Portfolio Manager Quarterly Comment

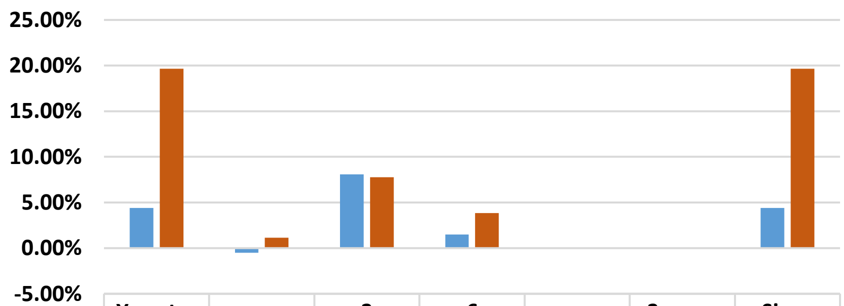
The Glacier Long Term Global Growth Feeder Fund had a total return of +11.36% (+8.1% in ZAR) for the fourth quarter of 2023, compared to +11.03% (+7.78% in ZAR) for the MSCI ACWI.

Investment commentary

Market sentiment has been fluctuating in recent months, with concerns about inflation one day and central banks keeping rates steady the next. However, the recent dovish tone from monetary authorities is improving market sentiment towards growth companies. Consequently, the performance of the LTGG Fund has risen sharply over this quarter. The LTGG team remains committed to identifying and holding exceptional growth stocks at the forefront of multi-decade transformations.

During the quarter, we made a new purchase in Enphase Energy, which offers renewable generation hardware and software for homes and small businesses. Illumina was sold after a 10-year holding period as we lost confidence in their ability to execute on their long-term opportunity. Given their low valuations relative to their significant long-term prospects, we added to existing holdings Coupang, SEA Limited and Adyen.

Figure 1: Glacier Long Term Global Growth Feeder Fund performance (in ZAR) as at December 2023



	Year-to-date	1 month	3 months	6 months	1 year	3 years (Ann)	Since launch
Glacier Long Term Global Growth FF	4.40%	-0.51%	8.10%	1.49%	-	-	4.40%
MSCI ACWI	19.66%	1.14%	7.78%	3.83%	-	-	19.66%

Glacier Long Term Global Growth FF   MSCI ACWI

Source: Morningstar Direct & Glacier Research

Table 1: MSCI World style indices performances (in ZAR) as at December 2023

	Year-to-date	1 month	3 months	6 months	1 year
MSCI World Growth	47.24%	0.8%	10.03%	4.35%	47.24%
MSCI World Quality	42.29%	1.25%	9.16%	5.69%	42.29%
MSCI World Value	19.85%	1.7%	6.1%	3.82%	19.85%
MSCI World Momentum	20.11%	0.78%	8.82%	5.22%	20.11%

Source: Morningstar Direct & Glacier Research

Fourth quarter performance review

Key contributors to performance over the quarter:

- PDD Holdings: Pinduoduo has delivered rapid revenue growth over the past year, rising over 90% year-on-year, combined with a 50% increase in profits compared to last year. The company continues to invest in agricultural and supply chain technology and supports infrastructure to improve the overall quality of agricultural products sold on its platform. PDD Holdings' global business has also gathered strong momentum since its launch a year ago. It now serves over 10,000 manufacturers from over 100 industrial belts across China, connecting them to consumers in over 40 countries and regions worldwide. PDD's business is going from strength to strength and has been one of the best-performing companies in the Chinese market.
- Adyen: Adyen recently posted quarterly volume and revenue data which were taken well by the market. They plan to continue with quarterly updates next year to provide greater visibility under conditions of amplified investor uncertainty. Volumes grew 21% and net revenue grew 22%, with Adyen gaining share with US Digital merchants. This acceleration defied market expectations of take-rate pressure following ramped price competition in the US Digital business. Following the company's recent investor day, we remain supportive of their growth opportunity, competitive advantage, cultural differentiation, and execution capability.
- Shopify: Shopify now handles 10% of all US e-commerce transactions, and the market has reacted positively to increased discipline towards profitability. Recent results showed revenues rose 25% year-on-year, spurred by merchant growth helping drive gross merchandise volume higher. They recently disposed of their logistics business and have made several changes to their senior management to reflect the company's changing needs. They now offer an enterprise solution and have raised prices for the first time. Shopify is deepening its relationship with merchants, broadening its opportunity set, and plans to leverage its latent pricing power.

Key detractors from performance over the quarter:

- Meituan: Meituan's operational performance remains robust, with recent results showing revenues rising over 20% and profits tripling from a year earlier, helped by removing Covid-era restrictions in China. Their in-store, hotel & travel business continued to thrive, with transaction value increasing by over 90% over the year. However, the company warned of slowing growth in future quarters as they cited factors such as the macroeconomic environment, recovery of competitors, and declining order value due to a higher share of volume from its group purchasing channel. Meituan will continue to spend on promotions to boost customer loyalty, potentially impacting margins too.
- The Trade Desk: The Trade Desk's share price was weak due to disappointing short-term guidance from the company. The advertising market can be volatile, and The Trade Desk has seen some weakness in its automotive and consumer electronics clients due to worker strikes. However, this short-term weakness is tied to long-term deals, and the company is still growing at 20% year-over-year. The Trade Desk remains the best-in-class product in the growing digital advertising space, and with more consumers switching to streaming, it opens the door for the company to capture a significant portion of a massive market over the next decade.
- CATL: CATL remains the world's leading EV battery manufacturer with technological and cost leadership stemming from their scale, vertical integration and relationship benefits. However, concerns about the US Inflation Reduction Act and its impact on the Chinese supply chain have weighed on the share price. These concerns are valid but unlikely to derail CATL's structural competitive advantage or impair its long-term opportunity. They stand to remain the technological leader with the broadest set of chemistries, allowing them to participate in a broadening group of other end markets.