

## The GM Fund

### Fund Objective

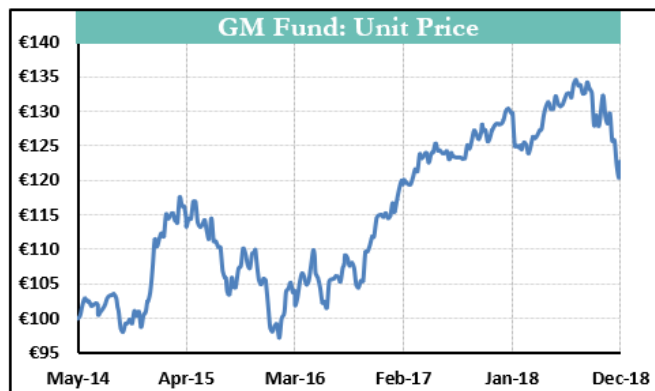
The GM Fund is a mixed-asset fund that aims to achieve capital growth over the medium to long-term. The fund's natural position is to be heavily weighted towards equities (which include property REITs and private equity) - the best performing asset class over the medium- to long-term. However, other 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	€43,381,624
Units in Issue	349,191
NAV per unit (A/B)	€122.64/€124.54
Total Expense Ratio (A/B)	1.25%/0.25% <i>p.a.</i>

### Top 10 Holdings 53.0%

Berkshire Hathaway	9.6
Ryanair Holdings	5.9
DCC	5.2
Greencoat Renewables	5.1
Tetragon	4.9
CVC Credit Partners	4.8
Markel	4.7
Applegreen	4.5
Associated British Foods	4.2
AVI Japan Opp. Trust	4.1



## Monthly Factsheet

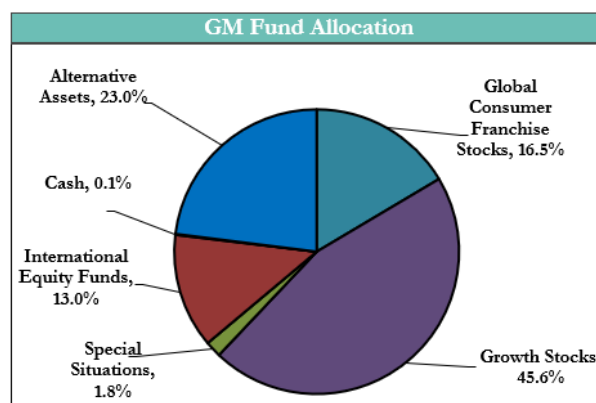
31<sup>st</sup> Dec 2018

### Performance Commentary

The GM Fund (A share class) declined 5.4% after costs in December 2018, which compares to a 4.1% decline in the ARC Steady Growth Index and an 8.3% decline 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, 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	10.3
US Dollar	30.9
Euro	33.2
Mixed Currency Assets	25.5



Performance	1 MTH	YTD	1 Year	Since Inception
The GM Fund A	-5.4%	-4.3%	-4.3%	22.6%
The GM Fund B	-5.3%	-3.3%	-3.3%	24.5%
ARC Steady Growth	-4.1%	-6.5%	-6.5%	9.3%

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

An 8.3% decline in the FTSE World Index (€) in December brought an end to what turned out to be a fairly miserable year in global equity markets. The ISEQ was also one of the worst performing markets in 2018 reflecting general weakness and the added pressure of international investors selling out of Irish equities on Brexit concerns.

The majority of our holdings were impacted by general market conditions during December and positions that had the largest negative impact on the fund's performance included Aryzta (-21.9%), ABF (-15.7%), Kraft Heinz (-15.7%), J&J (-12.2%) and Markel (-9.3%). Positive contributors to the fund's performance in December included Wheaton Precious Metals (+24.6%), Franco-Nevada (+1.8%) and DCC (+1.3%).

In addition to the market sell-off, a trading update from AB Foods highlighted negative like-for-like sales growth at Primark (the low-cost fashion retailer) in November which along with general jitters about weak physical retail sales trends in general led to further weakness in AB Foods share price. As Primark has a low-cost competitive advantage, we believe these issues are temporary in nature for the group. Johnson & Johnson's share price was impacted by reports in the media that J&J knew for decades about asbestos in its talcum baby powder supply. The announcement that there will be an inquiry by US and Bermuda authorities into loss reserves at Markel CATCO and its subsidiaries also had a negative impact on Markel's share price. The CATCO Bermudan business is a small part of the Markel Group.

The fund's 23% allocation to alternative assets held up well during the month due to its low correlation with general equities. In addition, Wheaton Precious Metals was boosted by the settlement of the Canadian tax dispute which had weighted on the share price for some time.

In terms of activity during the month, the fund used new monies to add to positions in Aryzta, Ryanair, TR European Growth Trust and Associated British Foods as we believe they offer good value, while the fund also built a modest initial position in Henkel, the German chemical and consumer goods company that is part of the US & European Defensive Global Consumer Franchise Theme.

## All Holdings

<b>Growth Stocks</b>	<b>45.6%</b>
Berkshire Hathaway	9.6%
Ryanair Holdings	5.9%
DCC	5.1%
Markel	4.7%
Applegreen	4.5%
Associated British Foods	4.2%
Irish Continental Group	3.9%
PZ Cussons	3.0%
Burberry	2.5%
Mincon Group	2.2%
<b>Global Consumer Franchise Stocks</b>	<b>16.5%</b>
Reckitt Benckiser	2.1%
Diageo	2.1%
Heineken	2.0%
Unilever	2.0%
Johnson & Johnson	1.9%
Mondelez	1.9%
Colgate	1.9%
Kraft Heinz	1.7%
Henkel	0.9%
<b>International Equity Funds</b>	<b>13.0%</b>
AVI Japan Opp. Trust	4.1%
TR European Growth Trust	2.1%
Majedie Investment Trust	1.9%
British Empire Trust	1.7%
Third Point Offshore	1.6%
Pershing Square	1.6%
<b>Alternative Assets</b>	<b>23.0%</b>
Greencoat Renewables	5.1%
Tetragon	4.9%
CVC Credit Partners	4.8%
Wheaton Precious Metals	3.8%
Franco Nevada	3.6%
John Laing Environmental Assets	0.8%
<b>Special Situations</b>	<b>1.8%</b>
Aryzta	1.8%
<b>Cash</b>	<b>0.1%</b>
<b>Total</b>	<b>100%</b>

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