

October 31 2018

USD I CLASS

## Fund Information

Fund Name	GuardCap Global Equity Fund
Fund Manager	GuardCap Asset Management Limited
Fund Inception	December 10, 2014
Share Class	USD I Class
Style	Growth / Quality Large-Mid Cap. Bottom-Up Fundamental
Legal Status	UCITS
Bloomberg	GCGLEIU
ISIN	IE00BSJCNS13
WPK	A2AELB
Number of Holdings	20-25
Liquidity	Daily at NAV
Annual Management Fee	0.80%
Minimum Investment	\$500,000
Benchmark	MSCI World Index (Net) US\$

## Fund Statistics

Number of Stocks	25
Net Exposure	97.6%
Fund Size	\$386.6 million
Strategy Size	\$651.9 million
Active Share	95.1%

## Top 10 Holdings

	Portfolio Weight
Mastercard Inc.	9.2%
Alphabet Inc.	7.6%
UnitedHealth Group	7.0%
Booking Holdings	5.6%
CME Group	5.3%
Essilor	4.2%
Intertek Group	3.9%
Nike Inc.	3.8%
MarketAxess Holdings	3.7%
Colgate Palmolive	3.7%

## October Contributors / Detractors

	Contribution to Portfolio Return
+ CME Group	+0.34%
+ MarketAxess Holdings	+0.32%
+ Yum China Holdings	+0.08%
- Mastercard Inc.	-1.08%
- Alphabet Inc.	-0.76%
- Keyence Corp.	-0.52%

## 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	-6.86	-7.34	0.48
3 Months	-4.91	-5.67	0.76
YTD	5.82	-2.31	8.13
1 Year	8.06	1.16	6.90
Annualised 2 Year	19.19	11.44	7.75
Annualised 3 Year	13.35	7.91	5.44
Annualised Since Inception*	13.33	6.63	6.70

\*Inception date 10/12/14 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 %
31/10/2015 to 31/10/2016	2.52	1.18
31/10/2016 to 31/10/2017	31.45	22.77
31/10/2017 to 31/10/2018	8.06	1.16

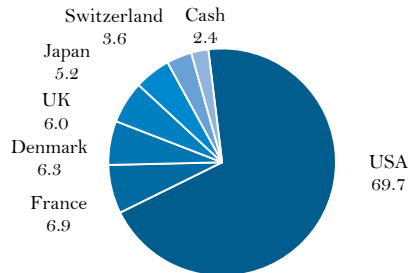
\*Inception date 10/12/14 Past performance results are no indication of future results. Issuance and redemption commissions are not included in the performance figures.

## Risk Analysis

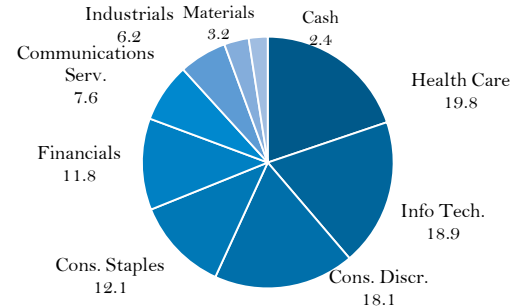
	Fund	Benchmark
3 Years		
Tracking Error	4.01	
Standard Deviation	9.66	9.49
Information Ratio	1.36	---
Sharpe Ratio**	1.29	0.74
Upside Market Capture	113.35	100.00
Downside Market Capture	69.57	100.00
Batting Average	0.64	

\*Risk free rate FTSE 3 month T-bill

## Geographic Allocation (%)



## Sector Allocation (%)



## Manager Commentary

The fund is up 5.82% year-to-date, outperforming the MSCI World by 813 basis points. 48 basis points of relative performance were added in October. The main contributors in October were CME Group, MarketAxess Holdings and Yum China Holdings.

CME Group is the world's leading and most diverse derivatives marketplace offering the widest range of future and options products for risk management. Increased volatility requires greater degrees of hedging and use of derivatives. MarketAxess is the leading electronic bond trading platform. Its main products are US high grade, US high yield, emerging markets and Eurobonds. Electronic bond trading is less than 20% penetrated; expect this to grow as market participants increasingly look for efficiency and best execution. At the Q3 results, management spoke of a pickup in volumes in October due to the volatility and steepening of the yield curve. Yum China has exclusive rights to build KFC, Pizza Hut and Taco Bell restaurants in China. The company reported better than expected quarterly results. While the Pizza Hut turnaround remains a work in progress, the quarter showed improved cost management control. A new coffee concept, Coffi & Joy, was announced.

The main detractors in October were Mastercard, Alphabet and Keyence.

All three companies suffered from a blanket sell-off in growth stocks as investors worried about slowing growth. All three have reported quarterly earnings over the last month showing robust growth trends: Mastercard delivered 14% organic top line growth at constant exchange rates, Alphabet 23% and Keyence 15%.

## 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.

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