

ALTRINSIC GLOBAL EQUITIES TRUST



Monthly Report January 2018

Performance

Period ending 31 Jan 2018	1m %	3m %	6m %	1y %	3y % p.a.	5y % p.a.	Since inception % p.a.
Altrinsic Global Equities Trust (Net)	0.57%	1.03%	4.64%	10.84%	8.23%	14.38%	14.14%
MSCI AC World ex-Australia (Net) Index	2.10%	3.63%	12.82%	19.73%	10.55%	17.02%	16.88%
Out/(under) performance	-1.53%	-2.60%	-8.18%	-8.89%	-2.32%	-2.64%	-2.74%

Performance returns are calculated net of management fees and are pre-tax in A\$. Past performance is not a reliable indicator of future performance.

Portfolio review

The Altrinsic Global Equities Trust (Net) gained 0.6% in January, lagging the 2.1% increase by the MSCI All Country World ex-Australia Index. Consumer discretionary and our underweight exposure to utilities contributed to return, while healthcare, industrials, and information technology detracted from performance.

- In consumer discretionary, outperformance by Advance Auto Parts was a follow-through from the better-than-expected results released in mid-December.
- Utilities outperformed due to our underweight exposure to the sector, which has traded down on power-price volatility and the outlook for interest rates.
- In healthcare, investors were concerned about Roche's upcoming 2018 guidance due to the potential impact of biosimilars on the company's biologic drugs Rituxan and Herceptin and what it will spend behind its new drug launches. With help from subsidiary Genentech, Roche has extended its Herceptin and Rituxan franchises with new and better products. We believe that Roche can continue to out-innovate in the coming years.
- Industrials declined on further weakness in GE, after reporting year-end earnings with disappointment in power and weakness in energy. We believe the new CEO John Flannery is conservatively guiding the market as much as he can. In our view, power will continue to face challenges, energy should recover modestly, and the high-quality healthcare and aircraft engine businesses will drive higher-quality earnings growth.
- Technology holdings Thomson Reuters and Conduent declined modestly in an up market and were the primary detractors from performance. Both companies are in the midst of simplifying their businesses to improve returns.

Outlook and strategy

In 2018, we believe the greatest sources of intermediate-term risk stem from Middle East geopolitics, potential trade disputes, bond market disruptions, slower Chinese growth, and the unintended consequences from the proliferation of non-fundamentally driven market participants. Merrill Lynch Strategist Michael Hartnett calculates that the 7855 ETFs represent over 70% of daily trading volume in markets. Include the other passive, factor-based, quantitative, and high-frequency traders, and there is relatively little influence from fundamental investors, especially long-term ones. We are amazed not to have seen a significant dislocation since the brief one in 2010. More broadly, we are surprised how volatility across asset classes has fallen to historically low levels, while valuations are elevated, rates are low, global economic imbalances persist, and geopolitical risks appear to be intensifying. It's possible the prevailing complacency, narrow market leadership, and stretched valuations persist, but we believe the risk associated with such an environment is asymmetric and heavily skewed to the downside. Instead, we believe the embedded value and distinctive investment theses underlying our investments are timely, sensible, and well suited to deliver superior risk-adjusted returns in what we believe will be an increasingly challenging environment.

Absolute Top 10 holdings

Company	Region	Altrinsic %	Index %
Chubb Ltd	United States	2.78	0.15
GlaxoSmithKline Plc	United Kingdom	2.47	0.20
XL Group Ltd	Bermuda	2.32	0.02
Vodafone Group Plc	United Kingdom	2.31	0.18
Heineken NV.	Netherlands	2.29	0.06
Intercontinental Exchange, Inc.	United States	2.24	0.09
Pepsi CO, Inc	United States	2.21	0.36
Roche Holding AG	Switzerland	2.05	0.37
Astellas Pharma Inc	Japan	2.04	0.06
Medtronic Plc	United States	2.02	0.25

About Altrinsic

Altrinsic is a high-conviction, fundamental, value-oriented global equity manager.

It searches developed and emerging markets to uncover companies with unrealised value. Altrinsic only pursues an investment after in-depth, bottom-up, fundamental research with a focus on long-term drivers of intrinsic value.

Key facts

Investment objective

The Trust aims to provide long-term growth of capital by investing predominantly in publicly traded global equity securities (unhedged to A\$). The Trust aims to outperform the MSCI All Country World ex-Australia Index Net Dividends Reinvested (A\$) over rolling five year periods, before fees and taxes.

Index

MSCI All Country World Index (ex-Australia) Net Dividends Reinvested (A\$).

Performance inception date

01 DEC 2011

APIR code

ANT0005AU

mFund

AGA01

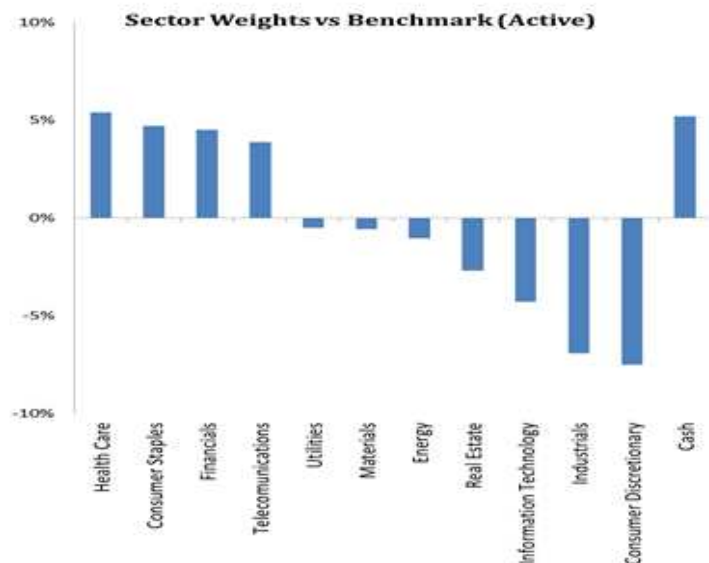
Management costs (including GST)

1.25% p.a.

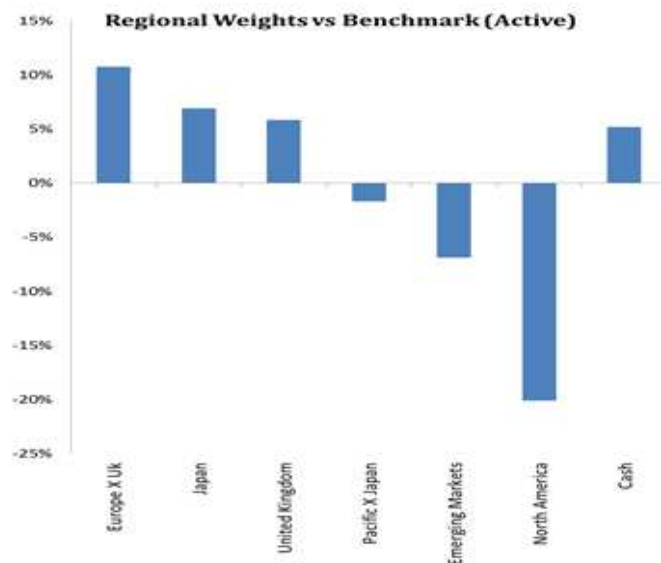
Altrinsic Global Equities Trust- All Cap, All Market, Unconstrained

Fund Positioning

Sector Weights vs Benchmark (Active)



Regional Weights vs Benchmark (Active)



Sector Positioning

Consumer Discretionary	Positioned in sustainable cash-flow generative franchises and select companies with the potential to improve profitability from current levels.
Consumer Staples	Meaningful positions in well-capitalised European-based multinational franchises.
Energy	Positioned in North American and Japanese exploration and production companies and diversified oilfield service businesses.
Financials	Underweight European and U.S. banks with an exposure primarily among insurers and non-bank, cash-flow-driven financials; overweight Japanese financials.
Health Care	Invested in undervalued, established medical device and pharmaceutical companies, complemented by holdings in unique specialty pharmaceuticals, facilities, and other enterprises.
Industrials	Positioned in infrastructure, transport, and capital goods companies, with long-term structural tailwinds and leading global scale.
Information Technology	Focused on unique undervalued businesses with idiosyncratic drivers of value creation and a strong margin of safety.
Materials	Underweight with selective exposure to mining and industrial gas companies.
Telecommunication Services	Selectively positioned in companies with shareholder-friendly management teams, strong balance sheets, and ownership of premier mobile and fixed networks.
Utilities	Invested in high quality, long-dated assets that are positioned to realize upside from an eventual recovery in fundamentals and stricter environmental regulations.

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