

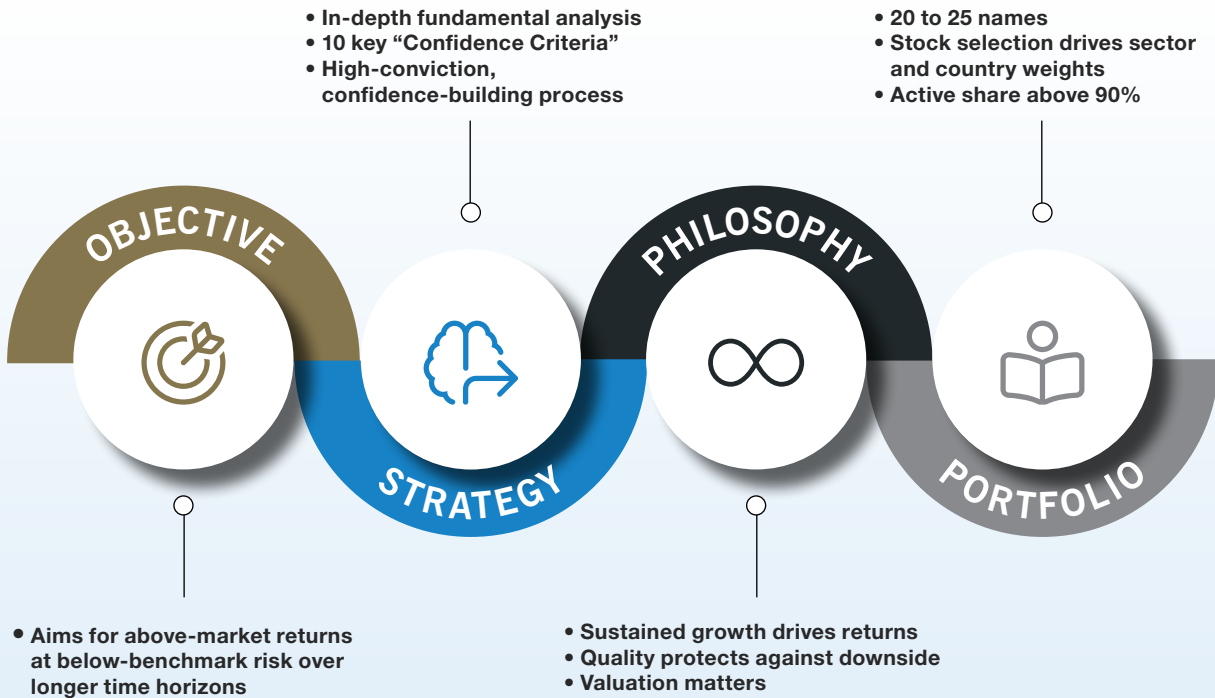
# The Fund of the Future

**GuardCap Global Equity Fund**

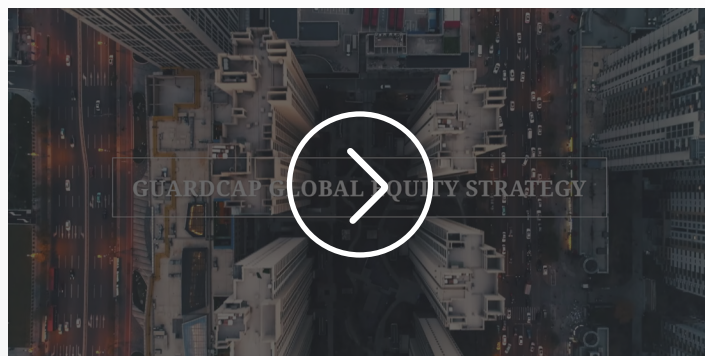


## Being Different by Being Patient

The GuardCap Global Equity Strategy offers a highly differentiated approach to the challenge of equity investment. It is not a typical “growth” or “value” strategy, but instead it attempts to exploit a pervasive, ongoing failure of equity markets: that they focus too much on the “here and now” or the short-term future. As a result, the markets generally undervalue companies today that will be thriving in the future. The strategy seeks to produce strong returns when compared to the market by looking further ahead: long-term thinking, long-term forecasting and long holding periods enable us to find the real value in companies that short-term market traders miss.



## The GuardCap Global Equity Strategy explained in 90 seconds



# Who are the Companies of the Future?

We strictly apply a set of 10 growth and quality criteria to ensure we are selecting companies that will still be thriving in 5 to 10 years. The investment process involves a “Total Immersion Analysis” of each company. We take a year, sometimes more, to build conviction that the company meets our strict criteria and, most importantly, that it will continue to grow over the long term.

One of these key criteria is “Secular Growth Tailwind” – we don’t just invest in great companies, but great companies in industries that will grow over the long term and not be overly subjected to economic downturns. Some examples of companies in the GuardCap Global Equity Strategy<sup>1</sup> and the secular growth trends they are exposed to, are set out below:

COMPANY	ESSILORLUXOTTICA	ILLUMINA	BOOKING HOLDINGS	ALPHABET	NOVO NORDISK®
PRODUCT/ SERVICE	Glasses and prescription lenses	Genomic sequencing	Digital travel websites, including booking.com	10 digital assets with more than 1 billion users	World’s leading supplier of treatments for diabetes and other illnesses
SECULAR GROWTH DRIVER	2.5 billion people have uncorrected vision today	Personalised medicine and opportunities in reproductive health and cancer screening	Global travel growth/switch to online booking and away from travel agents	Digitisation of advertising	Growth of obesity through unhealthy lifestyles and consequently greater incidence of diabetes

<sup>1</sup> As of 31 December 2022

# What Does the Future Look Like?

Whatever your vision of the future is, one thing is certain: the commercial world is changing.

Major new trends are emerging at an alarming rate and computing power has, for many years now, been growing exponentially. The next 20 years promise more change in the global business landscape than we have seen in the last 100. We believe that several of the major companies of today will simply cease to exist (at least in their current form) in as little as 5 years.

When considering your existing equity portfolios, it is worth asking this question: will all of the companies in these portfolios still be thriving in 5 to 10 years? Or will they be superseded by new trends and new technologies? The leading mobile communications company 10 years ago, with over one billion users, was Nokia. The leading provider of photographic

consumables for most of the 20th century - Kodak. Both companies are now a shadow of their former selves.

***“For us, it is not enough to just understand the future of the company. We also have to understand the future itself—the environment that our companies will face in the years to come. That’s why we have DORA...”***

Our work is all about the future – we believe companies that are still doing well in 5 to 10 years will likely be good investments over that timeframe and potentially beyond. To build conviction in the case for each company, we learn from the past and set out to understand the future – not just of our companies, but of the world they will be competing in. The GuardCap Global Equity Strategy is designed for the long term. It is all about the future.

## DORA Days: Our Vision of the Future

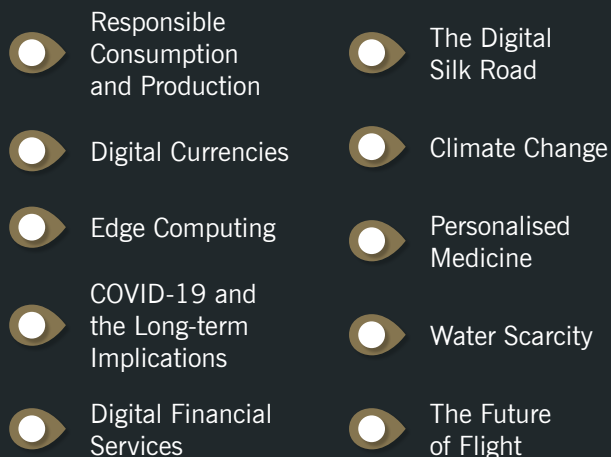
“Day Out Researching Anything”

The investment team will examine a likely long-term secular growth trend, spending a day out of the office to consider it and other trends to determine whether there are companies benefiting from these trends that merit further investigation.

Perhaps more importantly, the team also considers whether the trend in question represents a threat to the longer-term future of any of the companies that we invest in – will a new technology or trend disrupt one or more of the stocks held in the strategy?

Our library of “DORA Days” papers includes over 80 publications.

## Topics have included:



## Since Inception:<sup>2</sup>

- Strong outperformance vs. MSCI World Index
- A quality bias and focus on long-term secular growth trends has provided meaningful downside protection since launch
- Strong outperformance in down years
- High active share (95%) with long holding periods: turnover between 10-20% per annum

# How do we differ from our Competitors?

## GENUINE LONG-TERM THINKING

The question we ask is, "Will the company still be growing in 5 years and 10 years?" Long-term thinking, long-term forecasting and long holding periods enable us to benefit from the market's short-termism.

## NO COMPROMISE COMPANIES

Our investment processes are extremely rigorous and detailed, and fully backed by in-depth written reports and models prepared on each company considered for inclusion. We are highly selective and will never compromise on sustainable growth, quality or valuation.

## REAL TEAMWORK

Our team works in a highly collaborative way to ensure that the diverse perspectives of people with different ages, experience, gender, education, skills and nationalities are brought to bear on each stock - we think the best teams are made of people who work closely together, but think differently from each other.

## Experience Matters – GuardCap Asset Management Limited



**Michael Boyd**  
Investment Manager

- 30+ years of investment experience
- Honours degree in Economics from Heriot-Watt University in Edinburgh, and qualified as an Associate of the Institute of Bankers in Scotland



**Giles Warren**  
Investment Manager

- 20+ years of investment experience
- Honours degree in Politics and Economic History from Edinburgh University, and an Associate of the Society of Investment Professionals



**Bojana Bidovec, CFA**  
Investment Manager

- 10+ years of investment experience
- Degree in Banking and Finance from the University of Ljubljana in Slovenia, and an MBA from London Business School
- CFA® charterholder



**Orlaith O'Connor, CFA**  
Investment Manager

- 10+ years of investment experience
- Honours degree in Economics and Mathematics from the National University of Ireland in Galway, and holds an MPhil in Economics from the University of Cambridge
- CFA® charterholder

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