

## FACTSHEET

### Investment Objective & Strategy

#### Fund objective:

To achieve long term capital growth by identifying fundamentally mis-valued businesses which will generate superior returns over time.

#### Investment process:

- Equity positions taken in companies we believe to be undervalued based on under-recognised change
- Ideas generated by extensive company visits & proprietary research library
- Investments made using an 18-24 month time horizon seeking a 50% minimum return hurdle
- Portfolio is concentrated (25-35 large-mid cap equities) and is region, sector and style agnostic

### Monthly Commentary

After a volatile start to Q4 in October and November, many industry commentators looked forward to a calmer time for global markets in December, especially following the much-anticipated Trump-Xi meeting at the G20 summit in Buenos Aires where a calming of the US-China trade tensions was expected after US mid-term elections in November. It was not to be so. The last month of the year proved to be another turbulent time in the markets, indeed one of the most severe December equity sell-offs on record. The MSCI ACWI was down over 7%, with the S&P 500 down over 9%. In Japan, the Topix fell over 10% in yen terms, although the yen did benefit from its safe haven status and rallied over 3% against the US dollar to finish the month below 110. Europe fared relatively well in the context of the month, with the Stoxx Europe 600 down 5.5% in euro terms and the euro also strengthening a touch against the dollar. Save for the aggressive relief rally after Christmas, the drawdowns would have looked even more severe. Performance in other asset classes reflected this risk-off environment - US 10-year rates fell by a full 30bps to finish at 2.68% and the Brent crude benchmark fell over 8% to below \$54. There are multiple possible explanations for the moves, importantly continued signs of economic weakness in China, the US government shutdown, and the Fed proceeding with a fourth rate hike of the year at the FOMC meeting, combined with a more hawkish projected rate path than expected and a signal that the reduction of its balance sheet continues to be on autopilot (these asset sales will remove liquidity from the markets, potentially hurting valuations). In this volatile environment, the Fund recorded underperformance of 101bps across all asset classes; the largest drags came from industrial and energy names. The best performer in the portfolio was Nexon, a Japan-listed game developer with substantial exposure to the Chinese market which benefited from multiple signs of the Chinese regulators resuming their approvals of new games after a pause which lasted since April. While Nexon itself is not highly dependent on new Chinese approvals at this time, the news undoubtedly improved investor sentiment for the Chinese gaming sector, benefiting our position in the process. Getlink, operator of the Eurotunnel between the UK and France, was boosted by the move lower in global rates given the long-duration nature of the asset, as well as the disclosure of a new stake of over 5% in the company by the French infrastructure group Eiffage. We continue to believe that the share price fails to reflect the unique nature of the asset and the potential to improve operations on multiple fronts over the next few years. At the opposite end of the spectrum, some of the weakest performing positions this month came from the US - Fedex, Hess, and Arconic. Fedex released disappointing quarterly results driven by weakness in the Express division, especially outside the US (Europe/Asia). The company is citing a weak macro backdrop although there is also an effect from the delay in TNT merger synergies given that synergy targets have been pushed out. We have high confidence in the Fedex management and continue to believe in the medium-term structural change of e-commerce taking substantial share of retail spending and a few global players emerging to dominate distribution in the channel. Hess fell victim to the weakness in crude prices and negative headlines out of Guyana just before the end of the year. However, the company's analyst day in December provided a good validation of our structural investment thesis around portfolio reshuffling and the Guyana production opportunity. Arconic, given the lack of company-specific headlines, sold off on cyclical fears and weakness in the US leveraged loan market; the press continues to speculate about a bid for the group from a private equity buyer as the turnaround initiated by the new CEO Blankenship continues. The Fund initiated one new position in the month and had one full disposal.

## THE MANAGER



### Fund Managers

#### Richard Bruce

Founding Partner of Trinity Street Asset Management with over 30 years experience in portfolio management. Previously at GLG, he started and sole managed the GLG Performance Fund. Prior to this he spent 5 years as a Japan specialist in Tokyo with Jardine Fleming, and 6 years as a European and EAFE specialist with its joint-venture partner, Rowe Price Fleming in London.

#### Ed Bell

Joined Trinity in November 2007 after spending over 14 years as a senior analyst at Cazenove (latterly, JPMorgan Cazenove). His responsibilities included heading up, at different times, the analyst teams covering, Global Technology, Telecoms, Industrials and Engineering and Steel. He was made a partner of Cazenove in 2000 and managing director in 2003.

#### Ves Agrawal

Joined Trinity Street in 2016 from the Fundamental Strategies Group at Goldman Sachs. Previously an analyst at Fidelity focusing on the industrials and telecom sectors before joining Sarasin & Partners.

#### Nick Mayor

Joined Trinity Street in April 2017. Nick was previously a Partner at Lancaster Investment Management a European focused equity manager, and prior to that a Partner at Lansdowne Partners within their Global Developed Markets team.

## FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	\$24.92m
Strategy AUM	\$986.31m
Inception	05 October 2018
Original Fund Launch Date	December 2009
Share Class	I Pooled
Currency	EUR/GBP/USD
Mgt. Fee	0.80%
Perf. Fee	20%
Min Init. Sub.	5,000,000 (waivable)
ISIN Codes	EUR: IE00BF41PS61 GBP: IE00BF41PT78 USD: IE00BF41PV90
Share Class	A Pooled
Currency	EUR/GBP/USD
Mgt. Fee	1.00%
Perf. Fee	20%
Min Init. Sub.	50,000
ISIN Codes	EUR: IE00BF41PW08 GBP: IE00BF41PX15 USD: IE00BF41PY22

## USD Class I Pooled

NAV 199.51

### Performance Returns

#### Risk Statistics

The Trinity Street Global Equity UCITS Fund (USD I Class Pooled) returned -7.98% for the December period.

No of stocks 33  
Net Exposure 99.2%

### UCITS Performance

Fund Name The Trinity Street Global Equity UCITS Fund (USD Class I Pooled)  
Benchmark MSCI All Country World Total Return Index Net  
Reporting Date 31/12/2018  
Reporting Currency USD

	1 year	3 year*
Tracking error*	4.58%	7.61%
Beta	1.14	1.24
Sharpe ratio*	-1.15	0.23
Information ratio*	-1.32	-0.14
Volatility*	15.27%	14.85%

\*Annualised. Source: Trinity Street and Factset

	1 month	3 month	6 months	YTD	1 Year	3 years	5 years	Inception
Fund return	-7.98%	-15.22%	-16.03%	-15.09%	-15.09%	15.36%	12.76%	82.30%
<i>Annualised</i>						4.88%	2.43%	6.90%
Benchmark return	-7.04%	-12.75%	-9.02%	-9.42%	-9.42%	21.13%	23.19%	83.39%
<i>Annualised</i>						6.60%	4.26%	6.97%
Relative return	-1.01%	-2.82%	-7.70%	-6.27%	-6.27%	-4.77%	-8.47%	-0.59%
<i>Annualised</i>						-1.61%	-1.75%	-0.07%

Source – Fund: Northern Trust. Total Return Basis, Net of fees. Source - Benchmark Return: Factset. Relative return calculated on a geometric return basis. The performance figures quoted above after the merger on 5 Oct 2018 represent the performance of the The Trinity Street Global Equity UCITS Fund (USD Class I Pooled). The returns prior to 5 Oct 2018 represent the performance of the Trinity Street Funds – Global Equity Sub-Fund (USD I) since launch on December 2009. These performance figures refer to the past and past performance is not a reliable guide to future performance.

## USD Class A Pooled

NAV 194.26

### Performance Returns

#### Risk Statistics

The Trinity Street Global Equity UCITS Fund (USD A Class Pooled) returned -7.98% for the December period.

No of stocks 33  
Net Exposure 99.2%

### UCITS Performance

Fund Name The Trinity Street Global Equity UCITS Fund (USD Class A Pooled)  
Benchmark MSCI All Country World Total Return Index Net  
Reporting Date 31/12/2018  
Reporting Currency USD

	1 year	3 year*
Tracking error*	4.57%	7.61%
Beta	1.14	1.24
Sharpe ratio*	-1.15	0.23
Information ratio*	-1.33	-0.14
Volatility*	15.26%	14.85%

\*Annualised. Source: Trinity Street and Factset

	1 month	3 month	6 months	YTD	1 Year	3 years	5 years	Inception
Fund return	-7.98%	-15.21%	-16.02%	-15.09%	-15.09%	15.32%	12.35%	80.07%
<i>Annualised</i>						4.87%	2.36%	6.75%
Benchmark return	-7.04%	-12.75%	-9.02%	-9.42%	-9.42%	21.13%	23.19%	83.39%
<i>Annualised</i>						6.60%	4.26%	6.97%
Relative return	-1.01%	-2.82%	-7.70%	-6.26%	-6.26%	-4.80%	-8.80%	-1.81%
<i>Annualised</i>						-1.62%	-1.83%	-0.20%

Source – Fund: Northern Trust. Total Return Basis, Net of fees. Source - Benchmark Return: Factset. Relative return calculated on a geometric return basis. The performance figures quoted above after the merger on 5 Oct 2018 represent the performance of the The Trinity Street Global Equity UCITS Fund (USD Class A Pooled). The returns prior to 5 Oct 2018 represent the performance of the Trinity Street Funds – Global Equity Sub-Fund (USD A) since launch on December 2009. These performance figures refer to the past and past performance is not a reliable guide to future performance.

## GBP Class A Pooled

### Performance Returns

The Trinity Street Global Equity UCITS Fund (GBP Class A Pooled) returned -7.28% for the December period.

### UCITS Performance

Fund Name	The Trinity Street Global Equity UCITS Fund (USD Class A Pooled)
Benchmark	MSCI All Country World Total Return Index Net
Reporting Date	31/12/2018
Reporting Currency	USD

	1 month	3 month	6 months	YTD	1 Year	3 years	5 years	Inception
Fund return	-7.82%	-10.50%	-11.15%	-7.68%	-7.68%	37.97%	49.55%	134.20%
<i>Annualised</i>						11.33%	8.38%	9.92%
Benchmark return	-6.88%	-10.67%	-5.69%	-3.79%	-3.79%	40.18%	60.21%	132.55%
<i>Annualised</i>						11.92%	9.89%	9.83%
Relative return	-1.01%	0.19%	-5.79%	-4.04%	-4.04%	-1.58%	-6.66%	0.71%
<i>Annualised</i>						-0.53%	-1.37%	0.08%

Source – Fund: Northern Trust. Total Return Basis, Net of fees. Source - Benchmark Return: Factset. Relative return calculated on a geometric return basis. The performance figures quoted above after the merger on 5 Oct 2018 represent the performance of the The Trinity Street Global Equity UCITS Fund (GBP Class A Pooled). The returns prior to 5 Oct 2018 represent the performance of the Trinity Street Funds – Global Equity Sub-Fund (GBP A) since launch on December 2009. These performance figures refer to the past and past performance is not a reliable guide to future performance.

## EUR Class A Pooled

### Performance Returns

The Trinity Street Global Equity UCITS Fund (EUR Class A Pooled) returned -8.89% for the December period.

### UCITS Performance

Fund Name	The Trinity Street Global Equity UCITS Fund (USD Class A Pooled)
Benchmark	MSCI All Country World Total Return Index Net
Reporting Date	31/12/2018
Reporting Currency	USD

	1 month	3 month	6 months	YTD	1 Year	3 years	5 years	Inception
Fund return	-8.86%	-16.09%	-16.86%	-13.67%	-13.67%	7.19%	31.88%	121.33%
<i>Annualised</i>						2.34%	5.69%	9.23%
Benchmark return	-7.93%	-11.35%	-7.08%	-4.85%	-4.85%	15.11%	48.50%	130.16%
<i>Annualised</i>						4.80%	8.23%	9.70%
Relative return	-1.01%	-5.34%	-10.53%	-9.27%	-9.27%	-6.88%	-11.20%	-3.84%
<i>Annualised</i>						-2.35%	-2.35%	-0.43%

Source – Fund: Northern Trust. Total Return Basis, Net of fees. Source - Benchmark Return: Factset. Relative return calculated on a geometric return basis. The performance figures quoted above after the merger on 5 Oct 2018 represent the performance of the The Trinity Street Global Equity UCITS Fund (EUR Class A Pooled). The returns prior to 5 Oct 2018 represent the performance of the Trinity Street Funds – Global Equity Sub-Fund (EUR A) since launch on December 2009. These performance figures refer to the past and past performance is not a reliable guide to future performance.

NAV 246.47

### Risk Statistics

No of stocks	33	
Net Exposure	99.2%	
	1 year	3 year*
Tracking error*	4.15%	8.30%
Beta	1.03	0.90
Sharpe ratio*	-0.76	0.73
Information ratio*	-0.96	-0.03
Volatility*	12.62%	12.32%

\*Annualised. Source: Trinity Street and Factset

NAV 230.27

### Risk Statistics

No of stocks	33	
Net Exposure	99.2%	
	1 year	3 year*
Tracking error*	5.88%	7.98%
Beta	1.23	1.34
Sharpe ratio*	-1.03	0.06
Information ratio*	-1.55	-0.22
Volatility*	15.42%	14.54%

\*Annualised. Source: Trinity Street and Factset

## Fund Statistics

Market Cap	Fund %	Benchmark %
\$200bn+	13.26	20.90
\$10bn - \$200bn	56.09	66.77
\$2bn - \$10bn	29.86	12.16
\$300m - \$2bn	--	0.17
Cash	0.80	--

Source: Trinity Street and Factset

Market Cap*	Fund %	Benchmark %
£157bn+	13.26	20.90
£7.9bn - £157bn	56.09	66.77
£1.6bn - £7.9bn	29.86	12.16
£236m - £1.6bn	--	0.17
Cash	0.80	--

Source: Trinity Street and Factset

Market Cap*	Fund %	Benchmark %
€175bn+	13.26	20.90
€8.8bn - €175bn	56.09	66.77
€1.8bn - €8.8bn	29.86	12.16
€262m - €1.8bn	--	0.17
Cash	0.80	--

Source: Trinity Street and Factset

\*Market Cap GBP and EUR value exchange rate used: MSCI taken as at the end of the month and are rounded. Base rate is USD.

Region	Fund %	Benchmark %
Emerging Markets	12.22	10.98
Europe Ex UK	30.02	14.18
Japan	18.36	7.58
North America	27.37	57.73
Pacific ex Japan	6.00	4.30
United Kingdom	5.24	5.23
Cash	0.80	--
	<b>100</b>	<b>100</b>

Source: Trinity Street and Factset

Sector	Fund %	Benchmark %
Communication Services	6.53	8.98
Consumer Discretionary	22.42	10.44
Consumer Staples	3.60	8.43
Energy	8.88	6.18
Financials	11.90	17.22
Health Care	4.23	12.11
Industrials	21.63	10.29
Information Technology	14.63	14.85
Materials	2.52	4.98
Real Estate	2.87	3.18
Utilities	--	3.36
Cash	0.80	--
	<b>100</b>	<b>100</b>

Source: Trinity Street and Factset

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