

BALANCED

MODEL PERFORMANCE SHEET JUNE 2019

MODEL OBJECTIVE

The balanced portfolio is a medium risk portfolio which invests equally between defensive and growth assets. This portfolio is suitable for investors who are prepared to accept short-term losses in order to achieve better long-term returns. The DLSCM balanced portfolio should have an expected return that outpaces cash by approximately 5% over a 10-year holding period. There should be growth in the real value of assets over the long run, while reducing risk.

COMMENTARY

Markets have been buoyant, reversing losses experienced in 2018. Developed market equities were up nearly 4% over the quarter and 17% year to date in EUR terms. Credit has also had a good quarter and start to the year. Most government bond indices are also up about 5% year to date, having rallied this quarter.

Confronted by weaker economic data, risks to the trade outlook and still low inflation in Q2, the Federal Reserve (the Fed) and the European Central Bank (ECB) indicated that the cavalry is coming in the form of further monetary stimulus. So bad economic news was good news for markets.

The rally in markets has come against a backdrop of moderately deteriorating economic fundamentals, continued political impasse on Brexit, and increased trade tensions between the US and China. The G20 meeting resulted in the US and China agreeing to keep talking about trade, with no escalation in tariffs but also no significant signs of progress in addressing the key sticking points in the negotiations. The ongoing uncertainty could continue to weigh on business sentiment and consumer confidence.

Growth has slowed in 2Q19, inflationary pressures remained subdued and The Fed maintained its target range for the federal funds rate at 2.25%-2.50% at its June meeting. In the Federal Open Market Committee (FOMC) economic projections, it downgraded inflation materially from 1.8% by the end of 2019 to 1.5%, acknowledging persistently low levels. The market now expects more than 0.5% worth of rate cuts by the end of this year, in sharp contrast to the 0.5% increase in interest rates it was expecting for 2019 back in September 2018. US 10 year yields fell to about 2%.

Rates: EUR/USD 1.14, EUR/GBP 0.90, GBP/USD 1.27

Source: Davy, J.P. Morgan Asset Management. Data: 30th June 2019.

Key Facts (30th June 2019)

No. Holdings	12
OCF	0.81%
CUR	EUR
Min:	€20,000
Since Inception (S.I.)	6 th Oct 2017

FIG 1: Growth of Portfolio

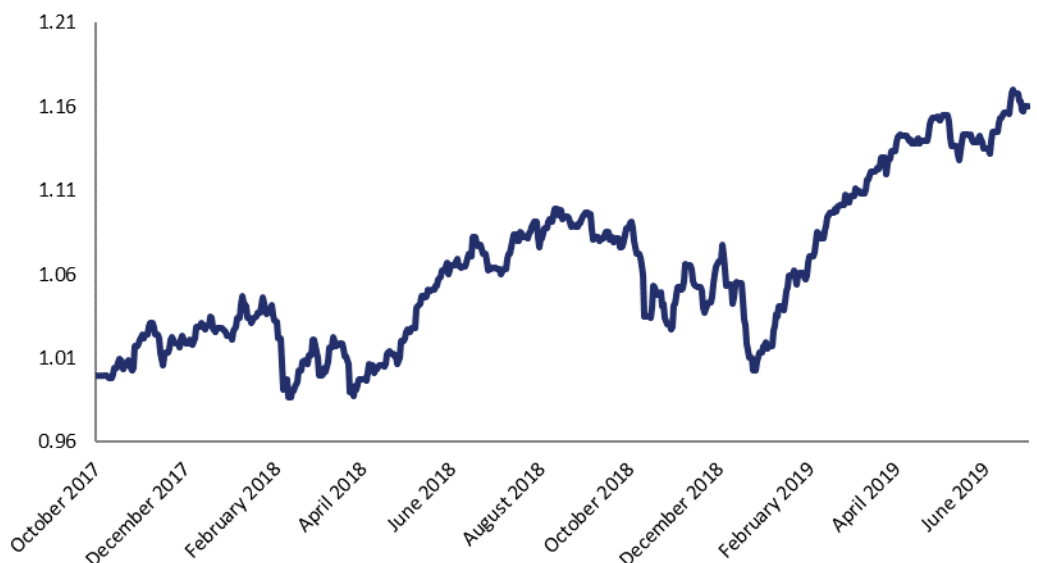


TABLE 1: ROLLING MODEL PORTFOLIO PERFORMANCE

Portfolio	1M	3M	6M	YTD	1YR	S.I.
DLS Balanced	2.2%	1.9%	14.0%	14.0%	9.0%	16.0%

Warning: Past performance is not a reliable guide to future performance. The return on investments denominated in non-euro currencies may be affected by changes in currency exchange rates.

FIGURE 2: Current Asset Allocation (% Model)

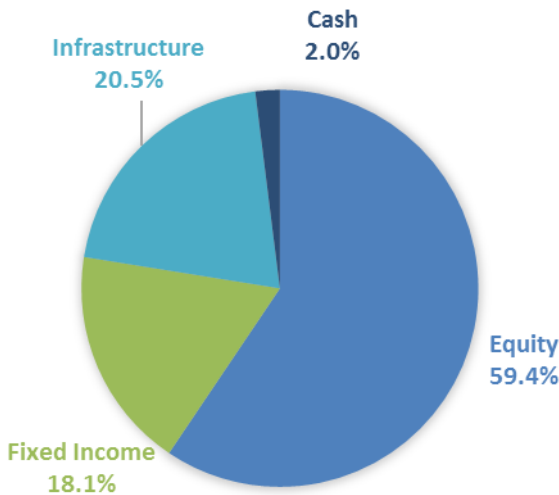


TABLE 2: INDIVIDUAL INSTRUMENT Allocation

Asset Allocation	Current	Initial
ishares S&P 500	11.8%	12.0%
Baillie Gifford Worldwide US Growth	6.0%	6.0%
First State Global Indian Sub Continent	4.2%	4.2%
First State Global Japan Equity	4.7%	4.8%
First State Global Asia Focus	8.9%	9.0%
Stewart Investors Asia Pacific Leaders	5.8%	6.0%
Stewart Investors Worldwide Sustainability	8.9%	9.0%
Fundsmith Equity	9.0%	9.0%
Total Equity	59.4%	60.0%
M&G Optimal Income	8.9%	9.0%
Jupiter Dynamic Bond	9.2%	9.0%
Total Fixed Income	18.1%	18.0%
First State Global Listed Infrastructure	10.2%	10.0%
M&G Global Listed Infrastructure	10.3%	10.0%
Total Infrastructure	20.5%	20.0%
Cash	2.0%	2.0%
Total Cash	2.0%	2.0%

TABLE 3: INDIVIDUAL INSTRUMENT PERFORMANCE

Individual Instruments	1M	3M	6M	YTD	1YR	S.I.
ishares S&P 500	5.2%	1.6%	19.3%	19.3%	13.1%	22.5%
Baillie Gifford Worldwide US Equity Growth	6.6%	4.3%	28.0%	28.0%	10.3%	48.3%
First State Global UF plc Indian Sub Continent	-2.9%	-0.8%	3.8%	3.8%	1.7%	7.3%
First State Global UF plc Japan Equity	1.2%	1.4%	14.8%	14.8%	-6.0%	12.9%
First State Global UF plc Asia Focus	3.3%	0.3%	11.7%	11.7%	6.3%	16.2%
Stewart Investors Asia Pacific Leaders	0.0%	0.0%	4.5%	4.5%	5.4%	13.7%
Stewart Investors Worldwide Sustainability	0.0%	0.0%	5.7%	5.7%	1.3%	5.9%
Fundsmith Equity	2.5%	2.2%	23.9%	23.9%	16.9%	30.8%
M&G Optimal Income	1.8%	1.2%	4.5%	4.5%	2.8%	1.4%
Jupiter Dynamic Bond	0.7%	2.5%	6.2%	6.2%	5.4%	3.4%
First State Global UF Global Listed Infrastructure	1.7%	2.4%	18.8%	18.8%	15.8%	12.6%
M&G Global Listed Infrastructure	3.6%	5.5%	23.1%	23.1%	21.1%	22.0%

S.I.: Data starts 06/10/2017

DLS Capital Management Limited is regulated by the Central Bank of Ireland

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