

**July 31 2019**
**GBP I Distributing CLASS**

## Fund Information

Fund Name	GuardCap Global Equity Fund
Fund Manager	GuardCap Asset Management Limited
Fund Inception	December 10, 2014
Share Class Inception	August 10, 2018
Share Class	GBP I Distributing Class
Style	Growth / Quality Large-Mid Cap. Bottom-Up Fundamental
Legal Status	UCITS
Bloomberg	GCGLIGD
ISIN	IE00BF2T2J22
Number of Holdings	20-25
Liquidity	Daily at NAV
Annual Management Fee	0.80%
Minimum Investment	\$500,000
Benchmark	MSCI World Index (Net) £

## Fund Statistics

Number of Stocks	25
Net Exposure	97.9%
Fund Size	\$1,077.6 million
Strategy Size	\$2,443.1 million
Active Share	94.8%

## Top 10 Holdings

	Portfolio Weight
Mastercard	8.4%
Alphabet	7.5%
Booking Holdings	6.1%
UnitedHealth Group	5.9%
CME Group	4.9%
EssilorLuxottica	4.9%
Novo Nordisk	4.1%
Ulta Beauty	4.0%
Nestlé	4.0%
Intertek Group	4.0%

## July Contributors / Detractors

	Contribution to Portfolio Return
+ Alphabet	+1.14%
+ Mastercard	+0.59%
+ Moody's	+0.46%
- Illumina	-0.60%
- Novo Nordisk	-0.07%
- Keyence	-0.05%

## Investment Objective

The investment objective of the 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")

## Investment Process

- Investment philosophy: Growth drives returns; quality protects against downside; valuation matters
- Focused "total immersion" bottom-up analysis of selected "high confidence pool" of stocks
- Concentrated global equity long-only strategy with 20-25 high quality growth investments
- Benchmark agnostic, unconstrained portfolio construction; high active share

## Performance Analysis

	Fund %	Benchmark %	Relative Return %
1 Month	5.00	4.45	0.55
3 Months	9.35	7.78	1.57
YTD	24.48	22.68	1.80
Since Inception*	13.40	9.02	4.38

\*GBP I Inception date 10/08/18

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

## Risk Analysis

Since Inception*	Fund	Benchmark
Tracking Error	4.08	
Standard Deviation	11.19	12.00
Information Ratio	1.63	---
Sharpe Ratio**	1.19	0.55
Upside Market Capture	112.23	100.00
Downside Market Capture	72.40	100.00
Batting Average	0.71	

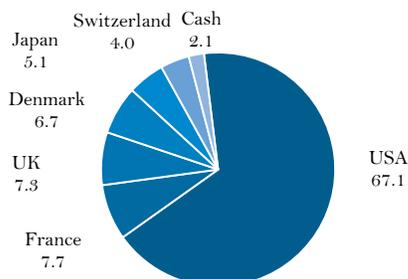
\* USD I Class

\*\* Risk free rate FTSE 3 month T-bill

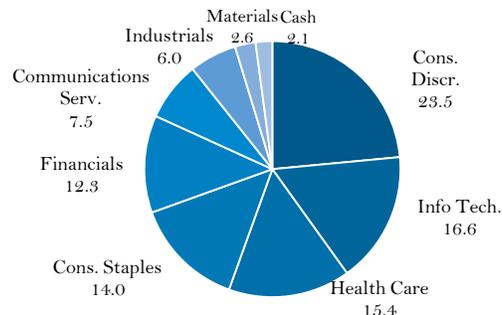
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## Geographic Allocation (%)



## Sector Allocation (%)



## Manager Commentary

The fund is up 24.48% year-to-date in Sterling terms, outperforming the MSCI World Index by 180 basis points. 55 basis points of performance were gained in July.

The main contributors in July were **Alphabet, Mastercard and Moody's**.

Alphabet rallied on market-beating Q2 2019 results: the company reported a reacceleration of organic revenue growth to over 20% and continues to invest for the next phase of growth from machine learning and AI-powered ads. Moody's ratings business is benefitting from very issuer-friendly market conditions as slowing growth is encouraging central bank action, but also spreads remain tight. Mastercard reported another strong quarter with acceleration across operating metrics and reiterated its full year guidance of low teens organic revenue growth and high teens EPS growth.

The main detractors in July were **Illumina, Novo Nordisk and Keyence**.

Illumina sells technology that reads DNA. Genomics is transforming scientific research and medicine. The company cut its full year guidance due primarily to a weaker direct-to-consumer market and the delay of some big contracts. Its competitive position remains very strong – over 90% of all sequencing data has been generated on Illumina technology – and the market opportunity is vast. Novo Nordisk has come under pressure over insulin pricing. While the company needs to get paid for innovation and the list price is never what people pay, it has made investments in co-pay assistance programs, maintains a Patient Assistance Program and ensures a lower priced treatment is available. Keyence, the consulting engineer, reported weaker than expected quarterly results, impacted by a softening demand environment and lower margins due to increased hiring outside Japan and negative operating leverage.

## Portfolio Managers



### Michael Boyd | Investment Manager

Michael has been managing fundamental equity funds for over 25 years. He joined GuardCap in June 2014. From 1994 to 2013, Michael was at the London-based institutional fund management company, Seilern Investment Management Ltd., as global equity fund manager, Managing Director and shareholder. From 1988 to 1994 he was a fund manager at Murray Johnstone Limited in Glasgow. He received an honours degree in economics from Heriot-Watt University, Edinburgh and qualified as an Associate of the Institute of Bankers in Scotland.



### Giles Warren | Investment Manager

Giles joined GuardCap in August 2014. Prior to this, he worked with Michael Boyd on the Seilern Stryx World Growth Fund from 1997, becoming joint fund manager of that fund in 2010. He graduated from Edinburgh University with an honours degree in politics and economic history. He is an Associate of the Society of Investment Professionals.

## For More Information:

Michael Hughes  
mhughes@guardiancapital.com | +44-20-7907-2405

Alexandra Schwarz  
aschwarz@guardiancapital.com | +44-20-7907-2011

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