

### 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

Welcome to 2018 everyone. If it turns out to be anything like 2017 there will be lots of interesting news, none of which will make markets do anything.

The table below shows how the Fund performed over the year together with its realised volatility, as well as those figures for the equity indices to which the Fund is mainly exposed:

Asset	2017 Performance	2017 Realised Volatility
AHFM DR Fund	10.20%	4.45%
FTSE 100 TR Index	11.90%	8.54%
S&P 500 TR Index	21.10%	6.77%
EuroStoxx 50 TR Index	9.15%	10.18%

It is also worthy of note that over the last 4 years the Fund has delivered a compound return of 7.5%, right in the middle of its target return.

The table shows that in sanguine markets the Fund really can perform well on a relative basis. With an annual return of over 10% and a volatility of under 5% the Fund delivered good risk-adjusted returns in 2017.

If markets continue to behave as they did in 2017 we would expect the Fund to exhibit similarly low volatility, although we always go to great lengths to inform investors how the Fund is likely to perform in different market conditions. We believe managing investor expectations with regard to short, medium and long term performance is essential.

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 475,227,900
<b>Unit NAV</b>	B-Class: GBP 1.3397 I-Class: GBP 1.0317
<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>OCFA</b>	B-Class: 74.89bps, I-Class: 73.36bps
<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  
^ As at 31<sup>st</sup> October 2017

### Performance Measures

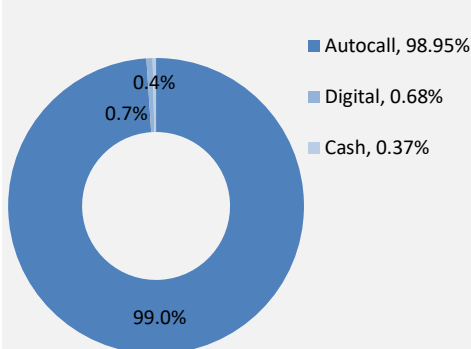
<b>Fund Performance since launch</b>	+33.97%
<b>FTSE TR since launch***</b>	+32.84%
<b>Fund Monthly Performance</b>	+ 1.06%
<b>FTSE 100</b>	+ 4.93%
<b>S&amp;P 500</b>	+ 0.98%
<b>EuroStoxx 50</b>	- 1.85%
<b>Volatility*</b>	4.45%
<b>Current Market Exposure**</b>	49.67%

\* Rolling 1 year volatility

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

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

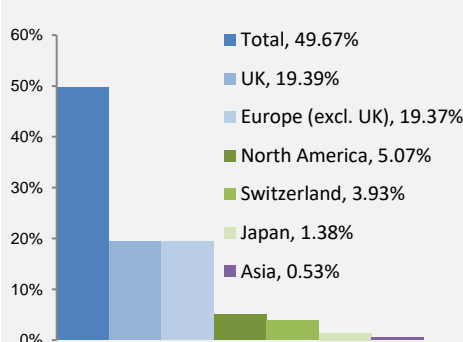
### Current Asset Allocation



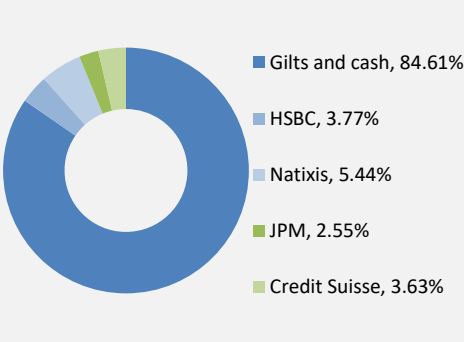
### Largest Structured Investment Holdings

Description	%
Gilt backed FTSE/SMI Def Autocall (8.25%)	5.02%
Gilt backed FTSE/SPX/SX5E Def Autocall (8.40%)	5.01%
Gilt backed FTSE/Russell 2000 Def Autocall (8.01%)	4.98%
Gilt backed FTSE/SPX/SX5E Def Autocall (8.00%)	4.96%

### Market Risk



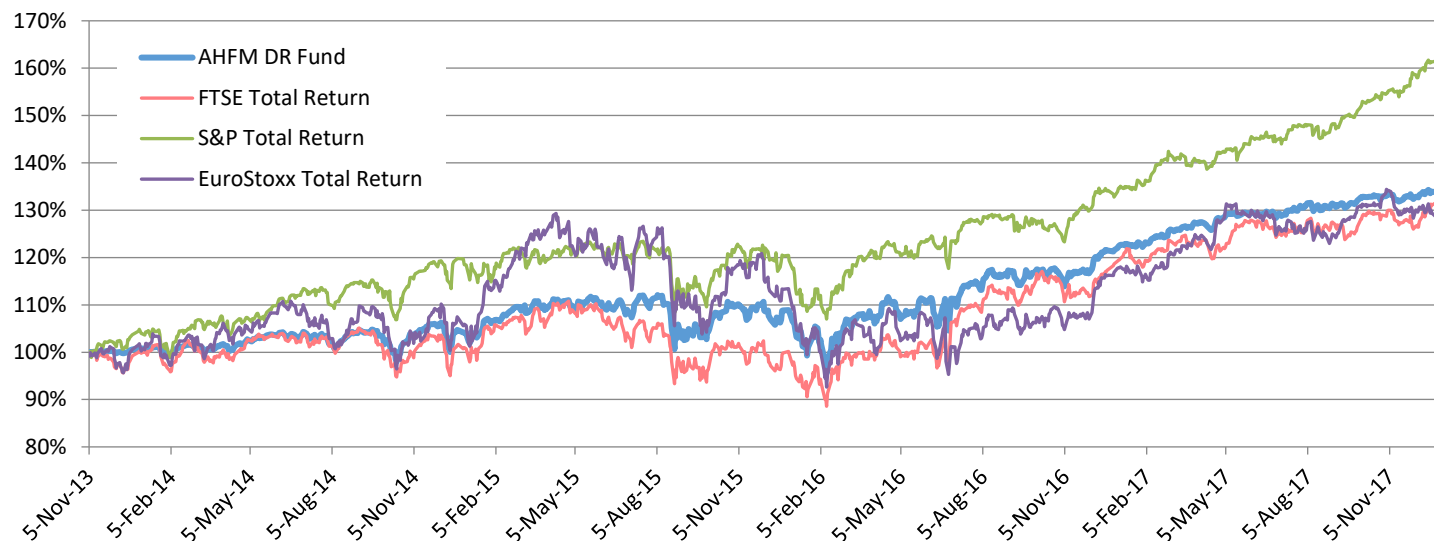
### Credit Risk



### Summary of Barriers

<b>Average cover to lowest positive return barrier</b>	34.88%
<b>Cover to lowest positive return barrier range</b>	47.40% to 28.42%
<b>Average cover to capital protection barrier</b>	39.24%
<b>Cover to capital protection barrier range</b>	53.14% to 36.38%

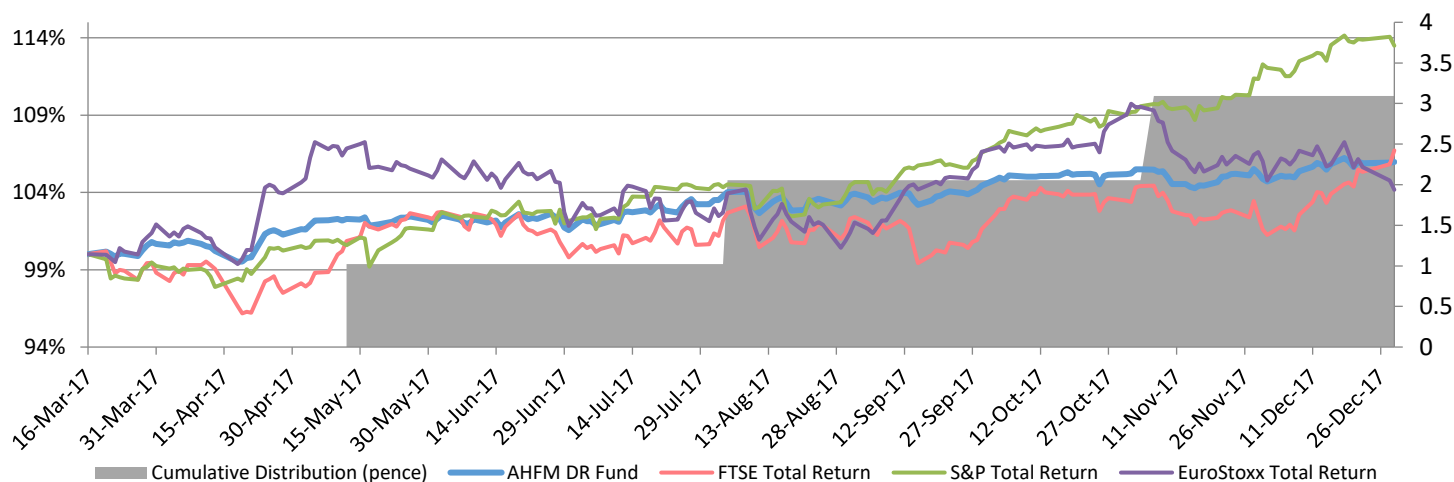
### Fund & Underlying Index Performance – B Class



### 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	1.3203	1.3296	1.3257	1.3397	<b>+10.2%</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	1.0372	<b>3.0928</b>

### 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>	1.800	1.6538	1.4217	1.3829	1.3829
<b>Avg Time to Maturity (yrs)</b>	5.14	3.50	0.97	0.55	0.55
<b>Gross Redemption Yield</b>	5.92%	6.19%	6.32%	5.92%	5.92%

#### → 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 1.4217, or a 6.12% increase (based on current NAV of GBP 1.3397). 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 0.97 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 6.32% 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 over the next year.

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>-14.27%</b>	<b>-5.29%</b>	<b>1.98%</b>	<b>4.93%</b>
<b>1 year</b>	<b>-10.19%</b>	<b>-0.57%</b>	<b>6.57%</b>	<b>9.67%</b>
<b>2 years</b>	<b>-3.97%</b>	<b>6.37%</b>	<b>13.51%</b>	<b>16.32%</b>
<b>3 years</b>	<b>3.58%</b>	<b>14.23%</b>	<b>20.77%</b>	<b>23.19%</b>
<b>4 years</b>	<b>11.17%</b>	<b>21.64%</b>	<b>27.44%</b>	<b>29.20%</b>

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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  
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