

## A Room With a View

"Life is a public performance on the violin, in which you must learn the instrument as you go along."

- E. M. Forster

E. M. Forster's timeless novel, *A Room With a View*, has themes that have resonated with us throughout our investment careers. The title, in particular, has pertinence.

The novel is set at the beginning of the 1900s, a time in history when upper-middle-class British women were starting to lead adventurous lives of independent travel. The main character in the novel, Lucy Honeychurch, is on a trip to Italy, and she longs for a room with a view of the river, but instead she gets an inner view room, looking down on the courtyard. She eventually gets "upgraded" to the view room, but the novel is really about her metaphorical transformation to having a broader perspective on life than her narrow, English view of the world.

Now, this book has always held a special place for us. Imagine traveling the world to visit companies and spending hours in hotel rooms. We care very little for the interior of the room. Yes, we want a clean, safe place, but we have always preferred a room that looks out on the sights and sounds of the streets, because it tells us things about what is happening in the local economy; it gives us perspective on changing investment landscapes.

But lately as we've stared out our windows in the US and abroad, we can't help but think it is the view out of our own windows—in the US—that illuminates what is happening in global markets, including emerging markets.

The US economy (and the view out of our windows is one of fiscal-debt-driven construction booms, humming restaurants and bars, and extensive travel and leisure spending) is strong and is the primary feature driving the world economy and markets.

**An investor should consider investment objectives, risks, charges, and expenses carefully before investing. To obtain a Rondure Funds prospectus, containing this and other information, visit [www.rondureglobal.com](http://www.rondureglobal.com) or call 1.855.775.3337. Please read it carefully before investing.**



Soon too it will be our autumn elections driving the fits and starts in international markets. We believe this makes for a tough emerging markets investment landscape for broad investors like ourselves because the current economic boom is just too narrow to lift all-cap investing around the world. In our opinion, the current economy mainly elevates a small set of large companies that are riding the almighty US boom and US technology spending spree.

## **New World**

The Rondure New World fund gained 2.5% over the quarter yet fell short of the benchmark MSCI Emerging Market's increase of 5.1%.

A highlight this quarter was the performance of the Information Technology (IT) sector. Our overweight (the sector is 25.2% of the fund) aided relative performance, as did a collection of tech holdings in Asia, such as Chroma ATE, MediaTek, and ASPEED Technology. In our opinion a strong US economy benefited these hardware exporters. Catering to the AI boom and buildout of related facilities, such as data centers, is the sweet spot of the global economy in 2024. No surprise that tech-rich Taiwan was a star performer in Q2.

Where the fund struggled was in China. Despite the country's headwinds, its stock market bounced in Q2, up 7.2%. It makes up a large percentage of the benchmark at 26.5%, which is remarkable given the painful decline in market capitalization experienced by so many of its major publicly traded companies. Not only was New World underweight China, but our holdings also saw a negative total return of -3.5%, a disappointing contrast to the benchmark's 7.2% rise. Much of the disparity is due to the good Q2 performance of Chinese tech giant Tencent, which surged by 23.9%. While the fund does have a position in Tencent, it pales in comparison to the 4.1% weight in the index, which worked to our relative disadvantage.

The Financial sector was another relative sore spot. Like China, the fund was underweight and generated a negative return in the sector while the benchmark was positive for the quarter. Several Chinese banks, where we do not have exposure, rallied. Some of our Southeast Asian bank holding companies struggled in a flat yield curve environment.

## **Outlook**

Through much of our investment careers, when the US economy and the dollar were not so dominant, it was the view outside onto local emerging markets that drove our portfolio's performance. But that local perspective has hurt over the last year. Driving the market narrative has been US-led technology companies buying the picks and shovels AI products that our emerging markets companies offer in spades.

We believe at some point in the future the view outside onto local markets and local stocks will matter again; when the US economy finally slows and the US dollar weakens, local emerging



markets stocks offer value with solid upside potential, but we believe you need lower interest rates in the US to drive a sustainable broadening of sectors in emerging markets.

The good news in the interim is we were early to the thesis of broadening AI spend in the emerging world, and hence we believe we are well-positioned in information technology to benefit from what we believe will be a long-term driver of compounding.

Thank you for your continued support for Rondure Global Advisors and patience. We appreciate your partnership and trust!

- The Rondure team



## TOP TEN HOLDINGS | As April 30, 2024

### Rondure New World Fund

COMPANY	% OF PORTFOLIO	COUNTRY	SECTOR
Taiwan Semiconductor Manufacturing Co.	3.7%	Taiwan	Information Technology
Samsung Electronics Company, Ltd.	2.9%	South Korea	Information Technology
PT Bank Rakyat Indonesia	2.5%	Indonesia	Financials
HDFC Bank Ltd.	2.5%	India	Financials
International Container Terminal Services	2.4%	Philippines	Industrials
MEDIATEK INC	2.4%	Taiwan	Information Technology
Chroma Ate Inc.	2.4%	Taiwan	Industrials
Sinbon Electronics Co., Limited	2.3%	Taiwan	Information Technology
GMexico Transportes SAB de CV	2.1%	Mexico	Industrials
ITAU UNIBANCO HOLDINGS S-P	2.1%	Brazil	Financials

% of Assets

Holdings are subject to change and do not constitute a recommendation or solicitation to buy or sell a particular security.



FUND PERFORMANCE | As of June 30, 2024

Rondure New World Fund

	QTR	YTD	1 Year*	3 Year*	5 Year*	Since Inception*
INSTITUTIONAL	2.05%	0.79%	-2.74%	-6.12%	1.78%	2.61%
INVESTOR	1.97%	0.62%	-3.06%	-6.35%	1.52%	2.35%
MSCI EMERGING MARKETS TR USD INDEX <sup>1</sup>	5.12%	7.68%	12.97%	-4.68%	3.49%	4.39%

\*Annualized

**The performance data quoted represents past performance. Current performance may be lower or higher than the performance data quoted above. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that investor's shares, when redeemed, may be worth more or less than their original cost. For performance information current to the most recent month-end, please call toll-free 1.855.775.3337.**

Rondure New World Fund (RNWOX/RNWIX) - Inception date of 05/01/2017.

Expense ratios as of prospectus dated 10/23/2023 are:

RNWOX: 1.35% Gross, RNWIX: 1.10% Gross

Data shows past performance, which is not indicative of future performance. Current performance may be lower or higher than the data quoted. To obtain the most recent performance data available, please visit [www.rondureglobal.com](http://www.rondureglobal.com). The Advisor may absorb certain Fund expenses, without which total return would have been lower. These expense agreements are in effect through October 20, 2024. Investment returns and principal value will fluctuate and shares, when redeemed, may be worth more or less than their original cost.

See the prospectus for additional information regarding Fund expenses. Rondure Funds will deduct a 2.00% redemption proceeds fee on Fund shares held 60 days or less. Performance data does not reflect the deduction of this redemption fee or taxes, which if reflected, would reduce the performance quoted. For more complete information including charges, risks and expenses, read the prospectus carefully.

The objective of Rondure New World is long-term growth of capital.

<sup>1</sup> The MSCI Emerging Markets Total Return USD Index is an unmanaged total return index, reported in U.S. Dollars, based on share prices and reinvested dividends of approximately 1,383 companies from 26 emerging market countries. You cannot invest directly in an index.



## **Risk Considerations**

*In addition to the risks generally associated with investing in securities of foreign companies, countries with emerging markets also may have relatively unstable governments, social and legal systems that do not protect shareholders, economies based on only a few industries, and securities markets that trade a small number of issues.*

- *There is no guarantee that any investment strategy will achieve its objectives, generate profits or avoid losses.*
- *Investing involves risk, including loss of principal. The value of the fund's shares, when redeemed, may be worth more or less than their original cost.*
- *Equity securities, such as common stocks, are subject to market, economic and business risks that may cause their prices to fluctuate.*

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There is no assurance that these opinions or forecasts will come to pass, and past performance is no assurance of future results.

Foreign common stocks and currency strategies will subject the Fund to currency trading risks that include market risk, credit risk and country risk.

The fund contains international securities that may provide the opportunity for greater return but also have special risks associated with foreign investing including fluctuations in currency, government regulation, differences in accounting standards and liquidity.

Past performance is no guarantee of future results.