

For professional clients only – not for distribution to retail clients.

## Fund Aim

The fund aims to provide long-term capital growth through investment primarily in Continental European equities.

### TOP 10 HOLDINGS

1.	Raiffeisen Bank	3.6%
2.	Novartis	3.1%
3.	Bayer	2.9%
4.	ING Groep	2.8%
5.	Generali	2.6%
6.	SpareBank 1 SMN	2.5%
7.	Societe Generale	2.4%
8.	Covestro	2.3%
9.	FMC	2.2%
10.	Lufthansa	2.2%

### PERFORMANCE

	Class B EUR	STOXX Europe 600 ex UK
3 months	2.5%	4.5%
6 months	-0.1%	0.8%
12 months	20.3%	19.3%
Since launch (11 Sept. 2015)	27.3%	17.9%

	Class B EUR	STOXX Europe 600 ex UK
2017 YTD	12.8%	12.2%
2016	8.6%	2.4%
2015 (from 11 Sept.)	4.0%	2.6%

## Commentary

In November the Comeragh European Growth fund fell 3.9%, a 1.9% underperformance of the STOXX Europe 600 ex UK return of -2.0%.

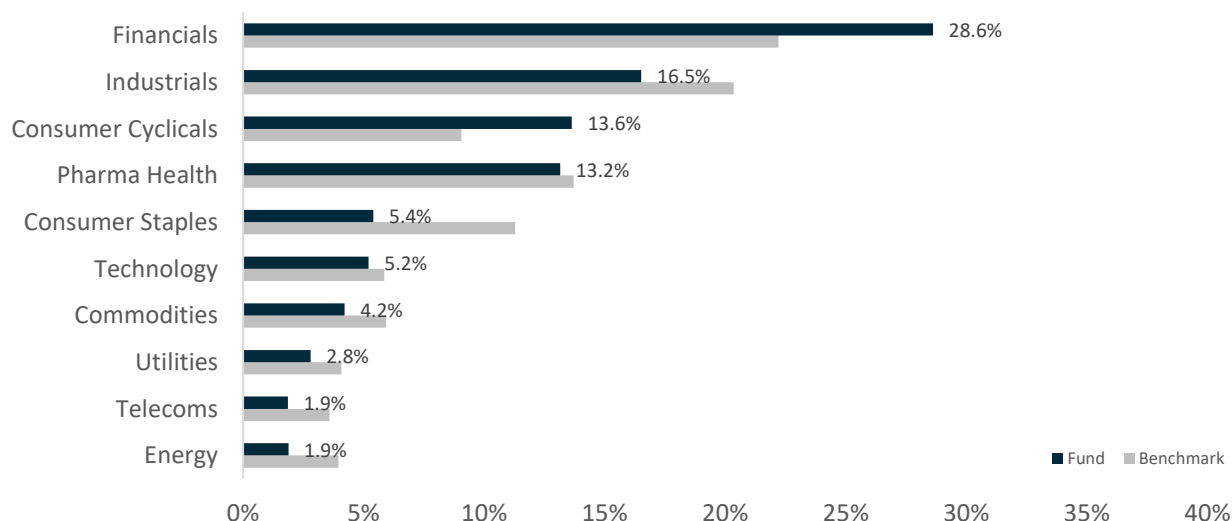
It is disappointing to register a poor month and give up some of this year's outperformance. Tactically the fund continues to be positioned defensively: we are rotating out of globally facing industrial/cyclicals, avoiding the more economically sensitive areas of the market (such as autos and semiconductors) and retaining an elevated cash position (6.7% as at month end). As such, we feel the fund is well positioned for the choppy markets we expect to face as economic and sentiment indicators pull back from historically high levels. However, a combination of stock specific issues and a weak month for our "anchor" portfolio have resulted in an underperformance this month.

Our largest negative stock contribution came from Astaldi, the Italian listed construction company. Astaldi builds infrastructure and civil engineering projects around the world, with over half of its revenues coming from outside Europe. Unfortunately, impairments on some of its assets in emerging markets have forced management into a dilutive rights issue in order to de-lever the balance sheet and satisfy creditors. It was our belief that the high financial leverage was compensated for by cheap valuation multiples and that a

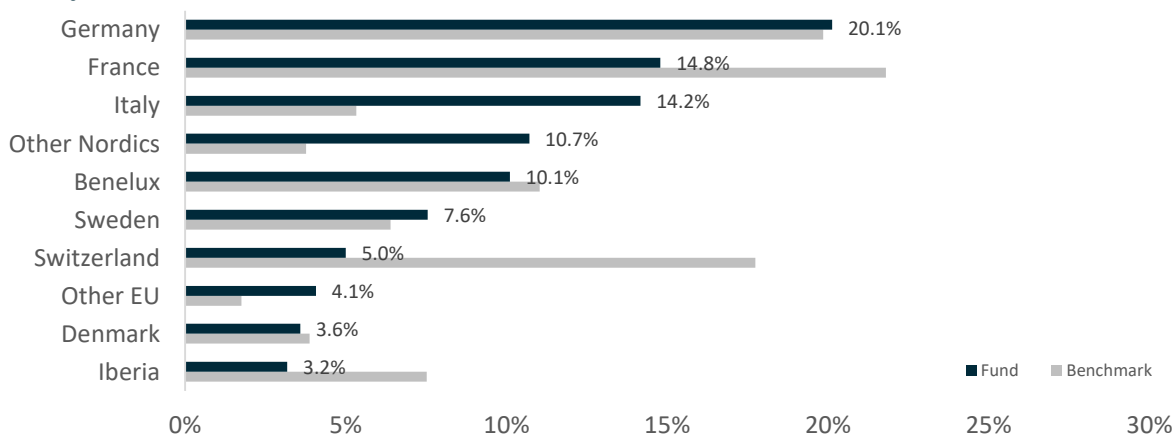
combination of improving profitability and asset sales (as the company moves towards a less capital intensive business model) would result in strong share price performance as balance sheet risk receded. Our thesis did not play out on this occasion and the market has punished the stock accordingly.

We would like to highlight that balance sheet risk of this nature is not prevalent across the Fund. Our portfolio has an average Net Debt to EBITDA of 0.76x, below the market average of 0.94x. If we were to exclude our anchor stocks, which given their defensive profile and high quality of profits tend to operate with greater debt levels, this figure would be lower still. We are happy with the direction our portfolio is tilted in as we head towards the New Year and, as detailed above and in recent newsletters, continue to be cautiously positioned in light of the market risks we perceive at this juncture. We would expect to see excellent buying opportunities thrown up in the event of a market pullback, especially given the still mid-cycle nature of the economic recovery in the Eurozone.

## Sector Allocation



## Country Allocation



## Risk Overview

	FUND	INDEX
P/E	12.4	17.0
EV/EBITDA	5.7	9.5
Div Yield	3.3%	3.3%
ROE	15.0%	16.7%
3m EPS Revs	3.6%	1.0%
Net Debt / EBITDA	0.76	0.94
Sharpe Ratio	1.86	
Beta (3m)	1.08	

## Fund Facts

<b>Fund Status</b>	Sub-fund of a Dublin-domiciled UCITS ICAV, authorised and regulated by the Central Bank of Ireland. Recognised in the UK by the Financial Conduct Authority
<b>Sector</b>	Europe ex UK
<b>Benchmark Index</b>	STOXX Europe 600 ex UK
<b>Fund Size</b>	€80.6m
<b>Fund Launch Date</b>	11 <sup>th</sup> September 2015

Class	ISIN	SEDOL	Distribution Type	Annual Management Fee	Initial Minimum Subscription
Class A EUR	IE00BYN38431	BYN3843	Income	0.60%	€100,000
Class A GBP Hedged	IE00BYN38985	BYN3898	Income	0.60%	£100,000
Class B EUR	IE00BYN38M12	BYN38M1	Accumulation	0.60%	€100,000
Class B GBP Hedged	IE00BYN38Q59	BYN38Q5	Accumulation	0.60%	£100,000
Class C EUR	IE00BYN38Y34	BYN38Y3	Income	0.75%	€500
Class C GBP Hedged	IE00BYN39629	BYN3962	Income	0.75%	£500
Class D EUR	IE00BYN39B71	BYN39B7	Accumulation	0.75%	€500
Class D GBP Hedged	IE00BYN39C88	BYN39C8	Accumulation	0.75%	£500

## Further Information

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**Dealing:**

- Daily dealing (except Irish public holidays)
- 11.00 dealing cut-off (forward pricing)
- 17.00 valuation point
- CACEIS Ireland
  - + 353 (0)1 672 1631
  - One Custom House Plaza, IFSC, Dublin D01 C2C5, Ireland

### Risk Warning

The value of investments and the income from them can go down as well as up and investors may not receive back the original amount invested. Past performance is not an indicator of future performance. Exchange rates may cause the value of the underlying overseas investments to go down as well as up. Investment in smaller companies may involve a higher degree of risk as markets are usually more sensitive to price movements.

Please read the Risk Section of the Fund's Prospectus and Key Investor Information Document (KIID) for a fuller description of the risks prior to investing. Comeragh Capital LLP and its affiliates and/or their officers, partners and employees may own or have positions in the fund and/or any investment mentioned herein. The factsheet does not represent an invitation to invest in the Fund. Subscriptions must be made in conjunction with the KIID and Prospectus, copies of which can be obtained free of charge in English at [www.comeraghcapital.com](http://www.comeraghcapital.com). Comeragh Capital LLP acts as investment manager and promoter to Comeragh Funds ICAV.