

Global Equity Fund

FUND FACTS

Invst Style	Agnostic
Assets	\$147 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)	1.3521
Redemption (ex)	1.3481

QUOTED MANAGED FUND

APIR	IML3289AU
ASX ticker	LSGE
Inception date	1-Oct-21
NAV	2.0129

*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 FACT SHEET 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

Volatility continued into the second quarter of 2022, as high inflation, increasing interest rates, the Russia- Ukraine conflict, and Covid-19 lock downs in China weighed on markets. The MSCI All Country World Index ended the period down -7.9%, with the majority of sectors registering declines. The Information Technology sector posted the largest loss, followed by the Consumer Discretionary and Materials sectors. The Energy, Consumer Staples and Utilities sectors registered gains for the period.

Portfolio Review

The Loomis Sayles Global Equity Fund and the Loomis Sayles Global Equity Quoted Managed Fund declined -11.5% and -11.4% respectively, underperforming the MSCI All Country World Index. Security selection in the Consumer Discretionary sector was the largest detractor from relative results, followed by the Information Technology and Consumer Staples sectors. The Funds lack of direct exposure to the Energy sector also detracted on a relative basis. Security selection in the Materials, Financials and Industrials sectors contributed to relative returns.

PERFORMANCE AS AT JUN 30, 2022

BENCHMARK MSCI AC World Index

TOTAL RETURN**	1-MTH	3-MTHS	6-MTHS	1-YR	2-YR^	3-YR^	SINCE INCEPTION^*
GLOBAL EQUITY FUND	-4.5%	-11.5%	-25.2%	-16.3%	+2.4%	+4.8%	+8.8%
QUOTED MANAGED FUND	-4.5%	-11.4%	-25.0%	-	-	-	-
BENCHMARK***	-4.5%	-7.9%	-15.6%	-8.0%	+8.4%	+6.9%	+8.7%

^% 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 house.

PLATFORM AVAILABILITY*

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

*Platforms listed provide access to the Loomis Sayles Global Equity Fund. The Loomis Sayles Global Equity Quoted Managed Fund is traded publicly on the ASX under the code LSGE.

Leaders

The three largest contributors to returns were UnitedHealth Group, AIA Group and Cummins.

Shares of UnitedHealth Group, a leading provider of health insurance and healthcare services in the US, outperformed; the company's traditional health insurance business continued to demonstrate strong execution, highlighted by continued positive enrollment trends in both Medicare Advantage and Commercial segments, as well as better-than-expected medical costs. There has also been progress at OptumCare, its primary care service; the number of patients under full value-based care agreements rose significantly. We believe that UnitedHealth's comprehensive set of solutions make the company more valuable than the sum of its parts.

AIA is an Asian multi-national life insurance company. While sales of new life insurance policies were slow in the first half of the year due to the lockdowns in Shanghai and movement restrictions in other parts of China, the majority of AIA's revenue is recurring revenue from annual premiums. Additionally, we believe rising interest rates are modestly positive for its investment portfolio. We remain confident in the medium-term outlook for AIA's growth, driven by expansion of the middle class across Asia and increasing penetration of life and health insurance in the region.

Shares of Cummins, an engine and component manufacturing company, outperformed; the company reported strong earnings, despite disruptions from lockdowns in China and the company's exit from Russia. Cummins also increased its full year revenue guidance.

Laggards

The three most significant detractors from returns were Airbnb, Nvidia and Amazon.

Shares of Airbnb, an online platform for short-term stays and vacation rentals, underperformed in concert with the travel industry. Despite short-term weakness, the ability for the Airbnb customer to work remotely supports longer-term stays and recurring reservations; we also believe an increase in hosts, strong innovation pipeline and positive balance sheet will enable the business to grow its market share.

Shares of Nvidia, a fabless semiconductor company, underperformed along with the broader semiconductor group. Despite the challenging environment, our investment thesis remains intact; the company has continued to grow by creating new uses for its hardware and software. Specifically, the recent AI renaissance - increasingly leveraging GPUs rather than CPUs - has led to new and larger opportunities in the data center and automotive markets in our view. The company has also started to explore its options to monetize its software (currently it is "free" with its hardware) via licensing and subscription models.

Shares of Amazon underperformed as inflation and supply chain challenges pressured margins. The consumers' return to physical stores also impacted productivity and fixed cost leverage. We believe these headwinds are short-term in nature and Amazon will continue to gain market share.

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 attractive 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 higher market volatility and economic uncertainty amid more persistent inflation and continued geopolitical tensions, notably the highly fluid war in Ukraine. Central banks, particularly in the US, appear willing to aggressively hike interest rates to counter pricing pressure. China remains an important indicator for both commodity prices and global risk appetite. One of the biggest concerns with China is its zero-Covid policy in our view; if lockdowns are more persistent in China, it increases the risk of a more material slowdown. The fundamental picture however is more balanced; first quarter corporate earnings were stronger than expected.

Leverage continues to decrease, driven by improved earnings and a slowdown in debt growth. While we believe margins are likely to come under pressure with rising cost inputs, household balance sheets remain strong, serving as a counterbalance to a more material slowdown. 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 believe periods of volatility can provide us with the opportunity to build positions in high quality companies at more attractive valuations.

We currently hold a diverse group of technology names spanning semiconductor manufacturing and equipment, software, and consulting companies. We have select exposure to consumer names that we believe are distinctly 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 believe our holdings have sustainable competitive advantages and strong balance sheets, evidenced by the portfolio's return on equity (ROE), which is meaningfully higher than the MSCI ACWI benchmark, and financial leverage which is less than the benchmark (on a net/debt to EBITDA basis). We believe these characteristics allow our companies the flexibility to weather uncertain environments, and quite possibly emerge stronger.

**GLOBAL EQUITY FUND**

PORTFOLIO DATA AS OF JUN 30, 2022

SECTOR ALLOCATION (%)

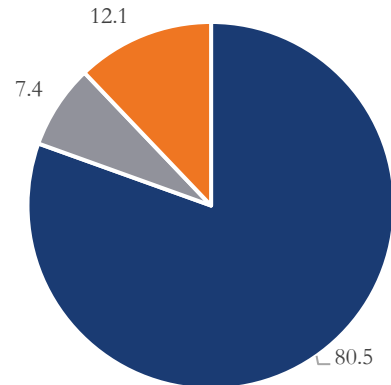
	Fund	Index
Information Technology	33.2	20.9
Health Care	15.4	13
Consumer Discretionary	13.4	11.1
Financials	12.4	14.5
Industrials	7.2	9.4
Materials	6.7	4.8
Consumer Staples	5.6	7.6
Communication Services	5.1	7.9
Cash	1.1	--
Energy	--	5
Real Estate	--	2.8
Utilities	--	3.2

TOP 10 HOLDINGS (%)

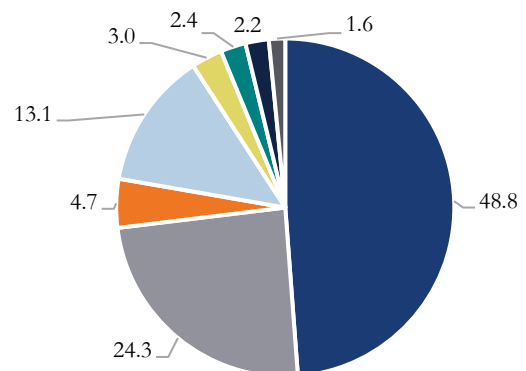
	Fund
Alphabet	5.1
Danaher	4.6
S&P Global	4.4
Linde	4.3
Salesforce	4.3
Mastercard	4.3
ASML	4.2
UnitedHealth Group	4.2
Accenture	4.1
IQVIA	4.1
Total	43.7

PORTFOLIO CHANGES*

New holdings:	Vinci and JP Morgan
Sold holdings	Verisign, Meta Platforms, Copart, and Canada Goose

REGIONAL ALLOCATION BY DOMICILE (%)

■ North America ■ Asia ■ European Union

REGIONAL ALLOCATION BY REVENUE (%)

■ North America ■ Asia
 ■ Non-European Union ■ 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\$336 billion (as of March 31, 2022) on behalf of clients worldwide. With extensive resources across the US, Europe and Asia, Loomis Sayles seeks to deliver risk-adjusted return potential for clients.

* There is a 30 day lag on portfolio changes

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