

Wenlock Global Fund

Month Ending May 2019

WENLOCK | CAPITAL

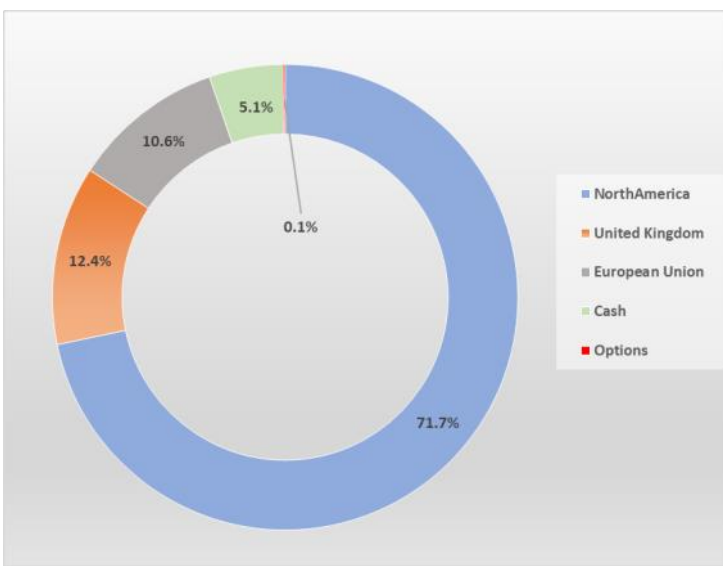
ABN 94 614 846 963
AFSL 492452

Net Performance ⁺	Fund	Index*	Relative
1 Month	-4.6%	-4.3%	-0.3%
3 Month	+3.8%	+1.5%	+2.3%
1 Year	+12.0%	+6.9%	+5.1%
Since Inception**	+26.7%	+22.8%	+3.9%

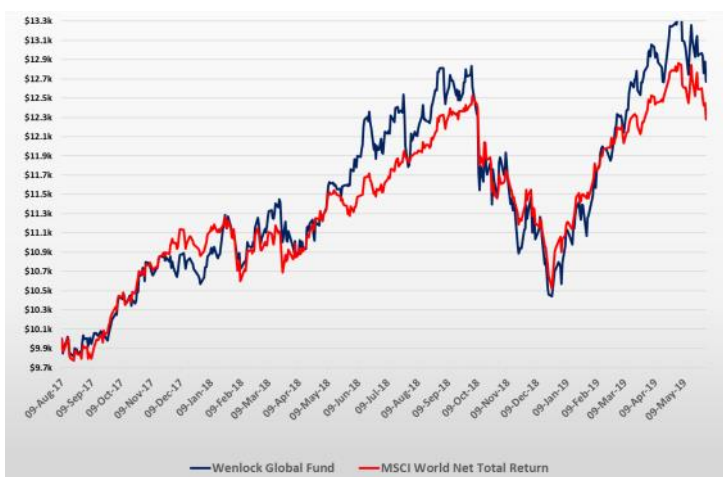
*MSCI Daily World Total Return Net Index AUD **Inception 9 Aug 2017

⁺ Source Mainstream Group, Thomson Reuters. as at 31 May 2019. ^Calculations are based on total returns and net of all fees but before tax or the buy/sell spread. *GICS Sectors. Performance figures are based in AUD. **Past performance is not a reliable indicator of future performance.**

Country Allocation % of NAV⁺



Performance of \$10,000 invested since inception⁺



Top 10 Holdings ⁺	%Sector
Abbott Labs	Healthcare
Eli Lilly	Healthcare
Estee Lauder	Consumer Staples
Facebook	Communication Services
Ionis Pharmaceuticals	Healthcare
Lyft Inc	Industrials
Microsoft	Information Technology
Network International Holdings	Financials
Neurocrine Biosciences	Healthcare
Tradeweb Markets Inc	Financials

%Sector Allocation (ex cash/options) ⁺	% of NAV
Healthcare	30%
Information Technology	15%
Consumer Discretionary	13%
Communication Services	13%
Financials	10%
Industrials	9%
Consumer Staples	6%

Fund Characteristics⁺

Average Market Cap (USD)	\$ 122bn
Return on Equity	19.9%
Return on Invested Capital	18.1%
PE (Forward)**	19.1x
Free Cash Flow Yield*	2.8%
Free Cash Flow Growth*	18%
Dividend Yield*	0.7%

*estimated forward 12 months ** Adjusted

Source: Thomson Reuters

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Strategy

The Fund consists of 20-40 global businesses that exhibit strong secular and cash generative characteristics. The strategy is based on 5 principles:

Returns: Invest in businesses where cash returns on investment are growing and greater than the cost of capital

Protection: Avoid capital erosion by utilising an active risk management strategy

Active: Benchmark agnostic

Patience: Invest for the long term

Adaptive: Objectivity removes emotional biases

Fund/Market Commentary

Since inception to 31 May 2019, the Fund returned +26.7% versus +22.8% for the MSCI World TR Net Index (AUD).

For much of 2019, equity markets rose steadily, assisted by the Fed's dovish stance and the increasing probability of a trade deal between the US and China. At the start of May, markets were at an all-time high, however, just six days into the month, they were tested by the announcement that the US would be moving ahead with tariff increases on US imports from China. This triggered a bout of profit taking and resulted in the MSCI World Index losing 4.3% during the month.

Trade negotiations between the US and China broke down and the impact so far has been felt more in equity markets than the economy. Q1 earnings season concluded with no growth over the same quarter last year, a better result than the expectations of negative growth (according to Factset).

Among the top contributors to performance were Insulet, Neurocrine Bio, Tradeweb, Wirecard and Network International. The top detractors to performance were Mattel, Ionis, Tesla, Burberry and Align Tech.

The Fund employed protection for 70 % of the NAV.

Outlook

We continue to maintain a cautious stance and expect further profit taking despite a better than expected earnings season.

Rising import tariffs could affect the US as well as China. In the US, earnings growth for 2019 may be lowered due to ongoing trade tensions. Bond yields have fallen indicating a weaker economy. Earnings expectations are placing a greater dependency on H2, whereby all growth for FY19 is backend loaded. In fact, with expectations of a decline in Q2 and only slight growth in Q3, the entire growth outlook for 2019 is based on Q4. We feel that this may be a bit challenging given that 2018 earnings were so strong.

IMPORTANT INFORMATION

Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity for the Wenlock Global Fund. Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). This document has been prepared to provide you with general information only. In preparing this document, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither Wenlock Capital Pty Ltd, Equity Trustees nor any of its related parties, their employees or directors, provide and warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Past performance should not be taken as an indicator of future performance. You should consider the Product Disclosure Statement ("PDS") before making a decision about whether to invest in this product. The PDS can be obtained by visiting www.eqt.com.au/insto or request a copy by emailing the Portfolio Manager, Wenlock Capital Pty Ltd at enquiries@wenlockcapital.com.au. **Past performance is not a reliable indicator of future performance.**

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Key Information

Launch Date	9 Aug 2017
APIR / ARSN	ETL0676AU / 617 953 616
Investment Manager	Wenlock Capital Pty Ltd (AFSL 492452 ABN 94 614 846 963)
Responsible Entity	Equity Trustees Ltd: (AFSL 240975 ABN 46 004 031 298)
Email:	investors@wenlockcapital.com.au
Web	http://wenlockcapital.com.au/
Portfolio Manager	Nitesh Patel
Fund Regulator	Australia Securities and Investment Commission
Fund Domicile	Australia
Fund Administrator	Mainstream Fund Services (ACN 118 902 891)
Custodian	JP Morgan
Initial Charge	None
Currency	Australian Dollar (AUD)
Dealing	9am - 5pm weekdays AEST
Benchmark	MSCI Daily World Total Return Net World Index AUD
Management Costs	1.00% Management Fee Plus 0.30% Usual Expenses
Buy/Sell Spread	0.20% / 0.20%
Performance Fee	10% of excess return above the higher of the MSCI World Net Return Index and the 10 Year Australian Government Bond yield over 6 month a period ending 30 June and 31 Dec. Includes a high watermark
Distributions	At least annually (end of June), and unless you choose otherwise, distributions are automatically reinvested.
Minimum Investment	\$10,000
Exit Penalties	None

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