

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	4.2%
2.	Novartis	3.2%
3.	Bayer	3.2%
4.	Novo Nordisk	3.1%
5.	ING Groep	3.0%
6.	Enel	2.9%
7.	SpareBank 1 SMN	2.8%
8.	Generali	2.7%
9.	TOM TAILOR	2.7%
10.	UCB	2.6%

PERFORMANCE

	Class B EUR	STOXX Europe 600 ex UK
3 months	-0.2%	-0.0%
6 months	5.8%	5.4%
12 months	15.6%	14.5%
Since launch (11 Sept. 2015)	32.1%	20.3%

	Class B EUR	STOXX Europe 600 ex UK
2018 YTD	2.7%	2.6%
2017	13.9%	11.6%
2016	8.6%	2.4%
2015 (from 11 Sept.)	4.0%	2.6%

Commentary

In January the Comeragh European Growth Fund rose 2.7%, outperforming the benchmark STOXX Europe 600 ex UK index.

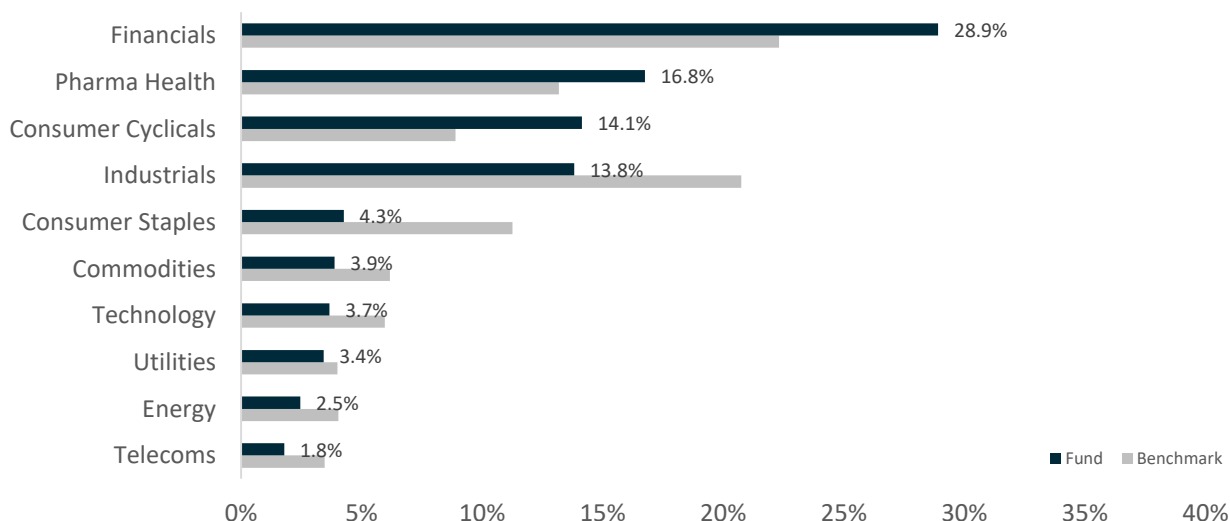
We are especially pleased to kick off 2018 by outperforming a strong market rally, given our defensive positioning and high cash weighting (currently 6.9%). We have been rotating out of industrial and commodity stocks over the past few months in anticipation of a climax in economic momentum, a turning point that may have already occurred. Following a Eurozone Manufacturing PMI of 60.6 in December, January's reading of 59.6 is still in boom territory but crucially for forward-looking markets, the rate of change is now negative. Global stock indices have risen for 15 consecutive months, an unprecedented winning streak. We find it unlikely that such performance can continue in light of peaking cyclical momentum and rising bond yields.

The biggest positive contribution this month came from our largest holding: Raiffeisen Bank. An earnings upgrade cycle driven mostly by falling loan losses but also by top line growth and cost cutting is still playing out, with consensus estimates lagging behind. Forecasts for 2017 net income of €1.08bn appear pretty

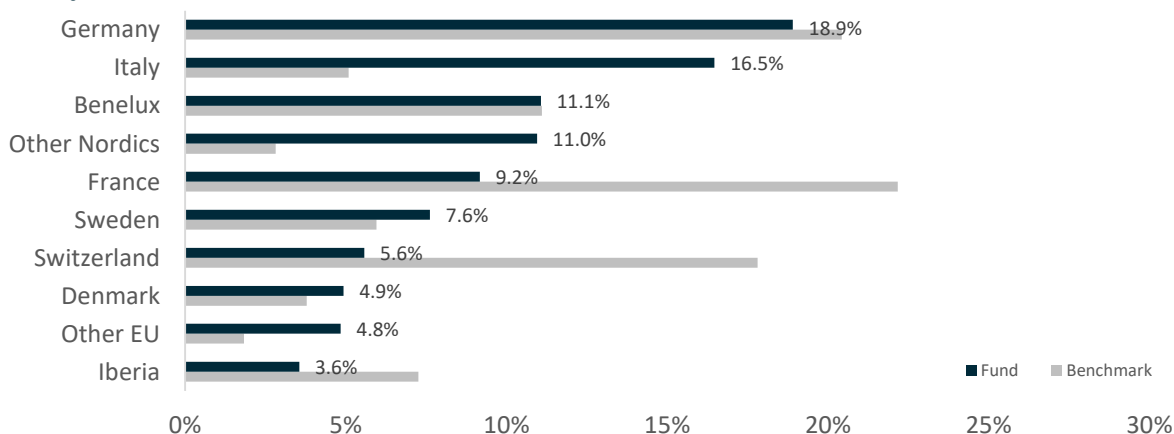
conservative considering that profits over the first nine months have already totalled €910m. Looking at it from an asset perspective, a P/Book valuation of 1.06x compares favourably to an annualised return on equity of 13.3%. The shares have enjoyed an excellent run but still offer good valuation and profit cycle momentum.

We would like to note that our two largest sector underweights are Industrials and Consumer Staples. Growth expectations for the former are elevated following a period of strong cyclical expansion, whilst Consumer Staples stocks exhibit the “bond-like” characteristics so prized of the QE era and look vulnerable in the face of rising long bond yields. Valuation multiples are stretched in both sectors. Against this backdrop we are delighted that the portfolio trades on a P/E of only 12.5x (vs. the market on 17.1x) whilst exhibiting lower indebtedness and better earnings momentum. We expect this to provide a good platform for outperformance going forwards.

Sector Allocation



Country Allocation



Risk Overview

	FUND	INDEX
P/E	12.5	17.1
EV/EBITDA	5.7	9.5
Div Yield	2.9%	3.3%
ROE	15.7%	16.7%
3m EPS Revs	3.1%	2.0%
Net Debt / EBITDA	0.73	0.91
Sharpe Ratio	1.49	
Beta (3m)	0.94	

Fund Facts

Fund Status	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
Sector	Europe ex UK
Benchmark Index	STOXX Europe 600 ex UK
Fund Size	€79.0m
Fund Launch Date	11 th 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. Comeragh Capital LLP acts as investment manager and promoter to Comeragh Funds ICAV.