

February 28 2018

GBP I CLASS

## Fund Information

Fund Name	GuardCap Emerging Markets Equity Fund
Fund Manager	GuardCap Asset Management Limited
Fund Inception	December 19, 2016
Share Class Inception	January 23, 2018
Share Class	GBP I Class
Style	Growth / Quality Large-Mid Cap. Bottom-Up Fundamental
Legal Status	UCITS
ISIN	IE00BD1R3L25
Number of Sectors	GICS 5-11
Number of Holdings	25-30
Liquidity	Daily at NAV
Annual Management Fee	0.80%
Minimum Investment	\$500,000
Benchmark	MSCI Emerging Market Index (Net) £

## Fund Statistics

Number of Stocks	27
Net Exposure	97.9%
Fund Size	\$20.5 million
Active Share	90.7%

## Top 5 Holdings

	Portfolio Weight
Frutarom Industries	7.4%
Venture Corp.	5.9%
Samsonite International	5.7%
MercadoLibre Inc.	5.5%
Samsung Electronic	5.5%

As of February 28 2018

## Investment Objective

The investment objective of the Fund is to deliver a superior return to the MSCI Emerging Markets Index over the long-term by investing primarily in equity and similar securities issued by companies that have significant exposure to emerging market economies.

## Investment Process

- Investment philosophy: sustained growth drives returns; quality protects against downside; valuation matters.
- In-depth fundamental analysis. High conviction, confidence building process.
- Concentrated long-only equity strategy with 25-30 quality growth investments.
- Benchmark agnostic, unconstrained portfolio construction; high active share.

## Performance Analysis

	Fund %	Benchmark %	Relative Return %
1 Month	-2.54	-1.83	-0.71
Since Inception*	-3.90	-2.30	-1.60

\*Inception date 23/01/18

Past performance results are no indication of future results. Issuance and redemption commissions are not included in the performance figures.

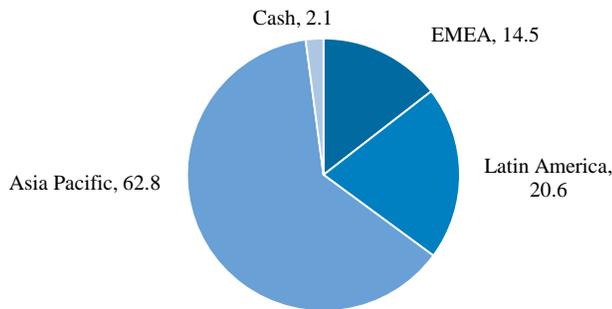
### February Contributors

Venture Corporation	+1.08%
CP All	+0.32%
Samsonite International	+0.22%

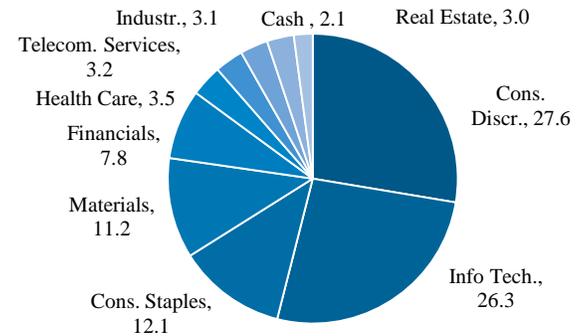
### February Detractors

Vakrangee Ltd.	-2.59%
Frutarom Industries	-0.76%
Luxoft Holding	-0.46%

## Geographic Allocation (%)



## Sector Allocation (%)



## Manager Commentary

After the exuberance of January, the correction followed hard upon in February. In fact, the index recorded its recent closing high on January 26 before dropping 10% in the space of 2 weeks. It had recovered a little by the end of February, with a monthly return of -4.6% in US dollar terms. Emerging Asia was the weakest region, probably because it had gone up the most, returning -5.4% for the month. All eleven of the GICS sectors posted negative returns. It was the higher beta sectors that had performed well previously including real estate, industrials and technology, which experienced the largest declines.

Caught up in the maelstrom was the Fund's position in Vakrangee, the Indian consumer services firm, which reached a closing high on January 25. As discussed in last month's newsletter, the company reported quarterly earnings during January, which demonstrated significantly improving business trends. The share price rose sharply following the earnings report but it subsequently fell and then traded 'limit down' over consecutive sessions after a newspaper article suggested historical share price manipulation. The company issued a firm rebuttal of the allegations and subsequently made a commitment to increase cash returns to shareholders. After a few days of trading 'limit up' the shares resumed their descent and closed February down by more than 50%. The situation remains ongoing. As noted last month, we have conducted detailed research into the issue, found nothing amiss and added to the position during February. By comparison, the 12% decline in flavours manufacturer Frutarom – the Fund's largest position – seemed rather benign. This appeared to be a result of profit-taking following an extended period of positive share price returns. The company will report its full year results during March.

In a month of widespread declines, there were few contributors to return in absolute terms. Venture Corp was the exception, with the stock rising by almost 20% ahead of fourth quarter results, which demonstrated encouraging growth in both revenues and margins. Venture, headquartered in Singapore, provides specialist technology products and services. The majority of its recent growth has come from newer customers in sectors such as medical and life sciences equipment.

## Portfolio Managers



### Ed Wallace | Investment Manager, GuardCap Asset Management Limited

Ed joined GuardCap in 2015. His career in the investment industry began in 2001 when he joined Gartmore Investment Management on their global equity team as a graduate trainee, subsequently becoming an analyst and portfolio manager. In 2011 Henderson Group acquired Gartmore and Ed moved with the team to Henderson Global Investors managing global and international equity funds for institutional and retail clients. Over an 18-month period (2003-05), he also participated in developing UK government policy on institutional investment at HM Treasury. Ed graduated with a first-class honours degree in Modern History & Economics from Oxford University (1999). He is a CFA® charterholder.



### Joris Nathanson | Investment Manager, GuardCap Asset Management Limited

Joris joined GuardCap in 2016. Prior to joining GuardCap, Joris spent ten years working for Nevsky Capital LLP, a multi-billion dollar AuM Global and Emerging Markets specialist investment firm offering both long only and long/short strategies, where he was Partner and Senior Analyst. Joris graduated from Oxford University with a degree in Philosophy, Politics and Economics (PPE). He qualified as a Chartered Accountant with Deloitte LLP.

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