

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

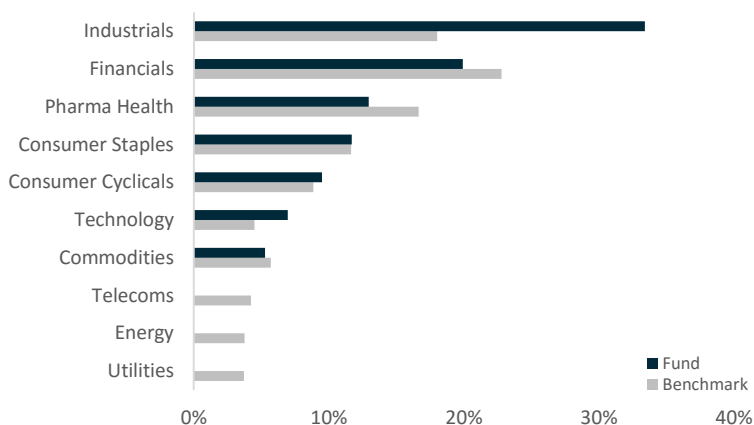
## Fund Aim

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

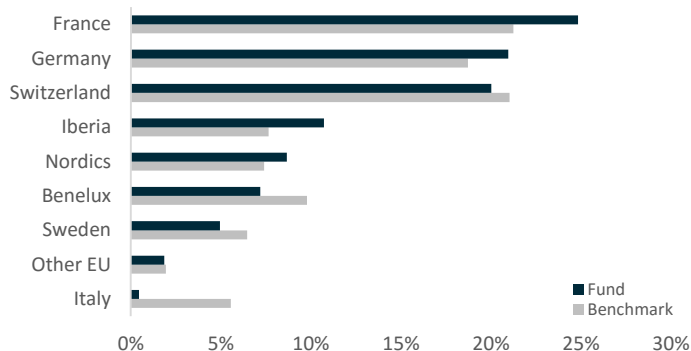
### TOP 10 HOLDINGS

1.	Nestle	3.8%
2.	Novartis	3.7%
3.	Roche	3.3%
4.	BNP Paribas	3.2%
5.	KBC Groupe	3.0%
6.	Vestas	2.8%
7.	Nordex	2.7%
8.	Novo Nordisk	2.7%
9.	Nordea	2.7%
10.	Societe Generale	2.6%

## Sector Allocation



## Country Allocation



## Commentary

In December the Comeragh European Growth Fund returned -1.79%. When compared to the market's fall of 4.54%, we enjoyed an outperformance of 2.75%. Year-to-date (since inception) we have risen 3.94% vs. the market at 2.6%.

We are pleased to have closed the year ahead of the benchmark, and especially gratified to have performed well in a tough month for European equities. The greater our outperformance during market sell offs, the smoother our return profile will look; lower volatility for our investors. It is only downside volatility that we are concerned with, however, and we firmly believe that our philosophy of having 30% of the fund in large cap defensive stocks to counterbalance a more aggressive conviction portfolio will still allow us to outperform in strong markets whilst providing an element of downside protection in falling markets.

However, it is interesting to note that in December all of our outperformance came from our conviction portfolio, whilst our defensive anchor portfolio fell in line with the market. As such, our outperformance was achieved through generation of alpha (good stock selection), and not by taking on less beta (market risk). One month does not a trend make, but it gives us confidence that our portfolio is tilted in the right direction. Delving deeper into the portfolio, our industrial holdings rose in absolute terms despite the sector being among the worst performers at the market level. This is particularly encouraging to see given our strong view on the sector – we are positioned almost exclusively in domestically focused industrials and away

from “global growth” facing companies. Our total avoidance of energy, utility and telecoms companies added 80bps to outperformance – another conviction stance of ours which we are likely to keep. We will lay out our reasoning for this in a forthcoming blog piece, but suffice to say for now that we do not like the structural profit cycle dynamics at play.

We are very excited as we enter 2016 and the first full year of our fund’s history. Mark is about to write a piece detailing how a US recession is likely by the end of 2016, and we would certainly expect market gyrations on both sides of the Atlantic (and beyond!) as consensus adjusts to this reality at a time when most forecasters are anticipating a continuation of strong US growth. We will likely see more volatility in the coming year. Whilst this may sound alarming, we believe that our portfolio is poised to outperform in such a scenario. Europe is growing despite a mixed global picture and we see no reason why our domestically focused companies shouldn’t enjoy decent absolute earnings momentum, and certainly stronger momentum relative to the broader market. Our total portfolio trades on 13.4x P/E, and within this our conviction portfolio trades on only 12.1x P/E, despite achieving a higher ROE than the market and enjoying better earnings revisions.

As 2015 winds to a close, we would like to thank our investors for their support of the fund during its infancy. We hope to continue to repay the faith you have shown in us, and look forward to catching up with you in person in the coming months. Happy New Year!

## 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>	IA Europe ex UK			
<b>Benchmark Index</b>	Stoxx Europe 600 ex UK			
<b>Fund Size</b>	€61.09m			
<b>Fund Launch Date</b>	10 <sup>th</sup> September 2015			
<b>Share Classes</b>	<b>A Euro</b>	<b>A Sterling</b>	<b>B2 Euro</b>	<b>B Sterling</b>
<b>Unit Type</b>	Income	Income	Accumulation	Accumulation
<b>Initial Investment</b>	€100,000	€100,000	€100,000	€100,000
<b>AMC</b>	0.6%	0.6%	0.6%	0.6%
<b>OCF</b>				
<b>Prices</b>	€103.95	£103.43	€103.95	£103.63
<small>(available at <a href="http://www.comeraghcapital.com">www.comeraghcapital.com</a>)</small>				
<b>ISIN</b>	IE00BYN38431	IE00BYN38485	IE00BYN38M12	IE00BYN38Q59

## Further Information

**Email:** [info@comeraghcapital.com](mailto:info@comeraghcapital.com)

**Website:** [www.comeraghcapital.com](http://www.comeraghcapital.com)

**Telephone:** +44 (0) 207 381 5022

### 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.