

### Investment Objective & Investment Selection

The Fund aims to generate medium to long-term growth via exposure to a diversified portfolio of defined return investments linked to global equity indices. It will invest primarily in a mixture of transferable securities, financial derivative instruments and government bonds (currently UK gilts) to gain this exposure. At outset, a defined return investment will only be eligible for inclusion if it provides for a long-term positive return in anything but the bleakest of market conditions.

### Monthly Review

The Fund reached new highs again in August as markets continued on their recent sanguine path. Quiet markets over the last twelve months have led to the Fund realising volatility of just under 6% - this is equivalent to less than 0.5% per business day.

In terms of trading, the Fund had a busy month with four autocalls maturing and the proceeds reinvested in similar investments. Despite low volatility it is still possible for the Fund to take positions in new investments offering at least 8% per annum potential returns with protection and final autocall levels in the 60% to 65% range. For example, the Fund purchased a new FTSE/EuroStoxx/SMI autocall with a 60% protection level and 64.3% final autocall level and paying a potential 8.25% per annum. This replaced a similar trade on the same indices with slightly higher barriers, albeit with higher returns too.

In terms of credit exposure, the Fund now has over 77% exposure to Gilts, its highest yet. This is consistent with the theme of trying to deliver returns in the least risky way possible. Note that the Gilts are effectively held as collateral so we are not exposed to the duration risk inherent in a long Gilt position.

August saw the Distribution Share Class make its second payment. It has now paid out just over 2 pence since launching in March and will continue to make distributions of 1% of NAV every quarter leading to a yield of 4% per annum. Given the Fund's aim of making 7% to 8% per annum over the medium to long term this share class should also grow in capital value over time.

All data is sourced from AHFM and Bloomberg. The data is as at the date of this factsheet and has been reviewed and approved by AHFM.

### Key facts:

<b>Fund Size</b>	GBP 329,968,329
<b>Unit NAV</b>	B-Class: GBP 1.3127 I-Class: GBP 1.0212
<b>Launch Date</b>	B-Class: 4 <sup>th</sup> Nov 2013 I-Class: 15 <sup>th</sup> Mar 2017
<b>Base Currency</b>	GBP
<b>Liquidity</b>	Daily
<b>Share Type</b>	B-Class: Accumulation I-Class: Distribution
<b>Initial Charge:</b>	0%
<b>Annual Management Charge</b>	55bps
<b>Total Expense Ratio<sup>^</sup></b>	78bps
<b>Minimum Subscription</b>	£5,000,000*
<b>ISIN</b>	B-Class: IE00BFLR2202 I-Class: IE00BF2ZW348
<b>SEDOL</b>	B-Class: BFLR220 I-Class: BF2ZW34
<b>Bloomberg Code</b>	B-Class: AHFMSPB ID I-Class: AHFMSPID
<b>Pricing</b>	Daily COB
<b>Dealing Deadline</b>	Daily at 10.30am
<b>Dealing Line</b>	+353 1 440 6555
<b>Fax</b>	+353 1 613 0401
<b>Email</b>	Dublin_TA_Customer_Support@rbc.com

\* Minimum Subscription Amount can be waived on application

<sup>^</sup> As at 31<sup>st</sup> January 2017

### Performance Measures

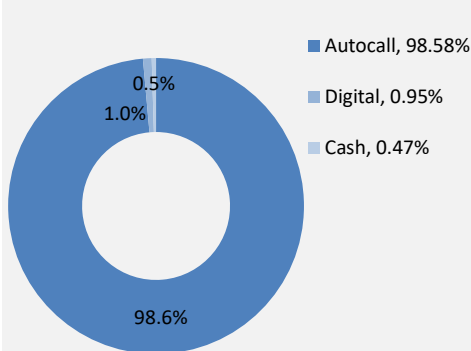
<b>Fund Performance since launch</b>	+31.27%
<b>FTSE TR since launch***</b>	+27.34%
<b>Fund Monthly Performance</b>	+ 0.57%
<b>FTSE 100</b>	+ 0.80%
<b>S&amp;P 500</b>	+ 0.05%
<b>EuroStoxx 50</b>	- 0.81%
<b>Volatility*</b>	5.84%
<b>Current Market Exposure**</b>	47.04%

\* Rolling 1 year volatility

\*\* Market exposure as measured by total Delta of the Fund.

\*\*\* TUKXG performance since Fund's inception

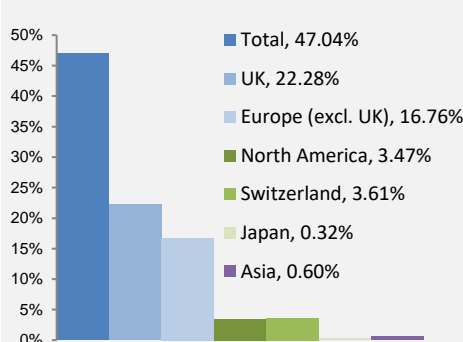
### Current Asset Allocation



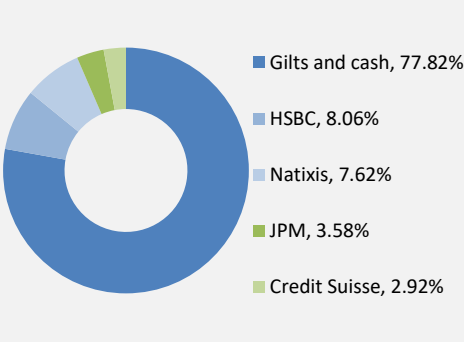
### Largest Structured Investment Holdings

Description	%
Gilt backed FTSE/SMI Def Autocall (8.25%)	5.11%
Gilt backed FTSE/SX5E/SMI Def Autocall (8.40%)	4.99%
Gilt backed FTSE/SPX/SX5E Def Autocall (8.00%)	5.11%
Gilt backed FTSE/SX5E Def Autocall (8.00%)	4.96%

### Market Risk



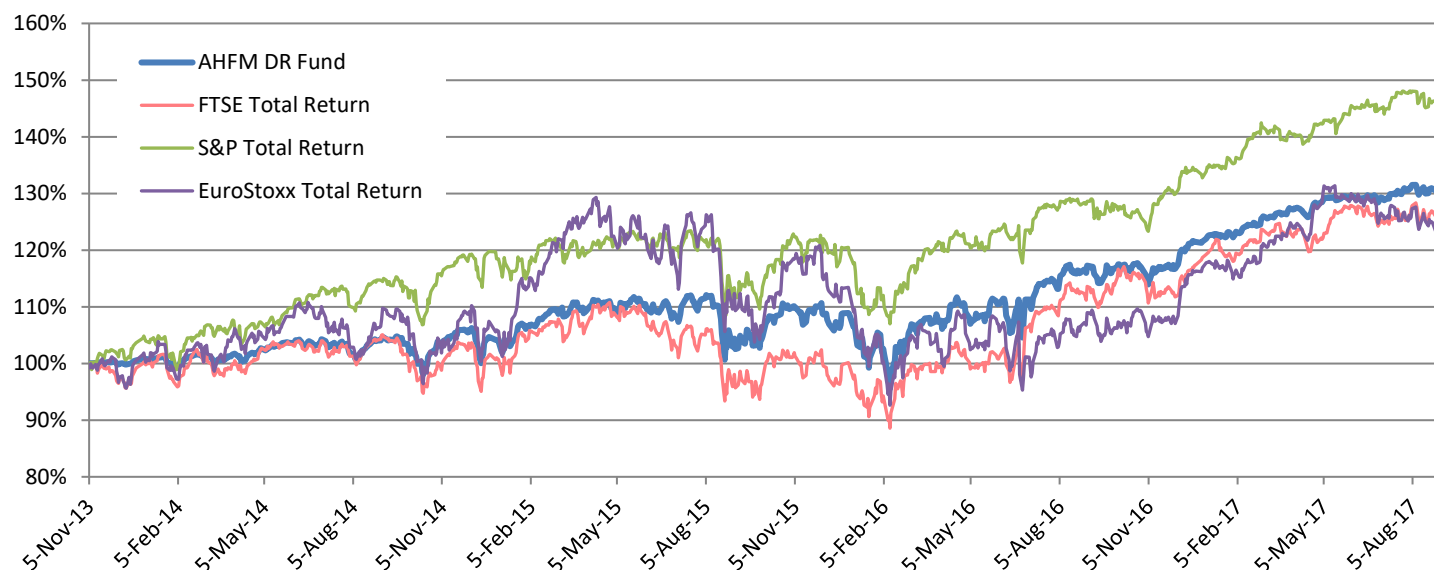
### Credit Risk



### Summary of Barriers

<b>Average cover to lowest positive return barrier</b>	33.68%
<b>Cover to lowest positive return barrier range</b>	45.12% to 26.04%
<b>Average cover to capital protection barrier</b>	38.23%
<b>Cover to capital protection barrier range</b>	51.52% to 33.67%

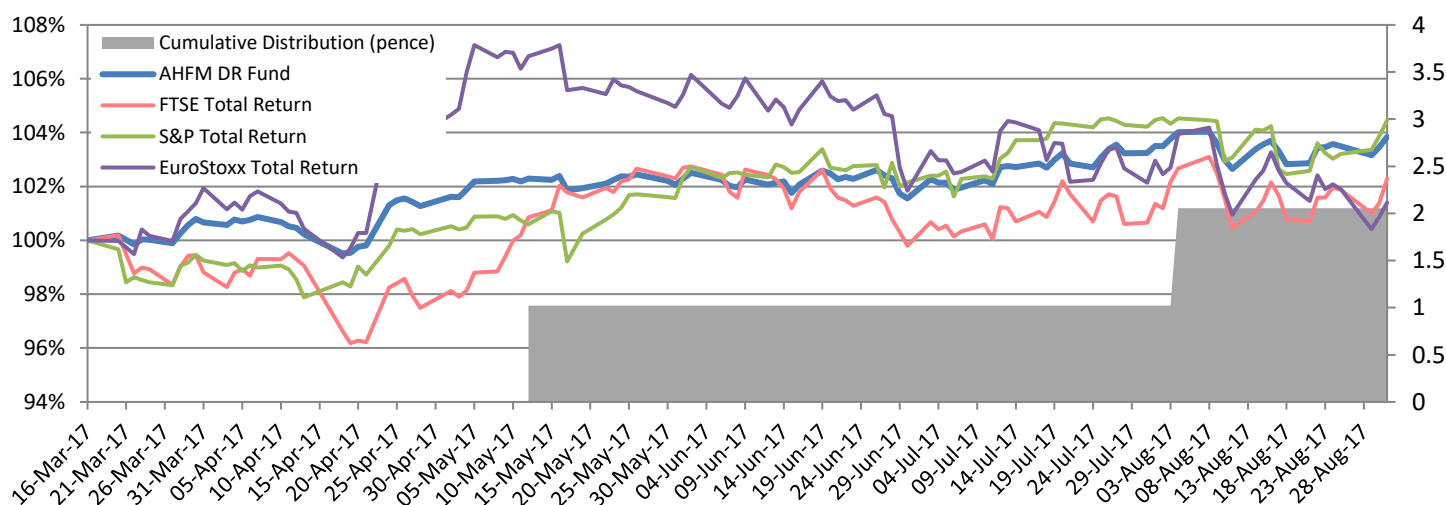
### Fund & Underlying Index Performance – B Class



### Monthly NAV and YTD Performance Figures – B Class

Date	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2013</b>											1.0026	1.0082	<b>+0.82%</b>
<b>2014</b>	0.9976	1.0143	1.0124	1.0241	1.0368	1.0330	1.0231	1.0401	1.0346	1.0386	1.0597	1.0415	<b>+3.30%</b>
<b>2015</b>	1.0610	1.0954	1.0887	1.0964	1.1083	1.0792	1.1134	1.0588	1.0450	1.0957	1.1002	1.0869	<b>+4.36%</b>
<b>2016</b>	1.0548	1.0394	1.0811	1.0901	1.1099	1.1130	1.1469	1.1627	1.1674	1.1694	1.1738	1.2152	<b>+11.8%</b>
<b>2017</b>	1.2223	1.2450	1.2726	1.2803	1.2902	1.2839	1.3052	1.3127					<b>+8.02%</b>

### Fund & Underlying Index Performance – I Class



### Distribution to date – I Class

Distributions (pence)	February	May	August	November	Total
<b>2017</b>		1.0223	1.0333		2.0556

### Performance Indicators

The table below is a snapshot of the current shape of the Fund. Along with other calculations, these performance indicators are constantly monitored and under analysis in order to best achieve the Fund's objectives

Market Move	-20%	-10%	0%	+10%	+20%
<b>Intrinsic Value (GBP)</b>	1.7610	1.6604	1.4715	1.3661	1.3661
<b>Avg Time to Maturity (yrs)</b>	5.06	3.93	1.85	0.72	0.72
<b>Gross Redemption Yield</b>	5.98%	6.16%	6.37%	5.70%	5.70%

#### → Intrinsic Value

The intrinsic value is the aggregate terminal value of the Fund taking into account estimated fees over the relevant period. This table shows that, for example, if an investor bought the Fund today and none of the markets on which the investments were based moved between now and when the investments mature, the Fund would reach a terminal value of GBP 1.4715, or a 12.10% increase (based on current NAV of GBP 1.3127). What this does not tell us is the yield that is represented by these intrinsic values.

#### → Average Time to Maturity

The table also shows the weighted average time to maturity of the investments held within the Fund. Currently this is 1.85 years because, at current market levels, most of the autocallable investments are likely to call within 1 to 3 years. This number gives the investor an idea of how long it will take for them to earn the expected GRY.

#### → Gross Redemption Yield

The table above shows the current expected yield of the Fund taking into account estimated fees for certain movements in the underlying indices. For example, if markets do not move, we would expect the Fund to yield 6.37% given its current make-up. You can also see that we expect a positive return even if the market falls 20% and then stays at this level until all investments mature.

### Scenario Analysis

We are able to "stress" the structured investments to estimate their performance over certain time periods for given market movements. For example, the table below shows that we would expect the value of the Fund to rise by approximately 6.71% over the next year if markets remain at their current levels.

There are a number of assumptions we have to make with regard to interest rates, volatility and other option pricing parameters to generate these numbers and therefore the actual performance is unlikely to exactly correspond to the figures below, but it is a useful gauge.

Market Move	-20%	-10%	0%	+10%
<b>3 months</b>	<b>-13.35%</b>	<b>-4.60%</b>	<b>1.72%</b>	<b>4.24%</b>
<b>1 year</b>	<b>-9.29%</b>	<b>0.03%</b>	<b>6.71%</b>	<b>9.42%</b>
<b>2 years</b>	<b>-3.17%</b>	<b>7.00%</b>	<b>13.79%</b>	<b>16.28%</b>
<b>3 years</b>	<b>4.65%</b>	<b>14.90%</b>	<b>21.16%</b>	<b>23.27%</b>
<b>4 years</b>	<b>12.15%</b>	<b>21.98%</b>	<b>27.39%</b>	<b>28.92%</b>

### Disclaimer

This financial promotion has been approved by AHFM which is authorised and regulated by the Financial Conduct Authority. This factsheet has been approved in line with s.21 Financial Services and Markets Act 2000 restriction on financial promotions. This is intended for dissemination to Professional Investors, Advisers and Institutional Clients only, as defined by the COBS 3 of the Financial Conduct Authority regulatory regime.

This is a marketing communication and has not been prepared in accordance with legal requirements designed to promote independence of investment research and is not subject to any prohibition of dealing ahead of the dissemination of investment research.

The information in this document is derived from sources believed to be reliable but which have not been independently verified. Any prices included within this communication are for indicative purposes only. Atlantic House Management LLP makes no guarantee of its accuracy and completeness and is not responsible for errors of transmission of factual or analytical data, nor is it liable for damages arising out of any person's reliance upon this information. All charts and graphs are from publicly available sources or proprietary data. The opinions in this document constitute the present judgment of Atlantic House Fund Management LLP, which is subject to change without notice.

The investment opportunities described herein do not take into account the specific investment objectives, financial situation, knowledge, experience or specific needs of any particular person and are not guaranteed. The views and opinions expressed herein, which are subject to change without notice, are those of the fund manager and/or its affiliated companies at the time of publication. The data used is derived from various sources, and assumed to be correct and reliable, but it has not been independently verified; its accuracy or completeness is not guaranteed and no liability is assumed for any direct or consequential losses arising from its use, unless caused by gross negligence or wilful misconduct.

Investing involves risk. Prospective Investors should be aware that the value of the fund depends on the performance of its underlying assets, the value of which may rise and fall. The value of the new Shares/Units can therefore fluctuate and Investors may not get back the amount they invest. In addition, there is no certainty that the market price of the Shares/Units will fully reflect the underlying net asset value, that Investors will be able to realise their shareholding or that any dividends will be paid. Investment in the Company should be viewed as a longer-term investment. Past performance is no guarantee of future results. A comprehensive list of risk factors is detailed in the Prospectus and Supplement and an investment should not be contemplated until all the risks are fully considered. The Prospectus and Supplement can be viewed at [www.atlantichousefm.com](http://www.atlantichousefm.com) or requested (+44 (0)20 3397 3156).

This document is neither an offer to sell, purchase or subscribe for any investment nor a solicitation of such an offer. This document is intended for the use of advisers, institutional and professional customers and is not intended for the use of private customers. This document is not intended for distribution in the United States of America or to US persons. This document is intended to be distributed in its entirety. No consideration has been given to the particular investment objectives, financial situation or particular needs of any recipient.

Atlantic House Management LLP registered in England and Wales, Registered Office: One Eleven Edmund Street, Birmingham, B3 2HJ. Registration Number: OC376604, FCA Reference: 586302

The AHFM Defined Returns Fund is a Sub-Fund of GemCap Investment Funds (Ireland) plc, an umbrella type open-ended self-managed 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.

**Note,** Calculations do not consider credit spread movements of the issuers of the securities. The MTM of the securities and therefore the NAV of the Fund will decrease as credit spreads widen and vice versa if spreads narrow.

**For more information,** please call: 020 7043 0100 or  
Email: [tom.may@atlantichousefm.com](mailto:tom.may@atlantichousefm.com)