

## COMGEST GROWTH EUROPE S USD ACC - IE00B3ZL9H82

Sub-fund of Comgest Growth plc

30/09/2021

### TOP 5 HOLDINGS (% weight)

ASML Holding	7.5
Novo Nordisk B	7.3
Linde	5.0
Nestle	5.0
EssilorLuxottica	4.8

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 (%)

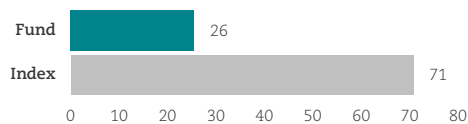
	Port.	Index
Health Care	27.4	25.8
Information Technology	18.0	16.7
Consumer Discretionary	17.7	11.4
Consumer Staples	14.4	15.0
Industrials	7.9	19.6
[Cash]	7.3	--
Materials	7.1	9.2
Communication Services	--	0.7
Utilities	--	0.5
Energy	--	0.5
Real Estate	--	0.4
Financials	--	0.2

### TOP PORTFOLIO COUNTRY WEIGHTS (%)

	Port.	Index
Switzerland	22.6	24.7
France	17.6	15.7
Netherlands	12.5	12.9
Denmark	11.7	7.2
Germany	9.6	9.0
[Cash]	7.3	--
Spain	4.9	1.4
United States	3.6	--
Norway	2.8	0.4
United Kingdom	2.1	17.7
Italy	1.9	1.4

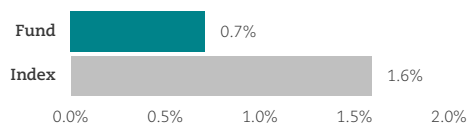
Breakdowns based on Comgest data, GICS sector and MSCI country classifications.

### CARBON FOOTPRINT



Source: Trucost as of 31/12/2020, tCO2e per EUR mn invested. The footprint estimates the amount of direct and indirect greenhouse gas emitted by the portfolio holdings.

### ENVIRONMENTAL FOOTPRINT



Source: Trucost as of 31/12/2020, the footprint estimates the ratio of annual costs linked to pollution, the use of natural resources including water, the deterioration of ecosystems, waste and climate changes caused by portfolio holdings per million of EUR invested.

### INVESTMENT OBJECTIVE

The investment objective of the Sub-Fund ("the Fund") is to create a portfolio consisting of high quality long-term Shariah-compliant growth companies headquartered or carrying out their predominant activities in Europe.

The Fund is aimed at investors with a long-term investment horizon (typically 5 years or more).

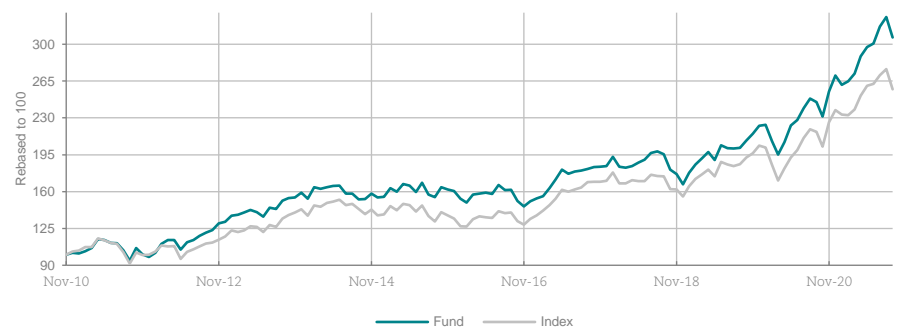
### RISK AND REWARD PROFILE

**Lower risk** **Higher risk**  
Typically lower rewards 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 30/09/2021



### ROLLING PERFORMANCE (%) AS AT 30/09/2021

	1 month	QTD	YTD	1 Year	Annualised				Since Incep.
Fund	-5.95	1.91	13.42	25.06	16.14	13.64	12.49	10.91	
Index	-6.99	-2.00	8.29	18.57	13.79	12.88	10.86	9.12	
Fund Volatility				16.68	19.48	16.86	15.40	15.65	
Index Volatility				16.81	19.91	17.07	16.17	16.56	

### CALENDAR YEAR PAST PERFORMANCE (%)

	2016	2017	2018	2019	2020
Fund	-6.10	22.32	-9.53	33.37	21.48
Index	-0.13	26.90	-8.84	31.18	16.62

### ANNUAL PERFORMANCE (%) AS AT QUARTER END

	Q3 2016	Q3 2017	Q3 2018	Q3 2019	Q3 2020
Fund	12.31	7.74	3.10	21.54	25.06
Index	20.60	3.13	6.64	16.56	18.57

Performance data expressed in USD.

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 is not a reliable guide to future performance.

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.

Please see risks and other important information on final page

All information and performance data is as of 30/09/2021 and is unaudited  
Source: CAMIL / FactSet financial data and analytics, unless otherwise stated  
Issued by Comgest Asset Management International Limited, 46 St. Stephen's Green, Dublin 2, Ireland - info@comgest.com - www.comgest.com

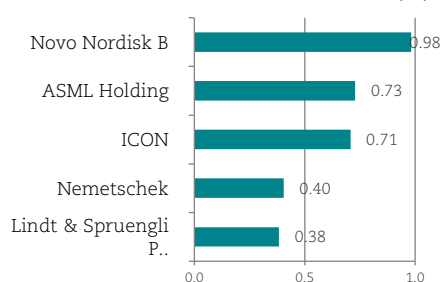
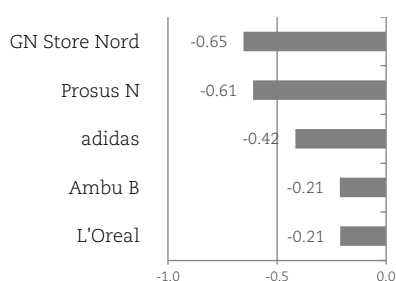
Net Asset Value (NAV):	\$30.34
Total Net Assets (all classes, m):	\$80.21
Number of holdings:	34
Average weighted market cap (m):	\$113,857
Weight of top 10 stocks:	47.0%
Active share:	62.9%

Holdings exclude cash and cash equivalents.

**CURRENCY BREAKDOWN (%)**

	Port.	Index
EUR	55.5	46.4
CHF	22.6	24.7
DKK	11.7	7.2
USD	3.6	--
NOK	2.8	0.4
GBP	2.1	14.9
SEK	1.7	6.4

Breakdown based on currencies in which holdings are priced.

**TOP 5 QUARTERLY CONTRIBUTORS (%)**

**TOP 5 QUARTERLY DETRACTORS (%)**

**FUND COMMENTARY**

Having performed strongly over the first eight months of the year, global equity markets fell back in September. As always, it is hard to pinpoint the exact trigger. At first, the Covid-19 Delta variant looked set to disrupt the recovery (air travel even reversed its improving trend in August) but good vaccine progress eased those concerns. Then, in September, a clutch of central banks around the world increased rates, most for the first time since the pandemic began, while the US Federal Reserve and the Bank of England signalled a move towards monetary tightening. Their thinking? Too much cheap money for too long runs the risk of triggering a hyperinflationary environment, particularly in the context of a global economy that is recovering well from the pandemic. For stock markets however, it means less money to fuel share prices, or so the thinking goes. Finally, the news that Evergrande, the Chinese real estate developer, was set to default on a bond repayment stoked fear of broader contagion.

For the managements of the companies that constitute your portfolio, these events likely sit very low in their list of concerns. This is because, for the most part, our portfolio companies sell products and services that are not at risk from the default of a Chinese developer, nor the second order effects of such an event. Meanwhile, the pricing power they enjoy means that our portfolio companies should be able to offset inflationary pressures, whilst their clean balance sheets mean the rising cost of debt is of little consequence. As a result, attention is far more likely to be focused on continuing to execute their respective growth strategies, whether it be penetrating the non-premium market for dental implants in the case of Straumann or developing the next generation of lithography technology for ASML.

There was no shortage of company news in the third quarter. ASML continued its march upwards ahead of its eagerly awaited investor day, at which it updated its 2025 guidance and gave a new 2030 guidance (putting it in a rare league of companies able to guide that far out). The new guidance implies 11% sales CAGR (compound annual growth rate) out to 2030, with likely faster earnings growth. We remain very positive, particularly following the recent pull back in the shares. In healthcare, Icon completed the transformational merger with PRA Health which will see it double in size to become the industry's second largest Contract Research Organisation (CRO), up from the sixth. The industry has been consolidating for many years, and we view this merger as a sensible step to gaining scale and relevance. Novo Nordisk rose sharply on the astronomical success of its new anti-obesity product, Wegovy, which led the company to revise its 2021 financial objectives upwards. Within just weeks of the product's launch in the US, it was already being prescribed more than its predecessor product, six years after launch! Along with the GLP1 franchise, Novo's obesity products should see the group's revenue growth accelerate to high single-digit levels over the next five years.

Among the detractors to performance, both Prosus and Adidas fell foul to Chinese vagaries. Shares in Tencent, which constitutes the lion's share of Prosus' value, fell following a slew of negative regulatory news flow from the Chinese Communist Party. While for the most part Tencent is not directly concerned (e.g. regulation around private sector education), the direction of travel creates uncertainty. Along with our colleagues dedicated to the coverage of Chinese equities, we continue to see regulatory threats as manageable but acknowledge a growing risk premium associated with our holding in Prosus. Indeed, we recently downgraded the company's ESG rating to reflect this, along with other governance shortcomings. In the meantime, an unrelated general boycott of western brands by Chinese consumers has been hurting Adidas' sales in the region. The Xinjiang cotton episode has served to strengthen Chinese nationalism, with Adidas caught somewhat in the maelstrom. We are monitoring the situation closely, but at this stage are cautiously optimistic that Adidas' long-term prospects in China should remain strong. Finally, GN Store Nord detracted from performance due to worries around its 2021 guidance in Hearing. The company's Hearing division continued to disappoint in the US and performance was also impacted by Covid-related headwinds in Japan, one of the group's biggest markets. A new portfolio position, GN Store Nord is a Danish medical technology company selling hearing aids and headsets (Jabra brand) that benefits from two long-term growth drivers: ageing populations and remote working.

During the quarter we sold out of Accenture, Experian, MTU Aero, SimCorp and Temenos and made a number of valuation motivated moves, reducing names that had become more expensive such as Straumann and Lonza. We reinvested the proceeds into names such as Adidas, Alcon, Bakkafrost, Linde, Novo Nordisk and Prosus.

We continue to think that the fundamentals of the companies that constitute your portfolio are strong. As written about in the past, we can now see tangible signs that the economy is exiting this crisis in a K-shaped manner. Pre-crisis trends are accelerating, whether it be digital investments, technological transformations or environmental considerations. The strong are getting stronger and almost every company in the portfolio is in some way benefitting from these dynamics. Demand for Kingspan's insulation panels is accelerating as companies look to reduce their environmental footprint. Sales of Sika's automotive adhesives, or Dassault Systemes' design software, have seen a boost from accelerating Electric Vehicle adoption. It goes without saying that ASML's prospects have only been enhanced by the semiconductor needs all these investments imply. Concretely, these factors, among others, have propelled the organic sales of the portfolio in the first half of 2021 at a double-digit percentage above the equivalent period of 2019, while European GDP is only just back to its pre-crisis level. In other words, the companies that make up your portfolio have grown their share of GDP. We see these dynamics continuing, which underpins our confidence that the portfolio will be capable of delivering strong and sustainable growth in the years to come.

**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 is not a reliable guide to future performance.**

**KEY INFORMATION****ISIN:** IE00B3ZL9H82**SEDOL:** B3ZL9H8**Bloomberg:** COMGRSU ID**SFDR Classification:** Article 6**Domicile:** Ireland**Dividend Policy:** Accumulation**Fund Base Currency:** EUR**Share Class Currency:** USD**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 Doblér

Pierre Lamelin

Franz Weis

James Hanford

**Ongoing charges:** 2.25% 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:** USD 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](http://www.comgest.com).

**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.
- When a Share Class is denominated in a currency that is different from yours, changes in exchange rates can negatively impact both the value of your investment and the level of income received.
- A more detailed description of the risk factors that apply to the Fund is set out in the Prospectus.

**IMPORTANT INFORMATION**

You should not subscribe into this Fund without having first read the Prospectus and the Key Investor Information Document ("KIID"). 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.

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- 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 direct and indirect greenhouse gas (GHG) 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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