

## The GM Fund

### Fund Objective

The GM Fund is a mixed-asset fund that aims to achieve capital growth over the medium to long-term. The fund's natural position is to be heavily weighted towards equities (which include property REITs and private equity) - the best performing asset class over the medium- to long-term. However, other asset classes are considered if clear value is on offer or if the risk protection on offer is deemed preferable. The GM fund has two share classes, A & B.

### Fund Details

Fund Net Assets	€46,960,478
Units in Issue	358,508
NAV per unit (A/B)	€128.49/€130.59
Total Expense Ratio (A/B)	1.25%/0.25% <i>p.a.</i>

### Top 10 Holdings 51.9%

Berkshire Hathaway	8.9
Ryanair Holdings	6.3
DCC	5.2
Tetragon	4.9
Greencoat Renewables	4.7
Associated British Foods	4.7
Markel	4.4
Applegreen	4.4
CVC Credit Partners	4.4
Irish Continental Group	4.0



## Monthly Factsheet

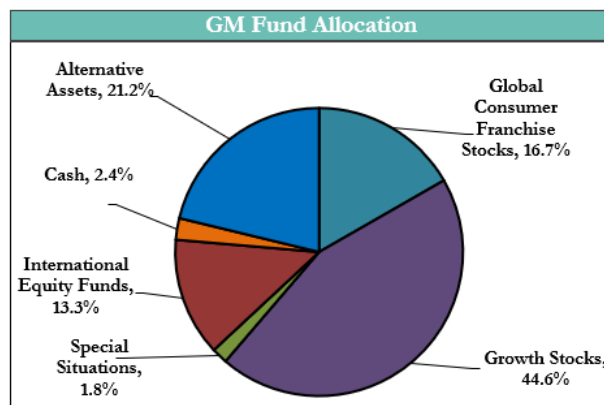
31<sup>st</sup> Jan 2019

### Performance Commentary

The GM Fund (A share class) gained 4.8% after costs in January 2019, which compares to a 4.6% gain in the ARC Steady Growth Index and a 7.9% gain in the FTSE World Index (€). As the fund can invest in different asset classes, it is best compared to the ARC Steady Growth Index. For 2018 as a whole, The GM Fund declined 4.3% after costs compared to a 6.5% decline in the ARC Steady Growth Index. There is further analysis of developments in the fund overleaf.

### Currency Exposure

	%
UK Pound	10.2
US Dollar	30.1
Euro	32.9
Mixed Currency Assets	26.8



### Performance

	1 MTH	YTD	1 Year	Since Inception
The GM Fund A	4.8%	4.8%	-0.8%	28.5%
The GM Fund B	4.9%	4.9%	0.2%	30.6%
ARC Steady Growth	4.6%	4.6%	-3.9%	13.7%

### Calendar Year

	2018	2017	2016	2015
The GM Fund A	-4.3%	11.7%	8.7%	2.9%
ARC Steady Growth	-6.5%	6.4%	2.2%	3.0%

\*For anyone interested in obtaining further information on the GM Fund, send an email to [info@gillenmarkets.com](mailto:info@gillenmarkets.com) and we will be happy to assist.

The GM Fund is a sub-fund of Skyline Umbrella Fund ICAV, an Irish collective asset management vehicle established as an umbrella fund with segregated liability between sub-funds pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended. The GM Fund changed its name from the GM Global Balanced Fund to The GM Fund on the 7th of October 2016. The value of your investment can decline as well as rise. The GM Fund does not guarantee the return of your capital and you should seek independent advice regarding the suitability or otherwise of an investment in this fund before investment. Any investment made in the fund will be made subject to the terms and conditions outlined in the GM Fund Supplement dated 10th August 2016. The ARC Steady Growth is for comparative purposes only and should not be considered an official benchmark. See [www.davy.ie/fund-services/funds](http://www.davy.ie/fund-services/funds) for details. GillenMarkets is regulated by the Central Bank of Ireland. Under no circumstances should this information be considered as an offer, or solicitation, to deal in investments. Davy Asset Management are Investment Manager to The GM Fund. Davy Asset Management is regulated by the Central Bank of Ireland.

## Commentary on Recent Activities

After a tough end to 2018, markets rebounded strongly in January with the FTSE World Index (€) up 7.9% for the month as fears surrounding US monetary tightening abated following more accommodating comments from the US Federal Reserve. The dollar was slightly weaker in January, while the gold price gained 2.9%.

Positive contributors to the fund's performance during the month included AB Foods (+16.9%), Mondelez (+15.6%), Irish Continental Group (+11.8%), Franco Nevada (+10.6%) and Wheaton Precious Metals (+7.9%). Positions that had a negative impact on the fund's performance during the month included PZ Cussons (-15.9%), Henkel (-11%) and Reckitt Benckiser (-2.5%).

Share price gains in AB Foods reflected a positive trading update as its Primark business continues to drive growth, while Mondelez reported strong results for 2018 with solid organic growth and continued margin expansion. Both Franco-Nevada and Wheaton Precious Metals, providers of equity-like finance to precious metal miners, benefited from rising precious metals price during the month.

The continued challenging conditions in Nigeria for PZ Cussons resulted in another profit warning, sending the share price down 12% in the last week of the month. Henkel's weak share price resulted from less than stellar year-end results and investors fears over lack of growth potential, while Reckitt Benckiser was downgraded by a large US investment bank over growth concerns.

In terms of activity during the month, the fund modestly reduced its position in both Franco-Nevada and Wheaton Precious Metals, two positions that are showing good gains since the initial investments.

With the proceeds from reducing these position sizes and new monies into the fund, we topped up a number of our Global Consumer Franchise Stocks such as Heineken, Unilever, Colgate, Kraft-Heinz and Henkel with the theme now back up to a 16.7% weighting in the fund.

Despite some concerns at Tetragon which we have previously flagged, we continue to believe the 46% discount to NAV offers excellent value, while Ryanair looks substantially undervalued on just *circa* 12 times earnings. We also added to these positions in January.

## All Holdings

<b>Growth Stocks</b>	<b>44.6%</b>
Berkshire Hathaway	8.9%
Ryanair Holdings	6.3%
DCC	5.2%
Associated British Foods	4.7%
Markel	4.4%
Applegreen	4.4%
Irish Continental Group	4.0%
Burberry	2.4%
PZ Cussons	2.3%
Mincon Group	2.0%
<b>Global Consumer Franchise Stocks</b>	<b>16.7%</b>
Heineken	2.3%
Diageo	2.1%
Mondelez	2.1%
Unilever	2.0%
Reckitt Benckiser	2.0%
Johnson & Johnson	1.9%
Colgate	1.8%
Kraft Heinz	1.8%
Henkel	0.7%
<b>International Equity Funds</b>	<b>13.3%</b>
AVI Japan Opp. Trust	4.0%
TR European Growth Trust	2.2%
Majedie Investment Trust	2.2%
British Empire Trust	1.7%
Third Point Offshore	1.6%
Pershing Square	1.6%
<b>Alternative Assets</b>	<b>21.2%</b>
Tetragon	4.9%
Greencoat Renewables	4.7%
CVC Credit Partners	4.4%
Wheaton Precious Metals	3.2%
Franco Nevada	3.2%
John Laing Environmental Assets	0.8%
<b>Special Situations</b>	<b>1.8%</b>
Aryzta	1.8%
<b>Cash</b>	<b>2.4%</b>
<b>Total</b>	<b>100%</b>

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