



## COMGEST GROWTH EUROPE EUR Z ACC - IE00BD5HXD05

Sub-fund of Comgest Growth plc

31/12/2022

### TOP 5 HOLDINGS (% weight)

Novo Nordisk B	8.3
ASML Holding	7.3
EssilorLuxottica	5.9
LVMH Moët Hennessy Louis Vuitton	5.7
Linde	4.3

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 (%)

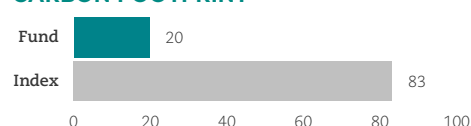
	Fund	Index
Health Care	31.4	16.1
Information Technology	21.3	6.9
Consumer Discretionary	13.9	10.2
Consumer Staples	12.1	13.1
Industrials	11.5	14.3
Materials	6.0	7.4
[Cash]	3.7	--
Financials	--	16.8
Energy	--	6.6
Utilities	--	4.4
Communication Services	--	3.3
Real Estate	--	0.9

### TOP PORTFOLIO COUNTRY WEIGHTS (%)

	Fund	Index
France	21.8	18.3
Switzerland	13.1	15.7
Netherlands	12.3	6.6
Denmark	10.8	4.6
Ireland	9.9	1.1
United Kingdom	9.2	23.6
Italy	5.4	3.6
Spain	4.4	3.8
Germany	4.0	12.6
[Cash]	3.7	--
Portugal	3.2	0.4

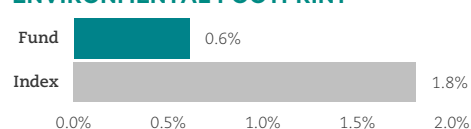
Breakdowns based on Comgest data, GICS sector and MSCI country classifications.

### CARBON FOOTPRINT



Source: MSCI as of 30/09/2022, tCO<sub>2</sub>e per EUR mn invested. The footprint estimates the apportioned scope 1 and 2 greenhouse gases emissions of the portfolio holdings.

### ENVIRONMENTAL FOOTPRINT



Source: Trucost as of 30/09/2022, the footprint estimates the apportioned 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.

### RATINGS (as at 30/11/2022)

Morningstar Category:  
EAA Fund Europe Large-Cap Growth Equity  
Number of funds in Category: 457



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### 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 high-quality, long-term growth companies. The Fund will invest at least two-thirds of its assets in securities issued by companies that have their headquarters in, or principally carry out their activities in Europe or which are guaranteed by European governments.

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).

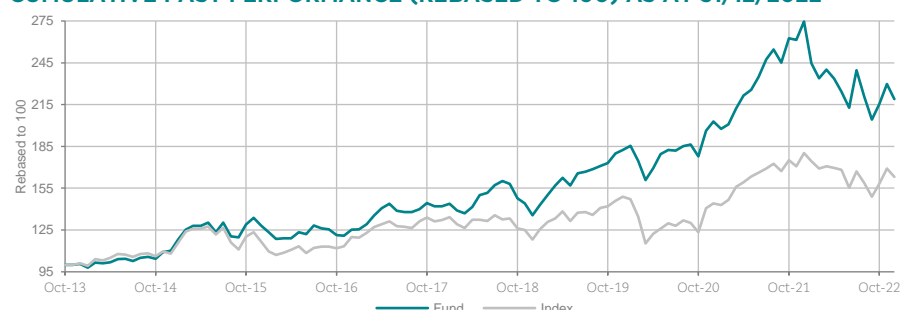
### RISK AND REWARD PROFILE

**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 31/12/2022



### ROLLING PERFORMANCE (%) AS AT 31/12/2022

	1 Month	QTD	YTD	Annualised				Since Incep.
				1 Year	3 Years	5 Years	10 Years	
Fund	-4.64	7.19	-20.25	-20.25	6.26	9.02	-	8.97
Index	-3.51	9.55	-9.49	-9.49	3.07	4.30	-	5.51
Fund Volatility				20.91	20.68	17.94	-	15.84
Index Volatility				16.92	21.09	18.05	-	16.66

### CALENDAR YEAR PAST PERFORMANCE (%)

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fund	9.25	16.59	-2.24	13.39	-4.57	34.54	11.17	35.35	-20.25
Index	6.84	8.22	2.58	10.24	-10.57	26.05	-3.32	25.13	-9.49

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

	4Q13	4Q14	4Q15	4Q16	4Q17	4Q18	4Q19	4Q20	4Q21	4Q22
Fund	-4Q14	-4Q15	-4Q16	-4Q17	-4Q18	-4Q19	-4Q20	-4Q21	-4Q22	
Fund	9.25	16.59	-2.24	13.39	-4.57	34.54	11.17	35.35	-20.25	
Index	6.84	8.22	2.58	10.24	-10.57	26.05	-3.32	25.13	-9.49	

Performance data expressed in EUR. Returns may increase or decrease as a result of exchange rate fluctuations.

Index: MSCI Europe - 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.

### ESG LABELS



The LuxFLAG ESG label has been granted for the period starting from 01/04/2022 and ending 31/03/2023. Investors must not rely on the LuxFLAG label with regard to investor protection issues and LuxFLAG cannot incur any liability related to financial performance or default of the labelled fund.

The Morningstar Analyst Rating™ represents Morningstar analysts' opinion of a fund's relative investment merit. It is a forward-looking measure and identifies analyst conviction in a fund's long-term performance prospects relative to a relevant peer group. For more information about the methodology of calculation: <http://corporate.morningstar.com>. The Morningstar Rating™ is an objective, quantitative measure of a fund's historical risk-adjusted performance relative to other funds in its category. The overall rating is a weighted combination of the three-, five- and ten-year ratings. The top 10% of funds will receive a 5-star rating and the next 22.5% receive a 4-star rating.

Please see risks and other important information on final page

Issued by Comgest Asset Management International Limited, 46 St. Stephen's Green, Dublin 2, Ireland - [info@comgest.com](mailto:info@comgest.com) - [www.comgest.com](http://www.comgest.com)

Source: CAMIL / FactSet financial data and analytics, unless otherwise stated. All information and performance data is as of 31/12/2022 and is unaudited.

Net Asset Value (NAV):	€35.76
Total Net Assets (all classes, m):	€3,700.36
Number of holdings:	35
Average weighted market cap (m):	€98,413
Weight of top 10 stocks:	50.2%
Active share:	86.2%

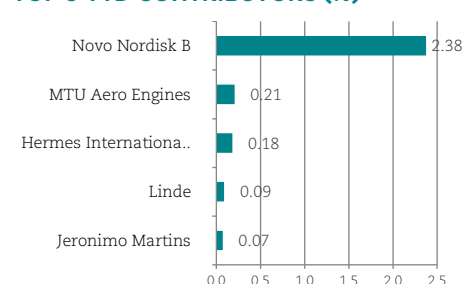
Holdings exclude cash and cash equivalents.

### CURRENCY BREAKDOWN (%)

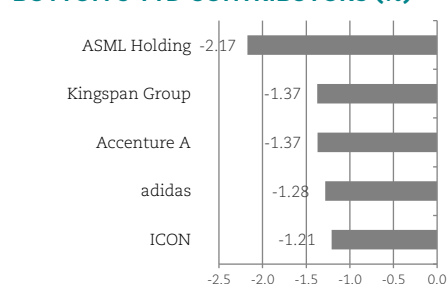
	Fund	Index
EUR	63.1	50.9
CHF	13.1	15.7
DKK	10.8	4.6
USD	5.9	0.2
GBP	4.9	22.2
SEK	2.2	5.2
NOK	--	1.2

Breakdown based on currencies in which holdings are priced.

### TOP 5 YTD CONTRIBUTORS (%)



### BOTTOM 5 YTD CONTRIBUTORS (%)



**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

After two years of near-perfect conditions for our quality growth investment style (low interest rates, low inflation and low GDP growth), 2022 marked a turning point - much as we feared this time last year. Inflation came back with a vengeance, interest rates rose and, nominally at least, growth returned. Previously under pressure industries saw a revival: oil and gas earnings reached all-time highs, bank profits expanded meaningfully and auto margins peaked. A combination of high raw material prices (oil peaked at over \$120), rising interest rates and supply chain shortages gave these traditionally sluggish industries a shot of oxygen in the form of inflationary pricing.

Our quality filter means your portfolio has no exposure to these sectors (whilst we own Ferrari, we consider it to be more a luxury brand company than an auto company) meaning it did not benefit to the same extent from the abovementioned factors. Instead, the portfolio's valuation, expressed as a multiple of earnings, fell substantially over the year, driven by the dual effect of falling share prices and fast-growing earnings. Having started the year at near record high levels, the portfolio's valuation is now close to its long-term average of 20-22x prospective earnings.

From a fundamental standpoint, the year once again tested the quality characteristics of the portfolio's holdings, and in particular their pricing power. Companies faced significant inflationary cost pressures, a year of renewed Chinese lockdowns, the closure from one day to the next of the Russian market (representing around 2% of portfolio sales), a European energy crisis and increasingly weak consumer sentiment. And yet, in aggregate, we expect the portfolio companies to deliver a year of double-digit earnings growth.

Underpinning this earnings growth is strong double-digit organic sales growth, which remains for us the most reliable long-term driver of sustainable growth.

Novo Nordisk delivered its strongest organic growth in over a decade thanks to continued dynamic growth of its GLP1 anti-diabetes franchise, in addition to very strong uptake for Wegovy, its successful anti-obesity product. Obesity is one of the biggest, and growing, burdens to healthcare systems around the world, creating we believe a decade long growth opportunity as Novo Nordisk and its peers help address this chronic condition.

Hermès, along with luxury peer LVMH, is set to deliver another year of strong organic sales growth. As in past crises, the strongest luxury brands are sweeping up share.

As markets reopen, air travel has recovered strongly, putting the aerospace-exposed names such as MTU, Amadeus and Ryanair on a firm path to full recovery.

Inflation pass through has supported the portfolio's organic growth, notably for food retailer Jeronimo Martins which has passed on its food cost increases, while rigorously maintaining price leadership in each of its markets.

In addition to dynamic organic growth, the portfolio continued to pursue M&A opportunities, albeit at a slower rate than in 2021. Coloplast acquired Atos Medical, a world leader in voice prosthetics, opening up a new end market for the group. Kingspan continued to consolidate its industry, adding in particular to its Roofing and Waterproofing division, while Accenture, Halma and Assa Abloy continued their steady pace of acquisitions.

Finally, it is important to note that the portfolio benefitted from the strengthening of the US dollar with around one third of sales generated in North America.

Despite the overall pleasing earnings dynamic, there were pockets of fundamental disappointment. It was revealed that Orpea, the nursing home operator, had engaged in multiple corporate malpractices. Meanwhile, Adidas continued to suffer from Chinese boycotts in response to the Xinjiang cotton saga, while the departure of its CEO and the termination of the Kanye West Yeezy contract also weighed. Prosus' key asset Tencent continued to post disappointing growth, while Temenos' contract momentum showed few signs of improving.

Combined, however, these disappointments weighed relatively little on performance, with the more important detractor being the general de-rating of growth, particularly where high valuations were combined with cyclical exposure (Accenture, Kingspan and ASML).

For fundamental reasons, we sold out of six names (Orpea, Ambu, Prosus, Teleperformance, Roche and Temenos). Valuation opportunities allowed us to build two new positions (including Sartorius Stedim, a single use supplier to the biopharmaceutical industry) and, more significantly, we added back to a number of faster growing names such as Straumann, Adyen, Alcon and Coloplast on share price weakness.

While the market's focus in the short term is centered on inflation, interest rates and a potential recession, we see this period of volatility as an opportunity to continue building a portfolio fit for the next decade. Digitalisation remains a central theme, with ASML expecting semiconductor demand to double out to 2030, benefitting ASML itself, but also the likes of Dassault Systèmes, Amadeus and Nemetschek in the software space and Accenture in the consulting space.

The next decade will also be defined by the need to transition to a green economy. Heineken estimates the cost of not transitioning at €2.4bn, making it not just right, but economic too. We believe this will create opportunities for those who can be solution providers, such as Sika and Kingspan in the construction space (responsible for 40% of global CO2 emissions) or Linde in the industrial gases space.

Finally, the next decade will see the remainder of the baby-boomer population retire, adding additional burden to healthcare systems around the world. Demand for life saving pharmaceutical products will continue to grow supporting companies across the value chain, from drug companies such as Novo Nordisk to suppliers such as Sartorius Stedim, Lonza and Icon. Medical device demand will also grow, supporting businesses such as Straumann, Coloplast and Amplifon.

As always, we invest in companies, not mega trends, and quality always comes first. We believe this will help protect the portfolio in the event of a recession in 2023. Valuations may continue to compress should inflation remain stubbornly high, but as long as the companies deliver on the growth we expect we believe the performance headwind should be short lived. For our part, we remain focused on the long term and intend to continue to take advantage of market inefficiencies to position your portfolio for the next decade of growth.

**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:** IE00BD5HXD05**SEDOL:** BD5HXD0**Bloomberg:** COMGEZR ID**SFDR Classification:** Article 8**Domicile:** Ireland**Dividend Policy:** Accumulation**Fund Base Currency:** EUR**Share Class Currency:** EUR**Inception Date:** 18/11/2013**Index (used for comparative purposes only):**

MSCI Europe - Net Return

**Legal Structure:**

Comgest Growth Europe, 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:**

Arnaud Cosserat

Franz Weis

Alistair Wittet

Pierre Lamelin

**Ongoing charges:** 1.10% p.a of the NAV**Investment Manager's fees (part of ongoing charges):** 1.05% p.a of the NAV**Maximum sales charge:** 5.00%**Exit charge:** None**Minimum initial investment:** EUR 10**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.
- Sweden: SEB Merchant Banking, Custody Services, Global Funds, RB6, Rissneleden 110, SE-106 40 Stockholm.
- Spain: Allfunds Bank S.A., c/Estafeta no. 6 (La Moraleja), Complejo Plaza de la Fuente, Edificio 3, 28109, Alcobendas, Madrid, Spain. The CNMV registration number of Comgest Growth plc is 1294.
- 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.

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