

# Global Defensive Equity Fund

January 2018

## Fund Overview

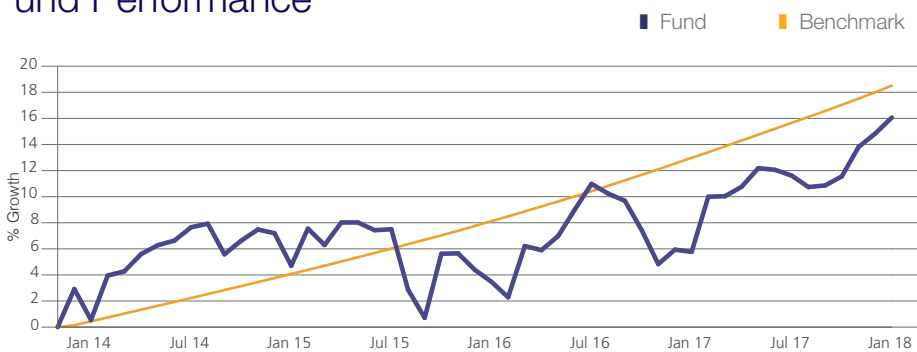
The investment objective of the Fund is to provide an ongoing return in excess of LIBOR+300bp with significant reduced equity volatility. The Fund comprises a core exposure to high quality global defensive companies (low leverage, low volatility and growing dividends) and longer term satellite investment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

## Market & Portfolio Commentary

We have seen a booming start to 2018 for equity markets, with most equity indices showing strong returns in January. The MSCI AC World posted a 4.1% total return with the US Equity market again being the leader with the S&P 500 returning c.5.7%. A big driver for US equity performance was the fall in the US Dollar (trade weighted down c.3.4% for the month) which boosts translated profits. However, there were some concerning signs in term of market sentiment with most indicators showing exuberant levels and fund flows showing huge cash flows into equities. On a less positive note, the UK equity market (MSCI UK) actually fell c.2% in January as sterling appreciated c.5% against the US Dollar, causing profit headwinds for the market, with 80% profit exposure outside the UK.

The Global Defensive fund delivered another good month with a 1.1% return which was above the LIBOR + 3% target, on a monthly basis, and a good performance on a risk adjusted basis. Unsurprisingly, the US Stocks added the most to performance in January with Quest Diagnostics, United Technologies and TE Connectivity all advancing by c.8% on the back on good earnings announcements which was assisted by US tax reform. The low allocation to UK equities also helped but Imperial Brands was a big detractor to performance as was Nestle as the defensive stocks became out of favour. Further market hedging was added in January to increase protection against stock markets that were becoming more vulnerable to a correction.

## Fund Performance\*



## Monthly Returns (%) USD\*

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015	-2.32	2.72	-1.17	1.62	0.00	-0.55	0.07	-4.30	-2.11	4.88	0.03	-1.19	-2.61
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	-	-	-	-	-	-	-	-	-	-	-	1.07

## Discrete Annual Performance (%)\*

	31.01.17 31.01.18	31.01.16 31.01.17	31.01.15 31.01.16	31.01.14 31.01.15	31.01.13 31.01.14
Fund	9.73	2.22	-1.17	4.13	-
Benchmark	4.90	4.49	3.89	3.61	-

## Fund Highlights (%)\*

	1 mth	3 mths	6 mths	Year to Date	Since Launch	Best Month	Worst Month
Fund	1.07	4.04	3.99	1.07	16.07	4.88	-4.30
Benchmark	0.43	1.26	2.47	0.43	18.51	-	-

\*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 February 2018. All data as at 31 January 2018

### 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 44.3%
- Total Number of Holdings 20

### Fund Details

Fund Type	UCITS IV, Dublin domiciled
Launch Date	16 December 2013
Benchmark	12 Month US\$ LIBOR + 3%
Fund AuM	\$26.0m (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



### London & Capital Asset Management

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## Portfolio Breakdown

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### Top Ten Equity Holdings

Name	Sector	%
United Technologies	Industrials	4.4
Kellogg's	Consumer Staples	4.4
PepsiCo	Consumer Staples	4.3
Accenture	Information Technology	4.3
Kimberly-Clark	Consumer Staples	4.3
IBM	Information Technology	4.1
Walt Disney	Consumer Discretionary	4.1
United Parcel Service	Industrials	4.0
Procter & Gamble	Consumer Staples	4.0
VINCI	Industrials	3.2
<b>Total</b>		<b>41.1</b>

### Regional Breakdown\*

Region	%
North America	44.3
Europe	14.1
United Kingdom	5.2

### Sector Breakdown (%)

Sector	Fund	Index
Consumer Discretionary	5.8	12.0
Consumer Staples	24.7	8.8
Energy	0.0	6.4
Financials	0.0	18.7
Health Care	2.5	10.7
Industrials	14.0	10.9
Information Technology	10.5	18.1
Materials	2.3	5.5
Real Estate	3.7	3.0
Telecommunication Services	0.0	3.1
Utilities	0.0	2.9

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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