

DECEMBER 2017 Review

Invested in you

FUND INFORMATION

Investment Manager	Xenon Investment Managers
Sub Investment Managers	ClucasGray Investment Management UK & ACPI
Inception	June 2007
Fund Domicile	BVI
Base Currency	USD
AUM (US\$m)	60.3
Min Transaction Size	\$100,000

Management Fee	1.5% pa
Total Expense Ratio	1.86% pa
Liquidity	Weekly
NAV publications	Weekly
Financial Year	31 December
Custodian	Credit Suisse
Administrator	Custom House Global Fund Services Ltd
Auditor	Arthur Bell Limited

FUND OBJECTIVE

The investment objective of the Fund is to provide long term capital appreciation and income growth through investment in a concentrated portfolio of assets. The fund is primarily exposed to a focused portfolio of developed market equities. The fund is managed on the basis of the long term ownership of assets and has a bias towards contrarian / value ideas. Investors with a time horizon of three to five years are ideally suited to this fund.

FUND MANAGER - CHRIS SLOAN



Chris Sloan started managing the reconstituted ClucasGray Global Fund on 1 September 2013. Chris is based in London where he has lived for the past 18 years, working for Fleming Martin (part of Robert Fleming), Union Bank of Switzerland and Royal Bank of Scotland after starting his career as an analyst at Fergusson Brothers. Chris has gained 19 years of experience on the equity sell side, covering SA, EMEA, developed Europe, US and global equities and institutional clients, including 15 years of management experience. Chris's strong macroeconomic background and extensive involvement in the positioning of strategy and bottom-up company research has helped him develop a deep understanding of economic and company fundamentals which he now applies to his investment decisions within the ClucasGray Global Fund.

FUND CONTACT DETAILS

Contact Name	Brendon Hubbard
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Contact Email	clucasgray@clucasgray.co.za

MONTHLY PERFORMANCE (NET) 1 SEP 2013 TO CURRENT

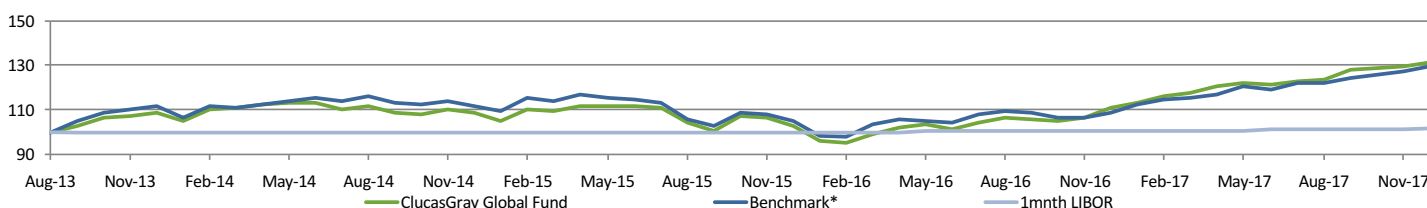
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013									2.78%	3.83%	0.21%	1.40%	8.44%
2014	-3.00%	4.96%	0.49%	1.07%	0.91%	-0.06%	-2.65%	1.50%	-2.60%	-0.75%	2.00%	-1.53%	0.03%
2015	-3.06%	5.07%	-0.92%	2.28%	-0.40%	0.06%	-0.80%	-5.52%	-3.63%	6.44%	-0.90%	-3.24%	-5.17%
2016	-6.61%	-0.89%	4.17%	2.86%	1.39%	-1.81%	2.84%	1.80%	-0.21%	-1.35%	1.97%	3.72%	7.64%
2017	2.07%	3.02%	1.05%	2.25%	1.44%	-0.74%	1.35%	0.53%	3.57%	0.51%	0.94%	1.30%	18.66%

CGGF PERFORMANCE TABLE (NET) 1 SEP 2013 to CURRENT

	ClucasGray Global	Benchmark*	US 1m LIBOR
1 month	1.30%	1.75%	0.13%
3 months	2.78%	4.53%	0.35%
6 months	8.46%	8.84%	0.65%
12 months	18.66%	18.91%	1.15%

* This is a custom benchmark: MSCI ACWI Index (developed and emerging markets) less a TER of 1.85%. This is an actively managed fund that is not designed to track its reference benchmark. Therefore the performance of the fund and the performance of its reference benchmark may diverge. Prior to 31 August 2013 the ClucasGray Global Fund traded under the name, The Xenon Global Fund. Due to the change of the Fund's mandate the data is no longer included in the fact sheet. This data is available on request at the above contact details.

CUMULATIVE PERFORMANCE OF CLUCASGRAY GLOBAL FUND SINCE 1 SEP 2013



MONTHLY COMMENTARY

Monthly Performance: Period from 01 December 2017 – 31 December 2017

The CGGF NAV per share increased by +1.3%, while global equity markets rose +1.9%. Stronger GBP (+0.3%), EUR (+0.9%) and CHF (+0.2%) had a positive impact on the Fund. In USD the S&P (+1.2%), Nasdaq (+0.8%), FTSE (+5.4%) and the Eurostoxx (+0.3%) all rose.

Equity markets remained well supported. Economic released continued to show strong growth with all major regions continuing to expand. Europe stood out with the manufacturing PMI hitting an all-time high and the services PMI hitting a new high for this cycle. The US market benefitted from the passing of the new tax laws which, as expected, cut the US corporate tax rate and introduced a new repatriation tax for offshore US corporate earnings. The impact of these changes will differ from company to company but it will provide a substantial net boost to after tax earnings for the market as a whole and will result in the repatriation of substantial offshore cash holdings.

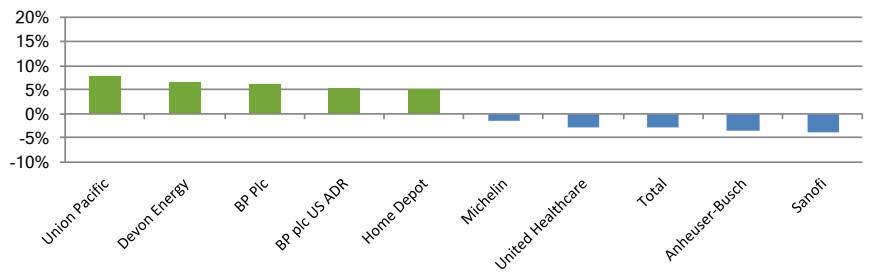
Strong gains were made by BP, Daimler, Devon Energy, GKN and Union Pacific. Healthcare lagged with Pfizer, Roche Sanofi and UnitedHealth all down over the period. Positions were increased in BNP, Devon Energy, Pfizer, Total and Disney. A new option position was established in Visa, the credit card company. Exposure to Abbvie, Michelin, Priceline, Sirius and Union Pacific was reduced. Although the fund performed well in absolute terms, performance was held back by hedging and an inability to redeploy cash holdings due to what we regard as excessive valuations for most companies. Net market exposure increased as hedging was reduced. At the end of December the Fund had an underlying exposure to equities of 88.3%, 74.7% cash equities and 13.6% equity options. The net cash position was 11.7%.

ALL HOLDINGS AND PERFORMANCE DATA IS AS AT DECEMBER 2017

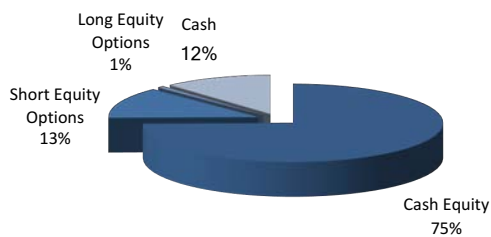
TOP 5 EQUITY EXPOSURES

Name	Sector	Percent
Alphabet	Information Technology	7.39%
Citigroup	Financials	7.10%
Total	Energy	5.92%
BNP Paribas	Financials	5.07%
Walt Disney	Consumer Discretionary	5.02%

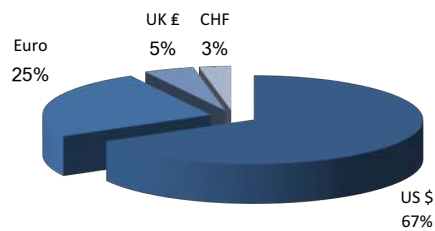
TOP & BOTTOM PERFORMERS: 1 December 2017 - 31 December 2017



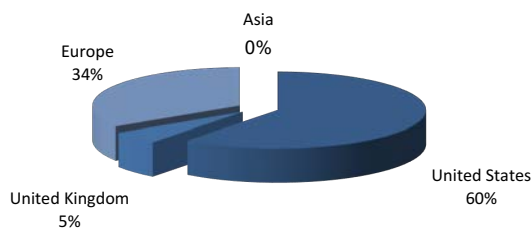
PORTFOLIO ASSET ALLOCATION



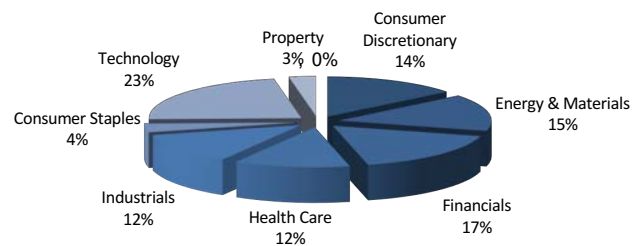
NET CURRENCY EXPOSURE



EQUITY EXPOSURE GEOGRAPHIC EXPOSURE



EQUITY EXPOSURE SECTOR ALLOCATION



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