

Milltrust Global Emerging Markets Fund

GEMS Fact Sheet

January 2019

A Global Emerging Markets equity portfolio of high conviction investments hand-picked by country-specialist investment teams.

Snapshot

| | |
|--------------------------|----------------------------|
| Asset Class: | Listed Equities |
| Investment Style: | Active, Benchmark Agnostic |
| Geography: | Global Emerging Markets |
| Liquidity: | Daily |
| Structure: | Regulated, Open-Ended Fund |

Teams

The investment team consists of specialist managers:

| | |
|-----------------------|------------------------------|
| China | Keywise Capital |
| China A Shares | China AMC |
| South Korea | Korea Investment Management |
| ASEAN | Lion Global Advisers |
| India | UTI International |
| Latin America | Itau Global Asset Management |
| South Africa | Visio Capital |
| Russia | Prosperity Capital |
| MENA | SEDCO Capital |

Exposures

| By Geography | Fund | Difference to Index ETF* |
|----------------------|--------|--------------------------|
| Greater China | 25.25% | -15.86% |
| <i>China</i> | 25.25% | -5.55% |
| <i>Taiwan</i> | 0.00% | -10.31% |
| South Korea | 13.86% | +0.16% |
| India | 7.02% | -1.30% |
| ASEAN | 8.95% | +0.86% |
| <i>Indonesia</i> | 2.26% | -0.03% |
| <i>Malaysia</i> | 1.43% | -0.80% |
| <i>Philippines</i> | 1.20% | +0.10% |
| <i>Thailand</i> | 1.70% | -0.73% |
| <i>Singapore</i> | 2.37% | +2.33% |
| Latin America | 20.21% | +7.61% |
| <i>Brazil</i> | 14.33% | +6.47% |
| <i>Mexico</i> | 3.79% | +1.00% |
| <i>Other</i> | 2.09% | +0.14% |
| South Africa | 6.42% | +0.18% |
| Russia | 8.06% | +4.26% |
| MENA | 3.26% | +1.53% |
| <i>Saudi Arabia</i> | 2.38% | +2.38% |
| <i>Other</i> | 0.88% | -0.85% |
| Other | 6.96% | +2.59% |

*Benchmark = iShares MSCI Emerging Markets ETF

| By Sectors | Portfolio | Difference to Index ETF |
|-------------------------|-----------|-------------------------|
| Financials | 17.35% | -7.13% |
| Consumer Disc. | 15.82% | +5.04% |
| Consumer Staples | 10.68% | +4.23% |
| Industrials | 9.77% | +4.38% |
| Materials | 8.34% | +1.11% |
| Real Estate | 7.46% | +4.43% |
| Energy | 5.54% | -2.46% |
| Comm Services | 3.81% | -10.21% |
| IT | 3.75% | -10.18% |
| Health Care | 3.03% | +0.33% |
| Utilities | 2.77% | +0.19% |

| By Market Cap | Portfolio | Difference to Index ETF |
|------------------|-----------|-------------------------|
| Large Cap | 61.65% | -25.84% |
| Mid Cap | 17.91% | +7.80% |
| Small Cap | 13.20% | +12.20% |

Strategy

- Follows a multi-specialist approach by selecting locally-based leading investment teams who have both the local penetration and informational edge in their respective markets to run country or regional unconstrained, alpha-seeking strategies.
- Emphasis on fundamental and on-the-ground company research where the investment teams seek out strong growing companies that are well-run and levered to the dominant domestic themes in each region.
- Active asset allocation between the different regional investments teams to the regions in the developing world that provide the most favourable environment.

Key Statistics (Net)

| | Portfolio* | Index ETF** |
|-----------------------------------|------------|-------------|
| Last Month: | 6.71% | 8.75% |
| Year-To-Date: | 6.71% | 8.75% |
| Since Inception: | 61.66% | 23.97% |
| Annualised Return: | 7.57% | 3.32% |
| Annualised Standard Dev: | 12.50% | 15.05% |
| Annualised Sharpe Ratio (RFR=4%): | 0.58 | 0.20 |
| Annualised Alpha (RFR=4%): | 3.88% | |
| Beta: | 0.74 | |
| Ann Tracking Error: | 7.04% | |
| Down Capture Ratio: | 69.80% | |
| Information Ratio: | 71.78% | |
| Annual Portfolio Turnover: | 0.53 | |
| | 22.78% | |

*Inception date of strategy = July 1 2012

**Index ETF = iShares MSCI Emerging Markets ETF

Performance Attribution

| | Weight | # of Positions | Contribution to Return | | |
|------------------------|---------|----------------|------------------------|--------|--------|
| | | | MTD | YTD | ITD |
| Milltrust GEMS Fund | 100.00% | | | | |
| Greater China Strategy | 34.86% | 33 | 2.18% | 2.18% | 16.50% |
| South Korea Strategy | 15.63% | 49 | 0.84% | 0.84% | 9.34% |
| India Strategy | 7.16% | 41 | -0.17% | -0.17% | 3.45% |
| ASEAN Strategy | 8.31% | 66 | 0.44% | 0.44% | -0.71% |
| Latin America Strategy | 16.73% | 70 | 2.19% | 2.19% | 6.06% |
| South Africa Strategy | 7.29% | 28 | 0.13% | 0.13% | 7.18% |
| Russia Strategy | 7.35% | 44 | 0.85% | 0.85% | 4.63% |
| MENA Strategy | 2.53% | 34 | 0.14% | 0.14% | 6.31% |

Top Positions

| By Company | Sector | Country | Weight |
|-------------------------|------------------------|-------------|--------|
| Ausnutria Dairy Corp | Consumer Staples | China | 2.37% |
| China Overseas Property | Real Estate | China | 1.89% |
| Banco Bradesco | Financials | Brazil | 1.43% |
| Bosideng Intl Hldgs | Consumer Discretionary | China | 1.30% |
| Samsung Electronics | Information Technology | South Korea | 1.24% |
| Petroleo Brasileiro | Energy | Brazil | 1.17% |
| New World Dept | Consumer Discretionary | China | 1.16% |
| Itau Unibanco Holding | Financials | Brazil | 1.10% |
| Colour Life Services | Real Estate | China | 1.08% |
| A-Living Services | Industrials | China | 0.98% |
| Anta Sports Products | Consumer Discretionary | China | 0.94% |
| China Aircraft Leasing | Industrials | China | 0.94% |
| Vale | Materials | Brazil | 0.93% |
| Credicorp | Financials | Peru | 0.88% |
| Petroleo Brasil | Energy | Brazil | 0.84% |
| Cj Enm Co | Consumer Discretionary | South Korea | 0.83% |
| Car | Industrials | China | 0.81% |

Milltrust Global Emerging Markets Fund

Portfolio Manager Commentary: Monthly Recap

Emerging markets rose sharply in January after the Fed's dovish turn supercharged a rally that gave stocks their best month since 2016. The equity markets in Brazil (+17.8%), Russia (+13.5%) and China (+11.1%) were particularly strong. The only down market was India (-1.9%).

Emerging Markets equity outperformance in recent months has been propelled by four major drivers: currency trends, internet stocks, financials and, more generally, cyclical stocks. Given strong fundamentals and attractive valuations, we expect the latter two to be sustained this year. The 12-month forward PE ratio for EM is around 10 times which, based on the last 25 years of MSCI data, typically results in an annualised performance of 10 to 20% over the next three years.

Whilst very difficult to predict, we believe that fears over trade wars will soon be mitigated by some form of a U.S./China truce which should benefit Chinese stocks, along with those of South Korea and Taiwan, whose performance has been battered by fears over supply chain linkages with the mainland.

The bearish narrative in China has gained some traction over the last few weeks with the release of weakening trade and manufacturing data; however, the recent initiatives by the policy-makers have helped stabilise the deceleration of economic momentum. The Chinese authorities have been actively promoting infrastructure spending, and, in doing so have succeeded in raising overall fixed asset investment despite a cooling housing market. They have also announced a package of tax cuts for this year, comprising of VAT rebates, income tax cuts and some tariff reductions. Consumption has already shown its first tick higher, which will likely continue with the help of tax cuts this year.

Elsewhere, we continue to be overweight Brazil which continues to benefit from the growth recovery and strong capital inflows, whilst maintaining our underweight positions in South East Asia, South Africa and India which will have an important election in May.

The Fund posted a +6.71% net return for the month of January. From a geographical allocation perspective, the portfolio's overweight to Brazil, Russia and China and underweight to India proved the most beneficial to overall monthly returns. Sector-wise, Financials (+1.96%) and Consumer Discretionary (+1.45%) contributed the most to performance. On a company level, the biggest performers were Alibaba (Chinese e-commerce), Banco Bradesco (Brazil bank), Samsung (Korean Electronics) and Tencent (Chinese tech). In a fast rising market, active stock selection tends to underperform index stocks due to largely indiscriminate price action favouring the expensive large cap stocks. This explains the fund's underperformance to the market index in January but these trends to be very short-term in nature.

Eric Anderson

January 2018

Milltrust Global Emerging Markets Fund

Structure

| | |
|--------------------|-----------------|
| Type: | Open-Ended Fund |
| Regulatory: | Irish ICAV |
| Domicile | Ireland |

Fund Terms

| | Class A | Class B |
|------------------------------------|---------------------------|-----------------------------|
| Management Fee: | 0.80% | 0.40% |
| Performance Fee: | None | 10% over Hurdle Rate |
| High Water Mark | N/A | Yes |
| Hurdle Rate: | N/A | MSCI Emerging Markets Index |
| Subscription Frequency: | Daily | Daily |
| Min. Initial Subscription*: | USD 1,000,000 | USD 1,000,000 |
| Redemption: | Daily with 5 days' notice | Daily with 5 day's notice |
| ISIN: | IE00BYWJSR58 | IE00BYWJSS65 |

*Minimum Regulatory Subscription = €100,000 or its USD equivalent

Service Providers

| | |
|-----------------------|--------------------------------------------------------------|
| Administrator: | MUFG Alternative Fund Services (Ireland) Ltd. |
| Custodian: | Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A. |
| Auditor: | KPMG |
| Legal: | William Fry |

Contact Details

| | | |
|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
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Additional Notes & Disclaimer

Source: Milltrust International LLP, State Street Street Fund Services (Ireland), SS&C Financial Services (Ireland) Limited,

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