

December 31 2018

USD I CLASS

## Fund Information

Fund Name	GuardCap Emerging Markets Equity Fund
Fund Manager	GuardCap Asset Management Limited
Fund Inception	December 19, 2016
Share Class	USD I Class
Style	Growth / Quality Large-Mid Cap. Bottom-Up Fundamental
Legal Status	UCITS
Bloomberg	GCEMEIU
ISIN	IE00BSJCNT20
WKN	A2DPJA
Number of Holdings	25-30
Liquidity	Daily at NAV
Annual Management Fee	0.80%
Minimum Investment	\$500,000
Benchmark	MSCI Emerging Market Index (Net) US\$

## Fund Statistics

Number of Stocks	27
Net Exposure	97.9%
Fund Size	\$16.2 million
Strategy Size	\$81.7 million
Active Share	88.0%

## Top 5 Holdings

	Portfolio Weight
Samsung Electronic	5.9%
Taiwan Semiconductor	5.7%
MercadoLibre Inc.	5.3%
Samsonite International	5.0%
Ayala Land Inc.	4.9%

## December Contributors / Detractors

	Contribution to Portfolio Return
+ Matahari Department Store	+0.37%
+ Localiza Rent A Car	+0.28%
+ Beclé SA	+0.17%
- MercadoLibre Inc.	-1.07%
- Sinopharm Group	-0.81%
- Samsung Electronics	-0.45%

## 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	-3.82	-2.66	-1.16
3 Months	-8.60	-7.47	-1.13
YTD	-20.77	-14.58	-6.19
1 Year	-20.77	-14.58	-6.19
Annualised 2 Year	6.27	8.29	-2.02
Annualised Since Inception*	6.56	8.99	-2.43

\*Inception date 19/12/16

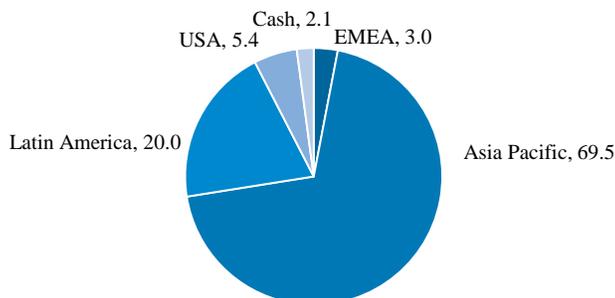
Past performance results are no indication of future results. Issuance and redemption commissions are not included in the performance figures.

## Discrete Yearly Performance

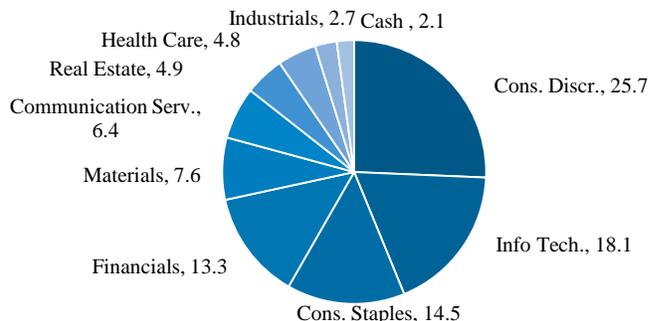
	Fund %	Benchmark %
31/12/2016 to 31/12/2017	+42.55	+37.28
31/12/2017 to 31/12/2018	-20.77	-14.58

\*Inception date 19/12/16 Past performance results are no indication of future results. Issuance and redemption commissions are not included in the performance figures.

## Geographic Allocation (%)



## Sector Allocation (%)



## Manager Commentary

The MSCI Emerging Markets Index declined by 2.7% in December, the ninth month of negative returns for the year, during which the Index declined by 14.6% (in US dollar terms). By region, Asia (-3.1%), EMEA (-1.6%) and Latin America (-0.8%) were weaker for the month and more notably for the calendar year. The only sector in emerging markets that delivered positive returns in 2018 was energy (+4.7%) despite declining by 5.1% during December. Elsewhere, utilities (+0.7%) and consumer staples (+0.3%) had a positive month while healthcare declined by almost 8%, primarily because of regulatory pricing pressure for Chinese pharmaceuticals.

As a result, our position in China's largest healthcare distributor Sinopharm was one of the larger detractors during the month, having been relatively defensive over the course of 2018. MercadoLibre, Latin America's largest e-commerce company, saw a sharp monthly decline in its share price, like many other US-listed growth companies. Samsung Electronics was also weaker on growing concerns about the outlook for the consumer electronics market. Hengan, China's largest sanitary napkins manufacturer, faced an opportunistic short-seller report which questioned the integrity of its accounts. Hengan responded with a written rebuttal and both the company and the Chairman bought shares.

The largest monthly contributor to returns was Indonesian retailer Matahari, which endured a difficult 2018 but has recently begun to repurchase its shares and open a number of new stores. Brazilian car rental company Localiza, one of the biggest contributors in 2018, rounded off the year with a positive performance in December. Mexican tequila manufacturer Cuervo's returns benefited from a rising peso and something of a recovery from the decline that followed October's profit warning.

## 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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