

Global Equity Fund

FUND FACTS

Invst Style	Agnostic
Assets	\$157.6 M
Investment Horizon	4-5 years
Distributions	Generally annually
Mgt fee*	0.99%
Performance fee	N/A

GLOBAL EQUITY FUND

APIR	IML0341AU
Inception date	1-Nov-18
Application (ex)	1.8076
Redemption (ex)	1.8022

QUOTED MANAGED FUND

APIR	IML3289AU
ASX ticker	LSGE
Inception date	1-Oct-21
NAV	2.6837

*Inclusive of the net effect of GST

Global Equity Fund performance is the performance of the unlisted class of units and may be a useful reference point for the newer quoted class of units in the Fund. However, you should be aware that the quoted class of units in the Fund is new and has limited performance history. The past performance for the unlisted class of units in the Global Equity Fund is NOT the past performance of the Quoted Managed Fund.

THIS REPORT IS FOR THE UNLISTED AND QUOTED CLASS OF UNITS IN THE LOOMIS SAYLES GLOBAL EQUITY FUND ('FUND')

- Loomis Sayles Global Equity Fund is the unlisted class of units
- Loomis Sayles Global Equity Fund (Quoted Managed Fund) is the quoted class of units

Market Conditions

The fourth quarter marked a strong end to the year, with global equity markets up high-single digits (as measured by the MSCI All Country World Index AUD). Investors seemed to take the Federal Reserve's announcement of ending asset purchases and increasing rates in 2022 in their stride. There was, however, a pronounced disparity in performance among sectors; the Information Technology sector registered double-digit returns, while the Communication Services sector declined, and the Energy and Financials sectors posted low-single digit returns.

Portfolio Review

The Loomis Sayles Global Equity Fund returned 8.1% (AUD, net of fees), outperforming the MSCI All Country World Index (Net) return of 6.0% (also in AUD terms). Relative results were driven by security selection in the Health Care sector, followed by the Consumer Staples and Materials sectors. The Communication Services, Industrials, lack of exposure to Energy, and Financials sectors also contributed on a relative basis. Security selection in the Consumer Discretionary and Information Technology sectors detracted from relative returns, as did not having direct exposure to the Utilities and Real Estate sectors.

PERFORMANCE AS AT DEC 31, 2021

BENCHMARK MSCI AC World Index

TOTAL RETURN**	1-MTH	3-MTHS	6-MTHS	1-YR	2-YR^	3-YR^	SINCE INCEPTION^*
GLOBAL EQUITY FUND	+0.4%	+8.1%	+11.9%	+30.1%	+18.5%	+24.4%	+20.8%
QUOTED MANAGED FUND	+0.6%	+8.4%	-	-	-	-	-
BENCHMARK***	+1.4%	+6.0%	+9.0%	+25.8%	+15.4%	+19.1%	+16.2%

^% Performance per annum.

*Since inception returns calculated from November 1, 2018 (Global Equity Fund); October 1, 2021 (Quoted Managed Fund). **Fund returns are calculated using the net asset value per unit at the start and end of the relevant period in AUD, net of management fees, and assuming all distributions are re-invested. Investors should be aware that past performance is not a reliable indicator of future performance. Returns can be volatile, reflecting rises and falls in the value of underlying investments.

***The benchmark for this Fund is the MSCI All Country World Index NR (MSCI AC World)

RESEARCH




PLATFORMS

AMP	Powerwrap
Asgard	MLC Wrap
BT Wrap	MLC Navigator
BT Panorama	Macquarie Wrap
Hub24	uXchange
Netwealth	

Leaders

The three largest contributors to performance were Nvidia, UnitedHealth Group, and Accenture.

Shares of Nvidia, a fabless semiconductor company, rose following Facebook's announcement that it would increase its spending on data centre and related infrastructure in 2022, which should drive demand for Nvidia's products. Nvidia also released a strong earnings report later in the quarter, which extended the stock's rally.

Shares of UnitedHealth Group, a leading provider of health insurance and healthcare services in the US, rose after the company reported strong third quarter results and highlighted a robust outlook for 2022. The company's traditional health insurance business continued to perform, highlighted by a return to positive enrolment trends in its employer-sponsored segment, and lower than expected medical costs. There has been progress at OptumCare, its primary care service; the number of patients under full value-based care agreements rose to 2.2 million, up from 1.3 million a year ago. We believe that UnitedHealth's comprehensive set of solutions make the company more valuable than the sum of its parts.

Shares of Accenture, an IT services and consulting firm, outperformed on the back of highly favourable secular trends and strong management execution. Demand for IT services is at a 20-year high and is expected to remain elevated as businesses transform their strategy and operations in light of the pandemic. Accenture's ability to deliver the most comprehensive range of solutions should allow it to continue to grow its revenue above the industry average, even as its annual revenue crossed the \$50 billion milestone. Given this strong competitive positioning and intrinsic growth visibility, the stock remains attractive on our valuation framework.

Laggards

The three most significant detractors from returns were Peloton, PayPal, and Dropbox.

Shares of Peloton, an interactive at-home fitness company, underperformed; the company reported weakening demand for its equipment and ongoing supply chain headwinds. The company's changes to its business model significantly reduced our confidence in our alpha drivers and we consequently eliminated the position.

Shares of PayPal, an e-commerce payments company, underperformed; the company reported weaker-than-expected third quarter results due to slow back-to-school sales and travel spending. We believe however, Venmo's (Venmo is a PayPal service that allows you to easily purchase items and split bills without using a credit card) longer-term growth trajectory is increasingly positive; the company announced a partnership with Amazon which will allow Amazon customers to pay with Venmo on Amazon's website and mobile app. We forecast double-digit revenue growth to be driven by engagement growth, international expansion and monetisation of its Venmo and PayPal digital wallet apps, as well as broad growth in e-commerce spending.

Shares of Dropbox, a leading provider of cloud-based file storage and collaboration software, lagged along with the broader software sector. Dropbox's third quarter results came in better than expected; the company reported the addition of 350,000 new users as well as its highest-ever operating margin, driven by cloud storage's attractive unit economics. On the product side, Dropbox is making progress in its evolution to a multi-product platform; the company shifted more resources to enhancing its mobile experience, and has made progress integrating new products such as DocSend and HelloSign. We believe these strategic investments will differentiate Dropbox in the productivity software space, reduce churn, and lengthen its competitive advantage period.

Outlook

Our investment philosophy is predicated on the belief that investing in companies with multiple alpha drivers, where the risks can be quantified, can help deliver outperformance. We follow a disciplined and repeatable process, investing only in opportunities that meet our three alpha drivers: quality, intrinsic value growth and compelling valuation. This bottom-up approach results in a concentrated portfolio of businesses where we fully understand and have quantified the risks associated with each investment. Our scenario analysis, under which we determine a range of business values, is an integral part of this process. Through this framework, we determine the relative attractiveness of our investments to assist in constructing an optimal portfolio.

The economic outlook in large part continues to depend on the successful management of the pandemic on a global scale. While much of the developed world has made demonstrable progress with a high percentage of the population armed with the more effective MNRA vaccines, other parts of the world with lower vaccination rates and less effective vaccines may struggle to gain control of the virus which, in turn, could exacerbate supply chain issues and associated inflation. The outlook is also reliant on central banks' ability to successfully navigate toward a less accommodative monetary stance. Thus, our focus remains on investing in companies we believe have the ability to manage the current environment and generate value over the longer-term.

We currently hold a diverse group of technology names spanning semiconductor manufacturing and equipment, digital payments, software, and consulting companies. We have select exposure to consumer names we believe are uniquely positioned, companies capturing e-commerce demand, physical retailers with a differentiated value offering and companies with valuable brands. We have focused our healthcare exposure toward higher growth areas in the industry, and away from areas which are exposed to reimbursement risk. We continue to have no direct exposure to energy or utilities sectors, as we typically do not find many opportunities which meet our three alpha drivers.

As the pandemic continues to evolve and central banks begin to withdraw support there could be further volatility in global equities. However, we believe our portfolio of companies have sustainable competitive advantages and strong balance sheets which will prove resilient. This is evidenced by the portfolio's return on equity (ROE), which is meaningfully higher than the MSCI ACWI benchmark, and financial leverage which is significantly less than the benchmark (on a net/debt to EBITDA basis). This allows our holdings the flexibility to weather challenging environments, and quite possibly emerge stronger.

PORTFOLIO DATA AS OF DEC 31, 2021

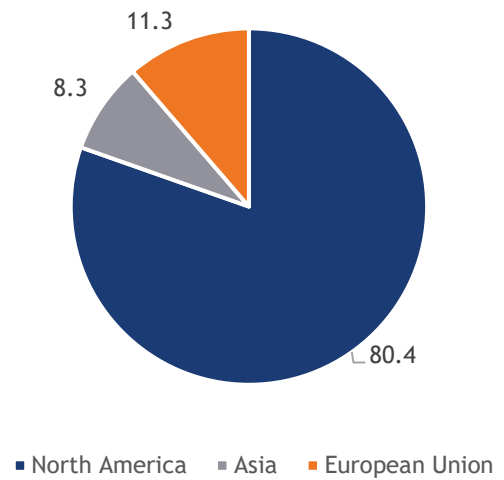
SECTOR ALLOCATION (%)

	Fund	Index
Information Technology	33.2	23.6
Consumer Discretionary	15.3	12.4
Health Care	14.3	11.7
Industrials	9.3	9.6
Communication Services	7.2	8.6
Financials	7.0	13.9
Materials	6.5	4.7
Consumer Staples	6.1	6.8
Energy	--	3.4
Real Estate	--	2.7
Utilities	--	2.7
Cash	1.1	--

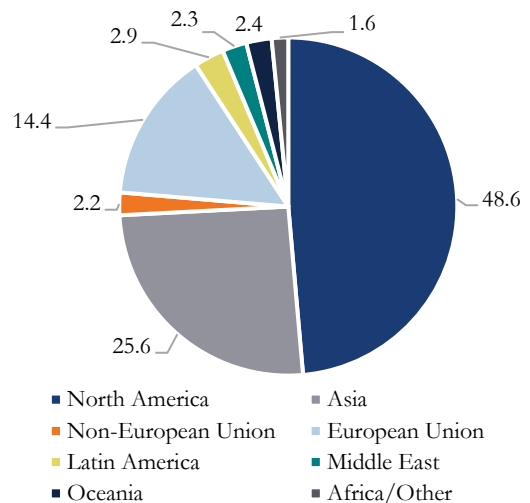
TOP 10 HOLDINGS (%)

	Fund
ASML	4.8
Danaher	4.3
Mastercard	4.3
Alphabet	4.3
Amazon.com	4.2
IQVIA Holdings	4.2
Airbnb	4.1
UnitedHealth Group	3.7
S&P Global	3.6
Linde	3.6
Total	41.0

REGIONAL ALLOCATION BY DOMICILE (%)



REGIONAL ALLOCATION BY REVENUE (%)



PORTFOLIO CHANGES*

New holdings	Mercari, LVMH and Paypal
Sold holdings	Farfetch, Northrop Grumman, M&T Bank, Peloton and Alibaba

ABOUT LOOMIS, SAYLES & COMPANY

Boston-based Loomis Sayles has been managing money for investors since 1926. The firm currently manages over US \$350 billion on behalf of clients worldwide. With extensive resources across the US, Europe and Asia, Loomis Sayles is well positioned to manage global equities and seek long term performance.

* There is a 30 day lag on portfolio changes

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