

## 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	29
Net Exposure	96.8%
Fund Size	\$16.5 million
Strategy Size	\$83.7 million
Active Share	87.9%

## Top 5 Holdings

	Portfolio Weight
Taiwan Semiconductor	5.8%
Samsung Electronic	5.8%
MercadoLibre Inc.	5.7%
Sinopharm Group	5.4%
Samsonite International	5.0%

## October Contributors / Detractors

	Contribution to Portfolio Return
+ Localiza Rent A Car	+0.82%
+ Kroton Educacional	+0.20%
+ Yum China Holdings	+0.16%
- Samsonite International	-1.34%
- Matahari Department Store	-0.92%
- Becle SA	-0.83%

## 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	-7.21	-8.71	1.50
3 Months	-7.39	-11.65	4.26
YTD	-19.57	-15.72	-3.85
1 Year	-12.53	-12.52	-0.01
Annualised Since Inception*	8.04	9.04	-1.00

\*Inception date 19/12/16

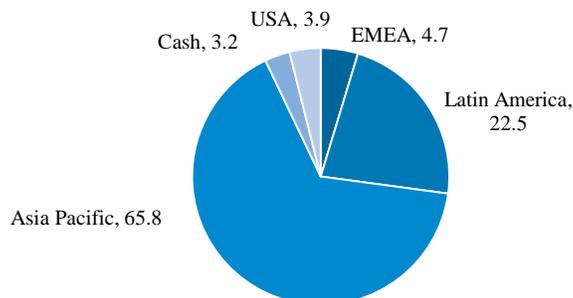
Past performance results are no indication of future results. Issuance and redemption commissions are not included in the performance figures.

## Discrete Yearly Performance

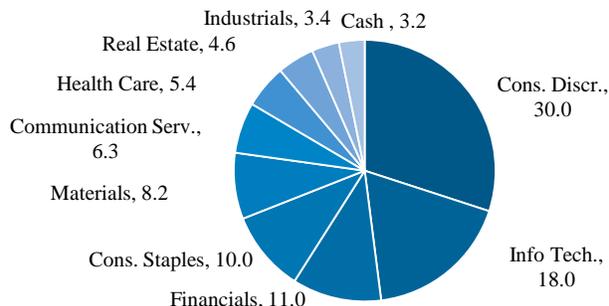
	Fund %	Benchmark %
31/10/2017 to 31/10/2018	-12.53	-12.52

\*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

October was the worst month for the MSCI Emerging Markets Index (-8.7%) in what has been a difficult year-to-date (-15.7%), with negative returns in eight out of ten months. By region, Asia (-10.9%) was by far the weakest, primarily on concerns about an economic slowdown in China. Emerging EMEA (-6.8%) also continued to struggle. Latin America (+3.5%) delivered a positive return, primarily because of Bolsanaro's victory in the Brazilian Presidential election and the expectation that his administration will adopt market-friendly policies. All sectors in emerging markets declined with IT and healthcare (both -13.7%) faring the worst while the more defensive utilities sector (-1.4%) captured less of the downside.

Samsonite was the largest detractor from portfolio returns during October. Similar to the previous month, the market focused on concerns about new US tariffs imposed on products that the company manufactures in China. The shares of retailer Matahari Department Store have remained under pressure because of concerns about the company's ownership and the Indonesian economy. The recently introduced share repurchase scheme should be helpful for the share price over the medium-term but it appeared to have little impact during the month. Elsewhere, our position in tequila manufacturer Becele declined after the company reported weaker profit margins because of a significant spike in agave prices. Agave sugars are the main ingredient in tequila.

The Fund's two Brazilian holdings were the biggest contributors to return over the month. Car rental company Localiza reported revenue growth in excess of 30% for the third quarter while education company Kroton benefited from enthusiasm about Brazil's future economic prospects. KFC and Pizza Hut operator Yum China ended the month on a positive note after it reported third quarter revenue and profit growth despite the challenges in China.

## 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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