

CONSERVATIVE

MODEL PERFORMANCE SHEET DECEMBER 2019

MODEL OBJECTIVE

The conservative portfolio is a low risk portfolio with a large allocation to defensive assets. This portfolio is suitable for investors who are sensitive to short-term losses, but who still have the likely goal of beating expected inflation over the long run. The DLSCM conservative portfolio should have an expected return that outpaces cash by approximately 3% over a 10-year holding period. There should be growth in the real value of assets over the long run, while minimizing risk.

COMMENTARY

Markets in the fourth quarter continued to rally as global equities rose 6.75% in the last three months of the year, while developed market government bonds gave up 2.75% of their gains in EUR terms.

Several factors helped drive equities and bond yields higher in the final quarter. First, the US and eurozone manufacturing picked up slightly from September, although they remain weak. Second, the service sector in the US and Europe also picked up. Most importantly, despite headlines involving large job cuts at some companies in Europe, overall employment has held up well, and in the US over 200,000 jobs were added in November.

The fourth quarter also saw two significant political risks avoided, for now. US tariffs on China were scheduled to increase on 15 December but a phase one trade deal avoided that outcome. The fact that the US also didn't impose tariffs on European Union auto exports also helped support equities. The market ended the quarter cheered by the fact the worst case scenario for trade had, at least for now, been avoided. The S&P 500 was up 10.42% in 3 months while European Equities gained 5.62%, both in local currency.

The pound rallied versus the USD and EUR following the Conservative Party winning a majority in December. It also meant that the UK could pass a European Union withdrawal bill, activating a transition period during which little will change, until the end of 2020. This helped lift UK stocks as the FTSE 100 gained 3.35%.

Looking at the central banks, both the Fed and the ECB started to expand their balance sheets again and the Fed cut interest rates for the third time this year.

Rates: EUR/USD 1.11 (-2.3%), EUR/GBP 0.86 (-4.4%), GBP/USD 1.29 (4.8%)

Source: Davy, MSCI, J.P. Morgan Data: 31st December 2019

Key Facts (31st Dec 2019)

No. Holdings	12
OCF	0.82%
CUR	EUR
Min:	€20,000
Since Inception (S.I.)	6 th Oct 2017

FIG 1: Growth of Portfolio

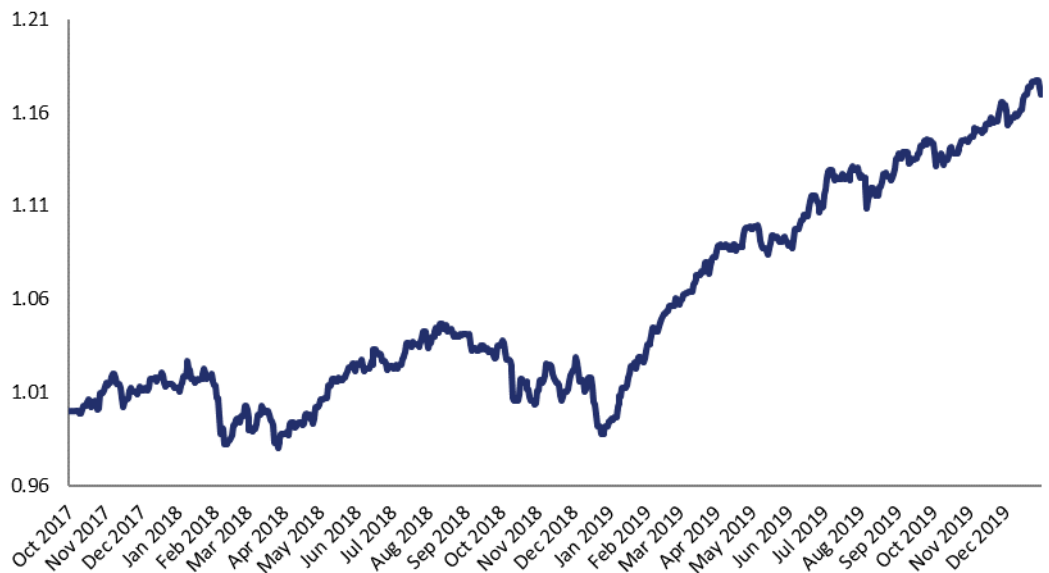


TABLE 1: ROLLING MODEL PORTFOLIO PERFORMANCE

Portfolio	1M	3M	6M	YTD	1YR	S.I.
DLS Conservative	0.5%	2.3%	4.8%	17.6%	17.6%	17.0%

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)

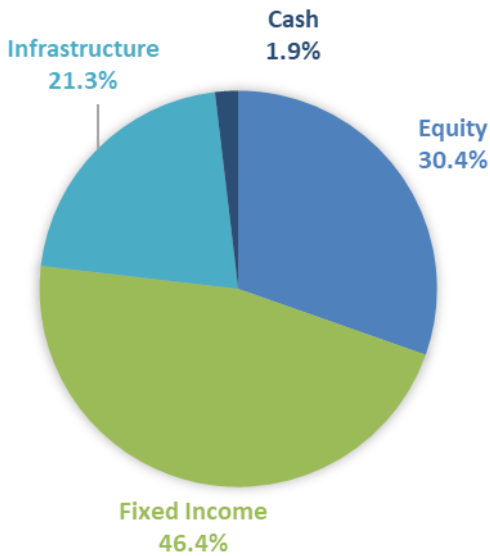


TABLE 2: INDIVIDUAL INSTRUMENT Allocation

Asset Allocation	Current	Initial
ishares S&P 500	6.2%	6.0%
Baillie Gifford Worldwide US Growth	3.0%	3.0%
First State Global Indian Sub Continent	2.0%	2.1%
First State Global Japan Equity	2.7%	2.4%
First State Global Asia Focus	4.6%	4.5%
Stewart Investors Asia Pacific Leaders	2.9%	3.0%
Stewart Investors Worldwide Sustainability	4.4%	4.5%
Fundsmith Equity	4.6%	4.5%
Total Equity	30.4%	30.0%
M&G Optimal Income	23.1%	24.0%
Jupiter Dynamic Bond	23.4%	24.0%
Total Fixed Income	46.4%	48.0%
First State Global Listed Infrastructure	10.3%	10.0%
M&G Global Listed Infrastructure	10.9%	10.0%
Total Infrastructure	21.3%	20.0%
Cash	1.9%	2.0%
Total Cash	1.9%	2.0%

TABLE 3: INDIVIDUAL INSTRUMENT PERFORMANCE

Individual Instruments	1M	3M	6M	YTD	1YR	S.I.
ishares S&P 500	1.2%	7.3%	10.9%	33.4%	33.4%	37.3%
Baillie Gifford Worldwide US Equity Growth	-1.1%	10.3%	2.1%	33.9%	33.9%	55.2%
First State Global UF plc Indian Sub Continent	-1.1%	2.3%	1.6%	6.5%	6.5%	10.1%
First State Global UF plc Japan Equity	-0.8%	6.4%	18.1%	38.8%	38.8%	36.5%
First State Global UF plc Asia Focus	1.7%	6.8%	7.5%	21.9%	21.9%	26.8%
Stewart Investors Asia Pacific Leaders	-0.5%	2.0%	2.9%	8.9%	8.9%	18.5%
Stewart Investors Worldwide Sustainability	-1.4%	3.3%	4.8%	17.8%	17.8%	18.0%
Fundsmith Equity	0.6%	4.3%	6.0%	32.7%	32.7%	40.1%
M&G Optimal Income	0.9%	2.1%	2.5%	7.3%	7.3%	4.1%
Jupiter Dynamic Bond	-0.7%	-0.7%	1.1%	7.5%	7.5%	4.6%
First State Global UF Global Listed Infrastructure	1.5%	-0.1%	6.8%	27.9%	27.9%	21.2%
M&G Global Listed Infrastructure	2.4%	3.6%	11.3%	38.1%	38.1%	36.9%

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

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

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