

# UK Star Equity Fund

December 2017

## Fund Overview

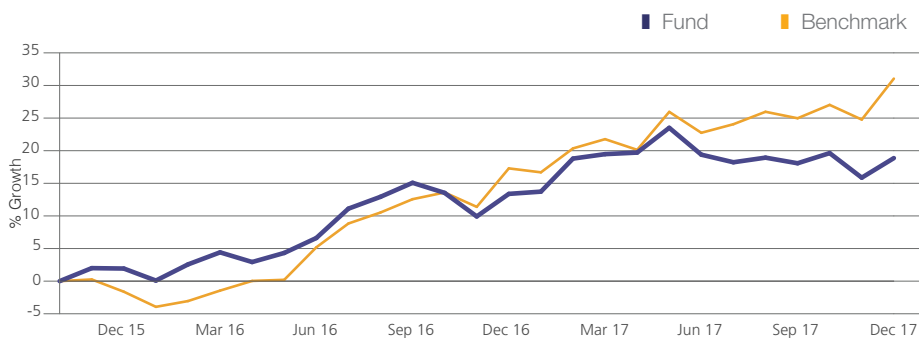
The Fund aims to provide income and capital returns by choosing an optimal mix of UK stocks using a rigorous proprietary process. The portfolio consists of less volatile UK mid and large cap stocks with strong franchises, stable earnings, growing dividends, solid balance sheets and financial flexibility.

## Market & Portfolio Commentary

The UK was the best performing major market in December, returning a gain of 5.0%. While the Materials sector performance stood out this month, posting over a 12% return, most other sectors ended December in a positive territory as well, with only Utilities posting a monthly decline. The UK's annual performance of 11.7% was far behind the surging peers (e.g. US and Japan both c.20%). In the last quarter of 2017, the UK market had to deal with strong sterling which weighed on the performance of international companies. After the completion of the first phase of the Brexit negotiations, it now looks more likely that the UK will be able to secure themselves a transitional deal, even though many challenges still remain. UK consumer confidence stands in stark contrast to other countries, marking almost two years of declining trend, with the outlook for 2018 not much rosier.

The fund posted a good gain of c.2.6% in December. Cineworld was the strongest performer this month as the market slowly digested the company's ambitious plans to acquire the US based Regal Entertainment and management continued its efforts in convincing investors of the long term strategic benefits of the deal. British American Tobacco reversed its November performance and posted solid gains as the company reported a solid 2H trading update, expecting the business to perform well and in line with market expectations. Smith & Nephew was the biggest laggard this month, driven by a soft hips and knees market growth and the company guiding for the bottom end of its FY17 guidance.

## Fund Performance\*



## Monthly Returns (%) GBP\*

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015	-	-	-	-	-	-	-	-	-	-	1.99	-0.06	1.93
2016	-1.81	2.48	1.80	-1.42	1.35	2.20	4.22	1.63	1.90	-1.34	-3.18	3.15	11.23
2017	0.30	4.46	0.57	0.20	3.17	-3.33	-0.97	0.60	-0.72	1.32	-3.15	2.59	4.84

## Discrete Annual Performance (%)\*

	31.12.16 31.12.17	31.12.15 31.12.16	31.12.14 31.12.15	31.12.13 31.12.14	31.12.12 31.12.13
Fund	4.84	11.23	-	-	-
Benchmark	11.73	19.22	-	-	-

## Fund Highlights (%)\*

	1 mth	3 mths	6 mths	Year to Date	Since Launch	Best Month	Worst Month
Fund	2.59	0.67	-0.44	4.84	18.86	4.46	-3.33
Benchmark	5.03	4.86	6.76	11.73	31.04	-	-

\*Source: RBC. Fund performance relates to Class X GBP and is net of fees with dividends reinvested. Discrete annual performance is based on data since inception.

Issued January 2018. All data as at 31 December 2017

### Key facts about the Fund

- Companies traded in UK-based stock exchanges
- High quality companies with reasonable valuations
- Total Number of Holdings 20

### Fund Details

Fund Type	UCITS IV, Dublin domiciled
Launch Date	02 November 2015
Benchmark	MSCI UK
Fund AuM	£13.7m (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 2018. All data as at 31 December 2017

### Top Ten Equity Holdings

Name	Sector	%
Ferguson	Industrials	4.7
Sage	Information Technology	4.7
Burberry	Consumer Discretionary	4.7
Kingfisher	Consumer Discretionary	4.6
Smith & Nephew	Health Care	4.6
British American Tobacco	Consumer Staples	4.6
Diageo	Consumer Staples	4.6
UBM	Consumer Discretionary	4.6
Moneysupermarket.com	Information Technology	4.5
Ultra Electronics	Industrials	4.5
<b>Total</b>		<b>46.1</b>

### Sector Breakdown (%)

Sector	Fund	Index
Consumer Discretionary	26.3	8.0
Consumer Staples	26.5	18.0
Energy	0.0	15.6
Financials	0.0	22.3
Health Care	4.6	9.2
Industrials	17.9	7.9
Information Technology	13.6	1.6
Materials	0.0	8.5
Real Estate	0.0	1.3
Telecommunication Services	0.0	4.4
Utilities	0.0	3.3

Source: Fund data London & Capital and RBC Investor & Treasury Services, Index data MSCI.

\*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 - 2015**  
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 GBP	0.00%	0.00%	IE00BYNVJ006	LCUSXGI ID	BYNVJ00
Class I GBP	0.00%	1.00%	IE00BYNVJ113	LCUSIGI ID	BYNVJ11

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