



# COMGEST GROWTH EUROPE S EUR ACC - IE00B4ZJ4634

Sub-fund of Comgest Growth plc

31/03/2022

## TOP 5 HOLDINGS (% weight)

Novo Nordisk B	9.3
ASML Holding	8.7
Linde	6.6
Nestle	5.9
EssilorLuxottica	5.1

The above equity exposures are provided for information only, are subject to change and are not a recommendation to buy or sell the securities.

## SECTOR BREAKDOWN (%)

	Fund	Index
Health Care	27.9	28.2
Information Technology	19.6	15.0
Consumer Discretionary	16.0	9.2
Consumer Staples	15.0	15.3
Materials	9.1	10.0
Industrials	9.0	19.7
[Cash]	3.4	--
Communication Services	--	1.0
Utilities	--	0.6
Real Estate	--	0.4
Energy	--	0.4
Financials	--	0.1

## TOP PORTFOLIO COUNTRY WEIGHTS (%)

	Fund	Index
Switzerland	25.0	26.2
France	20.0	16.3
Netherlands	13.0	10.9
Denmark	12.6	7.2
United Kingdom	8.7	19.8
Germany	4.1	7.4
Spain	4.1	1.1
[Cash]	3.4	--
Ireland	2.6	0.7
Norway	2.5	0.4
Italy	2.2	1.4

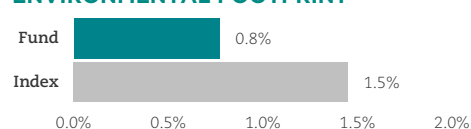
Breakdowns based on Comgest data, GICS sector and MSCI country classifications.

## CARBON FOOTPRINT



Source: MSCI ESG Research as of 31/12/2021, tCO2e per EUR mn invested. The footprint estimates the amount of Scope 1 and 2 greenhouse gases emitted by the portfolio holdings.

## ENVIRONMENTAL FOOTPRINT



Source: Trucost as of 31/12/2021, the footprint estimates the ratio of annual costs linked to greenhouse gases, water abstraction, waste generation, air, land & water pollutants, and natural resource use associated with the portfolio holdings per million of EUR invested.

## INVESTMENT POLICY

The objective of the Sub-Fund ("the Fund") is to increase the value of the Fund (capital appreciation) over the long term. The Fund intends to achieve this objective through investment in a portfolio of Shariah compliant high-quality, long-term growth companies. The Fund will invest at least two-thirds of its assets in securities issued by Shariah compliant companies that have their headquarters in, or principally carry out their activities in European Union member states, the UK and Switzerland. The Fund is actively managed. The index is provided for comparative purposes only. The Fund is aimed at investors with a long-term investment horizon (typically 5 years or more).

## RISK AND REWARD PROFILE

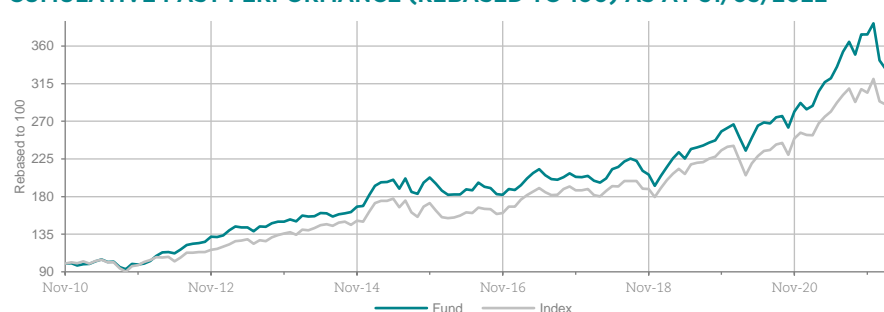
Lower risk  
Typically lower rewards

Higher risk  
Typically higher rewards



This indicator represents the risk and reward profile presented in the Key Investor Information Document. It is not guaranteed and may change during the month.

## CUMULATIVE PAST PERFORMANCE (REBASED TO 100) AS AT 31/03/2022



## ROLLING PERFORMANCE (%) AS AT 31/03/2022

	1 Month	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Incep.
Fund	3.16	-11.38	-11.38	12.17	14.98	11.21	11.73	11.51
Index	1.57	-8.12	-8.12	10.16	12.38	10.14	10.65	10.02
Fund Volatility				15.10	17.78	15.86	14.36	14.33
Index Volatility				13.72	18.05	15.81	14.91	15.19

## CALENDAR YEAR PAST PERFORMANCE (%)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fund	31.87	15.88	10.62	15.71	-3.23	7.36	-5.03	35.93	11.42	32.60
Index	15.72	16.77	9.11	9.02	2.86	11.46	-4.24	33.59	6.98	25.08

## ANNUAL PERFORMANCE (%) AS AT QUARTER END

	1Q12	1Q13	1Q14	1Q15	1Q16	1Q17	1Q18	1Q19	1Q20	1Q21
	-1Q13	-1Q14	-1Q15	-1Q16	-1Q17	-1Q18	-1Q19	-1Q20	-1Q21	-1Q22
Fund	27.52	8.33	26.01	-7.27	10.47	-2.53	14.77	4.17	30.15	12.17
Index	18.16	10.15	25.38	-11.39	17.26	-0.82	15.10	-1.02	30.22	10.16

Performance data expressed in EUR. Returns may increase or decrease as a result of exchange rate fluctuations. Index: S&P Europe 350 Shariah - Net Return. The index is used for comparative purposes only and the Fund does not seek to replicate the index.

## Past performance does not predict future returns.

Performance figures are calculated net of investment management fees, administrative fees and all other fees with the exception of sales charges. If taken into account, sales charges would have a negative impact on performance. The cumulative graph and "Since Inception" data may refer to the last relaunch date of the share class which may differ from its actual inception date. Calendar year past performance is only shown for years for which a full calendar year of past performance is available.

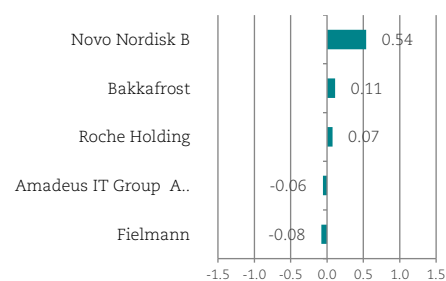
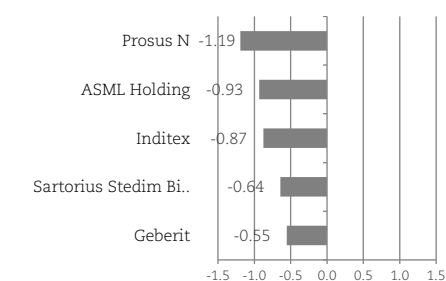
Net Asset Value (NAV):	€34.28
Total Net Assets (all classes, m):	€74.44
Number of holdings:	32
Average weighted market cap (m):	€111,402
Weight of top 10 stocks:	53.6%
Active share:	64.2%

Holdings exclude cash and cash equivalents.

**CURRENCY BREAKDOWN (%)**

	Fund	Index
EUR	56.1	42.9
CHF	25.0	26.2
DKK	12.6	7.1
NOK	2.5	0.4
GBP	2.1	17.3
SEK	1.7	6.1

Breakdown based on currencies in which holdings are priced.

**TOP 5 QUARTERLY CONTRIBUTORS (%)**

**TOP 5 QUARTERLY DETRACTORS (%)**


**Past performance does not predict future returns.** Data on holdings is provided for information purposes only and is not a recommendation to buy or sell the securities shown.

**FUND COMMENTARY**

Following a strong post-Covid recovery in 2021, global markets retreated in the early part of 2022, accentuated by the war in Ukraine. Despite Russia and Ukraine accounting for only a small part of global GDP, the conflict has heightened inflationary pressures while denting economic confidence. Oil rose to above \$100, raw material prices spiked and freight rates increased. The cocktail leaves corporates in the unenviable position of having to deal with increasing input costs at a time of fragile consumer confidence. Quality is once again being tested, this time through the prism of inflation.

From a portfolio standpoint, the sales exposure to Russia and Ukraine is insignificant at a little under 2%. Some holdings (such as Inditex) are more exposed than others (healthcare names), but in aggregate the direct exposure is minimal and manageable. It is the second order effects that warrant more attention, in particular the inflationary pressures the war is stoking. Of the 32 companies in the portfolio, we see only a handful as likely to experience a noticeable financial impact from these headwinds. For the remainder, they are shielded by their high gross margins, strong pricing power and/or defensive end markets. All considered, we expect the 2022 profit margin of the portfolio to sit above the pre-Covid (2019) level, on a like-for-like basis, despite these pressures.

From a performance standpoint, your portfolio underperformed its reference index during the first quarter of the year. The main driver was a compression of company valuations, admittedly from inflated post-Covid levels, as the prospect of rising interest rates and monetary tightening led investors to shift into more value names. Basic resources, along with oil and gas companies performed well while IT and consumer discretionary stocks fell. Quality came back into focus as the war broke out, reversing some, but not all, of the earlier underperformance.

From a fundamental standpoint the 2021 earnings season has started well and although the year is still young, we take comfort from companies' preliminary guidance for 2022. Novo Nordisk reported a 14% increase in organic revenue in 2021, the company's fastest growth in over a decade, driven by a strong uptake in its GLP-1 suite of products, in addition to early anti-obesity sales. The company received approval mid-way through last year for its anti-obesity product Wegovy, and already in March this year upgraded its 2025 expectations for the franchise. ASML rounded off 2021 in strong fashion with sales up by a third and profits up by two-thirds driven by further EUV (extreme ultraviolet lithography) penetration. We believe there is further substantial growth to come as customers continue to rollout their lithography roadmaps in the context of a structurally dynamic semiconductor market.

Among the detractors to performance, Prosus shares have come under pressure on multiple fronts year to date. On the one hand, the value of its stake in Tencent fell due to weaker advertising and gaming revenues, compounded by further regulatory fears. On the other, the value of its Russian assets (Mail.ru and Avito) fell following the invasion of Ukraine. Inditex's Russian exposure has also weighed on its share price for the same reason.

We took advantage of share price weakness to increase the fund's position in Sartorius Stedim, a company specialised in single-use biopharmaceutical products. We also added to existing core holdings ASML, Adyen, and Alcon.

We look forward to the remainder of 2022 with optimism. The portfolio fundamentals remain in good shape, and we expect another year of strong double-digit earnings growth. Innovation will again be an important driver of this growth, whether it be EssilorLuxottica's Stellest myopia control lenses, Alcon's premium refractive products, or Lindt & Sprüngli's sugar free range of chocolates. The companies' long-term focus and innovation driven cultures consistently create growth opportunities by either gaining share of their respective markets, or by expanding them. In addition, we see further opportunities for inorganic growth to fuel future organic growth, as it has in the past. Dassault Systèmes' acquisition of Medidata in 2019 continues to be an important driver of organic growth today, while we expect Straumann's acquisition of ClearCorrect to be one of, if not the most important growth driver in the years to come. Growth will also prove our greatest defense against a further compression of valuation multiples as portfolio companies grow into their valuation premiums. Indeed, as of today we expect the portfolio to return to its historic average valuation multiple through growth alone over the next 12 months. The combination of rising inflation and weakening consumer confidence make the current environment as challenging as it has ever been. Once more we look to the quality (and growth) of the underlying holdings to help protect your portfolio in the current context.

**The views expressed in this document are valid at the time of publication only, do not constitute independent investment research and should not be interpreted as investment advice. The reference to specific companies does not constitute a recommendation to invest directly in these securities. Allocation is subject to change without notice. Remember that past performance does not predict future returns.**

**KEY INFORMATION****ISIN:** IE00B4ZJ4634**SEDOL:** B4ZJ463**Bloomberg:** COMGREB ID**SFDR Classification:** Article 6**Domicile:** Ireland**Dividend Policy:** Accumulation**Fund Base Currency:** EUR**Share Class Currency:** EUR**Inception Date:** 08/12/2010**Index (used for comparative purposes only):**

S&amp;P Europe 350 Shariah - Net Return

**Legal Structure:**

Comgest Growth Europe S, a sub-fund of Comgest Growth plc (an open-ended investment company with variable capital authorised by the Central Bank of Ireland), is an Undertaking for Collective Investment in Transferable Securities (UCITS)

**Management Company:** None / Comgest Growth plc is self-managed**Investment Manager:**

Comgest Asset Management International Limited (CAMIL)

Regulated by the Central Bank of Ireland and registered as an investment adviser with the U.S. Securities and Exchange Commission

SEC registration does not imply a certain level of skill or training

**Sub-Investment Manager:**

Comgest S.A. (CSA)

Regulated by the Autorité des Marchés Financiers - GP 90023

Investment Team listed below may include advisors from affiliates within the Comgest group.

**Investment Team:**

Laurent Dobler

Pierre Lamelin

Franz Weis

James Hanford

**Ongoing charges:** 2.20% p.a of the NAV**Investment Manager's fees (part of ongoing charges):** 2.00% p.a of the NAV**Maximum sales charge:** 4.00%**Exit charge:** None**Minimum initial investment:** EUR 50**Minimum holding:** None**Contact for subscriptions and redemptions:**

RBC Investor Services Ireland Limited

Dublin\_TA\_Customer\_Support@rbc.com

Tel: +353 1 440 6555 / Fax: +353 1 613 0401

**Dealing Frequency:** Any business day (D) when banks in Dublin are open for business**Cut off:** 12:00 pm Irish time on day D

An earlier deadline for receipt of application or redemption requests may apply if your request is sent through a third party. Please enquire with your local representative, distributor or other third party

**NAV:** Calculated using closing prices of D**NAV known:** D+1**Settlement:** D+3

For more detailed information on ESG integration please consult our website:

[www.comgest.com/en/our-business/esg](http://www.comgest.com/en/our-business/esg)

**RISKS**

This Fund has the following core inherent risks (non-exhaustive list):

- Investing involves risk including possible loss of principal.
- The value of all investments and the income derived therefrom can decrease as well as increase.
- There is no assurance that the investment objective of the Fund will be achieved.
- To the extent that the share class is denominated in a currency other than yours, the cost and return in your currency may increase or decrease due to exchange rate fluctuations.
- A more detailed description of the risk factors that apply to the Fund is set out in the Prospectus.

**IMPORTANT INFORMATION**

This is a marketing communication. Please refer to the fund prospectus and to the KIID before making any final investment decisions. Tax applicable to an investment depends on individual circumstances. Depending on where you live, the Fund may not be available to you for subscription. In particular this Fund cannot be offered or sold publicly in the United States. Consult your financial or professional adviser for more information on investing and taxation.

The Prospectus, the KIID, the latest annual and interim reports and any country specific addendums can be obtained free of charge from the Investment Manager (at [www.comgest.com](http://www.comgest.com)) or the Administrator and from local representatives/paying agents listed below. For a full list of the local representatives/paying agents please contact Comgest at [info@camil.com](mailto:info@camil.com). Prospectus may be available in English, French or German and the KIIDs in a language approved by the EU/EEA country of distribution.

- United Kingdom: BNP Paribas Securities Services SCA, London Branch, Facilities Agency Services, c/o Company Secretarial Department, 10 Harewood Avenue, London, NW1 6AA. Investors in the United Kingdom WILL NOT have any protection under the UK Financial Services Compensation Scheme.

- Switzerland: BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zürich.

Further information or reporting may be available from the Investment Manager upon request.

Complaints handling policies are available in English, French, German, Dutch and Italian on our website at [www.comgest.com](http://www.comgest.com) in the regulatory information section. Comgest Growth Plc may decide to terminate at any time the arrangements made for the marketing of its UCITS.**Carbon footprint:** a fund's carbon footprint seeks to determine the amount of Scope 1 and 2 greenhouse gases emitted by the companies the fund is invested in and is measured in tonnes of carbon dioxide equivalents (tCO<sub>2</sub>e).

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