and, consequently, higher risk, and may depend on the services of key personnel, and if certain or all of them become available, the Fund may prematurely terminate.
- An investment in the Fund is illiquid and there is no secondary market for the sale of interests in the Fund and none is expected to develop.
- There are restrictions on transferring interests in the Fund.
- The Fund is not a mutual fund pursuant to, and therefore is not subject to regulation under, the United States Investment Company Act.
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