

# CI BRUNSWICK FUND QUARTERLY COMMENTARY REPORT



Cooper Investors Pty Limited

AFS Licence Number 221794

ABN 26 100 409 890

For current performance information please refer to the Monthly Performance Report.

**MARCH 2020**

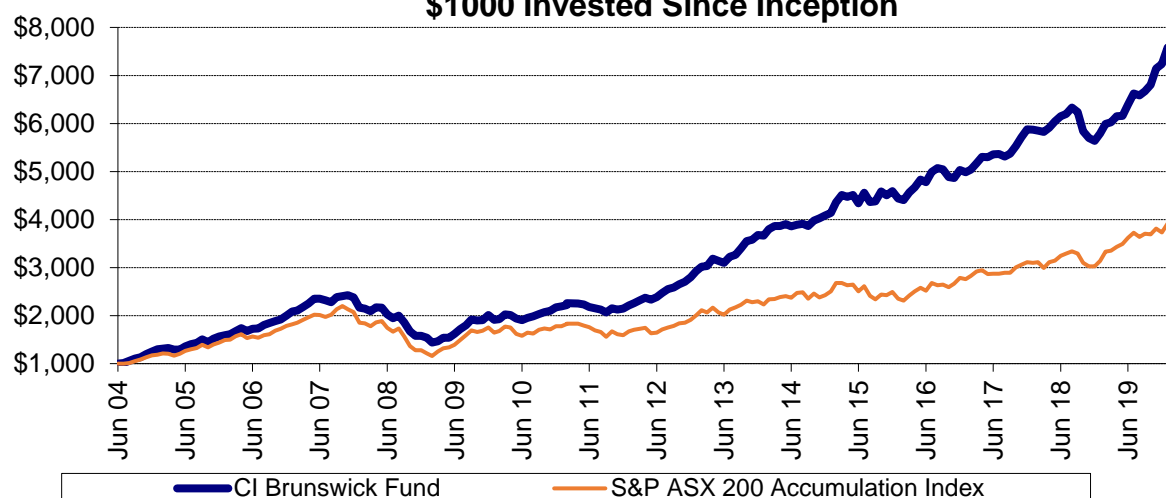
## The Brunswick Fund Proposition

*“The Brunswick Fund leverages CI’s VoF philosophy aiming for less downside volatility, by investing in quality companies with proprietary management behaviour. Capital is allocated across 3 competing capital pools ~ compounder, reversionary and real income/assets securities.”*

	**PORTFOLIO	#BENCHMARK	VALUE ADDED
LAST 3 MONTHS	-20.4%	-23.1%	2.7%
FY 2020 YTD	-9.4%	-20.7%	11.3%
FY 2019	5.1%	11.5%	-6.4%
FY 2018	16.0%	13.0%	3.0%
FY 2017	13.4%	14.1%	-0.7%
FY 2016	12.5%	0.6%	11.9%
FY 2015	14.3%	5.7%	8.6%
FY 2014	26.8%	17.4%	9.4%
FY 2013	32.0%	22.8%	9.2%
FY 2012	12.4%	-6.7%	19.1%
FY 2011	16.1%	11.7%	4.3%
FY 2010	18.7%	13.1%	5.6%
FY 2009	-19.4%	-20.1%	0.8%
FY 2008	-12.9%	-13.4%	0.5%
FY 2007	45.7%	28.7%	17.1%
FY 2006	35.3%	23.9%	11.4%
FY 2005	47.6%	26.4%	21.2%
SINCE INCEPTION*	752.5%	186.9%	565.6%
SINCE INCEPTION^	14.6%	6.9%	7.7%

\*Annualised ^Cumulative (1 July 2004) \*\*Before fees and expenses # S&P ASX 200 Accumulation Index

## CI Brunswick Fund - Net of Fees \$1000 Invested Since Inception



Source: Factset

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### Important Information – Brunswick Fund to Reopen

The Brunswick Fund, having been closed to new applications, is reopening to new investments for up to \$100m. We are seeking firm commitments from investors during the 2 weeks of **Monday 20th April through to cob Friday 1st May**. In the case of the re-opening being oversubscribed, preference will be given to existing Brunswick Fund investors.

We will notify investors on the following Monday, the 4<sup>th</sup> of May whether we are able to accept the investment. Unit pricing will then be available each Thursday during May starting the 7<sup>th</sup> of May, as well as Friday 29<sup>th</sup> May.

Investors can register their investment request at: [brunswickfundapplications@cooperinvestors.com](mailto:brunswickfundapplications@cooperinvestors.com)

Please provide your Name, Investor Number, Best Contact Phone Number and commitment in AUD. Note: Your investor number can be found on your monthly transaction statement. Please contact Cooper Investors at [clientrelations@cooperinvestors.com](mailto:clientrelations@cooperinvestors.com) or your financial advisor if you do not receive a statement directly.

In conjunction with the re-opening of the Fund, we will be hosting a Zoom presentation to update investors on the Fund strategy on Monday the 20<sup>th</sup> April at 10am – 11am.

If you would like to attend the Zoom presentation please email Colleen Borg on [cborg@cooperinvestors.com](mailto:cborg@cooperinvestors.com) and she will send you the link and password. If you are not able to make the presentation but would like to receive a copy of the recording please indicate this to Colleen and we will email it to you.

\* \* \* \*

The disruption to global equity markets caused by the COVID-19 pandemic has been significant. We are **observational investors** and don't like to predict, so we can't say whether things might get worse before they get better, but what we can say is that in our experience, during these times of stress, **extraordinary opportunities** present themselves for those who are good enough.

The pandemic threat will pass and the economy will adapt. This is the time to be externally focused to set up portfolios for the next generation of out-performance. Our opportunity set is across the ~170 stocks owned and researched by CI's Australian (large and mid-caps), Global and Asian teams. Areas of the economy that are well positioned in the post virus environment include:

- the real income/asset area;
- the everyday needs economy;
- the new growth economy;
- companies that can deliver commercial solutions to global problems;
- quality turnarounds (cyclicals, spin-offs), as we go through a restructuring and consolidation phase;
- beneficiaries of Government intervention in the economy.

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The Brunswick Fund team are using this time to lean heavily into Cooper Investors' culture which emphasises humility, intentionality, curiosity, presence (focus) and authenticity, and continuing to live the CI Way. The CI Way, a system of investing, gives us tremendous advantage to out-perform. In summary:

- A values first approach where relationships are everything has driven team cohesion and deep relationships with companies and clients;
- The CI VoF Process & System is based on Value Latency, Operating/Industry trends and Focused Management Behaviour. The VoF process is a pattern recognition system that has delivered quality, consistent out-performance across all our funds, both domestic and international since our inception in 2001;
- Deep networks and direct access to over 500 leading industry and company contacts across the world at the C suite level is giving us a quality and clear window on the world; and
- Patient capital allocators ~ we are long term investors, ready to pounce when the settings are right.

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***“A market downturn doesn’t bother us. It is an opportunity to increase our ownership of great companies with great management at good prices”***

**— Warren Buffett**

### Market and Portfolio Performance

The March quarter was dominated by the rapid spread of the COVID-19 pandemic. Globally both equities and credit markets experienced extreme levels of volatility, in one of the sharpest bear market declines in history.

Economies across the world were forced into hibernation in an attempt to slow the spread of the virus. Governments responded with substantial stimulus packages. In Australia, the Government is trying to absorb as much of the shock as possible by supporting small business and the unemployed through the period of hibernation. It seems likely support will be required for some time, and even with support, many businesses are still at risk of failing.

During the past month the Brunswick Fund team has shifted to working remotely, as has most of Cooper Investors’ staff. At the same time we have increased our direct contact with portfolio companies, albeit via phone and videoconference. We did roughly 40 one-on-one company meetings (face to face) as part of our normal company reporting season in February. This was followed by a similar number of one-on-one phone calls/videoconference in March (mostly portfolio companies, sometimes on multiple occasions). In addition, we regularly do many more calls with analysts, experts and channel related checks.

Our many years of consistent one-on-one contact and relationship building with company management teams and Boards, combined with Cooper Investors’ long-term approach to investing helped ensure this contact was maintained, despite the many challenges. Direct company contact is the best way we can stay in touch with what is happening in the real economy.

Based on these many recent contacts, some observations that we make so far:

- The strong will get stronger. Companies with strong market positions will likely win further market share through and after any downturn.
- Businesses providing essential services and everyday needs have been thrust into the spotlight. Some essential industries or services aren’t always immediately obvious ~ for example plumbing, might not come to mind straight away.
- The significant rise in government debt has longer-term implications for interest rates, currency and taxes. All of which will favour some companies and sectors over others (for example, mining and education are key exports and sources of tax revenue).
- The Australian government is listening to corporate leaders in Australia.
- The online world has become even more important/relevant (‘new economy’).

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- There are some unprecedented challenges to work through between tenants and landlords.
- Some supply chains are likely to change and domestic production of certain products could be re-started.
- Healthcare readiness and capacity will be an area of focus for governments worldwide medium term.
- Certain industries that have enjoyed multi-year tailwinds from globalisation (airports, airlines, travel companies), could face diminished demand even over medium term timeframes. Offsetting this, domestic opportunities (travel, hotels) are likely to see increased interest.

\* \* \* \*

Over the March 2020 quarter, the ASX200 Accumulation Index fell 23.1%, with the majority of the fall occurring in late February and March. For the 12 month period to March 2020, the Index fell 14.4%.

The Brunswick Fund fared relatively better, falling 20.4% for the March quarter, and 3.6% for the 12 month period, outperforming the index by 2.7% and 10.9% respectively.

Key contributors to portfolio performance during the 3 month period include **CSL (CSL)** (solid HY20 result, relatively less impacted by COVID-19), **BHP (BHP)** (new position in the Fund acquired at an attractive price) and **ASX (ASX)** (strong cash and derivative trading volumes in March). This showed the advantage of investing across large, mid and smaller market capitalisations (Note: the ASX Small Ordinaries Accumulation Index was -26.7%, underperforming the ASX 200 by 3.6%).

Portfolio stocks that performed relatively poorly include **Lifestyle Communities (LIC)** (concern that housing markets slow), **Arena REIT (ARF)** (risk to tenants from reduced occupancy in childcare centres from COVID-19), and **Brickworks (BKW)** (concern the building materials sector softens).

Going into the crisis, the Brunswick Fund was fully invested but skewed to more defensive companies and sectors. Disappointingly, some of these more defensive companies, particularly in the Bond-Like-Equity subset of value, performed poorly, a function of the specific nature of the crisis. A reminder that the hubris to humility cycle we observe across economies, industries and companies can also be observed in fund managers!

One example, the Fund's holding in **Arena REIT (ARF)** was particularly disappointing. We had carefully selected Arena on the basis of its low levels of gearing, attractive long WALE (14 years), triple net leases (effectively no opex), positive long-term industry dynamics (healthcare and early education which are government supported) and quality management team. However, the COVID-19 crisis led to a material reduction in childcare occupancy across the sector, with concern that a significant quantum of Childcare operators would cease operating and/or landlords such as ARF would have to provide concessions to support operator viability.

In early April, the Government announced a significant support package for the Childcare sector (\$1.6bn over Q420) which should ensure the viability of the majority of operators. While this may not prove to be a panacea for the whole sector and every individual operator, it does remove some of the tail-risk which was being aggressively priced into ARF's shares.

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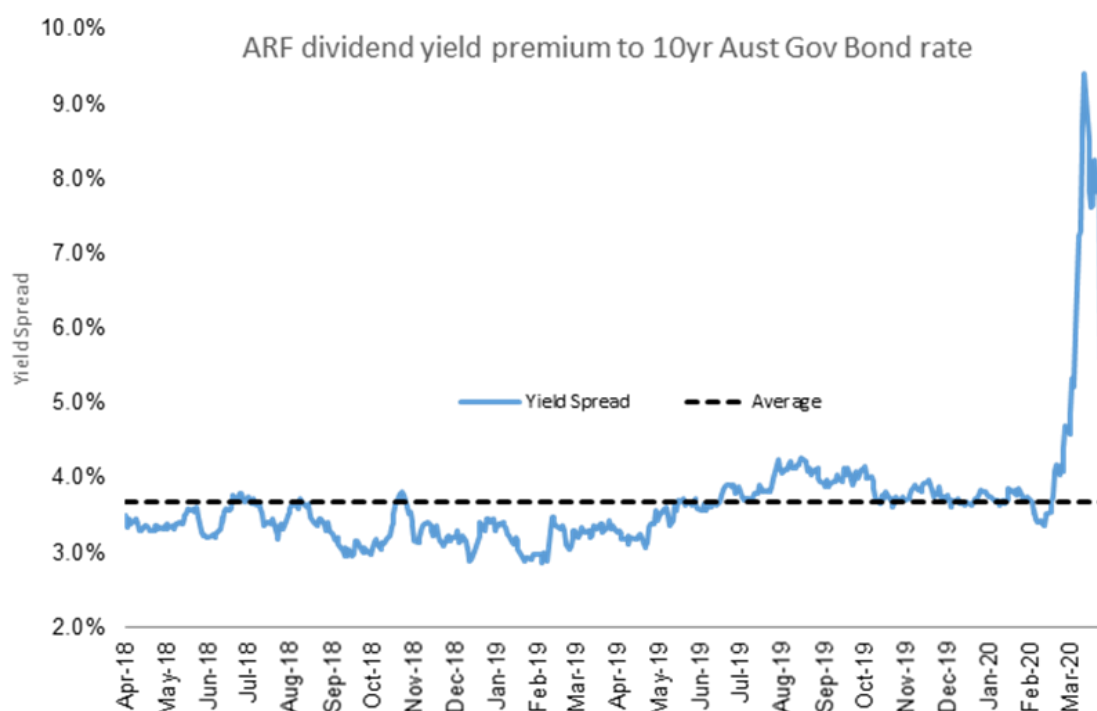
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At the end of the quarter, ARF was trading on a normalized distribution yield of 8%, a 22% discount to Net Tangible Assets and possessed a balance sheet with very significant covenant headroom.

Despite ARF rallying strongly at the start of April, the risk premium equities market participants are requiring (ARF normalised distribution yield minus the 10 year Government bond) remains elevated:



Source: Factset

Another of the Fund's Bond-Like-Equity stocks **ALE Property Group (LEP)**, which owns the property sites of 86 pubs and hotels around Australia, was also disappointing despite possessing what we thought pre-pandemic were defensive characteristics (triple net lease, long WALE, significantly under-rented, "recession proof demand" and very low counterparty risk). Despite LEP's sole tenant being the ALH group, which is 75% owned by Woolworths, the near term operating risk from pubs and hotels being shut appears to have been capitalized aggressively by the market. This is in spite of counterparty risk remaining extremely low with Woolworths operating performance during the Covid-19 crisis strong combined with its solid balance sheet and investment grade backing.

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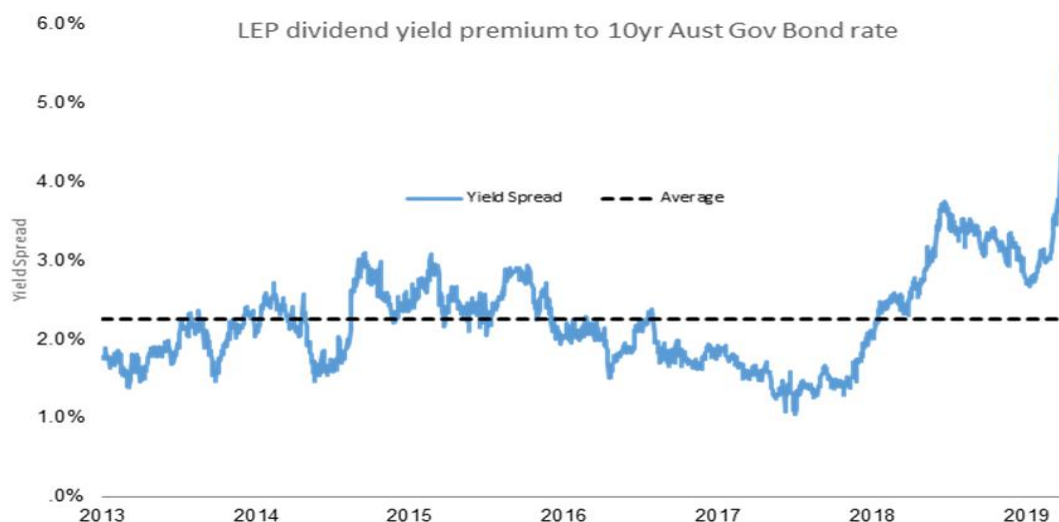
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Similar to ARF, LEP's yield spread remains significantly elevated relative to history:



Source: Factset

**Napier Port (NPH)** was one of the first to feel the impact of COVID-19 with around 60% of export volumes going to China. NPH's major volume exposure is exporting logs and other forestry items (73% of tonnage, 32% of high margin revenue). The shutdown in China at the start of CY20 led to a significant decline in the demand for and price of NZ logs, which is now driving reduced export volumes through the Port (lagged impact). While China industrial activity appears to be normalizing and would normally drive stronger export volumes, New Zealand has entered Stage 4 shutdowns which preclude non-essential activities from occurring (such as Forestry). This will have a significant near-term impact on log volumes exported. While NPH continues to export pip-fruits such as apples and pears (~60% of Revenue) as they are classified as essential, the operating leverage in regional Port businesses is significant with a sharp reduction in log volumes likely to impact NPH's near term earnings.

Despite these headwinds, we continue to see scope for significant efficiency improvements (cost, productivity and asset) over the coming years as NPH transitions from 100% local council ownership.

There were also a number of portfolio stocks with highly defensive assets and only limited exposure to COVID-19 that were nonetheless significantly impacted by the market correction.

Firstly, **Brickworks (BKW)**, which falls into our Asset Play Subset of Value with its major exposures being an investment in Washington H. Soul Pattinson (SOL, ~60% of BKW's assets), an Industrial REIT JV with the Goodman Group (20% of assets), a Building Products Australia division (16% of assets) and a growing North American Building Products business (~5% of assets).

The company released its results late in Q3 and while the result was in-line with CI and analyst expectations, the outlook commentary on the Australian building market was particularly cautionary for the sector (COVID-19 driven demand decline, bad debts expected). While Building Products Australia is only 16% of our valuation for BKW, it appears to have driven BKW's share price more

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than logic would suggest. We suspect its name, Brickworks, explains some of this with the stock more highly correlated to the Building Products peers in the last 6 and 12 months than to Soul Pattinson's despite the SOL investment currently representing >85% of BKW's market cap.

As a result of weak share price performance since March 26th (-16% rel to ASX200), BKW is now trading at its largest discount to inferred NTA in the past decade. This is despite the 60% of its valuation comprising a listed entity (SOL) and its industrial property division, which is larger than Australia's building products division, experiencing strong conditions with further value latency likely to be un-locked in the near term.

In our view, BKW provides attractive risk-adjusted value latency with the potential for share price appreciation via NAV growth and/or discount contraction from an elevated starting point. Its risk profile is also skewed positively in our view by its Focused Management Behaviour (BKW's counter-cyclically focused CEO and its investment in SOL) combined with its strong balance sheet providing the company with significant optionality.

Secondly, **Infratil (IFT)**, another Asset Play in the Fund, was also significantly impacted over the last month despite the defensiveness of its underlying businesses, its history of outperforming in down months and the comparable businesses to IFT's, which are listed, performing much more strongly. For example, the domestic comparable to IFT's data centre business CDC (26% of our IFT valuation), is **NextDC (NXT)** which outperformed the ASX200 significantly in March.

Infratil owns a collection of infrastructure assets with the major businesses including:

- Trustpower (A/NZ gentailer listed on the NZX, 18% of our valuation)
- Tilt Renewables (Renewables electricity generation company, 16% of our valuation)
- Canberra Data Centres (DC owner and operator with primary exposure to Australian Government, 26% of our valuation)
- Vodafone NZ (purchased in May 2019 from the Vodafone parent, 20% of our valuation)
- Wellington International Airport (11% of our valuation)

Wellington International Airport (11% of valuation, IFT owns 66% of WIA) is by far IFT's most direct exposure to COVID-19 and the lock-down of movement within New Zealand. The airport is predominantly domestic focused (86% of PAX) and the Wellington Council owns the remaining 34% of the airport.

While there is clearly both short term earnings risk and uncertainty around WIA's balance sheet (particularly given Auckland Airport's recent capital raising), we believe IFT is well placed to support WIA via an equity injection if required.

Tilt Renewables (65% owned by IFT, 16% of our valuation) recently closed on the sale of its 270MW Snowtown 2 wind farm for \$1.1bn, resulting in net equity proceeds of \$455m. Following this sale, TLT has announced a capital return of A\$260m to its shareholders, with IFT to receive A\$169m. The business remains highly defensive and largely immune from COVID-19, with 9 wind farms in

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operation, 835 MW of generation capacity and over 80% of the revenue generated from these assets secured via long term contracts.

Canberra Data Centres' (26% of our valuation) rental revenue base is supported by long term leasing contracts and strong counterparties (largely Government) with IFT continuing to expect strong growth despite the pandemic. Longer term, we expect Covid-19 to accelerate the Cloud movement for Government and Enterprise in which CDC is well positioned to benefit.

Vodafone (20% of our valuation) is a defensive business in a relative sense, with a solid proportion of contracted revenue and the business underpinned by long-life assets. However, in the event of a prolonged downturn their retail customer bases is likely to be impacted (potential for bad debts, more frugal behaviour).

While both CDC and Vodafone are benefiting from similar structural themes (increased connectivity and data usage), Canberra Data Centres value creation in our view is driven by leasing up existing data centres at high incremental margins and deploying additional capital into new data centre assets. In contrast, we see Vodafone as creating value for IFT shareholders via optimizing its existing assets, increasing its cost efficiency and deploying a small amount of capex into 5G.

\* \* \* \*

The positive side of a significant market downturn is the opportunities that are created. During the quarter, we were able to improve the Fund's overall VoF attributes by 'trading up' at attractive prices into higher quality companies with more value latency and focused management teams.

One key stock we added to the fund during the market dislocation at a very attractive price was **BHP (BHP)**. There are a number of characteristics that make BHP favourable at this juncture. Firstly, BHP's assets are long life and predominantly first quartile on the cost curve (Pilbara, Escondida et al). Secondly, the balance sheet is already in excellent shape and cash flow at current pricing is exceptionally strong (also aided by AUD weakness). These two characteristics provide significant robustness for the business. We also expect this to provide shareholders with material support through any future turmoil given the optionality to acquire high quality assets at attractive prices, repurchase its own under-valued stock and/or distribute its material free cash flow to shareholders. Thirdly, this world class collection of assets BHP have procured was available at historically attractive valuations (33% below long run averages of tangible funds employed). We also see current management as focused on optimizing the returns out of the asset base, having demonstrated their capital allocation credentials over the past few years.

Over the next few quarters we will provide further details on other recent additions to the Fund.

\* \* \* \*

The Brunswick Fund team remain focused on leveraging CI's investment platform in an unconstrained universe to invest in quality companies showing proprietorial management behaviours. These events offer opportunity for us to double down on our three key pools of capital:

1. Compounders ~ 5+ year opportunities in the New economy, health & aging, community
2. Reversionary ~ quality, low-risk turnarounds, and growth cyclicals impacted by the events

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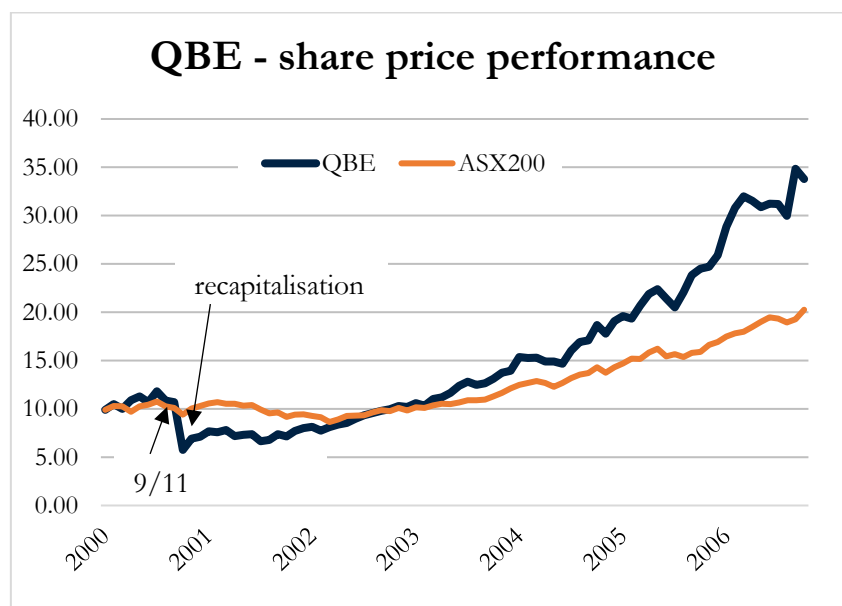
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3. Real assets and income ~ agriculture, precious metals, family holding companies, property and infrastructure that should display lower correlation to other assets

Historically, market dislocations have the potential to reset the long-term value creation opportunity for companies. As an example, after the September 2001 event in New York, QBE was significantly impacted and subsequently recapitalised. This set the company up for the next period of recovery, return to profitability and eventually growth:



A current Brunswick Fund stock, **Lifestyle Communities (LIC)** is another example. LIC is now a leading greenfield developer of affordable land-lease communities in Victoria. However, the business was recapitalised in late 2012, with a new Board put in place. The recapitalisation allowed the Brunswick Fund to take a material position in the company.

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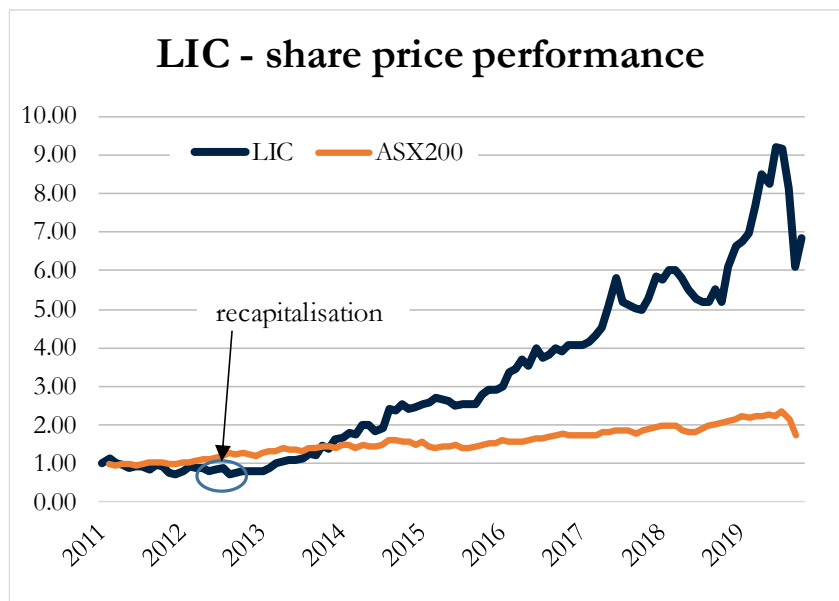
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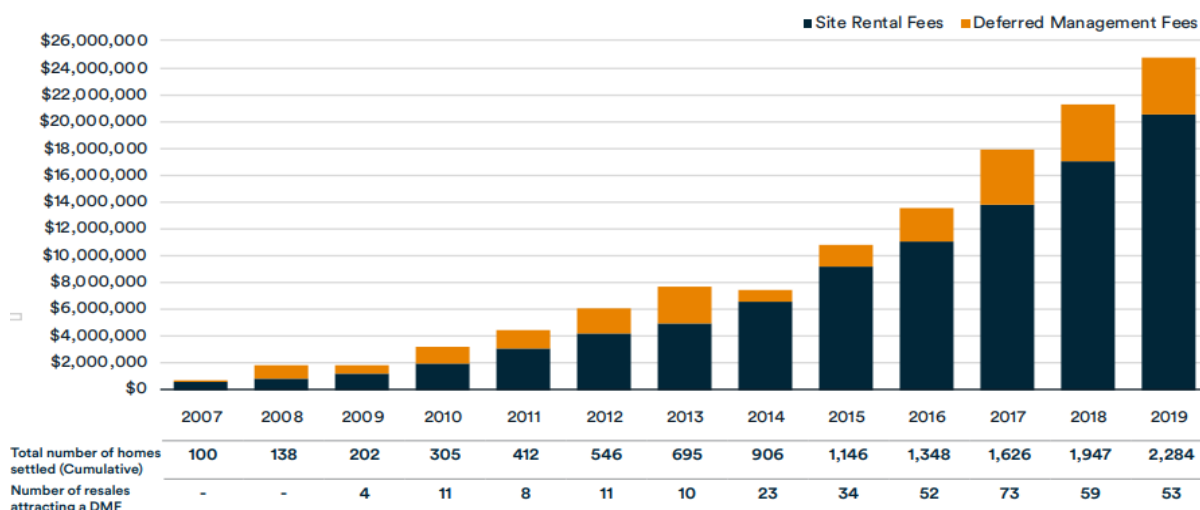
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Since then the company has built a strong customer proposition, allowing residents to unlock equity value while upgrading their house, with shared facilities and benefits of community. Over this period LIC has been able to grow its annuity stream of site rental fees by more than 30% p.a. (compound), and the number of annual settlements (individual site sales) by 15% p.a.

## Growing annuity income streams



Source: Lifestyle Communities Investor Presentation

Although there is risk that housing markets slow, demand remains very strong from the growing group of baby boomers about to retire. We remain confident that LIC's product is hitting the mark – it has managed to grow its referral rates to over 50% of sales.

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At the time of writing, a number of companies have already tapped equities markets for recapitalisations. One of the Brunswick Fund's portfolio stocks **Reece (REH)** raised \$600m of capital via a non-renounceable rights issue and placement. Reece acquired Morsco in the US in 2018, funding this via a combination of debt and equity (as well as a more recent follow-on acquisition). Although not extended, Reece's balance sheet was fully geared prior to the recent raising. Before it acquired Morsco and under the long-term guidance of the Wilson Family, Reece's gearing had been very low (net cash), particularly given Reece owns a lot of the property where its stores are located.

To date, Reece's business has not been materially impacted by COVID-19. Plumbing is still an essential service. However, stage 4 lockdown in NZ has seen sales in the country fall more significantly (NZ is a small contributor overall to Reece). The additional \$600m of liquidity will ensure Reece can comfortably survive, even in an extreme case where stage 4 lockdown lasts across all its geographies until the end of CY21.

Reece is the dominant player in the Australia plumbing market. We expect Reece will be able to win market share through any downturn. In the US, the Morsco/Reece business is still early days in terms of its development (albeit the underlying businesses such as Morrison Supply have been operating in the US for over 100 years). We do expect that from a position of relative strength, Reece are very well placed to continue to grow their business both here and in the US.

***“Per Fidelity’s analysis of accounts between 2003 and 2013, the brokerage’s top-performing accounts were from investors who were dead, and the runner-up group consisted of those who had forgotten their accounts at Fidelity”***

— Various Sources

## The Portfolio – Strategy, Process and Structure

### Objective & Structure

Provide long-term returns above the ASX200 Accumulation Index via:

- Long-only, focused portfolio (20-40 stocks) with VoF qualities.
- No leverage, no derivatives, no shorting.
- Non-index, endowment-like philosophy across domestic and international markets.
- Small team leveraging CI's well-resourced research platform and back-office strength.

### Differentiated Strategy

1. “Pure” application of CI's VoF Philosophy:
  - Benchmark unaware.
  - 3 competing pools of capital – Compounding, Reversionary, and Real Assets and Income.
  - Focus on companies with proprietorial VoF behaviour.
2. Limited capacity:
  - Event and liquidity opportunities (ELOs), sell downs, IPOs and spin-offs.

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- Quality small and mid-cap opportunities.
- 3. Access to the CI global stocks:
  - Leverage to CI's global research (up to 25% of Fund).
  - World-class global and regional champions.
  - Australian equities global comparison companies.

### Process

**Our singular goal is to identify 'risk-adjusted value latency' diversified across 'subsets of value' by focusing on businesses that have:**

1. Identifiable value latencies.
2. Good operating trends and strong industry/strategic positions (with enduring qualities).
3. Focused Management Behaviour ('proprietary' managers with skin and soul in the game).

The Fund stocks can be grouped into three key areas or capital pools:

#### 1. Compounding sources of value – Growth and Stalwart companies

- World-class global, regional and domestic companies with preferential businesses or assets and a pathway to future underappreciated value options.
- Currently, we are focused on companies exposed to:
  - Ageing and Health.
  - New Economy (particularly software businesses).
  - Data and Telco infrastructure.
  - Everyday needs.
- **Stalwarts** (22% of the portfolio)
  - Sturdy, reliable and generally larger companies with world-class privileged markets and competitive positions. (ASX, Brambles)
- **Growth companies** (33%)
  - Growing companies with value propositions identifiable by traditional value metrics and run by focused, prudent and experienced management. (Lifestyle Communities, Xero, CSL)

#### 2. Reversionary sources of value – Cyclical and Quality Turnarounds

- In particular, we like spin-offs, privatisations and large-cap liquidity events (such as sell-downs) where management is in place with a plan for unlocking value, with follow-on value creating opportunities, and the assets are attractive to other potential owners.
- At the moment, we are focused on:
  - Cyclical in the agriculture sector exposed to drought.
  - Cyclical exposed to US housing.
  - Infrastructure privatisations.
- **Cyclical** (9%)

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- Stocks showing upside leverage to the cycle with experienced and contrarian managers who can allocate capital prudently and with good balance sheets. (BHP, Ferguson)
- **Quality turnarounds (8%)**
  - Sound businesses with good management and balance sheets. We especially like spin-offs and government-to-private turnarounds. (Graincorp, Napier Port)

### 3. Real asset and income sources of value – Bond-Like Equities, and Asset Plays

- This includes holding companies, Listed Investment Companies (LICs), infrastructure and specialised real-estate companies and other asset-rich companies with growth and hidden value options, and catalysts for capturing value.
- At present, we are focused on:
  - Social infrastructure.
  - Family-linked holding companies.
  - European conglomerates
  - Overcapitalised Japanese companies
- **Bond-like equities (12%)**
  - Stocks backed by assets (infrastructure, property, utilities etc) with secure, low-volatile earnings and dividends that can be grown and recapture inflationary effects over time. (ALE Property Group, Arena REIT)
- **Asset plays (13%)**
  - Owner, operator managers with long term commitment to shareholders growth in asset value. Stocks with strong or improving balance sheets trading at discounts to net asset value or replacement value. (Brickworks)

We seek to partner with focused managers that display enduring proprietorial qualities with the ability to deliver the value latency options afforded by good operation, industry and strategic position/trends. The management and governance cultures of the companies we seek fall into 3 broad categories:

1. Family-linked and founder-led companies.
2. Owner-operator cultures.
3. Specialised, focused managers who are resetting governance and management priorities.

All of these proprietorial management styles have the following behavioural qualities:

- Focus – intentional and know what they are doing.
- Humility – authentic, energetic and focussed on long-term value.
- Alignment with and respect for shareholder interests.
- Deep, nuanced knowledge of the business/industry.
- Value and risk-based capital allocation (often counter-cyclical).

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- Invest in skills, talent and innovation.

Currently, the portfolio holds around 4% cash and has around 17% of assets invested in overseas stocks that own businesses in USA, Canada, UK and Mexico.

Portfolio attributes as at March 2020 are summarised below:

P/E	17.13
Beta	0.90
Yield	3.34
P/Book	1.98
ROE	11.41
Tracking error vs. ASX 200	4.84
Stock Number	37

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### Portfolio Risk Metrics

The portfolio's volatility remains below the benchmark, driven by its more diverse stock holdings and lower concentration risk compared to the big four banks and large resource companies:

	*PORTFOLIO	#BENCHMARK
Total Return	+753%	+187%
Max Drawdown	-40.0%	-47.2%
Best Month	+7.4%	+8.0%
Worst Month	-18.9%	-20.7%
Positive Months	+68.8%	+63.0%
Negative Months	31.2%	37%
Annualised Volatility	+11.8%	+14.0%

\*Cumulative (1 July 2004), before fees and expenses

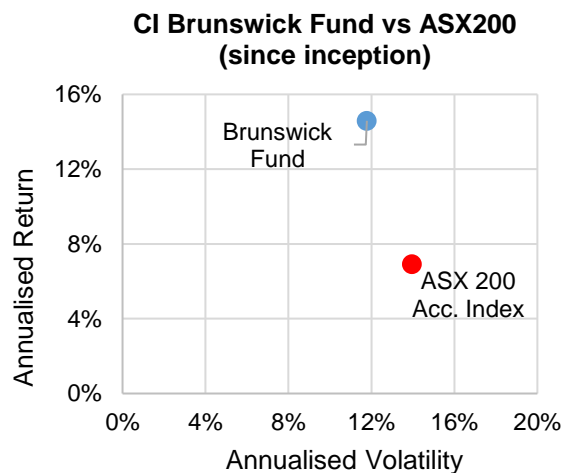
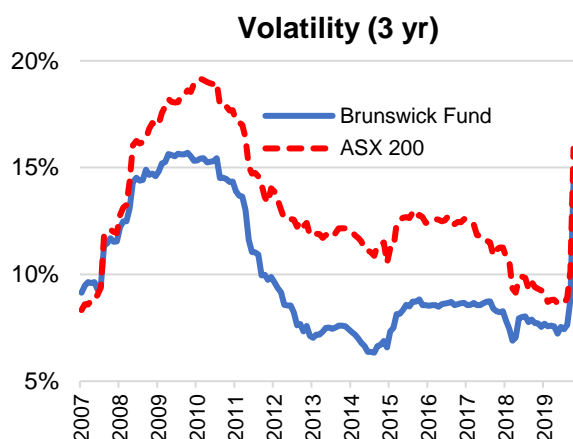
# S&P ASX 200 Accumulation Index

Max Drawdown for the Brunswick Fund occurred December 2007 to February 2009.

Max Drawdown for the ASX200 Accumulation Index occurred November 2007 to February 2009.

Best Month for the Brunswick Fund was November 2004, for the ASX200 Accumulation Index, it was March 2009.

Worst Month for both the Brunswick Fund and the ASX Accumulation Index was October 2008.



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