



Brewin
Dolphin

Girls just wanna have
funds!

FEIFA Masterclass November 2024

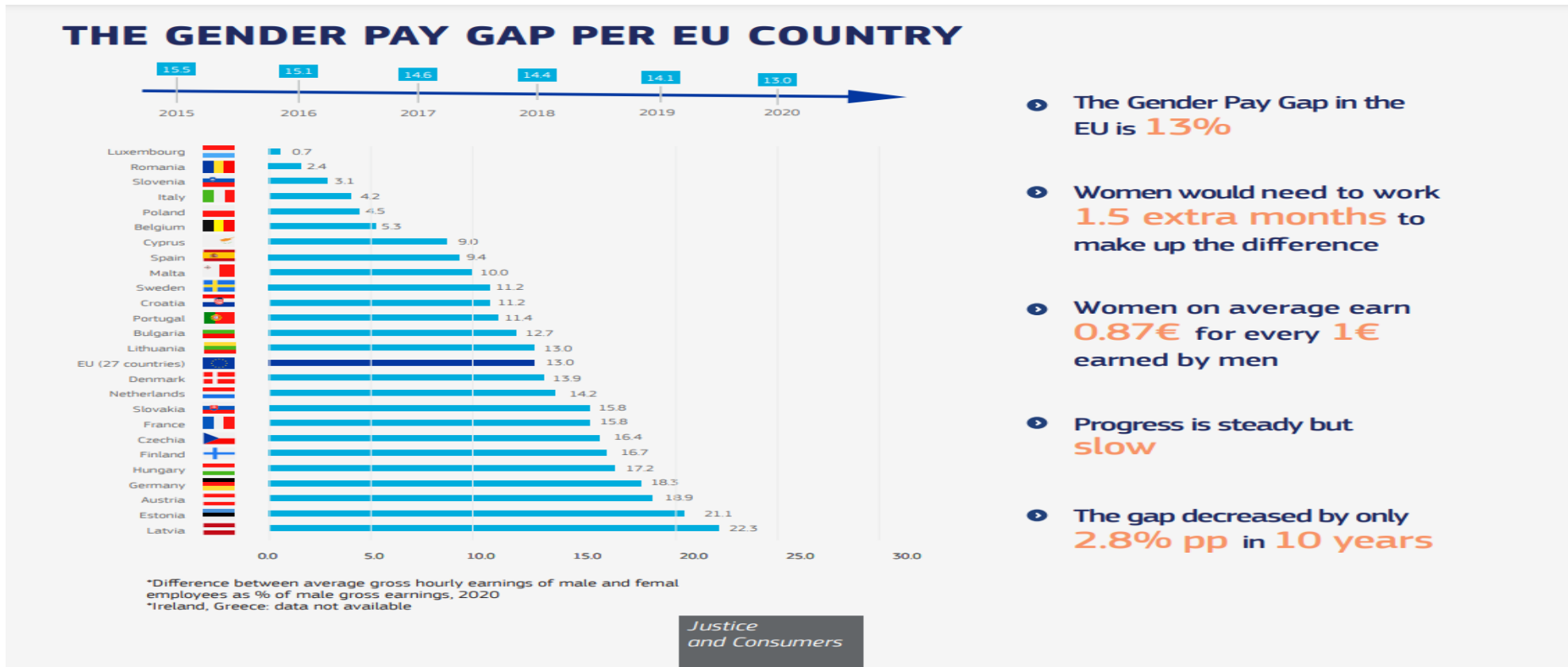
6 November 2024

Agenda

- Considerations with female clients
- Opportunities with female clients
- Champagne & Chocolate



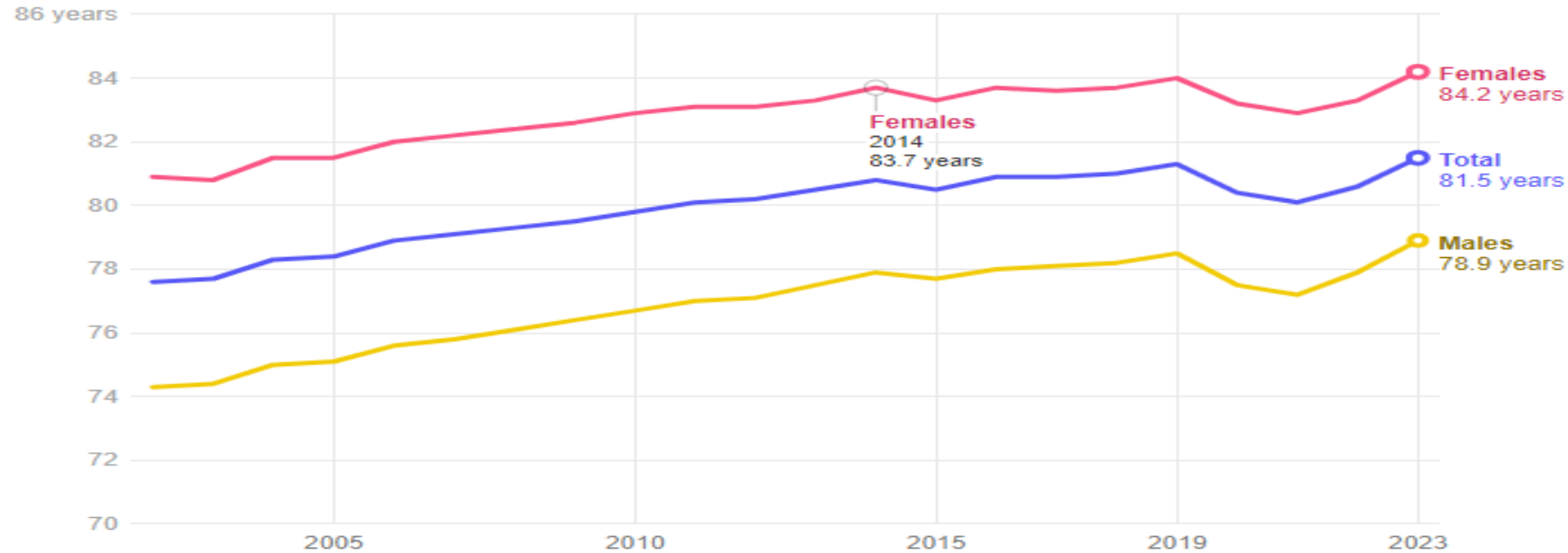
Considerations with female investors



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Considerations with female investors

Life expectancy in the EU by sex



Note y-axis starts at 70-years to better show trend.

Source: Eurostat • Created with Datawrapper

For females, life expectancy in 2023 was highest in Spain (86.7) followed by France (85.9) and Italy (85.8). It was lowest in Bulgaria (79.6) followed by Hungary (80.1) and Romania (80.5).

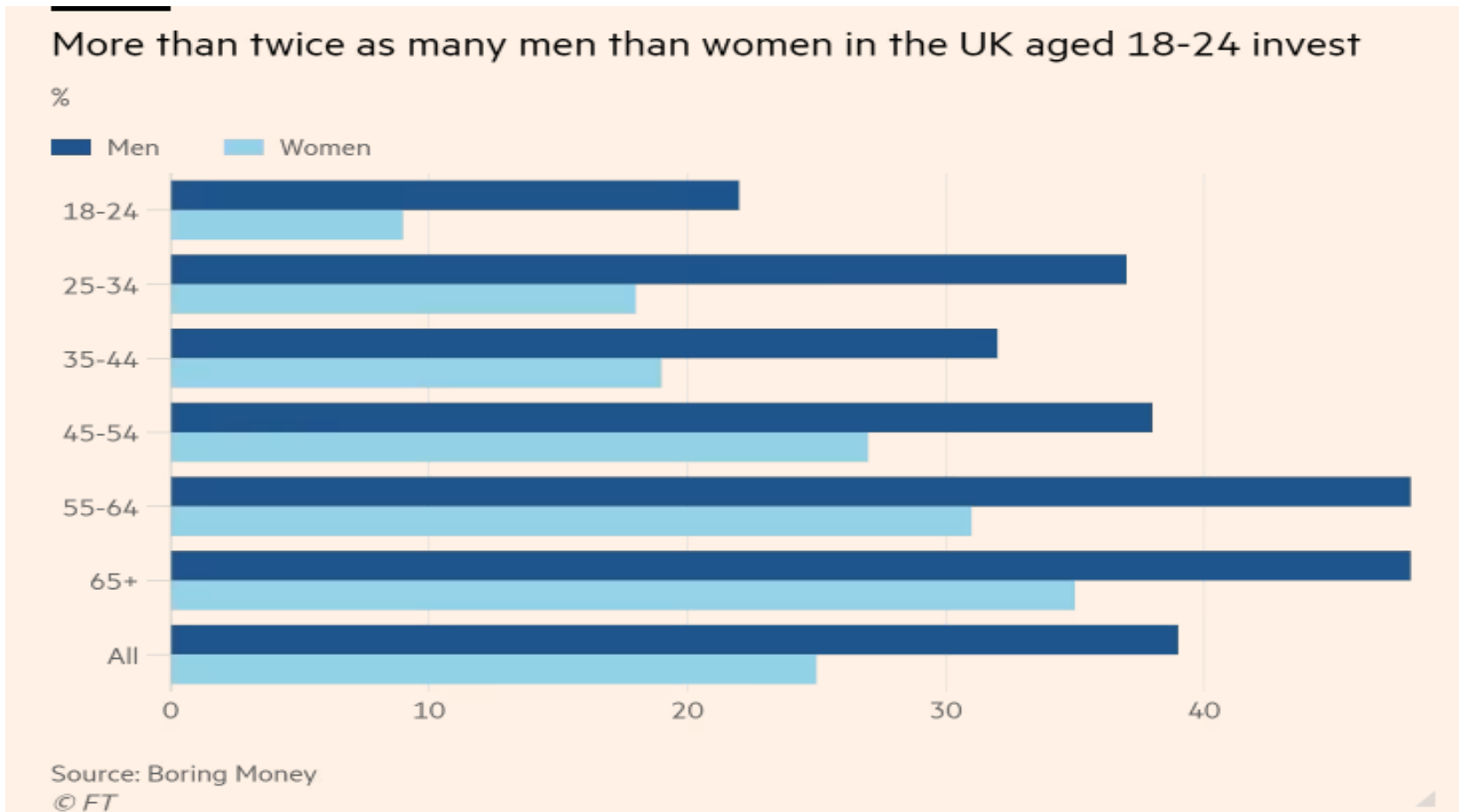
Considerations with female investors

‘Women are not more risk-averse; they are risk-aware’



Considerations with female investors

More men choose to invest, while a higher proportion of women prefer to hold on to cash



Source : Martha Muir March 7 2024 Financial Times

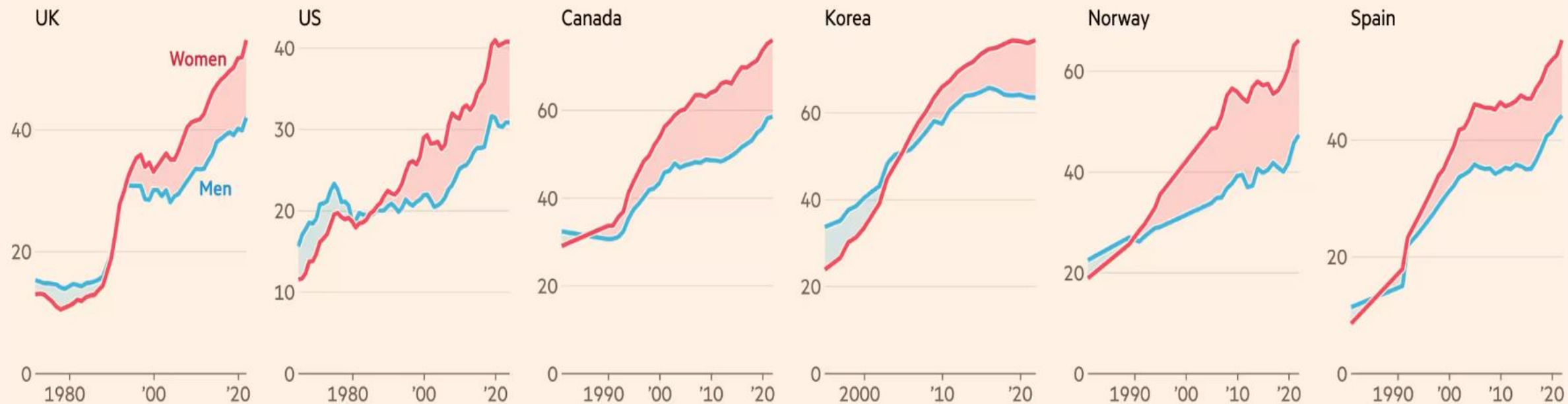
Considerations with female investors : “mind the gap”



Opportunities with female investors

Slightly more men than women used to go to university; now far more women go than men

% of young adults with tertiary education*, by sex



*UK: share of people who had entered higher education by age 19; US: share of 23 to 26-year-olds with a degree; Others: share of 25 to 34-year-olds with tertiary education

Sources: OECD; FT analysis of UK Labour Force Survey and US Current Population Survey

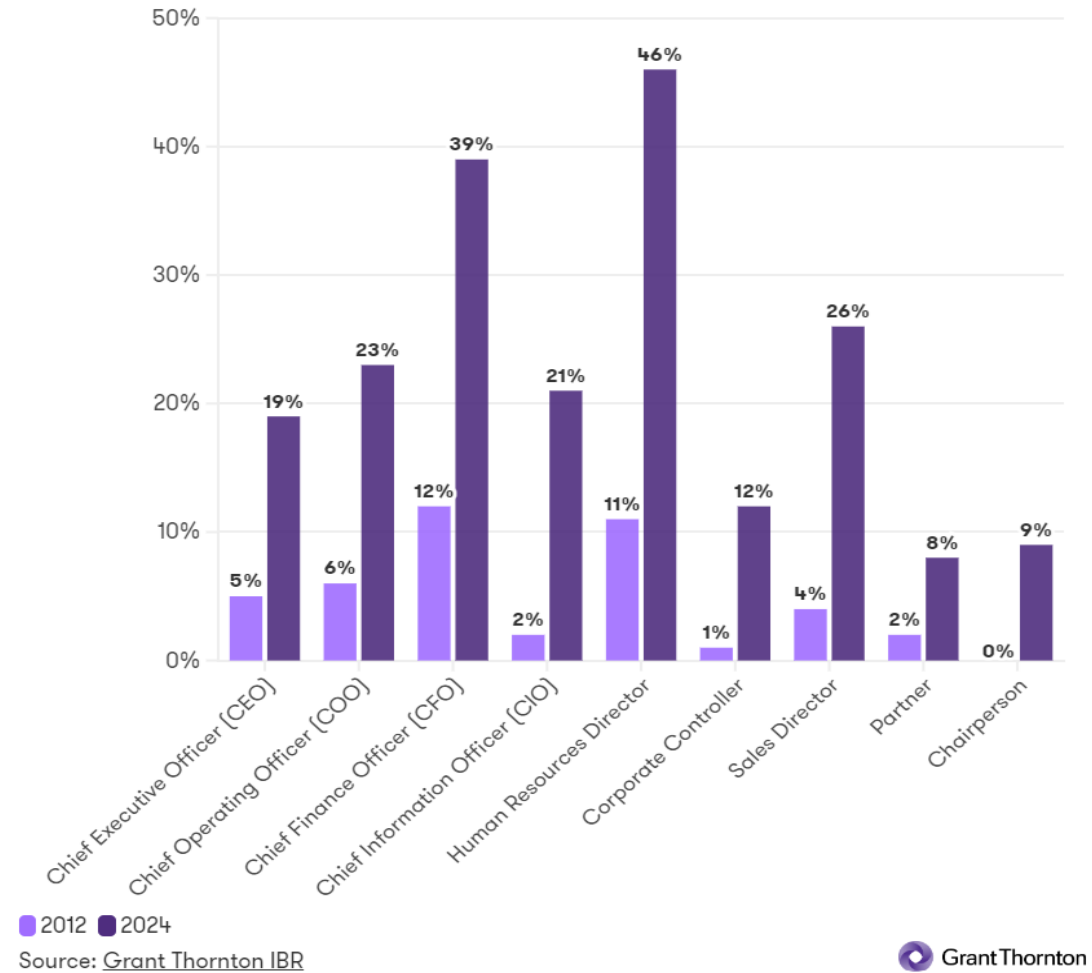
FT graphic: John Burn-Murdoch / @burnmurdoch

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Opportunities with female investors



Opportunities with female investors



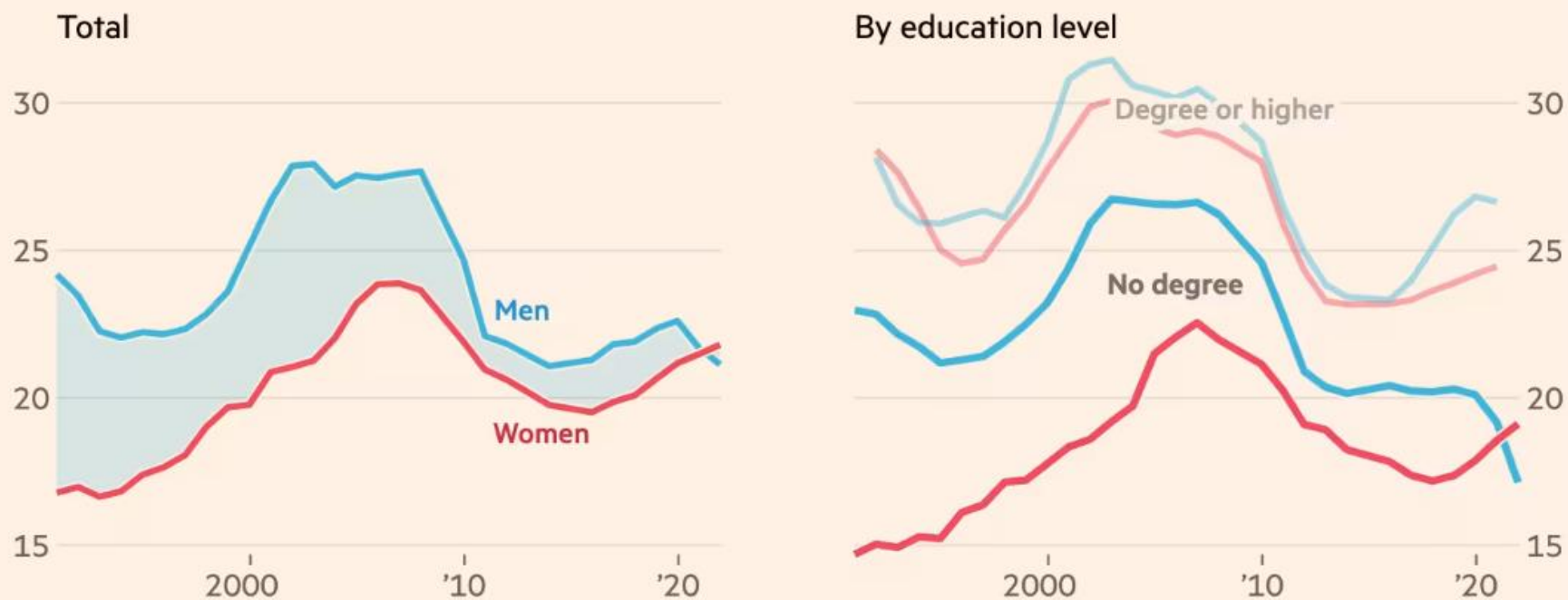
Opportunities with female investors



Opportunities with female investors

Young women's incomes have overtaken men's in the UK

Real median annual income (£000s) among 21-26 year olds, by sex and education level



Source: FT analysis of UK Household Longitudinal Study
FT graphic: John Burn-Murdoch / @jburnmurdoch
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Opportunities with female investors

Country	1980	1990	2000	2010		2022	
European Union (27) (since 2020) (a)	:	:	:	1,57		1,46	(p)
Spain	2,20	1,36	1,22	1,37		1,16	
Greece	2,23	1,39	1,25	1,48		1,32	

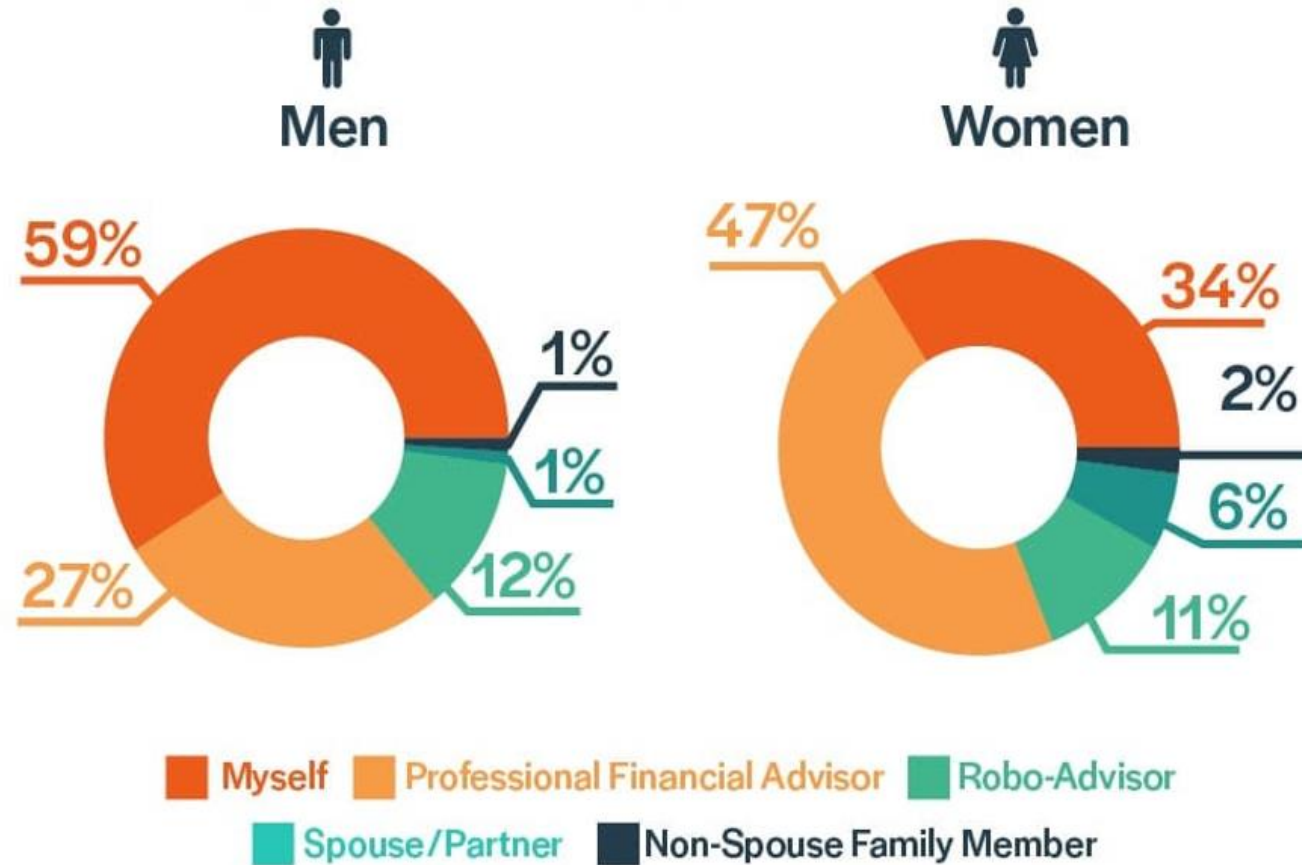
Sources:

(a) Eurostat, Fertility indicators [demo find], Last update: 07/07/2024 ; Extracted on: 21/07/2024.

(b) UN World Population Prospects: The 2024 Revision. (<https://population.un.org/wpp/>)

(c) Various data sources: UN, INED data base of developed countries, for the years 1980, 1990 and 2000

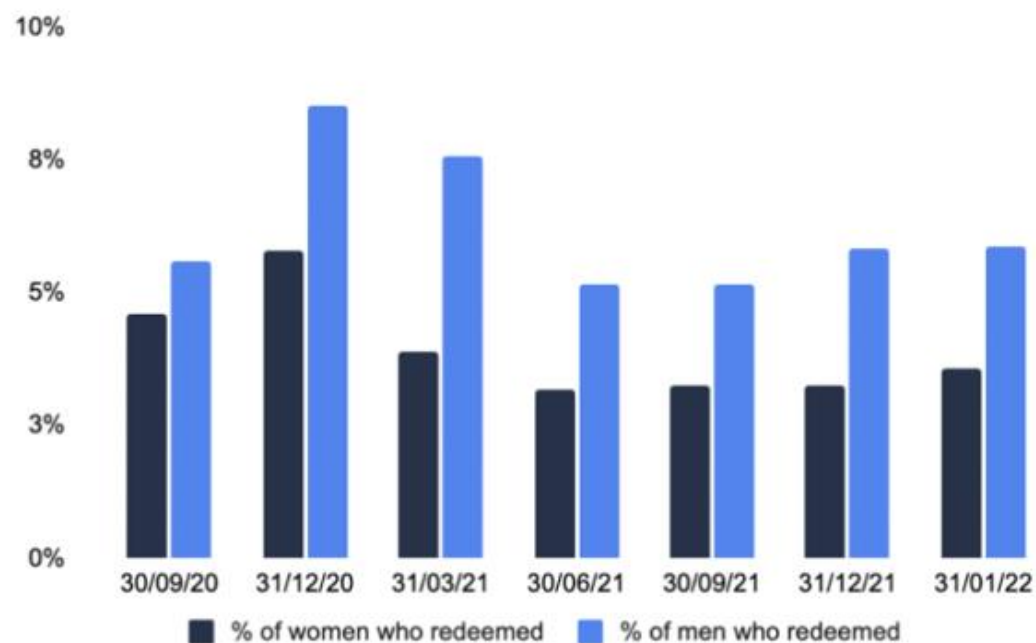
Opportunities with female investors: Who would you prefer to manage your investments?



Source: Money Crashers, September 14, 2021

Opportunities with female investors

Women redeem less often compared with men **Endowus**
even during volatile times

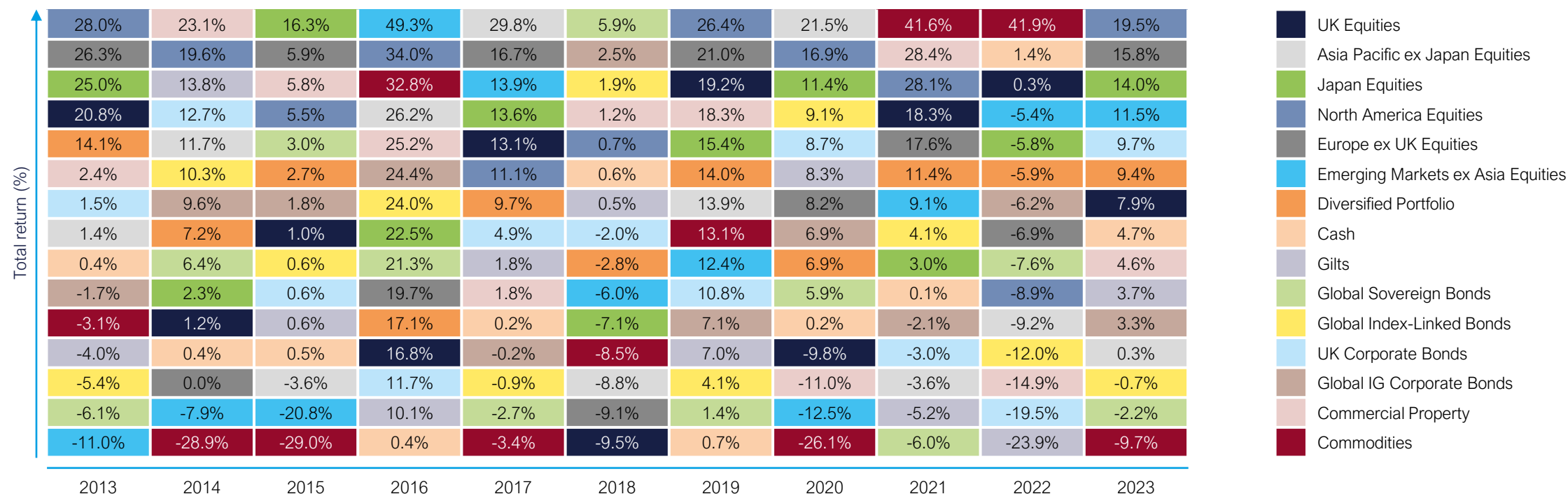


Source: Endowus research

- Single female investors outperform single men by 2.3%.
- Women overall outperform men by 1.4%.
- Men underperformed because they traded 45% more than female investors.

The importance of diversification

Investing across different asset classes helps to smooth performance – as no single asset class performs well every year

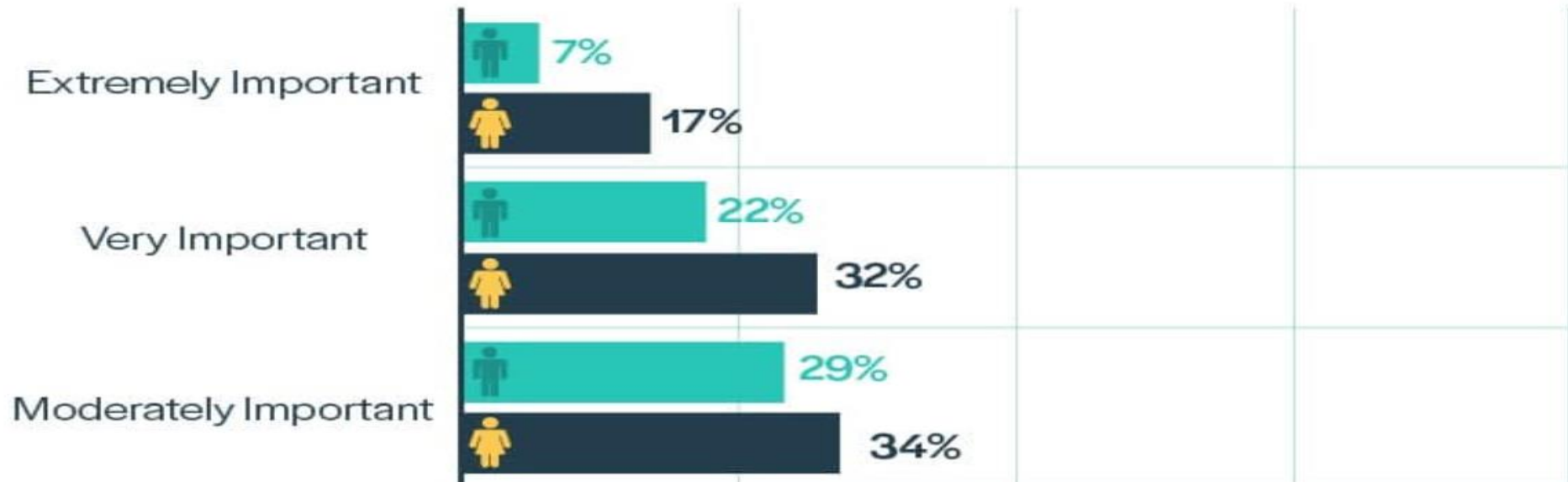


Source: Refinitiv Datastream. Returns are in sterling.

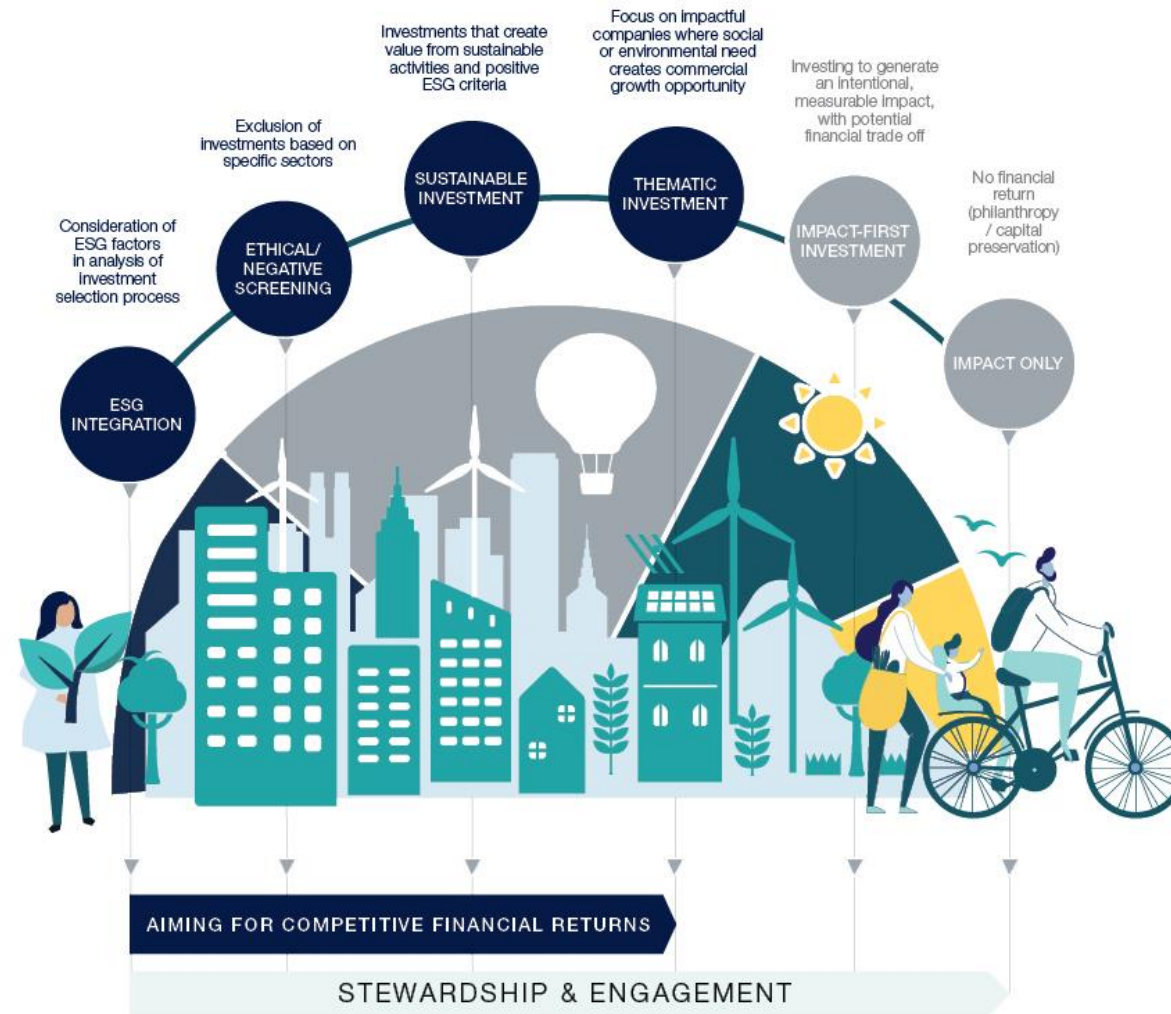
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Opportunities with female investors : ESG considerations

If You Were to Invest in a Company, How Important Would the Social Mission of the Company Be?



The spectrum of responsible investing

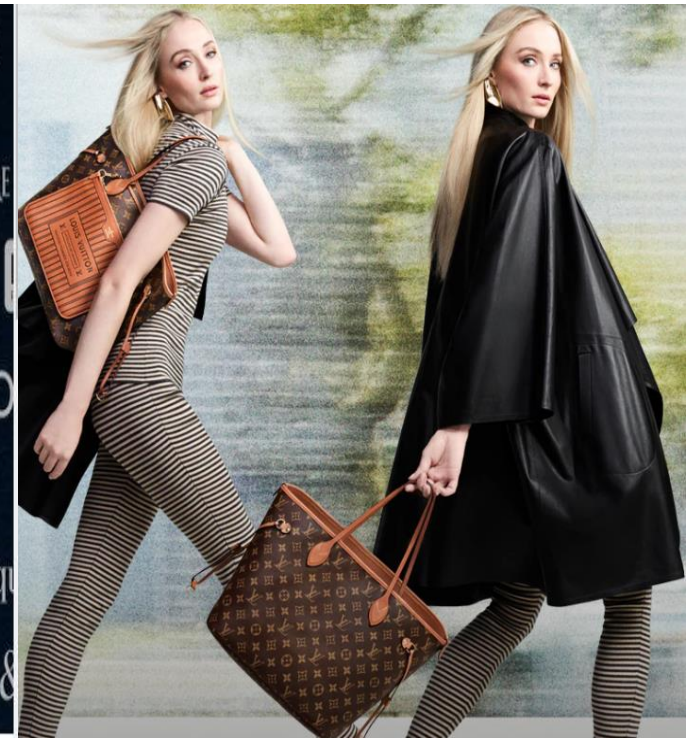
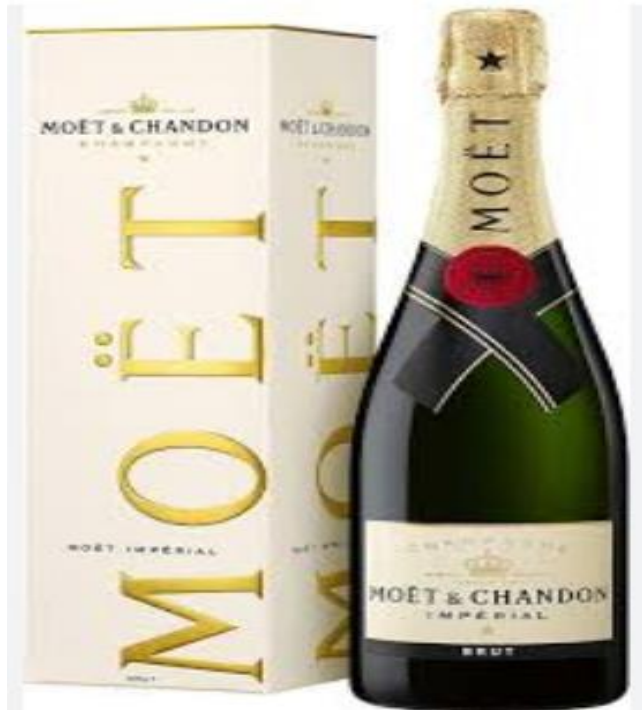


Opportunities with female investors

“As I have said many times, if it had been Lehman Sisters rather than Lehman Brothers, the world might well look a lot different today”



LVMH



LVMH

Market Cap (\$US Bn)	P/E (NTM)	FCF Yield (NTM %)	HOLT CFROI (%)	10 Year EPS CAGR (%)
381	~21x	~4.5	~13	~15

Description

LVMH owns some of the most enduring and timeless brands in the luxury industry. As a result, they command high profit margins (around 35%) and cash generation. The two largest brands, Louis Vuitton and Hennessy, represent 65% of profits.

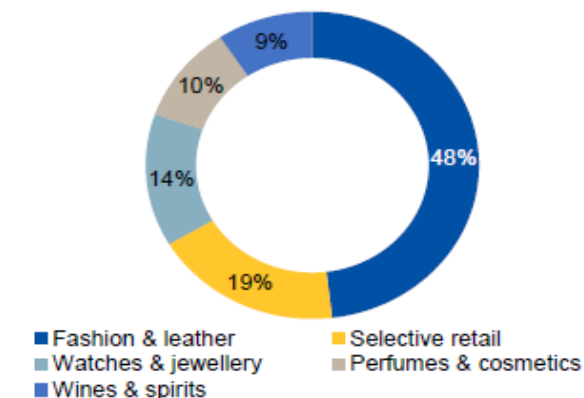
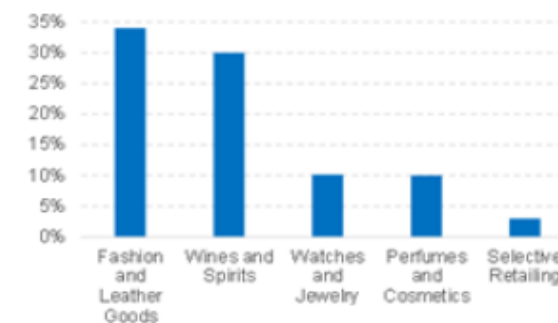
Investment Case

The stable of brands under the LVMH banner are irreplaceable, and the company operates a vertically integrated, scarce, European based production model, which creates an enduring competitive advantage and long term pricing power of approximately 5% per annum. This, coupled with relatively consistent volume growth and reinvestment, creates a simple formula for long term revenue growth. The barriers of luxury brand strength creates an enduring competitive advantage. LVMH has a clear, independent strategy with an excellent track record in internal and external capital allocation – internal investments result in high levels of organic growth, and recently acquired brands such as Tiffany’s and Christian Dior are undergoing brand elevation which should drive higher returns for these businesses over time.

Recent Trading

The company has presented broad based strength to investors, especially in the high margin fashion & leather goods segment.

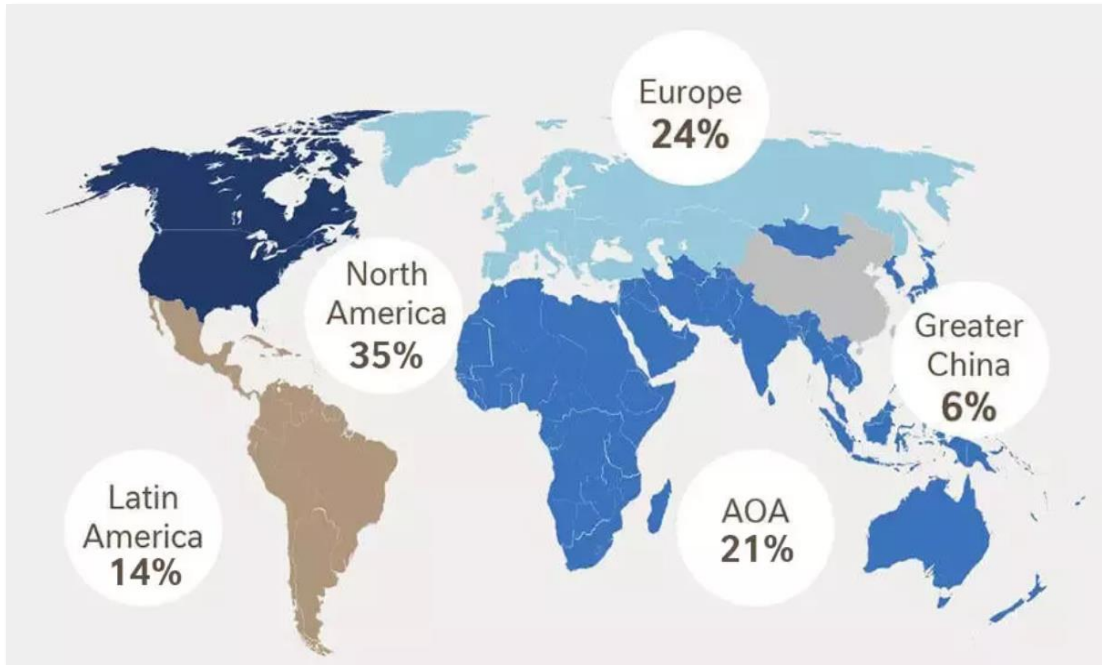
Operating Margin by Segment



Source: Nicla Di Palma, RBC Brewin Dolphin

Nestlé Group

Global Reach



Strong Brands



https://youtu.be/f7_FnC8uT-c?t=13

Nestle

Market Cap (\$US Bn)	P/E (NTM)	FCF Yield (NTM %)	HOLT CFROI (%)	10 Year EPS CAGR (%)
269	~18x	~5	~16	~4

Description

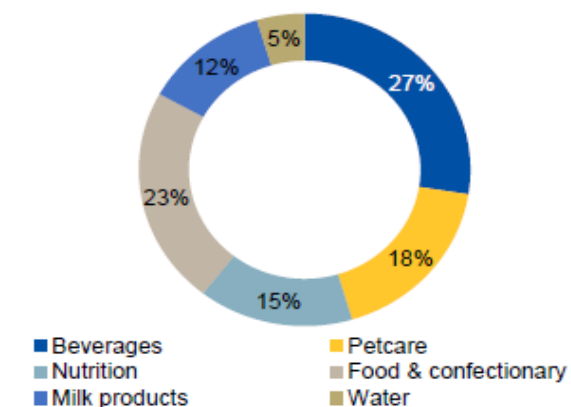
Nestlé is the world's largest food company and represents a quintessential defensive investment, delivering solid sales growth and consistent margin expansion.

Investment Case

Nestlé benefits from favourable external and internal drivers: It has high barriers to entry, economies of scale and brand leadership in most categories it competes in. Nestlé has the research and development capabilities to develop or replicate successful products in a relatively short period of time. It also has the balance sheet and know-how to acquire and scale disruptive brands. There is also a self-help opportunity through the continued divestitures of smaller or underperforming brands and categories.

Recent Trading

Price gains are offsetting softer volume growth, with relative strength seen in premium categories.



Source: Nicla Di Palma, RBC Brewin Dolphin

International Leaders

IL Equity Portfolio

Portfolio as of 30/06/2024

Geography	Sector	Security	Weight
US Equities	Technology	Adobe	2.50%
US Equities	Communication Services	Alphabet	3.00%
US Equities	Consumer Cyclical	Amazon	3.00%
US Equities	Technology	Amphenol	2.50%
US Equities	Technology	Applied Materials	2.50%
European Equities	Technology	ASML Holding	3.50%
European Equities	Industrials	Atlas Copco	2.50%
US Equities	Financial Services	Berkshire Hathaway	3.50%
Canadian Equities	Technology	Constellation Software	4.50%
Global Equities	Energy	DCC	3.00%
UK Equities	Consumer Services	Diageo	2.50%
US Equities	Communication Services	Electronic Arts	2.00%
US Equities	Industrials	Fastenal	3.00%
US Equities	Technology	Fair Isaac	2.50%
European Equities	Consumer Cyclical	Ferrari	3.00%
US Equities	Consumer Cyclical	Home Depot	3.00%
US Equities	Financial Services	Intercontinental Exchange	3.00%
US Equities	Technology	Intuit	3.00%

Geography	Sector	Security	Weight
European Equities	Consumer Cyclical	LVMH	3.00%
US Equities	Financial Services	Mastercard	3.50%
US Equities	Technology	Microsoft	3.50%
US Equities	Financial Services	Moody's	4.00%
European Equities	Consumer Defensive	Nestle	2.50%
UK Equities	Industrials	Relx	4.00%
US Equities	Financial Services	S&P Global	3.50%
US Equities	Financial Services	Schwab (Charles)	2.00%
Global Equities	Collective Equity	Scottish Mortgage	3.00%
US Equities	Technology	Texas Instruments	2.00%
US Equities	Healthcare	Thermo Fisher Scientific	3.00%
European Equities	Technology	Topicus	2.00%
European Equities	Consumer Defensive	Unilever	2.50%
US Equities	Industrials	Union Pacific	2.00%
US Equities	Financials	Visa	3.50%
US Equities	Healthcare	Zoetis	3.00%
	Cash	Cash	0.50%
	Total		100.00%

Please note that the above composition is an example and subject to change without notice.

International Leaders

What are we looking for?

- **Durability**
Will the Business be around in 10 years?
- **Competitive Advantage**
e.g., Brand, Distribution, Network Effects, 'Mission Critical' and Good Capital Allocation
- **Returns**
Does the Business earn superior Returns on Capital?

Earnings Growth = Reinvestment Rate x Returns on Capital
- **Avoid**
Ephemeral and Value Destroying Businesses

We are not traders

We are looking to invest in competitively advantaged, durable businesses that earn attractive returns on capital.

We want to hold on to these companies for as long as possible.

International Leaders

IL Equity Portfolio Portfolio Characteristics

c.4%

FY1 Earnings
Yield

c.3%

FY1 Free Cash
Flow Yield

c.25%

Weighted CFROI
5 Year Median

c.80%

Percentage of Companies
Reducing Share Count

c.10%

Expected 5 Year Free
Cash Flow CAGR*

c.14%

Expected 5 Year
Earnings CAGR*

c.27%

Weighted Return on
Capital Employed

Using Mean Forecast Data, sourced from Refinitiv, HOLT and Bloomberg. *Portfolio Analysis excludes Collective Funds

** Excluding Berkshire Hathaway and Scottish Mortgage

International Leaders

IL Equity Portfolio

Themes 30/06/2024

Data & Digital 'Winners': 49.5%

Alphabet	Amazon
Visa	Adobe
Mastercard	Fair Isaac
Relx	EA
ASML	ICE
Microsoft	Schwab
Moody's	Intuit
S&P Global	Applied Materials

Luxury: 8.5%

Ferrari
LVMH
Diageo

High Quality Industrials: 12.0%

Fastenal	Atlas Copco
Amphenol	Union Pacific
Texas Instruments	

Trusted Brands: 8.0%

Nestle
Unilever
Home Depot

Healthcare & Pharma: 6%

Zoetis
Thermo Fisher

Serial Acquirers: 13.0%

Berkshire Hathaway
Constellation
Topicus
DCC

Specialist Managers: 3.0%

Scottish Mortgage

International Leaders

IL Equity Portfolio

Performance 30/06/2024

We have illustrated the performance of the IL equity portfolio relative to World Equities since July 2014, when launched.

Over this period the portfolio has delivered good relative returns versus the global equity market, outperforming by c.25% (assuming annual fees of 1%).

An actively managed direct equity portfolio cannot expect to outperform over all periods, and you will see that the portfolio has underperformed over the past 3 years. This 3-year period of underperformance is largely due to a decline in valuation multiples for the portfolio following a period of very strong outperformance.

We believe this decline in valuation sets the portfolio up quite well for the coming years, given the continued strong operational performance of our companies.

As of 30 th June 2024	3 months	6 months	1 year	3 years	5 years	Inception**
International Leaders*	2.20%	13.10%	21.07%	15.15%	84.36%	212.74%
World Equities	3.66%	14.72%	21.52%	29.68%	77.09%	185.16%

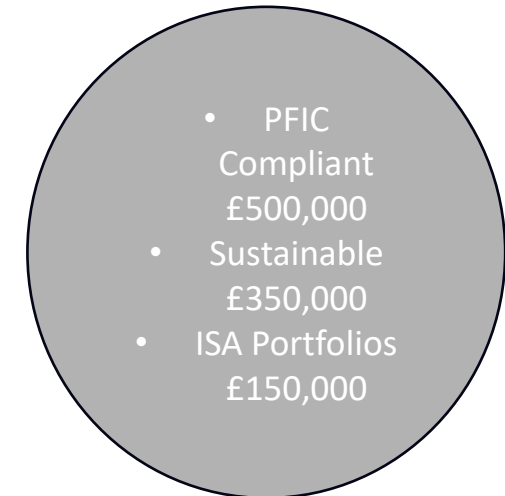
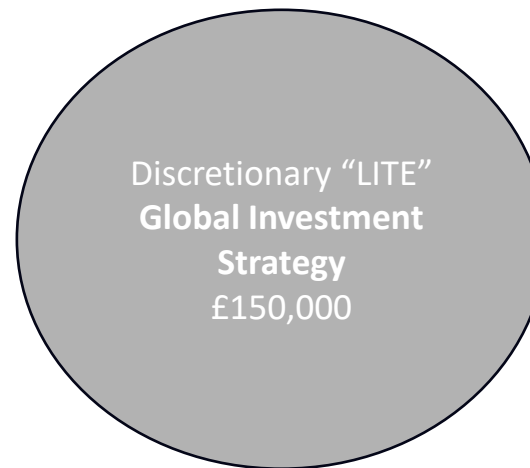
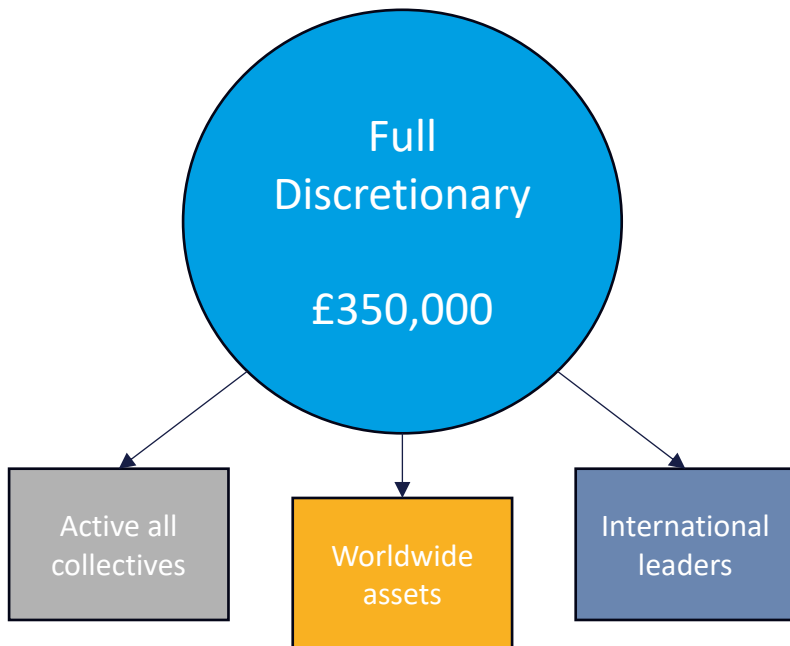
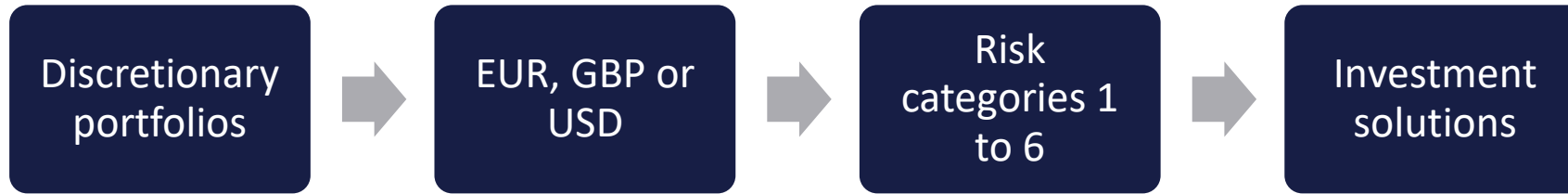
Source: RBC Brewin Dolphin Ireland and Bloomberg

*Assuming 1% annual management fee and 23% VAT applied quarterly. **Starting 1st July 2014

Please note, as RBCBD portfolios are managed on a segregated basis, individual client performance may differ from the returns outlined. Returns outlined are based on model portfolio performance minus fees.

Figures relate to past performance and past performance is not a reliable indicator of future performance

EU Intermediary – Discretionary Management Solutions



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