

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.	Nestlé	6.1%
2.	Novartis	3.8%
3.	Roche	3.7%
4.	Raiffeisen	3.7%
5.	Tethys Oil	3.6%
6.	Bayer	3.4%
7.	Mycronic	3.3%
8.	Novo Nordisk	3.1%
9.	Enel	2.9%
10.	Ramirent	2.7%

### PERFORMANCE

	Class B EUR	STOXX Europe 600 ex UK
3 months	-0.6%	0.5%
6 months	-1.3%	-1.2%
12 months	-1.3%	-0.3%
Since launch (11 Sept. 2015)	25.6%	16.5%

	Class B EUR	STOXX Europe 600 ex UK
2018 YTD	-2.3%	-0.6%
2017	13.9%	11.6%
2016	8.6%	2.4%
2015 (from 11 Sept.)	4.0%	2.6%

## Commentary

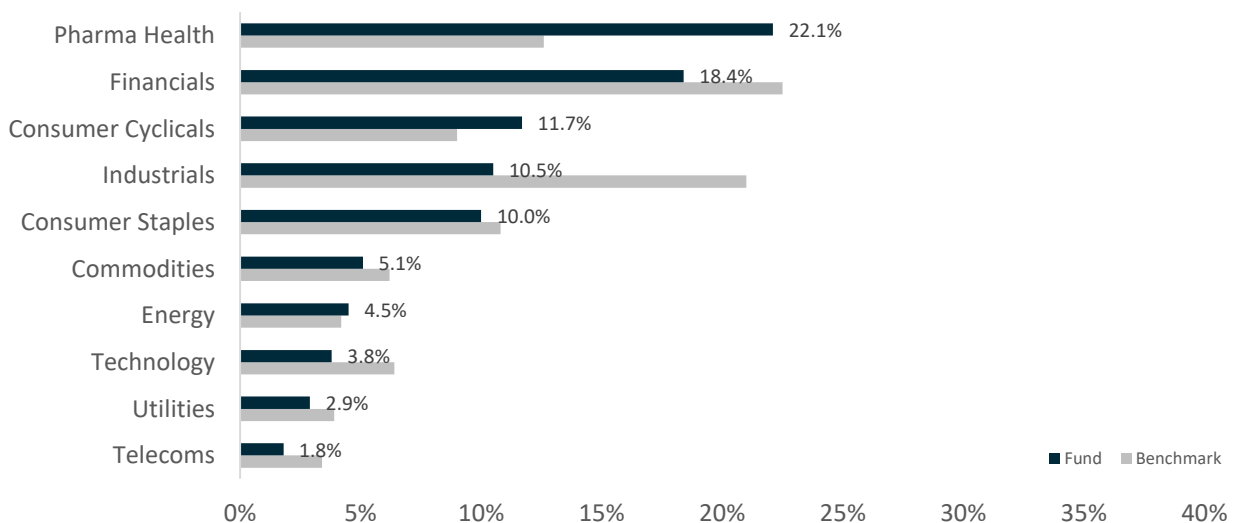
In May the Comeragh European Growth Fund rose 0.2%, outperforming the -0.9% return posted by the STOXX Europe 600 ex UK Index.

Political developments in Italy punctured what had hitherto been a decent month for markets and our defensive positioning was rewarded. Following President Mattarella's rejection of the Five Star/Liga Nord coalition's proposed finance minister, fanning the flames of populist sentiment, a revised cabinet was eventually accepted. This may have temporarily diffused the situation, but it remains to be seen what direction this unlikely coalition government will take. Against this backdrop of uncertainty, markets have remained remarkably sanguine. In addition to the Eurozone sovereign credit risks awakened by the Italian situation, we see a host of other issues – from consumer credit to a Chinese slowdown – that could shake investor confidence. We have written about these extensively over the last few months and remain cautiously positioned with 9.2% of the Fund in cash and a defensive sector allocation, with underweights in Industrials and Financials and a large overweight in Pharmaceuticals. Pharma stocks have underperformed as earnings multiples de-rated and a weak US dollar hindered earnings momentum. With the dollar now strengthening

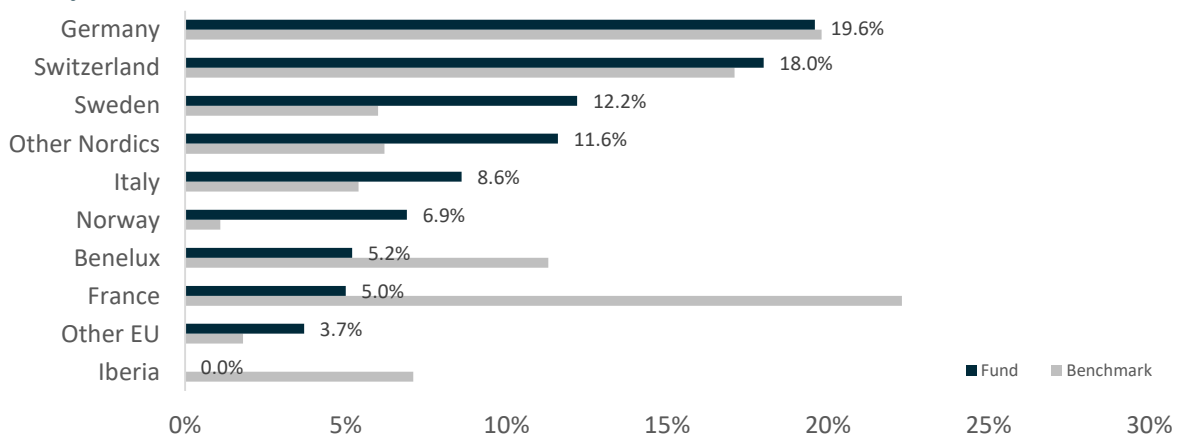
and growth in the industrial/cyclical space peaking, we expect the coming months to see the sector's defensive qualities reappraised.

The best performing stocks this month have been Tethys Oil and Ramirent. We wrote about Tethys in last month's factsheet – the higher oil price appears to have been a catalyst for driving recognition of the value on offer. That shares still trade on 6x P/E despite having risen 25% since last month gives an idea of the earnings revisions being experienced. Ramirent is a Finnish-listed equipment rental company benefitting from a recovering Finnish economy and internal efficiency measures. The profit cycle dynamics look excellent and valuation is only just beginning to recognise this. Despite our pessimistic interpretation of economic signals and cautious market stance, it is pleasing that we are still able to find many such opportunities, where good valuation meets good profit cycle momentum – and it is to these companies that the Fund seeks to be exposed.

## Sector Allocation



## Country Allocation



## Risk Overview

	FUND	INDEX
P/E	12.6	16.0
EV/EBITDA	6.6	9.0
Div Yield	3.4%	3.7%
ROE	18.4%	17.1%
3m EPS Revs	3.1%	3.6%
Net Debt / EBITDA	0.43	0.90
Sharpe Ratio	-0.07	
Beta (3m)	0.86	

## 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>	€71.6m
<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.