

Fund Overview

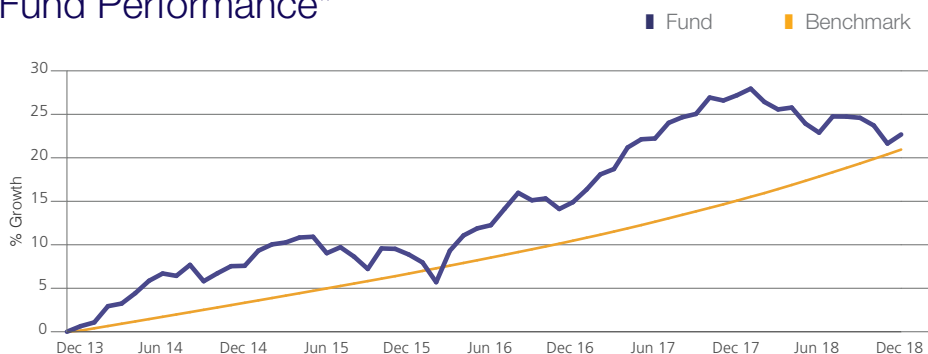
The investment objective of the Fund is to seek to provide absolute growth through investments in a full range of global growth fixed income securities including, higher yielding corporate bonds with the aim of producing investment returns with a relatively high level of volatility (below 10% over a business cycle).

Market & Portfolio Commentary

The decline in US Treasury yields continued apace in December with the 10-year declining to 2.69%, its lowest level since January, amid some signs of 'flight to quality' as equity and credit markets fell. A number of factors drove the moves including concerns that global growth peaked in 2018, heightened political tensions associated with the Sino-US trade talks, Brexit, the EU-Italian budget disagreement, and the partial shutdown of US federal government. This occurred as the FOMC delivered its 4<sup>th</sup> 25bp rate rise in 2018 from 2¼% to 2½%, but investors focused on the Committee's median 2019 projection, which was revised down to just two 25bps rate rises, from three. This helped lower rate expectations generally; 2-year US Treasury yields fell 29bps to 2.49%. Elsewhere, the ECB announced the ending of its net asset purchase programme, and revised slightly lower its growth and inflation outlooks, broadly as expected. The UK's MPC left policy unchanged. Investors struggled to keep up with developments associated with the passage of the EU Withdrawal Agreement through parliament, where the vote has now been delayed until mid-January.

The Fund's USD X-Share Class produced a +86bps return in December. Performance was boosted by active duration management, using 5 and 10-year US Treasury futures contracts. This raised duration by 1 year to 4.6 years. Most sectors contributed positively to performance. Investment Grade corporates performed well, supported by US Treasuries. AT1 bank debt added, with contributions from RBS, Barclays, Credit Suisse and Nationwide. Emerging Markets also added value. Corporate High Yield detracted, undermined by falls in equities and the leverage loan market, which was down c2¼%. Investment strategy has already been adjusted, with the lengthening of portfolio duration and the focus on quality holdings to be upheld. Exposure to the preferred sectors of global banks, large-cap corporate hybrids, and Emerging Markets will continue into 2019.

Fund Performance\*



Monthly Returns (%) USD\*

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015	1.62	0.66	0.20	0.51	0.08	-1.70	0.63	-0.99	-1.30	2.20	-0.04	-0.60	1.21
2016	-0.83	-2.10	3.42	1.61	0.73	0.33	1.67	1.61	-0.74	0.18	-1.05	0.69	5.53
2017	1.26	1.49	0.53	2.09	0.78	0.08	1.47	0.52	0.30	1.51	-0.27	0.48	10.70
2018	0.59	-1.19	-0.68	0.17	-1.46	-0.84	1.52	-0.01	-0.11	-0.71	-1.68	0.86	-3.55

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	-3.55	10.70	5.53	1.21	7.58
Benchmark	5.10	4.17	3.54	3.24	3.33

Fund Highlights (%)\*

	1 mth	3 mths	6 mths	Year to Date	Since Launch	Best Month	Worst Month
Fund	0.86	-1.54	-0.17	-3.55	22.68	3.42	-2.10
Benchmark	0.45	1.34	2.63	5.10	20.95	-	-

\*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

— Average Rating	BB+
— Average Duration	4.6 years
— Yield to Maturity	7.1%
— Total Number of Holdings	57

Fund Details

Fund Type	UCITS IV, Dublin domiciled
Launch Date	16 December 2013
Benchmark	1 Month US\$ LIBOR + 3%
Fund AuM	\$56.2m (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



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## Portfolio Breakdown

Issued January 2019. All data as at 31 December 2018

### Top Ten Holdings

Name	Coupon	Maturity/Call	%
RWE	6.63%	30/03/2026c	3.7
Volkswagen International Finance NV	2.70%	14/12/2022c	3.3
Electricite de France	6.00%	29/01/2026c	3.0
Banco do Brasil (Cayman)	8.50%	20/10/2020c	2.9
Banco Santander SA	6.38%	19/05/2019c	2.8
Altice France	5.63%	15/05/2021c	2.7
SSE	3.88%	10/09/2020c	2.7
Petróleos Mexicanos	4.50%	23/01/2026	2.7
Solvay Finance	5.12%	02/06/2021c	2.7
Netflix	3.63%	15/05/2027	2.4
<b>Total</b>			<b>28.9</b>

### Currency Breakdown (%)

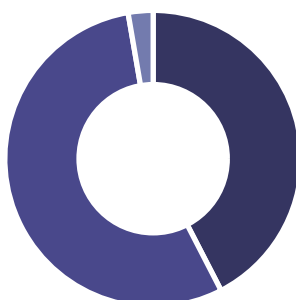
Currency	Gross	Net
USD	64.1	99.9
GBP	18.3	0.1
EUR	17.6	0.0

### Credit Breakdown (%)

AAA	1.7
AA	2.7
A	6.3
BBB	34.4
HY	54.9
Unrated	0.0

### Sector Breakdown (%)

<b>Investment Grade</b>	<b>42.4</b>
Corporate	26.3
Financial	12.3
Emerging Markets	3.8
<b>High Yield</b>	<b>54.9</b>
Corporate	20.8
Financial	23.6
Emerging Markets	10.5
<b>Cash</b>	<b>2.7</b>



Source: London & Capital and RBC Investor & Treasury Services.

## Awards



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



**Global Fund Awards 2015**  
Global Fixed Income Securities Fund of the Year



**Portfolio Adviser Wealth Manager Awards 2015**  
Best Aggressive Portfolio Manager

## Share Class Details

Share Class	Initial Charge	AMC	ISIN	Bloomberg	SEDOL
Class X USD	0.00%	0.00%	IE00BDV09Q83	LCGGFXU ID	BDV09Q8
Class X GBP	0.00%	0.00%	IE00BDV09N52	LCGGFXG ID	BDV09N5
Class X EUR	0.00%	0.00%	IE00BYJR3N36	LCGGFXE ID	BYJR3N3
Class I USD	0.00%	1.00%	IE00BDV09R90	GEMLONU ID	BDV09R9
Class I GBP	0.00%	1.00%	IE00BDV09P76	GEMLONI ID	BDV09P7

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