

# Global Equity Fund

## FUND FACTS

Invnt Style	Agnostic
Assets	\$153.8M
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)	1.5281
Redemption (ex)	1.5235

## QUOTED MANAGED FUND

APIR	IML3289AU
ASX ticker	LSGE
Inception date	1-Oct-21
NAV	2.2725

\*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

Global equity markets struggled in the first quarter of 2022, declining 8.4% (as measured by the MSCI All Country World Index in AUD) as rising inflation, tighter monetary policy and the Russian invasion of Ukraine weighed on investor sentiment.

Most sectors registered declines with the Consumer Discretionary, Communication Services and Information Technology sectors posting double digit losses. The Energy sector, however, posted significant gains driven by a surge in oil prices, as much of the world depends on Russian oil and natural gas.

## Portfolio Review

It was a challenging quarter for both the Loomis Sayles Global Equity Fund and the Loomis Sayles Global Equity Fund (Quoted Managed Fund), declining 15.5% and 15.3% respectively.

The Information Technology, Materials, and Financials sectors were the largest detractors on a relative basis, while the Consumer Discretionary, Communication Services and Industrials sectors fared better.

The Funds lack of exposure to the Energy sector was also a strong headwind given the surge in commodity prices.

## PERFORMANCE AS AT MAR 31, 2022

## BENCHMARK MSCI AC World Index

TOTAL RETURN**	1-MTH	3-MTHS	6-MTHS	1-YR	2-YR^	3-YR^	SINCE INCEPTION^*
<b>GLOBAL EQUITY FUND</b>	-0.5%	-15.5%	-8.6%	+4.9%	+13.3%	+12.2%	+13.5%
<b>QUOTED MANAGED FUND</b>	-0.5%	-15.3%	-8.2%				
<b>BENCHMARK***</b>	-1.3%	-8.4%	-2.9%	+8.8%	+16.3%	+11.7%	+12.1%

^% 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




Ratings issued by Lonsec Research Pty Ltd ABN 11 151 658 561  
AFSL 421 445 (assigned February 2022); Zenith Investment  
Partners AFSL 226872 (assigned November 2021); SQM Research  
Pty Ltd ABN 93 122 592 036. All rights reserved by each research  
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## PLATFORMS

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

## Leaders

Of the Fund's holdings the best performances came from UnitedHealth Group, the healthcare product and insurance company, Costco, the membership based big-box retail store company and AIA Group, the Asian-based insurance and financial services company.

## Laggards

The three most significant detractors from returns were Meta Platforms, Sherwin-Williams, and Home Depot.

Meta Platforms, a leading social network company reported strong fourth quarter results however guidance for 2022 was conservative. Management also provided new commentary on the evolving digital media competitive landscape; while we recognize the risk of new entrants to 'time spent' on Facebook and Instagram, we see lower financial risk due to the difference in use cases. We believe Meta's apps offer durable utility akin to personal email, while competitors' platforms are geared more toward entertainment. New privacy settings introduced by Apple also weighed on shares; we believe the risks are largely transitory.

Shares of Sherwin Williams, a global coatings company, declined due to concerns over raw material cost inflation and supply chain challenges; rising interest rates and their associated impact on the housing market also weighed on shares.

Shares of Home Depot, a home improvement retailer, underperformed along with the broader industry on inflation and interest rates concerns. We believe pricing and increasing number of aging homes in the U.S. is supportive of continued growth, even in the event of a slowdown in housing. The company also has strong growth opportunities in the professional contractor market. We expect intrinsic value growth to be driven by revenue growth and margin expansion via continued enhancements to its supply chain.

## 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.

We expect market volatility to continue as we move further into 2022. Resolution of Russia's invasion of Ukraine does not appear to be imminent, despite increasing support from Western governments; economic sanctions are also likely to escalate, adding to supply chain complexities.

While it has taken a back seat in the headlines, successful management of the pandemic on a global scale remains critical. The developed world has made demonstrable progress in arming their populations with the more effective mRNA vaccines; however, other parts of the world have less effective vaccines with lower vaccination rates.

Both elements have the potential to create an increasingly inflationary environment, which central banks will have to delicately navigate. Despite the uncertainty, our focus remains on investing in companies we believe have the ability to manage the current environment and generate value over the longer-term. Periods of volatility can provide us with the opportunity to build positions in high quality companies at more attractive valuations.

PORTFOLIO DATA AS OF MAR 31, 2022

SECTOR ALLOCATION (%)

	Fund	Index
Information Technology	31.8	22.4
Consumer Discretionary	15.1	11.7
Health Care	14.1	11.9
Industrials	9.6	9.5
Financials	8.8	14.6
Communication Services	7.0	8.1
Materials	6.7	5.0
Consumer Staples	5.2	6.9
Cash	1.8	-
Energy	-	4.3
Real Estate	-	2.7
Utilities	-	2.9

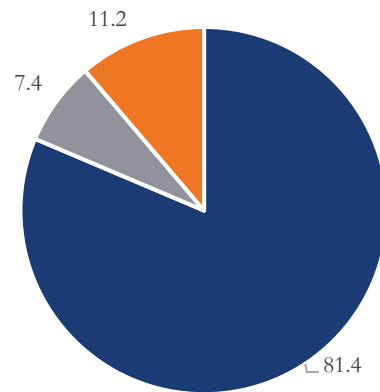
TOP 10 HOLDINGS (%)

	Fund
Amazon.com	4.8
Alphabet	4.8
Airbnb	4.8
ASML	4.7
Mastercard	4.6
Linde	4.4
Danaher	4.2
UnitedHealth Group	3.9
salesforce.com	3.9
IQVIA	3.8
<b>Total</b>	<b>44.0</b>

PORTFOLIO CHANGES\*

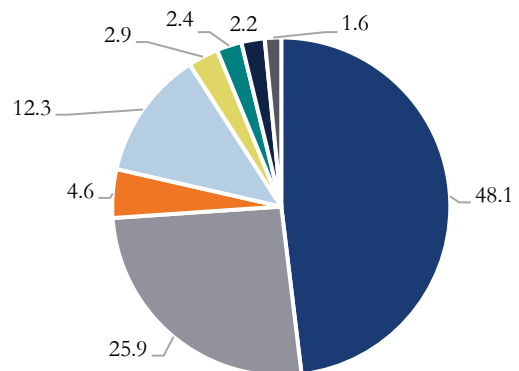
New holdings:	Azenta and Adobe
Sold holdings:	PayPal

REGIONAL ALLOCATION BY DOMICILE (%)



■ North America ■ Asia ■ European Union

REGIONAL ALLOCATION BY REVENUE (%)



■ North America ■ Asia ■ European Union ■ Non-European Union ■ Latin America ■ Middle East ■ Oceania ■ Africa/Other

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 deliver attractive risk-adjusted returns for clients.

\* There is a 30 day lag on portfolio changes

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