

# Global Defensive Equity Fund

December 2018

## Fund Overview

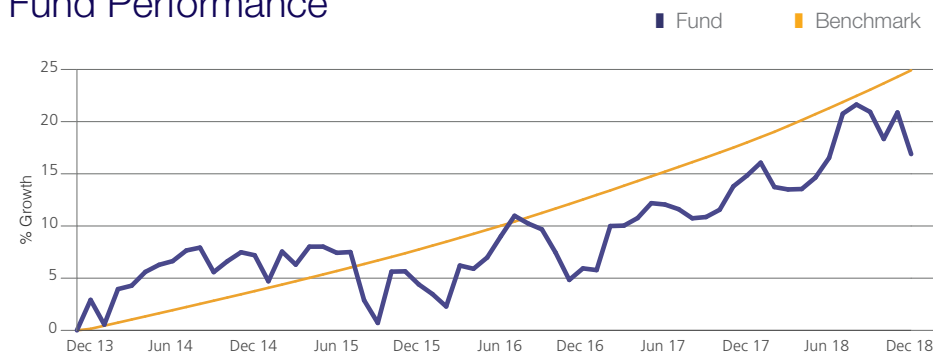
The investment objective of the Fund is to provide an ongoing return in excess of LIBOR+300bp with significant reduced equity volatility. The Fund comprises a core exposure to high quality global defensive companies (low leverage, low volatility and growing dividends) and longer term satellite investment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

## Market & Portfolio Commentary

Global Equities (MSCI AC World Local) collapsed in December with more than a 7% decline, as concerns around future growth returned. This was aggravated by a less dovish than expected Federal Reserve, US Political uncertainties (shutdown) and China trade talks and data faltering. However, the US market took the brunt of the underperformance with the S&P down 9% although all growth assets retreated. Conversely, sovereign bond markets rallied strongly as safe havens were sought. The oil price fell over 8% as supply concerns continued to weigh on the price, coupled with the potential of lower demand as growth decelerates.

The impressive relative performance for the Defensive Equity fund continued in December with a decline of -3.3% compared to a fall of -7.3% for the MSCI AC World Local. This meant that the fund posted a 1.8% positive return for the year putting it in the top 5% of similar funds. We believe the conservative nature of the fund continues to be appropriate as it is too early to return to risk markets until there is confirmation that employment remains around the current healthy levels. If it does then a marked recession is unlikely. However, corporates are suffering and may well look to cut costs (jobs). In short, it is time to be patient and keep dry powder rather than jump into equities.

## 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	-2.01	-0.20	0.04	0.97	1.65	3.63	0.73	-0.58	-2.15	2.15	-3.30	1.79

## Discrete Annual Performance (%)\*

	31.12.17 31.12.18	31.12.16 31.12.17	31.12.15 31.12.16	31.12.14 31.12.15	31.12.13 31.12.14
Fund	1.79	8.40	1.48	-2.61	7.19
Benchmark	5.86	4.86	4.44	3.84	3.76

## Fund Highlights (%)\*

	1 mth	3 mths	6 mths	Year to Date	Since Launch	Best Month	Worst Month
Fund	-3.30	-3.34	0.31	1.79	16.89	4.88	-4.30
Benchmark	0.51	1.52	2.99	5.86	24.92	-	-

\*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 January 2019. All data as at 31 December 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 53.0%
- Total Number of Holdings 27

### Fund Details

Fund Type	UCITS IV, Dublin domiciled
Launch Date	16 December 2013
Benchmark	12 Month US\$ LIBOR + 3%
Fund AuM	\$18.2m (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

Issued January 2019. All data as at 31 December 2018

### Top Ten Equity Holdings

Name	Sector	%
Nestle	Consumer Staples	4.0
Procter & Gamble	Consumer Staples	4.0
Rogers Communications	Telecommunication Services	3.9
IBM	Information Technology	3.9
Kimberly-Clark	Consumer Staples	3.9
Air Products & Chemicals	Materials	3.9
Danone	Consumer Staples	3.8
Hershey	Consumer Staples	3.8
PepsiCo	Consumer Staples	3.8
WEC Energy Group	Utilities	3.8
<b>Total</b>		<b>38.8</b>

### Regional Breakdown\*

Region	%
North America	53.0
Europe	20.7
United Kingdom	8.5

### Sector Breakdown (%)

Sector	Fund	Index
Consumer Discretionary	3.8	8.5
Consumer Staples	31.5	12.5
Energy	0.0	6.0
Financials	1.9	16.5
Health Care	3.4	13.5
Industrials	3.7	11.0
Information Technology	3.9	18.3
Materials	13.6	4.5
Real Estate	7.1	3.1
Telecommunication Services	3.9	2.8
Utilities	9.3	3.2

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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