

Global Defensive Equity Fund

May 2019

Fund Overview

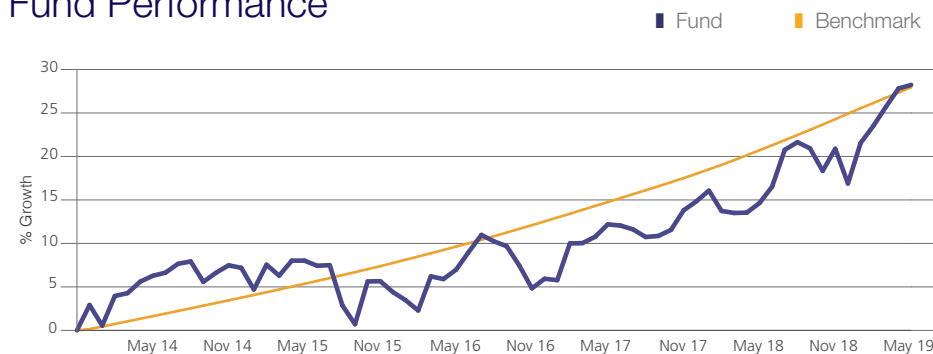
The investment objective of the Fund is to provide an ongoing return in excess of LIBOR+300bp with significant reduced equity volatility. The Fund comprises a core exposure to high quality global defensive companies (low leverage, low volatility and growing dividends) and longer term satellite investment themes. The Fund manages net exposure opportunistically and aims to use derivatives cost effectively for hedging purposes.

Market & Portfolio Commentary

After the strong start to the year, global equities sold off in May. This was triggered by unexpected reacceleration of trade wars between the US and China. The return of worries about global growth fuelled a bond rally with the US 10 year – 3 month yield spread deeper in the negative territory and Bund yields at all-time low. The corresponding 5.8% decline of MSCI AC World Index was driven particularly in the US, with the technology sector being hit the hardest. The latter was additionally depressed by anti-monopoly investigations launched in the US against the largest global tech companies. In the UK, PM May announced her resignation which significantly increased the risk of hard Brexit and/or early elections and led to a pressure on Sterling. As a result, the UK stock market was the best performing region in May as the fall in sterling boosted international earners. Finally, elections to the European Parliament did not bring a victory to populist parties as had been feared and the European markets held up relatively better despite still poor macroeconomic readings.

The Defensive Equity fund produced a stellar return in May being up c.0.3% compared the collapse experienced by global equity markets. The tactical and core holding both delivered positive returns with the strong defensive tilt adding significant alpha. The REITs were the star performers and quality dividend payers were generally in favour. Our protection policies also worked particularly well with a third of our equity exposure effectively hedged for the month. The fund will continue its cautious stance against the rising political and economic risks.

Fund Performance*



Monthly Returns (%) USD*

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2016	-0.88	-1.15	3.84	-0.29	1.02	1.91	1.79	-0.67	-0.50	-2.03	-2.44	1.06	1.48
2017	-0.16	3.99	0.04	0.66	1.29	-0.12	-0.40	-0.78	0.11	0.63	2.01	0.91	8.40
2018	1.07	-2.01	-0.20	0.04	0.97	1.65	3.63	0.73	-0.58	-2.15	2.15	-3.30	1.79
2019	3.98	1.60	1.78	1.68	0.33	-	-	-	-	-	-	-	9.70

Discrete Annual Performance (%)*

	31.05.18 31.05.19	31.05.17 31.05.18	31.05.16 31.05.17	31.05.15 31.05.16	31.05.14 31.05.15
Fund	11.86	2.18	4.87	-0.96	1.64
Benchmark	5.99	5.19	4.67	4.06	3.66

Fund Highlights (%)*

	1 mth	3 mths	6 mths	Year to Date	Since Launch	Best Month	Worst Month
Fund	0.33	3.84	6.08	9.70	28.23	4.88	-4.30
Benchmark	0.47	1.43	2.94	2.42	27.94	-	-

*Source: RBC. Fund performance relates to Class X USD and is net of fees with dividends reinvested. Discrete annual performance is based on data since inception.

Issued June 2019. All data as at 31 May 2019

Key facts about the Fund

- Global equity investments in high quality companies and non-beta correlated equity themes
- The largest region is North America with 28.3%
- Total Number of Holdings 31

Fund Details

Fund Type	UCITS IV, Dublin domiciled
Launch Date	16 December 2013
Benchmark	12 Month US\$ LIBOR + 3%
Fund AuM	\$27.5m (all share classes)
Administrator	RBC Investor & Treasury Services

Dealing & Pricing

Pricing	Daily
Pricing Time	12 noon T+1 UK time
Dealing Frequency	Daily
Dealing Line	+ 353 1 440 6555
Fax	+ 353 1 613 0401
Email	Dublin_TA_Customer_Support@rbc.com

Potential Risk / Rewards



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Portfolio Breakdown

Issued June 2019. All data as at 31 May 2019

Top Ten Equity Holdings

Name	Sector	%
ETFS GBP Hedged Gold	Materials	3.3
Rogers Communications	Communications	2.8
Unilever	Consumer Staples	2.7
Hershey	Consumer Staples	2.7
Philips	Health Care	2.6
Verizon	Communications	2.6
VINCI	Industrials	2.6
WEC Energy Group	Utilities	2.6
Procter & Gamble	Consumer Staples	2.5
PepsiCo	Consumer Staples	2.5
Total		26.9

Regional Breakdown*

Region	%
North America	28.3
United Kingdom	17.5
Europe	17.0

Sector Breakdown (%)

Communications	7.8
Consumer Discretionary	1.4
Consumer Staples	21.2
Financials	8.8
Health Care	2.6
Industrials	3.2
Materials	7.6
Technology	4.3
Utilities	6.5



Source: Fund data London & Capital and RBC Investor & Treasury Services, Index data MSCI World Equity Index as LIBOR + 3% has no sector breakdown.
*The data above does not include cash, cash equivalents and futures; therefore occasionally the data may not add up to 100%.

Awards



AI - International Fund Awards 2016
Best Private Client Investment Team
UK and Best Global Equity Fund



Professional Adviser Awards 2013 - 2014
Best International Wealth Management Provider



Wealth Adviser Awards 2015
Best Ultra High Net Worth Team

Share Class Details

Share Class	Initial Charge	AMC	ISIN	Bloomberg	SEDOL
Class X USD	0.00%	0.00%	IE00BDV09Z74	LCGDEXU ID	BDV09Z7
Class X GBP	0.00%	0.00%	IE00BDV09X50	LCGDEXG ID	BDV09X5
Class X EUR	0.00%	0.00%	IE00BYJR3J99	LCGDEXE ID	BYJR3J9
Class I USD	0.00%	1.00%	IE00BDV0B063	LCGDEIU ID	BDV0B06
Class I GBP	0.00%	1.00%	IE00BDV09Y67	LCGDEIG ID	BDV09Y6

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The L&C Global Defensive Equity Fund is a Sub-Fund of GemCap Investment Funds (Ireland) plc, an umbrella type open-ended investment company with variable capital incorporated on 1 June 2010 with limited liability under the laws of Ireland with segregated liability between Funds. The Company is authorised in Ireland by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2003 (S.I. No. 211 of 2003) (the "UCITS Regulations"), as amended.

Gemini Investment Management Ltd is the appointed Global Distributor and is responsible for the oversight of all distribution arrangements for the sub-fund.

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