

# UK Star Equity Fund

January 2018

## Fund Overview

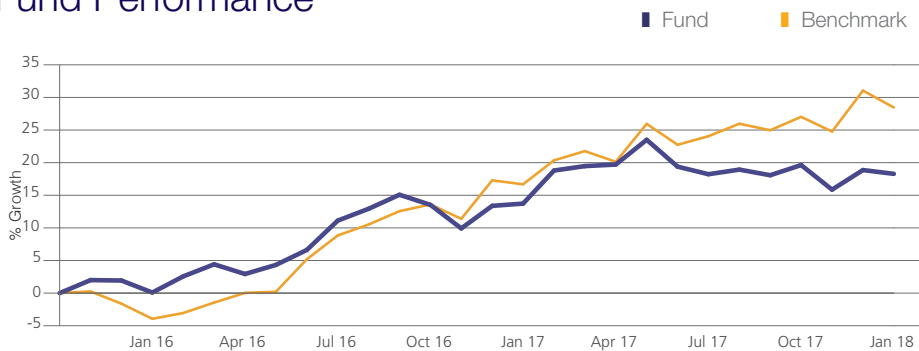
The Fund aims to provide income and capital returns by choosing an optimal mix of UK stocks using a rigorous proprietary process. The portfolio consists of less volatile UK mid and large cap stocks with strong franchises, stable earnings, growing dividends, solid balance sheets and financial flexibility.

## Market & Portfolio Commentary

The UK returned to form in January 2018 after a strong bounce in December and posted a negative return (c.-2.0% for the MSCI UK) for the month. A lot of the underperformance came from the strength of sterling (up c.5% in January against the US Dollar). This causes major profit headwinds for the UK market with 80% profit exposure outside the UK. The only sector that was in positive territory was the Materials sector on the back on commodity price strength assisting the mining stocks. UK Q4 GDP came in at 1.8% YoY (1.7% expected) but the economy still faces some major challenges in 2018 from the political environment, Brexit and a stretched consumer.

The UK STAR fund outperformed with a -0.5% return predominately driven by stock selection. By far the best performer was UBM which advanced c.21.5% as an agreed bid from Informa materialised. Elsewhere, Ultra Electronics bounced strongly, up 13.3%, on the back of a solid trading update which reassured after a disappointing 2017. Unusually, it was some of the most defensive stocks that underperformed, e.g. Imperial Brands and Diageo (both down between 7-9%), as these stocks fell out of favour in a risk on environment and the overseas earnings nature of their profits suffered from US Dollar weakness.

## 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
2018	-0.49	-	-	-	-	-	-	-	-	-	-	-	-0.49

## 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
<b>Fund</b>	4.01	13.62	-	-	-
<b>Benchmark</b>	10.09	21.47	-	-	-

## Fund Highlights (%)\*

	1 mth	3 mths	6 mths	Year to Date	Since Launch	Best Month	Worst Month
<b>Fund</b>	-0.49	-1.12	0.05	-0.49	18.28	4.46	-3.33
<b>Benchmark</b>	-1.98	1.13	3.54	-1.98	28.45	-	-

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

### Key facts about the Fund

- Companies traded in UK-based stock exchanges
- High quality companies with reasonable valuations
- Total Number of Holdings 18

### Fund Details

<b>Fund Type</b>	UCITS IV, Dublin domiciled
<b>Launch Date</b>	02 November 2015
<b>Benchmark</b>	MSCI UK
<b>Fund AuM</b>	£10.4m (all share classes)
<b>Administrator</b>	RBC Investor & Treasury Services

### Dealing & Pricing

<b>Pricing</b>	Daily
<b>Pricing Time</b>	12 noon T+1 UK time
<b>Dealing Frequency</b>	Daily
<b>Dealing Line</b>	+ 353 1 440 6555
<b>Fax</b>	+ 353 1 613 0401
<b>Email</b>	Dublin_TA_Customer_Support@rbc.com

### Potential Risk / Rewards



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## Portfolio Breakdown

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### Top Ten Equity Holdings

Name	Sector	%
UBM	Consumer Discretionary	6.5
Kingfisher	Consumer Discretionary	5.7
Computacenter	Information Technology	5.6
Ferguson	Industrials	5.4
Sage	Information Technology	5.2
Moneysupermarket.com	Information Technology	5.2
British American Tobacco	Consumer Staples	5.0
Diageo	Consumer Staples	5.0
Smiths Group	Industrials	4.9
Reckitt Benckiser	Consumer Staples	4.9
<b>Total</b>		<b>53.4</b>

### Sector Breakdown (%)

Sector	Fund	Index
Consumer Discretionary	20.8	8.0
Consumer Staples	28.4	17.8
Energy	0.0	15.8
Financials	0.0	22.1
Health Care	4.6	9.2
Industrials	18.5	7.6
Information Technology	16.0	1.6
Materials	0.0	9.2
Real Estate	0.0	1.2
Telecommunication Services	0.0	4.3
Utilities	0.0	3.1

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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