

GuardCap UCITS Funds Plc

Annual report and
audited financial statements

For the financial year ended 31 December 2017

(An umbrella fund constituted as an investment company with variable capital under the laws of Ireland with segregated liability between sub-funds and authorised by the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 Registration Number 552001

GuardCap UCITS Funds Plc

Annual report and audited financial statements

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GuardCap UCITS Funds Plc

Directors and other information

Directors	Victoria Parry* Brian Moore* Steve Bates Michael Boyd
Company Secretary	Matsack Trust Limited 70 Sir John Rogerson's Quay Dublin 2 Ireland
Registered Office	70 Sir John Rogerson's Quay Dublin 2 Ireland
Investment Manager	GuardCap Asset Management Limited 6 th Floor 11 Charles II Street St James's London SW1Y 4NS United Kingdom
Depository	RBC Investor Services Bank S.A., Dublin Branch 4 th Floor One George's Quay Plaza George's Quay Dublin 2 Ireland
Administrator	RBC Investor Services Ireland Limited 4 th Floor One George's Quay Plaza George's Quay Dublin 2 Ireland
Legal Advisers	Matheson 70 Sir John Rogerson's Quay Dublin 2 Ireland
Independent Auditors	KPMG 1 Harbourmaster Place IFSC Dublin 1 Ireland

* Independent and non-executive Directors.

GuardCap UCITS Funds Plc

Investment Manager's Report for the financial year ended 31 December 2017

GuardCap Global Equity (UCITS) Fund

Philosophy

Through investment in a small number of high quality, sustainable growth companies, the Investment Manager aims to achieve above market returns at below benchmark risk over the long-term.

The Investment Manager believes that sustainable growth in the earnings of these companies will drive long-term returns provided they are not overvalued when purchased. In addition, the quality of the companies will help to protect their businesses and shares during periods of economic and stock market turmoil.

The Investment Manager uses an intensive, confidence-building research process to identify, analyse and constantly monitor the 20 to 25 companies in the portfolio.

Portfolio turnover for the year was 8% and has been 11% annualised since inception on 10th December 2014 in keeping with the Investment Manager's 5 to 10 year investment horizon.

Total cost of trading in 2017 amounted to 4 basis points (bps) and the cost of Portfolio Turnover was 2 bps.

Performance

Between inception on 10th December 2014 and 31st December 2017 the GuardCap Global Equity (UCITS) Fund USD I Share Class has returned an annualised +15.12% in US\$, versus an annualised return for the MSCI World Index (Net Dividends Re-invested) of +9.35%.

For the year to 31st December 2017 it returned +32.21% versus the benchmark return of +22.40%.

Stock level attribution for the year to 31st December 2017

Top 5

Stock	Average Portfolio Weight	Portfolio Total Return	Total Effect	Commentary
Mastercard Inc	6.99%	47.35%	3.15%	Continued strong growth and quarterly results that beat estimates, double-digit % volume and transaction growth across most markets. At its investor day in September Mastercard raised 2016-18 guidance growth rate for revenue from low double-digit to the "high end of low-double-digit" and EPS from mid-teens to "low 20%". VocaLink doubles Mastercard's addressable market.
Intertek Group	4.98%	65.70%	2.90%	Steady improvement in its organic growth rate throughout the year and a surprise upgrade to operating margin guidance.
Alphabet Inc	7.73%	32.93%	2.57%	Consistently reported organic revenue growth in excess of 20% throughout the year and this more than offset the negative impact of margin pressure
UnitedHealth Group Inc	6.14%	39.20%	2.34%	Good operating momentum and guidance raises through the year. Optum had good growth and margin expansion as the business continued to scale up. Beneficiary of US tax reform.
Moody's Corp	4.38%	57.93%	2.30%	Low rates and tight spreads led to strong issuance trends throughout 2017. The company augmented its analytics business with the acquisition of Bureau Van Dijk, a leading provider of private company data.

GuardCap UCITS Funds Plc

Investment Manager's Report for the financial year ended 31 December 2017 (continued)

Stock level attribution for the year to 31st December 2017 (continued)

Bottom 5

Stock	Average Portfolio Weight	Portfolio Total Return	Total Effect	Commentary
Ulta Beauty	2.22%	-12.27%	-0.17%	Investor concern over Amazon entering the beauty market and department store beauty discounting. Despite tough comparisons, Ulta reported double-digit same-store-sales growth throughout 2017.
H & M	1.18%	-4.05%	-0.09%	Weak sales growth trends through the course of the year made it progressively more unlikely that the company would achieve its 10-15% annual growth target in 2017.
Monsanto	2.24%	12.47%	0.33%	Pending acquisition by Bayer means that the share price mainly moves on deal news. The combination now has more than half of the necessary antitrust approvals but the current share price indicates that the market is uncertain as to whether the merger will go through.
Reckitt Benckiser	2.85%	12.41%	0.41%	Organic growth hit by product missteps, a cyber-attack, the Indian Goods and Services Tax, negative pricing, subdued market growth and channel disruption. Reorganization of the business announced to manage key categories better.
Colgate	2.42%	17.11%	0.46%	Developed market category weakness, a lack of pricing power and increased competition from smaller brands in emerging markets led to poor operating results.

Significant transactions

In considering any potential transaction for the fund, three questions are posed by the Investment Manager:

1. Can the sustainability of the portfolio's earnings growth be enhanced?
2. Can the quality metrics of the portfolio be improved?
3. Can the projected returns for the portfolio be increased?

Only a handful of transactions make the grade in any single year resulting in consistently low portfolio turnover. For 2017, the turnover was 8% and the significant decisions were as follows:

In April, the position in Stryker was reduced by 1.5% to 4.7% and the proceeds were used to increase the position in Novo Nordisk to 3.4%. This switch enhanced the sustainability of growth, the quality and the projected returns for the fund.

The acquisition of Mead Johnson by Reckitt Benckiser for cash completed in June. Some of this liquidity was used to add to the existing holdings in Essilor and CME.

GuardCap UCITS Funds Plc

Investment Manager's Report for the financial year ended 31 December 2017 (continued)

Significant transactions (continued)

In August, the position in Ulta was topped-up twice resulting in a 3.5% holding. Amazon fears hit sentiment around the stock. Despite exceeding very tough comparisons, the company continued to report double-digit same-store-sales driven by improved new store productivity, an expanding loyalty program and online sales.

In October, we sold the entire position (1.4%) in H&M and invested 3% in Nike.

H&M has been failing to meet its target growth rate and earnings have stagnated over the last three years. The sale of H&M followed an in depth review lasting several months which focused on the competitive environment and the company's position within that industry. We concluded that the fast fashion industry faces significant disruptive forces and increased competition and we do not see any evidence that H&M can return to a sustainable growth path.

Nike is the number one global manufacturer of athletic footwear and apparel. We believe it is well placed to benefit from increased interest in healthy lifestyles, emerging middle classes and increasing sports participation. Its competitive advantage is evident in its brand authenticity, innovation capability, marketing muscle and athlete and customer relationships. Prior to its addition to the portfolio, Nike was put through our full investment screening process in a due diligence exercise lasting 14 months.

Portfolio metrics

The portfolio is in excellent shape: growth prospects remain strong with EPS forecast to grow at a double-digit rate over the next 5 years; and quality metrics are strong with net cash on the balance sheet, broad diversification, robust cash flow metrics and good corporate governance.

GuardCap Global Emerging Markets (UCITS) Fund

Philosophy

Through investment in a small number of high quality, sustainable growth companies with exposure to emerging market economies, the Investment Manager aims to deliver a superior return to the MSCI Emerging Markets Index over the long-term.

The Investment Manager believes that sustainable growth in the profits and cash flows of these companies will determine long-term returns provided they are not overvalued when purchased. In addition, the quality of the companies should help to protect their businesses and shares during more challenging periods in the economy and stock market.

The Investment Manager uses in-depth fundamental analysis as part of a confidence building research process to identify, analyse and monitor the 25 to 30 companies in the portfolio as well as other potential investments.

Performance

For the twelve months to 31 December 2017 the GuardCap Global Emerging Markets (UCITS) Fund USD I Share Class returned 42.6%. This compares to a return of 37.3% for the MSCI Emerging Markets Index. Since inception on 19 December 2016, the USD I Share Class of the Fund has produced a return of 43.6% compared to an index return of 39.4%.

GuardCap UCITS Funds Plc

Investment Manager's Report for the financial year ended 31 December 2017 (continued)

Performance (continued)

We use the MSCI Emerging Markets Index as our benchmark but not all the equities in which we invest are included in the index. Our starting point is those companies that enjoy above-average growth because they sell into emerging markets or have a cost advantage because they are located in emerging markets. What is important to us is that they stand to benefit from the growth of emerging market economies and have the quality to provide certain protections to shareholders.

2017 was notable for being the best year for the benchmark since 2009. Of the Fund's NAV at the end of the year, approximately 61% was invested in companies that are represented in the MSCI Emerging Markets Index, 37% was in companies that are not represented in the index and 2% was in cash. Considering the portion that is invested in non-index companies, approximately 10% of the NAV was invested in companies that are potentially eligible for inclusion but are not currently part of the index for whatever reason. This was the case for our holdings in Dali Foods, Megacable and Becele. Somewhat surprisingly, the index compilers at MSCI have decided that MercadoLibre – an Argentinian business and Latin America's largest e-commerce company which is a ~5% position in the Fund - is ineligible for inclusion in the MSCI Emerging Markets index and have instead categorised it as a developed market company.

The Fund owned 28 equities at the end of 2017 compared to 846 in the MSCI Emerging Markets Index. We cast our net wide to identify those companies that have exposure to the emerging markets opportunity but we focus our portfolio on a small number of equities that offer a combination of growth and quality and are available to purchase at an attractive valuation. It is our view that, over the long-term, considered investment in a small number of companies will generate superior returns when compared to investing in a highly diversified index that includes many companies with poor economics and excludes a number of attractive investment opportunities in the region.

As the attribution in the next section shows, three of the five largest contributors to the Fund's performance in 2017 were non-index companies - Frutarom, MercadoLibre and Samsonite. Vakrangee was not in the index when we first bought it for the Fund but was added by MSCI late in the year.

Attribution

Stock level contribution for the twelve months to 31 December 2017

Top 5

Stock	Average Portfolio Weight	Portfolio Total Return	Total Contribution	Commentary
Frutarom Industries	6.9%	83.1%	5.1%	The Israeli-based flavours company continues to make steady progress towards its 2020 targets of \$2bn sales and a 22% EBITDA margin in its core business.
MercadoLibre	4.7%	102.0%	4.4%	The Latin American e-commerce platform reported strong organic revenue and profit growth as more consumer purchases move online in Latin America and as the company has enhanced its market leadership position.
Samsung Electronics	6.1%	61.9%	3.6%	The Korean consumer electronics company delivered strong operating earnings growth, thanks to growth in the company's memory and display panel divisions.

GuardCap UCITS Funds Plc

Investment Manager's Report for the financial year ended 31 December 2017 (continued)

Attribution (continued)

Stock level contribution for the twelve months to 31 December 2017 (continued)

Top 5 (continued)

Stock	Average Portfolio Weight	Portfolio Total Return	Total Contribution	Commentary
Vakrangee	1.8%	106.5%	3.4%	The Indian consumer services company delivered significant revenue growth during the year at its Kendra stores, which bring banking, government and e-commerce services to under-served sections of the Indian market.
Samsonite International	5.2%	63.5%	3.0%	The Hong Kong-listed luggage company reported favourable revenue growth trends for many of its brands, including the recently acquired TUMI.

Bottom 5

Stock	Average Portfolio Weight	Portfolio Total Return	Total Contribution	Commentary
Matahari Department Store	4.4%	-32.7%	-1.8%	The department store retailer reported weaker same store sales performance amid a challenging year for the Indonesian consumer.
Lupin	1.0%	-18.8%	-0.6%	The Indian generic drug maker faced pricing pressure in the US market and received an FDA warning letter in respect to two of its production facilities.
Ctrip.com International	2.0%	-8.5%	-0.4%	The Chinese online travel agent changed sales practices for high-margin ancillary products following regulatory pressure. This led to a lower outlook for revenue and profit growth.
Becle	1.5%	-8.8%	-0.3%	The Mexican spirits company has been working through higher inventory levels in the US, following its decision to increase prices for its Jose Cuervo brand at the end of 2016.
Luxoft Holding	2.7%	-0.9%	-0.2%	The Eastern European IT outsourcer experienced lower revenue and profit growth as its largest client accounts faced challenging conditions.

GuardCap UCITS Funds Plc

Investment Manager's Report for the financial year ended 31 December 2017 (continued)

Significant transactions

At the inception of the portfolio in December 2016, the GuardCap Emerging Markets Equity UCITS Fund was aligned with the other funds managed by the GuardCap Emerging Markets team, as far as was practicable. The broader GuardCap Emerging Markets Equity Strategy has been managed by the team since 31 December 2014.

At inception of the UCITS portfolio, three local markets – Brazil, Korea and India – were not yet open for investment for this Fund. As a consequence, the UCITS Fund could not be fully aligned with the broader strategy. Substitute stocks were purchased in place of those that could not yet be bought. During the first quarter of 2017, these three markets were opened and the UCITS portfolio was aligned with the broader strategy. Independent of these changes, in Q1 2017, four stocks were sold – Qiwi, Lenovo, Swire Pacific and Jardine Strategic. All four of these holdings had been part of the broader strategy since its inception. Qiwi, a Russian payments provider, had recently announced a significant change to its business strategy, disclosing that it is to become a small-ticket lender as well as a payments processor. We lost confidence in Qiwi's business model. Lenovo, the Chinese electronics manufacturer, acquired Motorola's mobile phone business and IBM's server business in 2014. Both businesses had struggled since purchase and we saw no sign of improvement. Swire Pacific's operating businesses had been facing a difficult operating environment for some time and we were doubtful about the prospects for a sustained improvement. Jardine Strategic rallied strongly in anticipation of its inclusion in the MSCI World Index. This narrowed the holding company discount to unusually low levels, not supported by a commensurate improvement in the outlook for its corporate holdings.

We added two new positions to the portfolio during Q1 – Venture and Ctrip. Venture is a Singapore-listed provider of technology manufacturing and services. It has shifted its focus away from its legacy printing business towards the higher growth area of test measurement equipment, growing revenue, enhancing margins and improving earnings. Ctrip, the Chinese online travel company, has consolidated its position as the market leader by merging with competitors eLong and Qunar, and has set about restoring profitable growth following a period of price discounting in the industry. The growth potential in this market remains significant as the Chinese travel market expands and more demand moves online.

In Q2, we sold an additional two positions that had been part of the strategy since inception. The first was Sheng Siong, the Singaporean grocery store chain. The company has a strong track record of delivering profitable growth and, over time, the share price has appreciated accordingly. We decided to sell this position and switch the proceeds into recently listed Mexican spirits group Becele - best known for its Jose Cuervo tequila brand – because we thought that Becele offers a better long-term combination of quality, growth and potential share price upside. We also sold our position in Infosys – the Indian IT services company – after we reassessed the company's long-term growth potential in light of trends in the IT outsourcing market. We subsequently acquired a holding in Indian-listed Vakrangee, which is in the process of developing a network of stores that will bring banking, government and e-commerce services to underserved sections of the Indian market. We think that the company stands to benefit from an extended period of profitable growth.

In Q4, we sold our position in Kerry Logistics, which had also been part of the strategy since inception. The growth in global trade – particularly trade routed through Asia – is likely to lead to opportunities for Kerry to grow revenues and earnings. However, Kerry's current cash flow return on invested capital is quite low and we are less confident in the company's ability to generate better returns over time.

GuardCap UCITS Funds Plc

Directors' Report

The Board of Directors (the "Board") presents the audited financial statements of GuardCap UCITS Funds Plc (the "Company") for the financial year ended 31 December 2017.

Statement of Directors' Responsibilities in Respect of the Financial Statements

The Directors are responsible for preparing the Directors' Report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its changes in net assets attributable to holders of redeemable participating shares for that period.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that its financial statements comply with the Companies Act 2014, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company. In this regard they have entrusted the assets of the Company to a trustee for safe-keeping. They have general responsibility for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

GuardCap UCITS Funds Plc

Directors' Report (continued)

Date of Incorporation

The Company was incorporated on 31 October 2014. The Company has obtained the approval of the Central Bank for the establishment of the following sub-funds: GuardCap Global Equity Fund (“Global Equity Fund”) and GuardCap Emerging Markets Equity Fund (“Emerging Markets Fund”) (and individually the “Fund” and together the “Funds”). The Global Equity Fund was launched on 5 December 2014 and the initial investment in this Fund was made on 10 December 2014. The Emerging Markets Fund was launched on 19 December 2016 and the initial investment in this Fund was made on 20 December 2016.

Principal Activities

The primary investment objective of the Company is to seek long-term capital growth and it aims to achieve this as follows:

GuardCap Global Equity Fund

The investment objective of this Fund is to seek long-term growth of capital with lower than market volatility by investing primarily in equity and similar securities issued by high quality companies listed on recognised markets in countries which are members of the Organisation for Economic Co-operation and Development (“OECD”).

GuardCap Emerging Markets Equity Fund

The investment objective of the Fund is to seek long-term growth of capital by investing primarily in equity and similar securities issued by companies with exposure to emerging market countries.

Risk Management Objectives and Policies

A risk management policy statement has been agreed with the Investment Manager and this sets out the rules and limits that are to be applied to investments. The risk management and compliance units within the Investment Manager, which are independent of the portfolio managers, monitor and report on the operation of these procedures.

An analysis of the financial risk management objectives and policies of the Company and how these are managed is set out in Note 4 to the financial statements.

Review of Business and Future Developments

A comprehensive overview of the Company's trading activities is detailed in the Investment Manager's Report for the Funds.

Results and Dividends

The Statement of Financial Position and Statement of Comprehensive Income for the financial year ended 31 December 2017 are set out on pages 25 to 28. No dividends were paid by the Company during the financial year.

GuardCap UCITS Funds Plc

Directors' Report (continued)

Statement of Relevant Audit Information

The Directors confirm that during the financial year end 31 December 2017:

- a) So far as the Directors are aware, there is no relevant audit information of which the Company's statutory auditors are unaware, and
- b) The Directors have taken all steps that ought to have been taken by the Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Accounting Records

To ensure that adequate accounting records are kept in accordance with Section 281 of the Companies Act 2014 the Directors of the Company have employed a service organisation, RBC Investor Services Ireland Limited ("the Administrator"). The accounting records are located at the offices of the Administrator as stated on page 2.

Connected Persons

The Central Bank of Ireland UCITS Regulation 41(1) - "Dealings by manager, trustee, investment adviser and group companies" states in paragraph 1 that, inter alia, any transaction carried out with a UCITS by, depositary, investment manager and/or associated or group companies of these ("Connected Persons") must be carried out as if negotiated at arm's length. Transactions must be in the best interests of the shareholders. The Board of the Company are satisfied that: (i) there are arrangements in place (as evidenced by written procedures), to ensure that the obligations set out in paragraph 1 of the Central Bank of Ireland UCITS Regulation 41(1) are applied to all transactions with Connected Persons; and (ii) transactions with Connected Persons entered into during the financial year complied with the obligations set out in paragraph 1 of the Central Bank of Ireland UCITS Regulation 41(1).

The Directors are satisfied that the transactions with Connected Persons during the financial year were carried out as if negotiated at arm's length and are consistent with the best interests of the shareholders.

Significant Events During the Financial Year

On July 18, 2017, shares amounting to 8,857.621 of the GBP I class of the Global Equity Fund were purchased by Steve Bates.

A new Company's prospectus and new supplements for both sub-funds dated 12 July 2017 were noted by the Central Bank of Ireland on 12 July 2017.

A new Company's prospectus and new supplements for both sub-funds dated 11 December 2017 were noted by the Central Bank of Ireland on 11 December 2017.

Significant Events After the Financial Year End

On 5 February 2018, Michael Boyd purchased 2,267.433 shares of the USD I share class of the Emerging Markets Equity Fund.

GuardCap UCITS Funds Plc

Directors' Report (continued)

Directors' and Secretary's Interests

The persons who were Directors at any time during the financial year ended 31 December 2017 are Victoria Parry, Brian Moore, Steve Bates, and Michael Boyd. In accordance with the Articles of Association, the Directors are not required to retire by rotation.

Michael Boyd held 39,217.906 shares (31 December 2016: 39,217.906 shares) of the GBP I class of the Global Equity Fund 31 December 2017.

Steve Bates held 8,857.621 shares (31 December 2016: Nil) of the GBP I class of the Global Equity Fund 31 December 2017.

Independent Auditors

In accordance with Section 383(2) of the Companies Act, 2014, KPMG Chartered Accountants, have indicated their willingness to continue in office.

Directors Compliance Statement

The Directors acknowledge that they are responsible for securing the Company's compliance with the relevant obligations as set out in section 225 of the Companies Act 2014 which includes drawing up a compliance policy statement that sets out the Company's policies respecting compliance by the Company with its relevant obligations, putting in place appropriate arrangements or structures that are designed to secure material compliance with the Company's relevant obligations and conducting an annual review during the financial year to which any given directors' report relates to, of any arrangements or structures referred to above that have been put into place.

The Directors confirm that the three assurance measures have been implemented during the financial year end 31 December 2017 as following:

- Drawing up a compliance policy statement that sets out the Company's policies respecting compliance by the Company with its relevant obligations;
- Putting in place appropriate arrangements or structures that are designed to secure material compliance with the Company's relevant obligations; and
- Conducting an annual review during the financial year of any arrangements or structures referred to in point 2 above that have been put into place.

Audit Committee

The directors believe that there is no requirement to form an audit committee as the Board is formed of four directors, two of which are independent non-executive directors. The directors have delegated the day to day investment management and administration of the Company to the Investment Manager and to the Administrator respectively.

GuardCap UCITS Funds Plc

Directors' Report (continued)

Corporate Governance Statement

The Board of Directors (“the Board”) has, for the financial year ended 31 December 2017, adopted the Irish Funds (“IF”) (previously the Irish Fund Industry Association “IFIA”) voluntary Corporate Governance Code for collective investment schemes (“the Code”), which sets out the principles of good governance of Irish investment funds. The Board considers that the Company has been in compliance with the Code in all material respects for the financial year ended 31 December 2017. The Board meets regularly to consider the activities of the Company and receives reports on various activities, including compliance controls and risk management. The Board is charged with reviewing the annual accounts and the external audit process (including the appointment and remuneration of the external auditor) and reviewing and monitoring the internal financial control systems and risk management systems on which the Company is reliant.

On behalf of the Board

Director
Victoria Parry
14 March 2018

Director
Brian Moore
14 March 2018



**Report of the Depositary to the Shareholders
For the financial year ended 31 December 2017**

As required by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) ("the Regulations") and solely within the context of our oversight duties as depositary, we are pleased to present our report as follows.

In our opinion, GuardCap UCITS Funds plc (the "Company") has been managed for the financial year ended 31 December 2017:

- (i) In accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum & Articles of Association and the Regulations; and
- (ii) Otherwise in accordance with the provisions of the Memorandum & Articles of Association and the Regulations.

**RBC INVESTOR SERVICES BANK S.A.
DUBLIN BRANCH**

Date: 27 February 2018

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Independent Auditor's report to the members of GuardCap UCITS Funds plc

1 Report on the audit of the financial statements

Opinion

We have audited the financial statements of GuardCap UCITS Funds plc ('the Company') for the year ended 31 December 2017 set out on pages 25 to 60, which comprise the Statement of Financial Position, the Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares, the Statement of Cash Flows and related notes, including the summary of significant accounting policies set out in note 3. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2017 and of its increase in net assets attributable to holders of redeemable participating shares for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the EU; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Going concern

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The directors are responsible for the other information presented in the financial statements. The other information comprises the information included in the directors' report, the investment manager's report, the depository's report, the schedule of significant portfolio changes and remuneration policy other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Independent Auditor's report to the members of GuardCap UCITS Funds plc (continued)

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on that work, we report that

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

Opinion on other matter prescribed by the Companies Act 2014

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

2 Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

Independent Auditor's report to the members of GuardCap UCITS Funds plc
(continued)

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Brian Clavin

14 March 2018

for and on behalf of

KPMG

Chartered Accountants, Statutory Audit Firm

1 Harbourmaster Place

IFSC

Dublin 1

GuardCap UCITS Funds Plc

Schedule of Investments

As at 31 December 2017

GuardCap Global Equity Fund

Description	Quantity	Currency	Valuation in USD	% net assets
1) INVESTMENTS				
A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
1) LISTED SECURITIES : SHARES				
DENMARK				
Novo Nordisk A/S	206,837	DKK	11,150,173	4.06
Novozymes A/S	185,989	DKK	10,625,778	3.87
			<u>21,775,951</u>	<u>7.93</u>
FRANCE				
Dassault Systemes	72,056	EUR	7,658,853	2.79
Essilor International	88,666	EUR	12,228,550	4.45
L'Oreal SA	34,813	EUR	7,725,109	2.81
			<u>27,612,512</u>	<u>10.05</u>
GREAT BRITAIN				
Intertek Group Plc	207,240	GBP	14,520,808	5.29
Reckitt Benckiser Group Plc	75,309	GBP	7,034,611	2.56
			<u>21,555,419</u>	<u>7.85</u>
JAPAN				
FANUC Corp	37,669	JPY	9,045,779	3.29
			<u>9,045,779</u>	<u>3.29</u>
SWITZERLAND				
Nestle SA	123,006	CHF	10,579,258	3.85
			<u>10,579,258</u>	<u>3.85</u>

GuardCap UCITS Funds Plc

Schedule of Investments (continued)

As at 31 December 2017

GuardCap Global Equity Fund (continued)

Description	Quantity	Currency	Valuation in USD	% net assets
A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING (continued)				
1) LISTED SECURITIES : SHARES (continued)				
UNITED STATES OF AMERICA				
Alphabet Inc	20,168	USD	21,244,971	7.73
Automatic Data Processing Inc	67,453	USD	7,904,817	2.88
CME Group Inc	86,976	USD	12,702,845	4.62
Cognizant Technology Solutions Corp	209,418	USD	14,872,866	5.41
Colgate-Palmolive Co	81,519	USD	6,150,609	2.24
Mastercard Inc	135,197	USD	20,463,419	7.45
Monsanto Co	46,961	USD	5,484,106	2.00
Moody's Corp	84,416	USD	12,460,646	4.53
NIKE Inc	145,714	USD	9,114,411	3.32
Priceline Group Inc	8,626	USD	14,989,745	5.46
Stryker Corp	74,399	USD	11,519,941	4.19
Tiffany & Co	68,903	USD	7,162,467	2.61
Ulta Salon Cosmetics & Fragrance Inc	37,579	USD	8,404,919	3.06
UnitedHealth Group Inc	77,685	USD	17,126,435	6.23
Yum China Holdings Inc	207,620	USD	8,308,952	3.02
			177,911,149	64.75
TOTAL LISTED SECURITIES : SHARES			268,480,068	97.72
TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			268,480,068	97.72
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			268,480,068	97.72
CASH AND CASH EQUIVALENTS			6,126,270	2.23
OTHER NET ASSETS			143,174	0.05
TOTAL NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES			274,749,512	100.00

GuardCap UCITS Funds Plc

Schedule of Investments (continued)

As at 31 December 2017

GuardCap Global Equity Fund (continued)

Description	Valuation in USD	% of total assets
TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING	268,480,068	97.63
CASH AND CASH EQUIVALENTS	6,126,270	2.23
OTHER ASSETS	374,869	0.14
TOTAL	274,981,207	100.00

GuardCap UCITS Funds Plc

Schedule of Investments (continued)

As at 31 December 2017

GuardCap Emerging Markets Equity Fund

Description	Quantity	Currency	Valuation in USD	% net assets
1) INVESTMENTS				
A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING				
1) LISTED SECURITIES : SHARES				
BERMUDA ISLANDS				
Credicorp Ltd	2,955	USD	612,956	3.05
			<u>612,956</u>	<u>3.05</u>
BRAZIL				
Kroton Educacional SA	122,603	BRL	681,034	3.39
Localiza Rent a Car SA	78,600	BRL	523,454	2.60
			<u>1,204,488</u>	<u>5.99</u>
CAYMAN ISLANDS				
Ctrip.com International Ltd	12,650	USD	557,865	2.78
Dali Foods Group Co Ltd	985,500	HKD	895,580	4.46
Hengan International Group Co Ltd	55,000	HKD	610,691	3.03
			<u>2,064,136</u>	<u>10.27</u>
CHINA				
Sinopharm Group Co Ltd	149,200	HKD	645,469	3.21
			<u>645,469</u>	<u>3.21</u>
CZECH REPUBLIC				
Komercni banka as	8,200	CZK	352,371	1.75
			<u>352,371</u>	<u>1.75</u>
INDIA				
Lupin Ltd	14,500	INR	201,031	1.00
UPL Ltd	45,000	INR	537,612	2.68
Vakrangee Ltd	169,266	INR	1,114,244	5.54
			<u>1,852,887</u>	<u>9.22</u>
INDONESIA				
Matahari Department Store Tbk PT	855,000	IDR	630,221	3.14
			<u>630,221</u>	<u>3.14</u>

GuardCap UCITS Funds Plc

Schedule of Investments (continued)

As at 31 December 2017

GuardCap Emerging Markets Equity Fund (continued)

Description	Quantity	Currency	Valuation in USD	% net assets
A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING (continued)				
1) LISTED SECURITIES : SHARES (continued)				
ISRAEL				
Frutarom Industries Ltd	16,530	ILS	1,550,895	7.72
			<u>1,550,895</u>	<u>7.72</u>
LUXEMBOURG				
Samsonite International SA	245,800	HKD	1,129,447	5.62
			<u>1,129,447</u>	<u>5.62</u>
MEXICO				
Becle SAB de CV	316,000	MXN	507,848	2.53
Megacable Holdings SAB de CV	133,700	MXN	543,977	2.71
			<u>1,051,825</u>	<u>5.24</u>
PHILIPPINES				
Ayala Land Inc	739,000	PHP	658,990	3.28
			<u>658,990</u>	<u>3.28</u>
SINGAPORE				
Oversea-Chinese Banking Corp Ltd	54,600	SGD	505,790	2.52
Venture Corp Ltd	55,600	SGD	850,940	4.23
			<u>1,356,730</u>	<u>6.75</u>
SOUTH AFRICA				
Mr Price Group Ltd	34,700	ZAR	686,769	3.42
			<u>686,769</u>	<u>3.42</u>
SOUTH KOREA				
AMOREPACIFIC Group	3,050	KRW	402,957	2.01
Samsung Electronics Co Ltd	980	USD	1,174,040	5.84
			<u>1,576,997</u>	<u>7.85</u>

GuardCap UCITS Funds Plc

Schedule of Investments (continued)

As at 31 December 2017

GuardCap Emerging Markets Equity Fund (continued)

Description	Quantity	Currency	Valuation in USD	% net assets
A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING (continued)				
1) LISTED SECURITIES : SHARES (continued)				
TAIWAN				
Taiwan Semiconductor Manufacturing Co Ltd	23,700	USD	939,705	4.68
			939,705	4.68
THAILAND				
CP ALL PCL	330,000	THB	779,680	3.88
Siam Cement PCL	17,200	THB	255,438	1.27
			1,035,118	5.15
UNITED STATES OF AMERICA				
MercadoLibre Inc	3,590	USD	1,129,629	5.62
Yum China Holdings Inc	21,580	USD	863,632	4.30
			1,993,261	9.92
VIRGIN ISLANDS (UK)				
Luxoft Holding Inc	5,400	USD	300,780	1.50
			300,780	1.50
TOTAL LISTED SECURITIES : SHARES			19,643,045	97.76
TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			19,643,045	97.76
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			19,643,045	97.76
CASH AND CASH EQUIVALENTS			471,780	2.35
OTHER NET LIABILITIES			(21,563)	(0.11)
TOTAL NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES			20,093,262	100.00

GuardCap UCITS Funds Plc

Schedule of Investments (continued)

As at 31 December 2017

GuardCap Emerging Markets Equity Fund (continued)

Description	Valuation in USD	% of total assets
TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING	19,643,045	97.61
CASH AND CASH EQUIVALENTS	471,780	2.34
OTHER ASSETS	9,004	0.05
TOTAL	20,123,829	100.00

GuardCap UCITS Funds Plc

Statement of Financial Position

As at 31 December 2017 (In United States Dollars)

	Notes	GuardCap Global Equity Fund 31 December 2017 \$	GuardCap Global Equity Fund 31 December 2016 \$	GuardCap Emerging Markets Equity Fund 31 December 2017 \$	GuardCap Emerging Markets Equity Fund* 31 December 2016 \$	Total 31 December 2017 \$	Total 31 December 2016 \$
Assets							
Cash and cash equivalents	7	6,126,270	2,736,074	471,780	30,219	6,598,050	2,766,293
Financial assets at fair value through profit or loss:							
- Investments	3c,4	268,480,068	136,875,093	19,643,045	977,345	288,123,113	137,852,438
Other receivables	10	374,869	262,376	9,004	1,960	383,873	264,336
Total assets		274,981,207	139,873,543	20,123,829	1,009,524	295,105,036	140,883,067
Liabilities							
Accrued liabilities	10	231,695	237,612	30,567	1,977	262,262	239,589
Total liabilities, excluding net assets attributable to holders of redeemable shares		231,695	237,612	30,567	1,977	262,262	239,589
Net assets attributable to holders of redeemable shares		274,749,512	139,635,931	20,093,262	1,007,547	294,842,774	140,643,478
Redeemable Participating Shares							
		31 December 2017	31 December 2016	GuardCap Global Equity Fund 31 December 2015	31 December 2017	GuardCap Emerging Markets Equity Fund* 31 December 2016	31 December 2015
<u>USD I Class:</u>							
Shares issued		13,943,043.468	9,465,465.948	2,609,603.297	1,399,028.044	100,000.000	-
Net Asset Value per share		\$15.377	\$11.631	\$10.933	\$14.362	\$10.075	-
<u>USD X Class:</u>							
Shares issued		1,501,878.991	1,501,878.991	2,179,730.203	-	-	-
Net Asset Value per share		\$15.697	\$11.778	\$10.983	-	-	-
<u>GBP I Class:</u>							
Shares issued		794,579.241	446,112.934	3,887.879	-	-	-
Net Asset Value per share		£16.219	£13.440	£10.559	-	-	-

*Launched on 19 December 2016.

GuardCap UCITS Funds Plc

Statement of Financial Position (continued)

As at 31 December 2017 (In United States Dollars)

Redeemable Participating Shares (continued)	31 December 2017	31 December 2016	GuardCap Global Equity Fund		GuardCap Emerging Markets Equity Fund*	
			31 December 2015	31 December 2017	31 December 2016	31 December 2015
<u>EUR I Class:</u>						
Shares issued	1,224,515.979	368,156.600	247,152.600	-	-	-
Net Asset Value per share	€12.428	€10.714	€9.753	-	-	-
<u>GBP A Class:</u>						
Shares issued	-	12,692.699	5,000.000	-	-	-
Net Asset Value per share	-	£12.822	£10.093	-	-	-
<u>EUR A Class**:</u>						
Shares issued	9,849.315	9,849.315	-	-	-	-
Net Asset Value per share	€13.155	€11.365	-	-	-	-
<u>EUR S Class***:</u>						
Shares issued	69,287.212	-	-	-	-	-
Net Asset Value per share	€11.483	-	-	-	-	-

*Launched on 19 December 2016.

**Launched on 2 February 2016.

***Launched on 31 January 2017.

The accompanying notes form an integral part of these financial statements.

On behalf of the Board

Director
Victoria Parry
14 March 2018

Director
Brian Moore

GuardCap UCITS Funds Plc

Statement of Comprehensive Income

(In United States Dollars)

For the financial year ended 31 December 2017

	Notes	GuardCap Global Equity Fund 31 December 2017 \$	GuardCap Global Equity Fund 31 December 2016 \$	GuardCap Emerging Markets Equity Fund 31 December 2017 \$	GuardCap Emerging Markets Equity Fund* 31 December 2016 \$	Total 31 December 2017 \$	Total 31 December 2016 \$
Income							
Interest	3g	33,153	20	960	7	34,113	27
Dividends	3f	2,645,698	1,618,418	99,850	636	2,745,548	1,619,054
Other income	3f	36,084	48,188	6,978	-	43,062	48,188
Net realised gains on sale of investments at fair value through profit or loss		1,751,165	2,954,509	67,745	-	1,818,910	2,954,509
Net realised gains/(losses) on foreign exchange		(8,028)	(90,862)	5,453	(837)	(2,575)	(91,699)
Unrealised appreciation in value of investments at fair value through profit or loss		50,560,609	4,112,617	2,520,793	9,152	53,081,402	4,121,769
Net investment income		55,018,681	8,642,890	2,701,779	8,958	57,720,460	8,651,848
Expenses							
Investment manager fees	9	(1,408,927)	(618,407)	(62,609)	(240)	(1,471,536)	(618,647)
Administration fees	9	(83,051)	(75,865)	(44,411)	(1,141)	(127,462)	(77,006)
Depositary fees	9	(64,798)	(32,260)	(26,199)	(298)	(90,997)	(32,558)
Audit fees	9	(42,359)	(17,227)	(1,072)	(3)	(43,431)	(17,230)
Legal fees	9	(77,109)	(143,450)	(2,699)	(13)	(79,808)	(143,463)
Directors' fees	9	(39,174)	(39,663)	(1,388)	(8)	(40,562)	(39,671)
Transaction costs		(53,922)	(104,425)	(14,431)	(752)	(68,353)	(105,177)
Other expenses		(74,982)	(81,544)	(20,119)	(273)	(95,101)	(81,817)
Total operating expenses		(1,844,322)	(1,112,841)	(172,928)	(2,728)	(2,017,250)	(1,115,569)

*Launched on 19 December 2016.

There are no recognised gains or losses arising in the financial year other than those included above. In arriving at the results for the period all amounts above relate to continuing operations.

The accompanying notes form an integral part of these financial statements.

GuardCap UCITS Funds Plc

Statement of Comprehensive Income (continued)

(In United States Dollars)

For the financial year ended 31 December 2017

		GuardCap Global Equity Fund 31 December 2017 \$	GuardCap Global Equity Fund 31 December 2016 \$	GuardCap Emerging Markets Equity Fund 31 December 2017 \$	GuardCap Emerging Markets Equity Fund* 31 December 2016 \$	Total 31 December 2017 \$	Total 31 December 2016 \$
	Notes						
Investment Manager rebate for capped expenses	9	5,950	188,103	64,060	1,419	70,010	189,522
Net Expenses		(1,838,372)	(924,738)	(108,868)	(1,309)	(1,947,240)	(926,047)
Profit before tax		53,180,309	7,718,152	2,592,911	7,649	55,773,220	7,725,801
Withholding tax expense	3i	(621,435)	(368,195)	(9,442)	(102)	(630,877)	(368,297)
Capital gains tax expense		-	-	(7,497)	-	(7,497)	-
Increase in net assets attributable to holders of redeemable shares from operations		52,558,874	7,349,957	2,575,972	7,547	55,134,846	7,357,504

*Launched on 19 December 2016.

The accompanying notes form an integral part of these financial statements.

GuardCap UCITS Funds Plc

Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares

(In United States Dollars)

For the financial year ended 31 December 2017

	GuardCap Global Equity Fund 31 December 2017 \$	GuardCap Global Equity Fund 31 December 2016 \$	GuardCap Emerging Markets Equity Fund 31 December 2017 \$	GuardCap Emerging Markets Equity Fund* 31 December 2016 \$	Total 31 December 2017 \$	Total 31 December 2016 \$
Net assets attributable to holders of redeemable shares beginning of financial year	139,635,931	55,223,878	1,007,547	-	140,643,478	55,223,878
Increase in net assets attributable to holders of redeemable shares from operations	52,558,874	7,349,957	2,575,972	7,547	55,134,846	7,357,504
Issue of redeemable shares for cash	99,197,694	96,753,194**	16,509,743	1,000,000	115,707,437	97,753,194
Redemption of redeemable shares	(16,642,987)	(19,691,098)**	-	-	(16,642,987)	(19,691,098)
Increase in net assets during the financial year	135,113,581	84,412,053	19,085,715	1,007,547	154,199,296	85,419,600
Net assets attributable to holders of redeemable shares end of financial year	274,749,512	139,635,931	20,093,262	1,007,547	294,842,774	140,643,478

*Launched on 19 December 2016,

**These amounts include \$16,000,000 which is a case of change in ownership of the shares, from one of GuardCap UCITS Fund plc related party to another (i.e. Alexandria Bancorp Limited to GuardCap Asset Management Limited). This was not a conventional subscription and redemption.

The accompanying notes form an integral part of these financial statements.

GuardCap UCITS Funds Plc

Statement of Cash Flows

(In United States Dollars)

For the financial year ended 31 December 2017

	GuardCap Global Equity Fund 31 December 2017	GuardCap Global Equity Fund 31 December 2016	GuardCap Emerging Markets Equity Fund 31 December 2017	GuardCap Emerging Markets Equity Fund* 31 December 2016	Total 31 December 2017	Total 31 December 2016
	\$	\$	\$	\$	\$	\$
Cash flows from operating activities						
Change in net assets attributable to holders of redeemable shares resulting from operations	52,558,874	7,349,957	2,575,972	7,547	55,134,846	7,357,504
Changes in operating assets and liabilities						
Net investment in financial assets and liabilities at fair value through profit or loss	(131,604,975)	(83,768,773)	(18,665,700)	(977,345)	(150,270,675)	(84,746,118)
Increase in other receivables	(112,493)	(190,393)	(7,044)	(1,960)	(119,537)	(192,353)
Increase in other accrued expenses	47,921	111,614	28,590	1,977	76,511	113,591
Net operating cash outflow after changes in operating assets and liabilities	(131,669,547)	(83,847,552)	(18,644,154)	(977,328)	(150,313,701)	(84,824,880)
Cash flow used in operating activities	(79,110,673)	(76,497,595)	(16,068,182)	(969,781)	(95,178,855)	(77,467,376)
Financing activities**						
Issue of redeemable shares for cash	99,197,694	96,753,194	16,509,743	1,000,000	115,707,437	97,753,194
Redemption of redeemable shares	(16,696,825)	(19,637,260)	-	-	(16,696,825)	(19,637,260)
Cash flow from financing activities	82,500,869	77,115,934	16,509,743	1,000,000	99,010,612	78,115,934
Net increase in cash	3,390,196	618,339	441,561	30,219	3,831,757	648,558
Cash and cash equivalents, beginning of financial year	2,736,074	2,117,735	30,219	-	2,766,293	2,117,735
Cash and cash equivalents, end of financial year	6,126,270	2,736,074	471,780	30,219	6,598,050	2,766,293

*Launched on 19 December 2016.

**Subscriptions and redemptions are the only financing activities. The redemptions amount differs from the redemptions per Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares as this amount includes payable on redemptions of \$53,838, see Note 18 for further information.

GuardCap UCITS Funds Plc

Statement of Cash Flows (continued)

(In United States Dollars)

For the financial year ended 31 December 2017

	GuardCap Global Equity Fund	GuardCap Global Equity Fund	GuardCap Emerging Markets Equity Fund	GuardCap Emerging Markets Equity Fund*	Total	Total
	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	\$	\$	\$	\$	\$	\$
Supplemental disclosure of cash flow information:						
Interest received	27,805	19	744	7	28,549	26
Dividends received	2,536,252	1,756,163	98,701	1,170	2,634,953	1,757,333
Interest paid	(295)	(219)	(513)	(193)	(808)	(412)

*Launched on 19 December 2016.

The accompanying notes form an integral part of these financial statements.

GuardCap UCITS Funds Plc

Notes to Financial Statements

For the financial year ended 31 December 2017

1. Reporting entity

GuardCap UCITS Funds Plc (“the Company”) is an open-ended investment company with variable capital incorporated in Ireland on 31 October 2014 registered office at 70 Sir John Rogerson’s Quay, Dublin 2, Ireland under the laws of Ireland as a public limited company pursuant to the Companies Act 2014 under registration number 552001. The Company has been authorised by the Central Bank of Ireland (the “Central Bank”) under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended (“the UCITS Regulations”) and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015, as amended (the “Central Bank UCITS Regulations”), and has been established as an umbrella fund with segregated liability between sub-funds.

The Company’s principal objective is to invest in transferable securities and other liquid assets listed or traded on recognised markets and, to the limited extent specified in the relevant Supplement, in units or shares of other investment funds, all in accordance with the UCITS Regulations operating on the principle of risk spreading.

The Company has obtained the approval of the Central Bank for the establishment of the following sub-funds: GuardCap Global Equity Fund (“Global Equity Fund”) and GuardCap Emerging Markets Fund (“Emerging Markets Fund”) (and together the “Funds”). The Global Equity Fund was launched on 5 December 2014 and the initial investment was made on 10 December 2014. The Emerging Markets Fund was launched on 19 December 2016 and the initial investment was made on 20 December 2016.

Global Equity Fund

The investment objective of this sub-fund is to seek long-term growth of capital with lower than market volatility by investing primarily in equity and similar securities issued by high quality companies listed on recognised markets in countries which are members of the Organisation for Economic Co-operation and Development (“OECD”).

This sub-fund will invest primarily in equity and similar securities listed on recognised markets in the OECD.

Emerging Markets Equity Fund

The investment objective of the sub-fund is to seek long-term growth of capital by investing primarily in equity and similar securities issued by companies with exposure to emerging market countries.

This sub-fund will invest primarily in equity and similar securities listed on recognised markets of emerging market countries.

Securities similar to equity securities include convertible bonds, convertible preferred stock and depositary receipts. Convertible bonds enable the holder to convert their investment in the bonds into the issuer’s common stock at a pre-agreed price and convertible preferred stocks enable the holder to convert their investment in the preferred stock into the issuer’s common stock at a pre-agreed rate. Convertible bonds and convertible preferred stocks embed options and may therefore be leveraged. Depositary receipts generally evidence an ownership interest in a corresponding foreign security on deposit with a financial institution.

GuardCap UCITS Funds Plc

Notes to Financial Statements

For the financial year ended 31 December 2017 (continued)

2. Basis of preparation

(a) Statement of compliance

The financial statements for the financial year 31 December 2017 are prepared in accordance with IFRS as adopted by the EU and in accordance with Irish statute comprising the Companies Act 2014, as amended (the “Acts”), the UCITS Regulations and the Central Bank UCITS Regulations.

The accounting policies set out below have, unless otherwise stated, been consistently applied to these financial statements and all years presented.

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis except for financial instruments at fair value through profit or loss, which are measured at fair value.

All references to net assets, or net asset value (“NAV”) throughout this document refer to net assets attributable to holders of redeemable participating shares unless otherwise stated.

(c) Functional and presentation currency

The financial statements are presented in United States Dollars (“USD”) which is also the functional currency.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

There were no estimates used in measuring the fair value of investments during the financial year ended 31 December 2017.

3. Significant accounting policies

(a) New standards and interpretations not yet adopted

The final version of IFRS 9, Financial Instruments, was issued by the IASB in July 2014, and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking ‘expected loss’ impairment model and a substantially reformed approach to hedge accounting. The new single principle-based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses.

GuardCap UCITS Funds Plc

Notes to Financial Statements

For the financial year ended 31 December 2017 (continued)

3. Significant accounting policies (continued)

(a) New standards and interpretations not yet adopted (continued)

IFRS 9 is effective for annual periods beginning on or after January 1, 2018, but is available for early adoption. The Company has not early adopted IFRS 9. The Company also assessed the impact of IFRS 9 and there was no impact on the Fund's measurement basis, financial position or performance.

(b) New standards and interpretations adopted during the period

In February 2016, the IASB issued amendments to IAS 7 Statement of Cash Flows requiring disclosure of changes in liabilities arising from financing activities effective for annual periods beginning on or after 1 January 2017. This amendment requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments do not prescribe a specific format to disclose financing activities. However, the amendments indicate that an entity may fulfil the disclosure objective by providing a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities, see Note 18.

The Company has not adopted any new standards or interpretations that are not mandatory.

(c) Financial instruments

(i) Classification

The Company classifies its investments into the financial assets and financial liabilities at fair value through profit or loss ("FVTPL") as follows:

FVTPL:

- Held for trading ("HFT"): derivative financial instruments, securities sold short and securities acquired for the purpose of selling in the near term, or for which there is evidence of short-term profit taking are considered to be HFT.
- Designated upon initial recognition as FVTPL: all other investments in equity and debt securities.

Amortised cost:

- Loans and receivables: cash, balances due from brokers and other receivables.
- Other liabilities – balances due to brokers, redeemable units and other payables.

(ii) Recognition

Financial assets and liabilities are recognised on the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of investments are recognised on the trade date, which is the date on which the Company commits to purchase or sell the investment. The Company recognises financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments not measured at FVTPL. Under the amortised cost method, financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate. Amortised cost substantially equals the fair value of these financial instruments due to their short term nature. The Company's obligation for net assets attributable to shareholders is presented at the redemption amount, which approximates fair value.

GuardCap UCITS Funds Plc

Notes to Financial Statements

For the financial year ended 31 December 2017 (continued)

3. Significant accounting policies (continued)

(c) Financial instruments (continued)

(iii) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or the Company transfers the financial asset and the transfer qualifies for derecognition in accordance with IAS 39 Financial Instruments: Recognition and Measurement. The Company derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expires.

Assets held for trading that are sold are derecognised and corresponding receivables from the buyer for the payment are recognised as of the date the Company commits to sell the assets. The Company uses the average cost basis to determine the gain or loss on derecognition.

(iv) Measurement

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in the Statement of Comprehensive Income. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Statement of Comprehensive Income in the period in which they arise.

(v) Fair value estimation

Fair value is the price that would be received on the sale of an asset or paid to retire a liability in an orderly transaction between market participants at the measurement date. When available, the Company measures the fair value of a financial instrument using the last traded market price in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length and orderly basis. Securities, including debt and equity securities, which are listed upon a recognised public stock exchange are valued at last traded market prices for both financial assets and liabilities.

In circumstances where the last traded price is not available for any reason or such prices are deemed to not represent fair value, the value thereof shall be the probable realisation value which must be estimated in good faith by such competent person as may be appointed by the Directors and approved for the purpose by the Depositary.

Investment funds are valued at the closing NAV per unit reported by the Administrators of such funds.

If a market for a financial instrument is not active, or a security is not listed upon a recognised stock exchange, the Company establishes fair value using valuation techniques. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties, referring to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and other models. The selected technique makes maximum use of market inputs, relies as little as possible on estimates specific to such Fund, incorporates all factors that market participants would consider in setting a price and is consistent with accepted methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of risk-return factors inherent in the financial instruments. In the current year, no stocks were valued on this basis.

GuardCap UCITS Funds Plc

Notes to Financial Statements

For the financial year ended 31 December 2017 (continued)

3. Significant accounting policies (continued)

(d) Umbrella cash account

The Company has established a collection account at umbrella level in the name of the Company (the “Umbrella Cash Collection Account”), and has not established such accounts at Fund level. All subscriptions into and redemptions and distributions due from the Funds will be paid into the Umbrella Cash Collection Account.

(e) Redeemable participating shares

The Global Equities Fund has six classes of redeemable participating shares in issue as at 31 December 2017: USD I Class shares, USD X Class shares, GBP I Class shares, EUR A Class shares, EUR I Class shares, and EUR S class shares (collectively the “Shares”). The Emerging Markets Fund has one class of redeemable participating shares in issue as at 31, December, 2017: USD I Class shares. These Shares provide investors with the right to require redemption at a value proportionate to the investor’s share in the Fund’s NAV at each redemption date and also in the event of the Fund’s liquidation.

The Shares are classified as financial liabilities and are measured at the present value of the redemption amounts.

(f) Income recognition

Total income/(loss) includes dividends, interest, net realised gains/(losses) on sale of investments, changes in unrealised appreciation/(depreciation) in value of investments, net realised gains/(losses) on derivative financial instruments, change in unrealised appreciation/(depreciation) on derivative financial instruments, and foreign exchange gains/(losses) on cash.

Dividend income is recognised on the ex-dividend date. The Funds do not amortise premiums paid or discounts received on the purchase of fixed income securities, except for zero coupon fixed income securities which are amortised on a straight line basis over the term to maturity. Net realised gains/(losses) on sale of investments and change in unrealised appreciation/(depreciation) in investments are determined on an average cost basis.

(g) Interest income

Interest income is recognised in the Statement of Comprehensive Income on an accruals basis in line with the contractual terms. Interest is accrued on a daily basis.

(h) Expense recognition

The Company is responsible for all normal operating expenses including Administration fees, fees and expenses of the Investment Manager and the Depositary, audit fees, stamp and other duties and charges incurred on the acquisition and realisation of investments. Such costs are expensed in the financial year to which they relate. Expenses are accounted for on an accrual basis.

GuardCap UCITS Funds Plc

Notes to Financial Statements

For the financial year ended 31 December 2017 (continued)

3. Significant accounting policies (continued)

(i) Foreign currency

Assets and liabilities denominated in currencies other than USD, the functional currency, are translated into USD at prevailing exchange rates at each financial year end. Transactions during the financial year are translated into USD at the rate of exchange prevailing on the date of the transaction. Foreign currency differences arising on transactions and the restatement of the year end assets and liabilities, are recognised in the Statement of Comprehensive Income as net foreign exchange gain/(loss), except for those arising on financial instruments at fair value through profit or loss, which are recognised as a component of net gain/(loss) from financial instruments at fair value through profit or loss.

(j) Income tax

Dividend and interest income received by the Funds might be subject to withholding tax imposed in the country of origin. Income that is subject to such tax is recognised gross of the taxes and the corresponding withholding tax is recognised as tax expense in the Statement of Comprehensive Income.

(k) Cash and cash equivalents

Cash and cash equivalents include balances held with the Depositary including overnight deposits and other liabilities due to the Depositary. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(l) Transaction costs

Transaction costs include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and security exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

(m) Offsetting financial instruments

Financial assets and liabilities may be offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liability simultaneously.

There were no netting agreements in place for financial year ended 31 December 2017.

GuardCap UCITS Funds Plc

Notes to Financial Statements

For the financial year ended 31 December 2017 (continued)

3. Significant accounting policies (continued)

(n) Dividend policy

Each share class which has “Distributing” in its name is referred to herein as the “Distributing Share Classes”. The directors may declare a dividend to the Shareholders of Distributing Share Classes, arising out of the net investment income, if any of the Funds attributable to the Distribution Class Shares. For all other share class, the directors do not currently intend to declare any dividends. Accordingly, net investment income on the Fund’s investments attributable to such share class is expected to be retained by the Fund, which will result in an increase in the Net Asset Value per Share of the relevant shares.

4. Financial risk management

The Funds’ financial instruments consist principally of cash, short-term securities and investments. As a result, the Funds are exposed to various types of financial risks that are associated with their investment strategies, financial instruments and the markets in which they invest. The most significant financial risks include market risk, which includes currency risk, interest rate risk and other price risk, concentration risk, liquidity risk and credit risk. These risks and related risk management practices employed by the Company are discussed below:

a) Market risk

(i) Currency risk

The Funds may hold assets and liabilities that are denominated in currencies other than the functional currency of the Funds. The Funds may therefore be exposed to currency risk, as the value of the net assets denominated in other currencies will fluctuate due to changes in exchange rates.

The table below summarises the net exposure to currency risk for the financial year ended 31 December 2017 and 31 December 2016. This includes both monetary and non-monetary items held in individual currencies, expressed in USD as follows:

GuardCap Global Equity Fund

As at 31 December 2017

	Financial instruments (excluding derivatives)	Derivatives	Total	% of NAV
CHF	10,579,258	-	10,579,258	3.85
DKK	21,775,951	-	21,775,951	7.93
EUR	27,612,512	-	27,612,512	10.05
GBP	21,558,659	-	21,558,659	7.85
JPY	9,045,779	-	9,045,779	3.29
Total	90,572,159	-	90,572,159	32.97

GuardCap UCITS Funds Plc

Notes to Financial Statements

For the financial year ended 31 December 2017 (continued)

4. Financial risk management (continued)

a) Market risk (continued)

(i) Currency risk (continued)

GuardCap Global Equity Fund (continued)

As at 31 December 2016

	Financial instruments (excluding derivatives)	Derivatives	Total	% of NAV
CHF	5,989,968	-	5,989,968	4.29
DKK	7,150,396	-	7,150,396	5.13
EUR	12,992,057	-	12,992,057	9.30
GBP	10,544,235	-	10,544,235	7.55
JPY	4,291,854	-	4,291,854	3.07
SEK	2,551,411	-	2,551,411	1.83
Total	43,519,921	-	43,519,921	31.17

As at 31 December 2017 had the exchange rate between USD and the other currencies increased or decreased by 1%, with all other variables held constant, the currency exposures would increase (decrease) by \$905,722 (0.33% of NAV) (31 December 2016: \$435,199 (0.31% of NAV)).

GuardCap Emerging Markets Equity Fund

As at 31 December 2017

	Financial instruments (excluding derivatives)	Derivatives	Total	% of NAV
BRL	1,205,794	-	1,205,794	6.00
CZK	352,371	-	352,371	1.75
HKD	3,281,187	-	3,281,187	16.33
IDR	630,221	-	630,221	3.14
ILS	1,550,895	-	1,550,895	7.72
INR	1,852,887	-	1,852,887	9.22
KRW	402,957	-	402,957	2.01
MXN	1,051,825	-	1,051,825	5.23
PHP	658,990	-	658,990	3.28
SGD	1,356,730	-	1,356,730	6.75
THB	1,035,118	-	1,035,118	5.15
ZAR	686,772	-	686,772	3.42
Total	14,065,747	-	14,065,747	70.00

GuardCap UCITS Funds Plc

Notes to Financial Statements

For the financial year ended 31 December 2017 (continued)

4. Financial risk management (continued)

a) Market risk (continued)

(i) Currency risk (continued)

GuardCap Emerging Markets Equity Fund (continued)*

As at 31 December 2016

	Financial instruments (excluding derivatives)	Derivatives	Total	% of NAV
CZK	18,959	-	18,959	1.88
HKD	197,865	-	197,865	19.64
IDR	46,593	-	46,593	4.62
ILS	64,414	-	64,414	6.39
MXN	26,659	-	26,659	2.65
PHP	35,806	-	35,806	3.55
SGD	56,767	-	56,767	5.63
THB	71,331	-	71,331	7.08
ZAR	33,679	-	33,679	3.34
Total	552,073	-	552,073	54.78

*launched on 19 December 2016

As at 31 December 2017 had the exchange rate between USD and the other currencies increased or decreased by 1%, with all other variables held constant, the currency exposures would increase (decrease) by \$140,657 (0.70% of NAV) (31 December 2016: \$5,521 (0.55% of NAV)).

(ii) Interest rate risk

The Funds may be exposed to interest rate risk through investments in short-term securities, investments in interest-bearing investments, and indirect exposure through investments in other investment funds which hold interest-bearing investments, such as bank accounts.

Other than cash held, all of the Funds' assets held at 31 December 2017 and 31 December 2016 were equities and as such were not exposed to interest rate risk.

(iii) Other price risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in prices. The investments of the Funds are subject to price fluctuations and the risks inherent in financial markets. The Investment Manager moderates this risk through a careful selection of securities and derivatives within specified limits as outlined in the investment policies of the Funds, and through diversification of the investment portfolios.

The Investment Manager monitors the Funds' overall market positions on a daily basis, and positions are maintained within established ranges.

GuardCap UCITS Funds Plc

Notes to Financial Statements

For the financial year ended 31 December 2017 (continued)

4. Financial risk management (continued)

a) Market risk (continued)

(iii) Other price risk (continued)

The following table summarises the investments subject to other price risk:

GuardCap Global Equity Fund

As at	31 December 2017	31 December 2016
Other price risk	268,480,068	136,875,093
% of NAV	97.72%	98.02%

GuardCap Emerging Markets Equity Fund*

As at	31 December 2017	31 December 2016
Other price risk	19,643,045	977,345
% of NAV	97.76%	97.00%

*launched on 19 December 2016

If the prices for the equity investments held by the Funds increased or decreased by 5%, with all other variables held constant, this would have increased or decreased the NAV as follows:

GuardCap Global Equity Fund

As at	31 December 2017	31 December 2016
Change in NAV	13,424,003	6,843,755
% of NAV	4.89%	4.90%

GuardCap Emerging Markets Equity Fund*

As at	31 December 2017	31 December 2016
Change in NAV	982,152	48,867
% of NAV	4.89%	4.85%

*launched on 19 December 2016

In practice, the trading results could differ, and the differences could be material.

b) Concentration risk

The Funds are exposed to the possible risk inherent in the concentration of the investment portfolios in a small number of industries, investment sectors and/or countries. The Investment Manager moderates this risk through a careful selection of securities in several investment sectors within established ranges and through compliance with UCITS diversification criteria.

GuardCap UCITS Funds Plc

Notes to Financial Statements

For the financial year ended 31 December 2017 (continued)

4. Financial risk management (continued)

b) Concentration risk (continued)

The table below summarises the net exposure to geographic concentration as a percentage of NAV:

GuardCap Global Equity Fund

Countries, as at	31 December 2017	31 December 2016
United States of America	64.75%	66.84%
France	10.05%	9.30%
Denmark	7.93%	5.12%
Great Britain	7.85%	7.57%
Switzerland	3.85%	4.29%
Japan	3.29%	3.07%
Sweden	-	1.83%
Total	97.72%	98.02%

GuardCap Emerging Markets Equity Fund*

Countries, as at	31 December 2017	31 December 2016
Cayman Islands	10.27%	4.65%
United States of America	9.92%	8.20%
India	9.22%	2.72%
South Korea	7.85%	5.57%
Israel	7.72%	6.39%
Singapore	6.75%	5.63%
Brazil	5.99%	5.90%
Luxembourg	5.62%	7.43%
Mexico	5.24%	2.65%
Thailand	5.15%	7.10%
Taiwan	4.68%	5.22%
South Africa	3.42%	3.34%
Philippines	3.28%	3.55%
China	3.21%	2.78%
Indonesia	3.14%	4.62%
Bermuda Islands	3.05%	7.47%
Czech Republic	1.75%	1.88%
Virgin Islands (UK)	1.50%	3.40%
Chile	-	3.58%
Hong Kong	-	3.15%
Cyprus	-	1.77%
Total	97.76%	97.00%

*launched on 19 December 2016

GuardCap UCITS Funds Plc

Notes to Financial Statements

For the financial year ended 31 December 2017 (continued)

4. Financial risk management (continued)

b) Concentration risk (continued)

The table below summarises the net exposure to concentration of investment sectors as a percentage of NAV:

GuardCap Global Equity Fund

Investment sectors, as at	31 December 2017	31 December 2016
IT Services	15.65%	16.20%
Capital Markets	9.09%	-
Health Care Equipment & Supplies	8.70%	9.80%
Internet Software & Services	7.72%	7.90%
Health Care Providers & Services	6.25%	6.50%
Chemicals	5.86%	5.60%
Specialty Retail	5.67%	6.40%
Internet & Direct Marketing Retail	5.47%	-
Professional Services	5.28%	4.60%
Household Products	4.79%	5.80%
Pharmaceuticals	4.10%	2.00%
Food Products	3.81%	8.70%
Machinery	3.32%	3.10%
Textiles, Apparel & Luxury Goods	3.32%	-
Hotels, Restaurants & Leisure	3.03%	2.70%
Personal Products	2.83%	3.10%
Software	2.83%	2.70%
Diversified Financial Services	-	8.50%
Internet & Catalogue Retail	-	6.30%
Total	97.72%	99.90%

GuardCap Emerging Markets Equity Fund*

Investment sectors, as at	31 December 2017	31 December 2016
Chemicals	10.37%	10.00%
Banks	7.32%	11.40%
IT Services	7.04%	7.90%
Technology Hardware, Storage & Peripherals	5.84%	7.00%
Textiles, Apparel & Luxury Goods	5.62%	4.40%
Internet Software & Services	5.61%	4.30%
Personal Products	5.04%	2.60%
Semiconductors & Semiconductor Equipment	4.67%	5.20%
Food Products	4.45%	2.10%
Hotels, Restaurants & Leisure	4.29%	3.90%
Electronic Equipment, Instruments	4.23%	-
Food & Staples Retailing	3.88%	7.90%
Specialty Retail	3.41%	6.40%
Diversified Consumer Services	3.39%	-
Real Estate Management & Development	3.28%	5.30%
Health Care Providers & Services	3.21%	2.80%
Multiline Retail	3.12%	4.60%
Internet & Direct Marketing Retail	2.77%	-

*launched on 19 December 2016

GuardCap UCITS Funds Plc

Notes to Financial Statements

For the financial year ended 31 December 2017 (continued)

4. Financial risk management (continued)

b) Concentration risk (continued)

GuardCap Emerging Markets Equity Fund* (continued)

Investment sectors, as at	31 December 2017	31 December 2016
Media	2.71%	2.60%
Road & Rail	2.60%	2.60%
Beverages	2.52%	-
Construction Materials	1.29%	2.10%
Pharmaceuticals	1.00%	-
Industrial Conglomerates	-	2.30%
Air Freight & Logistics	-	1.60%
Total	97.66%	97.00%

*launched on 19 December 2016

c) Liquidity risk

Liquidity risk is the risk that the Funds will encounter difficulty in meeting obligations associated with their financial liabilities.

The main liquidity risk to the Funds arises from the redemption requests of investors. The Funds' shareholders may redeem their shares on each dealing day for cash equal to a proportionate share of that Fund's net asset value and it is therefore potentially exposed to the liquidity risk of meeting the daily redemptions by its shareholders. In order for the Funds to meet these requests, the Funds may need to dispose of the underlying assets at an inopportune time.

To help manage this risk, if the number of shares to be redeemed on any dealing day equals 10% or more of the total number of shares of that Fund in issue on that day, the Directors or their delegate may at their discretion refuse to redeem any shares in excess of 10% of the total number of shares in issue as aforesaid. If the Directors so refuse, the requests for redemption on such dealing day shall be reduced pro-rata and shares which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent dealing day until all shares to which the original request related have been redeemed.

The Funds' listed securities are considered readily realisable, as they are quoted in reputable stock exchanges. The Funds have the ability to borrow in the short term to ensure settlement. No such borrowings arose during the financial year.

In accordance with the Funds' policy, the Investment Manager monitors the liquidity position on a daily basis.

GuardCap UCITS Funds Plc

Notes to Financial Statements

For the financial year ended 31 December 2017 (continued)

4. Financial risk management (continued)

c) Liquidity risk (continued)

The table below shows the liquidity of the Funds' financial liabilities as at 31 December 2017 and 31 December 2016.

GuardCap Global Equity Fund

Term to maturity:	31 December 2017	31 December 2016
Less than one month	274,749,512	139,635,931
One to three months	231,695	237,612
Three months to one year	-	-
One to five years	-	-
Over five years	-	-
Undated	-	-

GuardCap Emerging Markets Equity Fund*

Term to maturity:	31 December 2017	31 December 2016
Less than one month	20,093,262	1,007,547
One to three months	30,567	1,977
Three months to one year	-	-
One to five years	-	-
Over five years	-	-
Undated	-	-

*launched on 19 December 2016

d) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Funds may be exposed to credit risk through holding short-term securities, interest-bearing investments, indirect exposure through investments in other investment funds which hold interest bearing investments, and dealings with counterparties to the over-the-counter derivative instruments held by the Funds.

The Funds minimise concentration of credit risk by undertaking transactions with counterparties who maintain a high standard of credit worthiness. The Funds invest in financial instruments with counterparties which are rated as investment grade by well-known rating agencies. Credit risk is monitored by the Investment Manager.

The cash held with the Funds' Depository, RBC Investor Services Bank S.A., Dublin Branch, (the "Depository"), as at 31 December 2017 represented 2.24% (31 December 2016: 4.96%) of the net assets attributable to Redeemable Participating Shareholders.

Bankruptcy or insolvency of the Depository may cause the Funds' rights with respect to securities and cash held by the Depository to be delayed or limited. The Depository is owned by Royal Bank of Canada ("RBC"). The credit rating for RBC, the parent company, as at 31 December 2017 is Aa3 for Moody's (31 December 2016: Aa3) and AA- for S&P (31 December 2016: AA-).

GuardCap UCITS Funds Plc

Notes to Financial Statements

For the financial year ended 31 December 2017 (continued)

4. Financial risk management (continued)

e) Country risks

Investments in securities of issuers of different nations and denominated in currencies other than USD present particular risks. Such risks include changes in relative currency exchange rates (included in other price risk); political, economic, legal and regulatory developments; taxation; the imposition of exchange controls; and confiscation and other governmental restrictions (including those related to foreign investment currency repatriation) or changes in policy. Investment in securities of issuers from different countries offers potential benefits not available from investments solely in securities of issuers from a single country, but also involves certain significant risks that are not typically associated with investing in the securities of issuers located in a single country.

f) Counterparty risk

The Funds are exposed to a credit risk on parties with which it trades and may also bear the risk of settlement default. Counterparty risk involves the risk that a counterparty or third party will not fulfil its obligations to the Funds. The Funds may be exposed to counterparty risk through investments such as securities lending and forward contracts. The Investment Manager may instruct the Depositary to settle transactions on a delivery free of payment basis where they believe that this form of settlement is appropriate.

g) Efficient portfolio management

The Funds employ an investment risk management process, which enables them to accurately monitor, measure and manage the risks attached to financial derivative instruments (“FDIs”). Efficient portfolio management means investment decisions involving transactions that are entered into for one or more of the following specific aims:

1. the reduction of risk;
2. the reduction of cost; or
3. the generation of additional capital or income for the UCITS with an appropriate level of risk, taking into account the risk profile of the UCITS and the general provisions of the UCITS directives.

Investment techniques and FDIs may be used for efficient portfolio management or investment purposes within the limits of the Company’s prospectus.

There were no financial derivative instruments held at 31 December 2017 and 31 December 2016.

h) Global exposure to financial derivative instruments

The Investment Manager has assessed the risk profile of the Funds on the basis of the investment policy, strategy and the use of financial derivative instruments. Based on the risk profile, the Company has determined that the method for the calculation of the global exposure to financial derivative instruments for the Funds will be the commitment approach, where the Funds hold financial derivative instruments.

There were no financial derivative instruments held at 31 December 2017 and 31 December 2016.

GuardCap UCITS Funds Plc

Notes to Financial Statements

For the financial year ended 31 December 2017 (continued)

4. Financial risk management (continued)

i) Custody and title risk

The Depositary is under a duty to take into custody and to hold the property of each sub-fund of the Company on behalf of its shareholders. The Central Bank of Ireland requires the Depositary to hold legally separately the non-cash assets of each sub-fund and to maintain sufficient records to identify clearly the nature and amount of all assets that it holds, the ownership of each asset and where the documents of title to such assets are physically located. When the Depositary employs a sub-custodian, the Depositary retains responsibility for the assets of the sub-fund.

However, it should be noted that not all jurisdictions have the same rules and regulations as Ireland regarding the custody of assets and the recognition of the interests of a beneficial owner such as a sub-fund. Therefore, in such jurisdictions, there is a risk that if a sub-custodian becomes bankrupt or insolvent, the sub-fund's beneficial ownership of the assets held by such sub-custodian may not be recognised and consequently the creditors of the sub-custodian may seek to have recourse to the assets of the sub-fund. In those jurisdictions where the sub-fund's beneficial ownership of its assets is ultimately recognised, the sub-fund may suffer delay and cost in recovering those assets.

5. Classification of financial instruments for fair value measurements

IFRS 13 requires disclosures surrounding the level in the fair value hierarchy in which fair value measurements are categorised for assets and liabilities measured in the statement of financial position. The determination of fair value for financial assets and financial liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Company categorises investments using the following hierarchy as defined by IFRS 13:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table analyses within the fair value hierarchy each Fund's financial assets measured at fair value as at 31 December 2017 and 31 December 2016:

GuardCap Global Equity Fund

As at 31 December 2017	Level 1	Level 2	Level 3	Total
Equity investments at fair value through profit or loss	268,480,068	-	-	268,480,068
Total	268,480,068	-	-	268,480,068
Percentage of total investments	100.00%	-	-	100.00%

As at 31 December 2016	Level 1	Level 2	Level 3	Total
Equity investments at fair value through profit or loss	136,875,093	-	-	136,875,093
Total	136,875,093	-	-	136,875,093
Percentage of total investments	100.00%	0.00%	0.00%	100.00%

GuardCap UCITS Funds Plc

Notes to Financial Statements

For the financial year ended 31 December 2017 (continued)

5. Classification of financial instruments for fair value measurements (continued)

GuardCap Emerging Markets Equity Fund*

As at 31 December 2017	Level 1	Level 2	Level 3	Total
Equity investments at fair value through profit or loss	19,643,045	-	-	19,643,045
Total	19,643,045	-	-	19,643,045
Percentage of total investments	100.00%	-	-	100.00%

As at 31 December 2016	Level 1	Level 2	Level 3	Total
Equity investments at fair value through profit or loss	977,345	-	-	977,345
Total	977,345	-	-	977,345
Percentage of total investments	100.00%	0.00%	0.00%	100.00%

*launched on 19 December 2016

The carrying values of cash, subscriptions receivable, interest receivable, payable for investments purchased, redemptions payable, distributions payable, accrued liabilities and each Funds' obligation for NAV substantially equals their fair values due to their short-term nature. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1, and reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

Equity investments

Investments are classified as Level 1 when the investment is actively traded and a reliable price is observable. Some of the Funds' equity investments do not trade frequently and, therefore, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer), and the fair value is classified as Level 2, unless the determination of fair values requires significant unobservable data, in which case the measurement is classified as Level 3. Transfers between levels are deemed to occur at year end.

There were no transfers of securities between levels for the financial year ended 31 December 2017 (31 December 2016: Nil).

Assets and liabilities not carried at fair value

Cash with deposit institutions and all other assets and liabilities not carried at fair value are classified as Level 2 for that Fund.

The fair value of these instruments has not been disclosed because their carrying amounts represent a reasonable approximation of fair value.

6. Taxation

The Company is an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997. Therefore, the Company will not be liable to Irish tax in respect of its income and gains, other than on the occurrence of a chargeable event. A chargeable event includes any distribution payments to shareholders or any encashment, redemption or transfer of shares or the ending financial year for which the investment was held.

GuardCap UCITS Funds Plc

Notes to Financial Statements

For the financial year ended 31 December 2017 (continued)

6. Taxation (continued)

Generally a chargeable event arises on any distribution, redemption, repurchase, cancellation, transfer of shares or the ending of a 'Relevant Period'. A 'Relevant Period' is an eight year period beginning with the acquisition of the shares by the shareholder and each subsequent period of eight years beginning immediately after the preceding Relevant Period.

A gain on a chargeable event does not arise in respect of:

- a) a shareholder who is not an Irish resident and not ordinarily resident in Ireland at the time of the chargeable event, provided the necessary signed statutory declarations are held by the Company;
- b) certain exempted Irish tax resident Investors who have provided the Company with the necessary signed statutory declarations;
- c) an exchange of shares arising on a qualifying amalgamation or reconstruction of the Company with another fund;
- d) any transactions in relation to shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland;
- e) certain exchanges of shares between spouses and former spouses on the occasion of judicial separation and/or divorce;
- f) an exchange by a shareholder, effected by way of an arm's length bargain where no payment is made to the shareholder of shares in the Company for other shares in the Company.

Capital gains, dividends and interest (if any) received on investment made by the Company may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its shareholders.

In the absence of an appropriate declaration, the Company will be liable for Irish tax on the occurrence of a chargeable event, and the Company reserves its right to withhold such taxes from the relevant shareholders.

7. Cash and cash equivalents

During the financial year all cash was held with RBC Investor Services Bank S.A., Dublin Branch (31 December 2016: RBC Investor Services Bank S.A., Dublin Branch).

8. Soft commissions

Soft commissions represent formal pre-arranged commitments whereby fund brokerage commissions are allocated according to a pre-determined formula as payment for certain products or services other than order execution.

There were no soft commissions during the financial year (31 December 2016: Nil).

GuardCap UCITS Funds Plc

Notes to Financial Statements

For the financial year ended 31 December 2017 (continued)

9. Fees

Investment Manager fees

The Investment Manager will receive a fee (the "Investment Manager Fee") in respect of each I Class of Shares for management services to the Global Equity Fund and Emerging Markets Fund, equal to an annualised rate of up to 0.80% of the NAV attributable to each I Class of Shares. The Investment Manager will receive an Investment Manager Fee in respect of each A Class of Shares for management services to the Global Equity Fund and Emerging Markets Fund, equal to an annualised rate of up to 1.0% of the NAV attributable to each A Class of Shares. The Investment Manager will not receive an Investment Manager Fee in respect of each X Class of Shares. Investors will pay the Investment Manager such fees in respect of the X Class of Shares as may be separately agreed with the Investment Manager and payable directly by investors to the Investment Manager. The Investment Manager Fee, which is considered to be a related party transaction, is accrued daily and paid monthly in arrears.

For purposes of calculating the Investment Manager Fee in each Fund, the NAV of the Fund attributable to a class is determined by or under the direction of the Directors, based on the Fund's NAV as of the close of the prior Business Day adjusted to reflect any applicable redemptions and subscriptions.

Notwithstanding the foregoing, the Investment Manager may, in its sole discretion, during any period, elect to waive a portion of its fees with respect to any Fund or any class without notice to shareholders. In addition, the Funds may issue shares of a separate class that may calculate the management fee differently or charge a lower management fee.

Investment Manager Fees for the financial year amounted to USD 1,471,536 (31 December 2016: USD 618,647). Investment Manager Fees outstanding as at 31 December 2017 were USD 171,290 (31 December 2016: USD 79,445).

Administration and Depositary fees

The Administrator and Depositary will be entitled to receive fees calculated as a percentage of the NAV of each Fund for the provision, respectively, of administration, accounting, trustee and custodial services to the Company as set out in the relevant Supplement. Each Fund may be subject to a combined monthly minimum fee in respect of administration, accounting and depositary services.

The Administrator will also be entitled to receive certain other fees, including for financial reporting services in respect of the Company and for each Fund in respect of transfer agency services in respect of the relevant class of shares.

The Administrator and Depositary will also be reimbursed by the Company out of the assets of the relevant Fund for reasonable out-of-pocket expenses incurred by them. The Depositary will also be paid by the Company out of the assets of the relevant Fund for transaction fees (which will not exceed normal commercial rates) and fees and reasonable out-of-pocket expenses of any sub-custodian appointed by the Depositary. The Administrator and Depositary may also charge each Fund certain other additional fees for services that may be required from time to time.

GuardCap UCITS Funds Plc

Notes to Financial Statements

For the financial year ended 31 December 2017 (continued)

9. Fees (continued)

Administration and Depositary fees (continued)

The fees and expenses of the Administrator and Depositary are accrued daily and are payable monthly in arrears.

Administration Fees for the financial year amounted to USD 127,462 (31 December 2016: USD 77,006). Administration Fees outstanding as at 31 December 2017 were USD 17,709 (31 December 2016: USD 15,820).

Depositary Fees for the financial year amounted to USD 90,997 (31 December 2016: USD 32,558). Depositary Fees outstanding as at 31 December 2017 were USD 7,445 (31 December 2016: USD 6,337).

Auditors' fees

The below table discloses audit remuneration fees for the financial year. Other than audit fees, no other fees were paid to the auditor by the Company.

	31 December 2017	31 December 2016
	USD	USD
Audit of statutory accounts	25,667	17,230
Other assurance services	-	-
Tax advisory services	-	-
Other non-audit services	-	-
	<u>25,667</u>	<u>17,230</u>

Directors' fees

The Directors' fees and expenses charged for the financial year amounted to USD 40,562 (31 December 2016: USD 39,671). Fees of USD 14,845 (31 December 2016: USD 14,788) were outstanding at 31 December 2017.

Operating expenses

The Funds pay all of its own operating expenses and bear its pro-rata share of the operating expenses of the Company which may be incurred by the Funds, the Company, the Investment Manager or their respective affiliates including, but not limited to the Capped expenses ("Capped Expenses") and Uncapped expenses ("Uncapped Expenses"). For a detailed list of Capped Expenses and Uncapped Expenses please refer to the Company's prospectus.

GuardCap UCITS Funds Plc

Notes to Financial Statements

For the financial year ended 31 December 2017 (continued)

10. Other receivables and accrued liabilities

Below is the breakdown for other fees receivables and accrued liabilities as at 31 December 2017.

GuardCap Global Equity Fund

	31 December 2017	31 December 2016
	USD	USD
Other receivables		
Interest and dividends receivable, net	314,582	199,788
Receivable from Investment Manager	-	57,342
Other receivables	60,287	5,246
Total	374,869	262,376

	31 December 2017	31 December 2016
	USD	USD
Other accrued liabilities		
Administration fee payable	10,772	14,677
Payable on redemptions	-	53,838
Audit fees payable	25,394	31,104
Depositary fees payable	5,848	6,330
Directors fees payable	14,303	14,780
Shareholder service fees payable	953	1,341
Legal fees payable	118	-
Other fees payable	15,055	36,337
Investment manager fees payable	158,959	79,205
Taxation fees payable	293	-
Total	231,695	237,612

GuardCap Emerging Markets Equity Fund*

	31 December 2017	31 December 2016
	USD	USD
Other receivables		
Interest and dividends receivable, net	1,906	541
Receivable from Investment Manager	7,098	1,419
Total	9,004	1,960

	31 December 2017	31 December 2016
	USD	USD
Other accrued liabilities		
Administration fee payable	6,937	1,143
Audit fees payable	1,075	3
Depositary fees payable	1,597	7
Directors Fees payable	542	8
Shareholder service fees payable	483	-
Legal fees payable	84	13
Other fees payable	3,495	563
Investment manager fees payable	12,331	240
Taxation fees payable	4,023	-
Total	30,567	1,977

*Launched on 19 December 2016.

GuardCap UCITS Funds Plc

Notes to Financial Statements

For the financial year ended 31 December 2017 (continued)

11. Share capital and redeemable participating shares

The share capital of the Company will at all times equal the NAV. The authorised share capital of the Company is €300,002 represented by 300,002 Subscriber Shares (“Subscriber Shares”) of no par value issued at €1.00 each and 500,000,000,000 participating shares (the “Shares”) of no par value. The Directors are empowered to issue up to 500 billion Shares of no par value in the Company at the NAV per share (or the relevant initial subscription price in the case of new funds) on such terms as they may deem reasonable.

The Subscriber Shares entitle the shareholders holding them to attend and vote at all meetings of the Company, but do not entitle the holders to participate in the dividends or net assets of any fund. Each of the Shares entitles the shareholder to participate equally on a pro rata basis in the dividends (in the case of Funds and classes which declare dividends) and net assets of the Fund in respect of which they are issued, save in the case of dividends declared prior to becoming a shareholder.

The Directors also reserve the right to redesignate any class of Shares from time to time, provided that shareholders in that class will first have been notified by the Company that the Shares will be redesignated and will have been given the opportunity to have their Shares redeemed by the Company.

Each of the Shares entitles the holder to attend and vote at meetings of the Company and of the Fund represented by those shares. The Articles provide that matters may be determined at meetings of the shareholders on a show of hands unless a poll is requested by shareholders holding 10% or more of the Shares or unless the Chairman of the meeting requests a poll. Each shareholder will have one vote on a show of hands. Each shareholder will be entitled to such number of votes as will be produced by dividing the aggregate NAV of that shareholder’s shareholding (expressed or converted into the base currency and calculated as of the relevant record date) by one. The “relevant record date” for these purposes will be a date being not more than 30 days prior to the date of the relevant general meeting or written resolution as determined by the Directors.

Where a separate written resolution or general meeting of a particular class or tranche of shares is held, in such circumstances, the shareholders’ votes will be calculated by reference only to the NAV of each shareholder’s shareholding in that particular class or tranche, as appropriate. The Subscriber Shareholders will have one vote for each Subscriber Share held. In relation to a resolution which in the opinion of the Directors affects more than one class of Shares or gives or may give rise to a conflict of interest between the shareholders of the respective classes, such resolution will be deemed to have been duly passed, only if, in lieu of being passed through a single meeting of the shareholders of those classes, such resolution will have been passed at a separate meeting of the shareholders of each such class.

Shares in a Fund may be purchased on any dealing day at the net asset value per share on the relevant dealing day on the terms and in accordance with the procedures described below and in the relevant Supplement.

Subscription orders are effected at the net asset value per share applicable on the relevant dealing day. Details of the deadline by which subscription monies must be received by the Company will be set out in the relevant Supplement. No subscription order will be accepted after the relevant Valuation Point for a Fund.

GuardCap UCITS Funds Plc

Notes to Financial Statements

For the financial year ended 31 December 2017 (continued)

11. Share capital and redeemable participating shares (continued)

If a subscription order is received prior to the Subscription Cut-Off Time, Shares will be issued at the NAV per share applicable on the relevant dealing day. Subscription orders received after the relevant Subscription Cut-Off Time will be held over without interest on any related subscription monies and, in the absolute discretion of the Directors, either (i) such subscription monies will be returned (without interest) to the person from whom the subscription order and subscription funds were received, or (ii) the relevant Shares will be issued on the next applicable dealing day at the relevant NAV per share, unless the Directors determine in their sole discretion to accept such subscriptions in exceptional circumstances (with the Directors ensuring that such exceptional circumstances are fully documented) and provided that such subscriptions for Shares are received before the Valuation Point on the relevant dealing day. Subscription orders will not be processed at times when the calculation of the NAV per share is suspended in accordance with the terms of the Prospectus and the Articles.

Shareholders may request that Shares of a Fund be redeemed on any dealing day by completing and submitting a Redemption Application to the Administrator to arrive no later than the Redemption Cut-Off Time, in order to be effective on a dealing day. Redemption Applications received after the relevant Redemption Cut-Off Time will be held over until the next applicable dealing day, unless the Directors determine in their sole discretion, in exceptional circumstances (with the Directors ensuring that such exceptional circumstances are fully documented) and where such Redemption Applications are received before the relevant Valuation Point, to accept such Redemption Applications on the relevant dealing day. Redemption Applications may be sent by facsimile. Any minimum holding period in relation to a Fund may be set out in the relevant Supplement. Redemption Applications received after the relevant Redemption Cut-Off Time will be effective on the next succeeding dealing day. Redemption Applications will not be processed at times when the redemption of shares or the calculation of the NAV per share is suspended in accordance with the terms of this Prospectus and the Articles. Shares which have been subject to a Redemption Application will be entitled to dividends, if any, up to the dealing day upon which the redemption is effective.

The applicable Supplement may provide that if Redemption Applications on any dealing day exceed a specified percentage of the NAV of the applicable Fund (which must be at least 10%), the Company may defer the excess Redemption Applications to subsequent dealing days. Any request for redemption on such dealing day shall be reduced rateably and the redemption requests shall be treated as if they were received on each subsequent dealing day until all the Shares to which the original request related have been redeemed.

A distribution in respect of a redemption may be made in kind, at the discretion of the Directors, after consultation with the Investment Manager, provided that where the redemption request represents less than 5% of the NAV of a Fund, the redemption in kind will only be made with the consent of the redeeming shareholder. The assets to be transferred will be selected at the discretion of the Directors with the approval of the Depositary and taken at their value used in determining the redemption price of the Shares being so redeemed. As a result, such distributions will only be made if the Directors and the Depositary consider that they will not materially prejudice the interests of the shareholders of the relevant Fund as a whole and the Depositary is satisfied that the assets distributed are equivalent to the amount of the distribution declared. Shareholders will bear any risks of the distributed securities and may be required to pay a brokerage commission or other costs in order to dispose of such securities. If a shareholder so requests, the Investment Manager will sell the assets to be distributed to that shareholder and distribute the cash proceeds to the shareholder.

GuardCap UCITS Funds Plc

Notes to Financial Statements

For the financial year ended 31 December 2017 (continued)

11. Share capital and redeemable participating shares (continued)

The Company currently offers 19 classes of shares in the Global Equity Fund and 18 classes of shares in the Emerging Markets Fund as set out below. The Company may also create additional classes of shares in the Funds in the future with prior notification to, and clearance in advance by, the Central Bank.

The following table is a list of the classes of shares available in the Funds. Currently only the EUR A Class, GBP A Class, USD I Class, EUR I Class, GBP I Class, EUR S Class and USD X Class have been issued:

GuardCap Global Equity Fund

Share Class Description	Minimum Initial Subscription	Initial Offer Price
USD A Class	USD 10,000	USD 10
USD A Class (Hedged)	USD 10,000	USD 10
EUR A Class	USD 10,000	EUR 10
EUR A Class (Hedged)	USD 10,000	EUR 10
GBP A Class	USD 10,000	GBP 10
GBP A Class (Hedged)	USD 10,000	GBP 10
USD I Class	USD 500,000	USD 10
USD I Class (Hedged)	USD 500,000	USD 10
EUR I Class	USD 500,000	EUR 10
EUR I Class (Hedged)	USD 500,000	EUR 10
GBP I Class	USD 500,000	GBP 10
GBP I Class (Hedged)	USD 500,000	GBP 10
EUR S Class	EUR 5,000	EUR 10
USD X Class	USD 10,000,000	USD 10
USD X Class (Hedged)	USD 10,000,000	USD 10
EUR X Class	USD 10,000,000	EUR 10
EUR X Class (Hedged)	USD 10,000,000	EUR 10
GBP X Class	USD 10,000,000	GBP 10
GBP X Class (Hedged)	USD 10,000,000	GBP 10

GuardCap UCITS Funds Plc

Notes to Financial Statements

For the financial year ended 31 December 2017 (continued)

11. Share capital and redeemable participating shares (continued)

GuardCap Emerging Markets Equity Fund*

Share Class Description	Minimum Initial Subscription	Initial Offer Price
USD A Class	USD 10,000	USD 10
USD A Class (Hedged)	USD 10,000	USD 10
EUR A Class	USD 10,000	EUR 10
EUR A Class (Hedged)	USD 10,000	EUR 10
GBP A Class	USD 10,000	GBP 10
GBP A Class (Hedged)	USD 10,000	GBP 10
USD I Class	USD 500,000	USD 10
USD I Class (Hedged)	USD 500,000	USD 10
EUR I Class	USD 500,000	EUR 10
EUR I Class (Hedged)	USD 500,000	EUR 10
GBP I Class	USD 500,000	GBP 10
GBP I Class (Hedged)	USD 500,000	GBP 10
USD X Class	USD 10,000,000	USD 10
USD X Class (Hedged)	USD 10,000,000	USD 10
EUR X Class	USD 10,000,000	EUR 10
EUR X Class (Hedged)	USD 10,000,000	EUR 10
GBP X Class	USD 10,000,000	GBP 10
GBP X Class (Hedged)	USD 10,000,000	GBP 10

*Launched on 19 December 2016.

Subscription monies must be paid in the class currency and must be paid by wire transfer to the bank account of the Administrator. Money must be remitted from an account in the name of the investor(s). After the initial issue of shares in any class, the shares in such class will be issued on the relevant dealing day at the relevant net asset value per share for the applicable class on the terms and in accordance with the procedures described herein.

GuardCap Global Equity Fund

Continuity of redeemable shares	31 December 2017		31 December 2016		31 December 2015	
	Number of shares	Value \$	Number of shares	Value \$	Number of shares	Value \$
USD I Class shares						
Shares outstanding, beginning of financial year	9,465,465.948		2,609,603.297		-	
Shares issued for cash	5,169,437.057	72,271,310	7,767,529.205	86,768,791	2,609,603.297	27,500,000
Shares redeemed	(691,859.537)	(9,255,603)	(911,666.554)	(10,500,000)	-	-
Shares outstanding, end of financial year	13,943,043.468		9,465,465.948		2,609,603.297	

GuardCap UCITS Funds Plc

Notes to Financial Statements

For the financial year ended 31 December 2017 (continued)

11. Share capital and redeemable participating shares (continued)

GuardCap Global Equity Fund (continued)

Continuity of redeemable shares	31 December 2017		31 December 2016		31 December 2015	
	Number of shares	Value \$	Number of shares	Value \$	Number of shares	Value \$
USD X Class shares						
Shares outstanding, beginning of financial year	1,501,878.991		2,179,730.203		-	
Shares issued for cash	-	-	-	-	2,179,730.203	22,500,000
Shares redeemed	-	-	(677,851.212)	(8,000,000)	-	-
Shares outstanding, end of financial year	1,501,878.991		1,501,878.991		2,179,730.203	
GBP I Class shares						
Shares outstanding, beginning of financial year	446,112.934		3,887.879		-	
Shares issued for cash	404,265.214	7,988,668	449,306.219	7,414,215	3,887.879	59,632
Shares redeemed	(55,798.907)	(1,113,674)	(7,081.164)	(117,258)	-	-
Shares outstanding, end of financial year	794,579.241		446,112.934		3,887.879	
EUR I Class shares						
Shares outstanding, beginning of financial year	368,156.600		247,152.600		-	
Shares issued for cash	1,259,422.220	18,014,273	140,454.000	1,492,950	247,152.600	2,692,754
Shares redeemed	(403,062.841)	(5,875,597)	(19,450.000)	(214,987)	-	-
Shares outstanding, end of financial year	1,224,515.979		368,156.600		247,152.600	
GBP A Class shares						
Shares outstanding, beginning of financial year	12,692.699		5,000.000		-	
Shares issued for cash	2,255.609	39,010	61,346.982	964,617	5,000.000	75,587
Shares redeemed	(14,948.308)	(307,308)	(53,654.283)	(858,853)	-	-
Shares outstanding, end of financial year	-		12,692.699		5,000.000	

GuardCap UCITS Funds Plc

Notes to Financial Statements

For the financial year ended 31 December 2017 (continued)

11. Share capital and redeemable participating shares (continued)

GuardCap Global Equity Fund (continued)

Continuity of redeemable shares	31 December 2017		31 December 2016		31 December 2015	
	Number of shares	Value \$	Number of shares	Value \$	Number of shares	Value \$
EUR A Class shares*						
Shares outstanding, beginning of financial year	9,849.315	-	-	-	-	-
Shares issued for cash	-	-	9,849.315	112,621	-	-
Shares redeemed	-	-	-	-	-	-
Shares outstanding, end of financial year	9,849.315	-	9,849.315	-	-	-
	31 December 2017		31 December 2016		31 December 2015	
	Number of shares	Value \$	Number of shares	Value \$	Number of shares	Value \$
EUR S Class shares**						
Shares outstanding, beginning of financial year	-	-	-	-	-	-
Shares issued for cash	76,387.212	884,433	-	-	-	-
Shares redeemed	(7,100.000)	(90,805)	-	-	-	-
Shares outstanding, end of financial year	69,287.212	-	-	-	-	-

GuardCap Emerging Markets Equity Fund***

Continuity of redeemable shares	31 December 2017		31 December 2016		31 December 2015	
	Number of shares	Value \$	Number of shares	Value \$	Number of shares	Value \$
USD I Class shares						
Shares outstanding, beginning of financial year	100,000.000	-	-	-	-	-
Shares issued for cash	1,299,028.044	16,509,743	100,000.000	1,000,000	-	-
Shares redeemed	-	-	-	-	-	-
Shares outstanding, end of financial year	1,399,028.044	-	100,000.000	-	-	-

*Launched on 2 February 2016.

**Launched on 31 January 2017.

***Launched on 19 December 2016.

GuardCap UCITS Funds Plc

Notes to Financial Statements

For the financial year ended 31 December 2017 (continued)

12. Related party transactions and balances

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions, or if the party is a member of the key management personnel of the entity or its parent.

The Investment Manager is deemed to be a related party of the Company. For details relating to fees paid by the Company to the Investment Manager please see Note 9.

As at 31 December 2017 the Investment Manager and Alexandria Bancorp Limited, an affiliate of the Investment Manager, together held shares to the value of \$94,611,412 (34.89%) (31 December 2016: \$71,518,270 (51.86%)) of the Global Equities Fund's shares.

As at 31 December 2017 the Investment Manager and Alexandria Bancorp Limited held shares to the value of \$20,092,841 (100%) (31 December 2016: \$1,004,000 (100.00%)) of the Emerging Markets Equity Fund's shares.

Directors, Steve Bates and Michael Boyd, are employees of the Investment Manager and Steve Bates is also a director of the Investment Manager. As such, they both have a business interest in services provided to the Company. Steve Bates and Michael Boyd do not earn Director's fees from the Company.

As at 31 December 2017, Michael Boyd held 39,217.906 shares of the GBP I share class of the Global Equities Fund (31 December 2016: 39,217.906 shares of the GBP I share class).

Steve Bates held 8,857.621 shares (31 December 2016: Nil) of the GBP I share class of the Global Equity Fund as at 31 December 2017.

13. Significant events during the financial year

On 18 July 2017, shares amounting to 8,857.621 on the GBP I share class of the Global Equity Fund were purchased by Steve Bates through a nominee account.

A new Company's prospectus and new supplements for both sub-funds dated 12 July 2017 were noted by the Central Bank of Ireland on 12 July 2017.

A new Company's prospectus and new supplements for both sub-funds dated 11 December 2017 were noted by the Central Bank of Ireland on 11 December 2017.

14. Subsequent events after the financial year

On 5 February 2018, Michael Boyd purchased 2,267.433 shares of the USD I share class of the Emerging Markets Equity Fund.

15. Securities lending

The Company has no security lending arrangements and no securities lending took place during the financial year.

GuardCap UCITS Funds Plc

Notes to Financial Statements

For the financial year ended 31 December 2017 (continued)

16. Exchange rates

The following exchange rates against the USD were as follows:

	31 December 2017	31 December 2016
BRL	3.312454	-
CAD	1.256700	-
CHF	0.974350	1.018400
CZK	21.292905	25.673282
DKK	6.205014	7.064292
EUR	0.833472	0.950209
GBP	0.740713	0.811524
HKD	7.812866	7.754523
IDR	135.666802	134.716422
ILS	3.479955	3.855496
INR	63.840654	-
JPY	112.684944	116.894943
KRW	1,067.235859	-
MXN	19.662590	20.728396
PHP	50.015005	49.600714
SEK	8.203176	9.109210
SGD	1.337499	1.447901
THB	32.590275	35.789700
ZAR	12.372410	13.738528

17. Accounting financial year

Financial statements cover the period from 1 January 2017 to 31 December 2017. Comparative figures relate to annual audited financial statements and cover the period from 1 January 2016 to 31 December 2016.

18. Financing activities

Subscriptions and redemptions are the only financing activities in the Statement of Cash Flows. The amount differs from the subscriptions and redemptions as per Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares as depicted in the table below:

GuardCap Global Equity Fund

	31 December 2017
Redemption of redeemable shares as per Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares	16,642,987
Payable on redemptions	53,838
Redemption of redeemable shares as per Statement of Cash Flows	<u>16,696,825</u>

19. Approval of financial statements

The financial statements were approved by the Board on 14 March 2018.

GuardCap UCITS Funds Plc

Supplementary Unaudited Information as at 31 December 2017

1. Schedule of Significant Portfolio Changes

GuardCap Global Equity Fund

Purchases¹

<u>Security name</u>	<u>Quantity</u>	<u>Cost (USD)</u>	<u>% of Total Purchases</u>
NIKE Inc	145,714	7,877,045	8.17
Alphabet Inc	6,500	6,291,317	6.52
Ulta Salon Cosmetics & Fragrance Inc	27,351	6,205,068	6.43
Mastercard Inc	43,665	5,894,200	6.11
Essilor International	44,620	5,775,425	5.99
Novo Nordisk A/S	128,776	5,324,659	5.52
UnitedHealth Group Inc	26,209	5,113,872	5.30
CME Group Inc	38,777	5,055,417	5.24
Priceline Group Inc	2,786	4,904,826	5.09
Cognizant Technology Solutions Corp	67,359	4,638,270	4.81
Intertek Group Plc	69,824	4,291,618	4.45
Stryker Corp	27,094	3,843,829	3.99
Moody's Corp	27,987	3,686,744	3.82
Nestle SA	39,499	3,285,813	3.41
Novozymes A/S	60,197	2,904,151	3.01
FANUC Corp	12,350	2,657,757	2.76
Yum China Holdings Inc	66,861	2,517,639	2.61
L'Oreal SA	11,241	2,379,549	2.47
Automatic Data Processing Inc	21,685	2,353,334	2.44
Dassault Systemes	23,300	2,254,139	2.34
Reckitt Benckiser Group Plc	24,533	2,217,592	2.30
Tiffany & Co	22,132	2,007,113	2.08
Colgate-Palmolive Co	26,150	1,892,694	1.96
Monsanto Co	15,044	1,755,366	1.82

¹Represents all purchases which are above 1% of total purchases or a minimum of top 20 purchases made during the financial year.

Sales¹

<u>Security name</u>	<u>Quantity</u>	<u>Proceeds (USD)</u>	<u>% of Total Sales</u>
Mead Johnson Nutrition Co	94,205	8,469,466	49.51
Stryker Corp	23,704	3,225,045	18.85
Hennes & Mauritz AB	113,130	2,986,584	17.46
CME Group Inc	5,386	812,145	4.75
UnitedHealth Group Inc	3,504	782,232	4.57
Intertek Group Plc	8,429	581,213	3.40
Moody's Corp	1,673	248,645	1.45

¹Represents all sales which are above 1% of total sales or a minimum of top 20 sales made during the financial year.

GuardCap UCITS Funds Plc

Supplementary Unaudited Information as at 31 December 2017 (continued)

1. Schedule of Significant Portfolio Changes (continued)

GuardCap Emerging Markets Equity Fund

Purchases¹

Security name	Quantity	Cost (USD)	% of Total Purchases
Frutarom Industries Ltd	15,270	1,116,641	6.41
Samsung Electronics Co Ltd	905	994,714	5.71
Samsonite International SA	230,800	963,656	5.54
MercadoLibre Inc	3,380	870,543	5.00
Yum China Holdings Inc	21,170	864,107	4.96
Taiwan Semiconductor Manufacturing Co Ltd	22,000	844,615	4.85
Matahari Department Store Tbk PT	813,500	751,087	4.31
Ctrip.com International Ltd	12,650	647,690	3.72
Vakrangee Ltd	169,266	636,618	3.66
Sinopharm Group Co Ltd	142,400	626,420	3.60
Dali Foods Group Co Ltd	945,500	618,708	3.55
Kroton Educacional SA	122,603	595,989	3.42
CP ALL PCL	305,000	587,257	3.37
Venture Corp Ltd	55,600	581,197	3.34
UPL Ltd	45,000	570,646	3.28
Ayala Land Inc	683,500	563,211	3.23
Becle SAB de CV	316,000	531,255	3.05
Credicorp Ltd	2,730	525,109	3.02
Localiza Rent a Car SA	34,600	514,370	2.95
Megacable Holdings SAB de CV	125,800	506,419	2.91
Mr Price Group Ltd	39,000	495,913	2.85
Hengan International Group Co Ltd	51,500	454,923	2.61
AMOREPACIFIC Group	3,850	454,398	2.61
Luxoft Holding Inc	6,890	405,128	2.33
Oversea-Chinese Banking Corp Ltd	50,100	401,133	2.30
Lupin Ltd	23,500	391,859	2.25
Komercni banka as	7,650	317,540	1.82
Siam Cement PCL	15,700	234,637	1.35
Kerry Logistics Network Ltd	152,000	221,193	1.27

¹Represents all purchases which are above 1% of total purchases or a minimum of top 20 purchases made during the financial year.

GuardCap UCITS Funds Plc

Supplementary Unaudited Information as at 31 December 2017 (continued)

1. Schedule of Significant Portfolio Changes (continued)

GuardCap Emerging Markets Equity Fund (continued)

Sales¹

<u>Security name</u>	<u>Quantity</u>	<u>Proceeds (USD)</u>	<u>% of Total Sales</u>
Kerry Logistics Network Ltd	165,000	224,315	17.01
Localiza Rent a Car SA	8,400	168,180	12.76
Infosys Ltd	9,600	140,932	10.69
Mr Price Group Ltd	7,200	132,672	10.06
Lupin Ltd	9,000	120,463	9.14
Luxoft Holding Inc	2,100	101,750	7.72
AMOREPACIFIC Group	800	89,944	6.82
Localiza Rent a Car SA	3,379	45,112	3.42
Yum China Holdings Inc	1,080	44,706	3.39
Sociedad Quimica y Minera de Chile SA	1,260	42,015	3.19
Itau Unibanco Holding SA	3,220	37,963	2.88
L'Occitane International SA	16,000	32,305	2.45
Sheng Siong Group Ltd	44,500	31,173	2.36
Jardine Strategic Holdings Ltd	700	27,469	2.08
MercadoLibre Inc	70	17,359	1.32
Swire Pacific Ltd	10,000	17,353	1.32
QIWI Plc	1,400	16,478	1.25
Lenovo Group Ltd	24,000	14,586	1.11
CP ALL PCL	4,000	6,887	0.52
Taiwan Semiconductor Manufacturing Co Ltd	130	4,428	0.34

¹Represents all sales which are above 1% of total sales or a minimum of top 20 sales made during the financial year.

GuardCap UCITS Funds Plc

Supplementary Unaudited Information as at 31 December 2017 (continued)

2. Remuneration Disclosure

The Company is controlled and managed by the Board, but does not currently have any staff. Accordingly, the identified staff for the purpose of the remuneration policy is the Board.

The Directors who are also employees of Guardian Capital Group Limited and any companies within its group structure (“GuardCap”) do not receive any remuneration in respect of their services as Directors of the Company. The other Directors receive fixed remuneration in respect of their services which is set at a level determined by the Board as a whole and which is not performance related and is detailed in Note 9 of the Financial Statements. None of the Directors are currently in receipt of variable remuneration in respect of their services as Directors of the Company. Accordingly, the detailed provisions of Article 14b of Directive 2009/65/EC and the related ESMA Guidelines on sound remuneration policies under the UCITS Directive and the AIFMD (ESMA/2016/411) (“ESMA Guidelines”) in relation to variable remuneration are not applicable to the Company. None of the Directors are currently in receipt of a pension from the Company.

The Company has determined that the fixed remuneration payable to the Directors who are not employees of GuardCap is (a) consistent with sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile, rules or instrument of incorporation of the Company and (b) in line with the business strategy, objectives, values and interests of the Company and the investors in the Company.

The European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended, and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015, as amended (“The Regulations”) require self-managed investment companies that are significant in terms of their size, their internal organisation and the nature, scope and complexity of their activities to establish a remuneration committee. Having considered these criteria, the Company has determined, on advice of counsel, that it is not significant in these respects and has not established a remuneration committee.

The Company has delegated the provision of investment management and risk management services to the Investment Manager and the Company shall ensure that the Investment Manager is subject to the requirements of the ESMA Guidelines. In this regard, the Investment Manager has confirmed that it is subject to the CRD III remuneration regime. The Company is satisfied, on advice of counsel, that the CRD III remuneration regime is equivalent to the remuneration requirements under the Regulations and the ESMA Guidelines.

The nature of the Directors’ remuneration, being fixed and not including any variable component and being determined by the Board as a whole, ensures that the Company appropriately manages any conflicts of interest in respect of remuneration. The remuneration policy of the Company was updated on 22 December 2016 to include additional reference to the application of the UCITS V remuneration requirements to the relevant delegates of the Company.

GuardCap UCITS Funds Plc

Supplementary Unaudited Information as at 31 December 2017 (continued)

2. Remuneration Disclosure (continued)

Regulation 89(3A) of the UCITS Regulations (as introduced pursuant to the UCITS V Regulations on 21 March 2016) requires that the annual report of the Company contains certain disclosures on remuneration paid by the Company to its staff during the financial year and details of any material changes to the Company's remuneration policy made during the period. In this regard, the following points are to be noted:

- The Company has prepared a remuneration policy outlining how it adheres to the remuneration requirements set out in the UCITS Regulations. This policy was adopted in principal with effect from 14 December 2014, with additional amendments thereto adopted as of 22 December 2016.
- This disclosure includes all staff whose professional activities have a material impact on the risk profile of the Company at either fund or sub-fund level (“Identified Staff”). The Company has deemed Identified Staff to include:
 - The Directors of the Company. The Company has no employees or staff that it employs and pays directly. The Company has a Board of Directors, two of whom are employees of GuardCap Asset Management Limited (the “Investment Manager”) and its affiliates and receive no remuneration from the Company. The remaining two directors, both of whom are independent, receive a fixed fee only (for the year ended 31 December 2017; USD 40,562 in aggregate) and do not receive variable remuneration. These fees are set at a level that reflects the qualifications and contribution required taking into account the Company's size, internal organization and the nature, scope and complexity of its activities.
 - The Designated Persons. The services of two designated persons are also provided to the Company pursuant to a management services agreement between the Company and Clifton Fund Consulting Limited trading as KB Associates, in respect of which a fixed fee only is paid and such designated persons do not receive any variable remuneration.
- No material changes have been made to the Remuneration Policy since 22 December 2016.

GuardCap UCITS Funds Plc

Supplementary Unaudited Information as at 31 December 2017 (continued)

2. Remuneration Policy (continued)

Total remuneration paid to Identified Staff during the financial year to 31 December 2017

	\$
<u>Fixed remuneration</u>	
- Non-Executive Directors	40,562
- Other Identified Staff	5,783
<u>Variable remuneration</u>	
- Non-Executive Directors	-
- Other Identified Staff	-
Total Remuneration paid	46,345
Number of beneficiaries	6