



# ATLANTIC HOUSE DEFINED RETURNS FUND

## Commentary

### Fund Overview

Despite some choppiness mid-month, developed global equity markets had a positive month in June, with the UK large cap market up 0.38%, while the Fund rose by 0.30%.

The positive June markets led to three of the Fund's investments maturing on their fourth anniversary, returning 32% during a period when the UK large cap market returned around 12%. Those investments have been replaced by two gilt-backed investments and one investment, purchased directly from a counterparty. As has often been mentioned, if there is an attractive opportunity to purchase an investment directly, the managers will do so. The Fund remains 94% gilt-backed at the end of June vs 95% at the end of May 2021.

We replaced those maturities with similar investments which are now linked to the current levels of developed market equity indices. While this resetting of market levels has increased the Fund's sensitivity to equity market moves ('delta') to 56% and slightly compressed the Fund's average buffer to the positive return barriers from 26.8% to 26.3%, our modelling suggests that the Fund should deliver more attractive future returns in all but strong down markets, as you can see from the scenario analysis below.

### Forward Looking Scenario Analysis

The table below shows the estimated future returns for the Fund over a range of falling, flat or rising market conditions and over different time periods. The numbers are intended as a guide for investors and are not guaranteed.

Market Move	-30%	-20%	-10%	0%	10%	20%	30%
1 year	-22.7%	-9.4%	0.4%	7.0%	9.8%	10.6%	10.8%
2 years	-21.0%	-5.1%	5.7%	12.9%	15.3%	15.9%	16.1%
3 years	-16.9%	6.0%	13.4%	18.3%	19.6%	20.0%	20.2%

Source: Atlantic House. The figures used in this analysis are based on assumptions calculated from derivative pricing models on 30 June 2021.

### Performance Indicators if Assets Held to Maturity

The table below is a snapshot of the current shape of the Fund. Along with other calculations, these performance indicators are constantly monitored and analysed aiming to best achieve the Fund's objectives.

Market Move	-20%	-10%	0%	+10%	+20%
Estimated Fund Move Assets Held to Maturity	19.5%	19.3%	10.2%	3.6%	3.4%
Average Time to Holdings' Maturity (years)	3.52	3.15	1.63	0.55	0.51
Equivalent Annualised Return	5.2%	5.7%	6.2%	6.8%	6.8%

**Past performance is not a guide to future performance. The price of shares and income from them can go down as well as up. Investors may not get back the full amount originally invested. Other share classes are available for this Fund. Please see the prospectus for more information.**

### Estimated Fund Move or 'Intrinsic Value'

The intrinsic value is the aggregate terminal value of the Fund considering estimated fees over the relevant period. The table above shows that, for example, if an investor bought the Fund today and none of the markets on which the investments were based moved between now and when the investments mature, the Fund would increase by 10.2%, a terminal value of GBP 1.8347 (based on current NAV of GBP 1.6649). What this does not tell us is the yield that is represented by these intrinsic values.

### Average Time to Holdings' Maturity

The table above also shows the weighted average time to maturity of the investments held within the Fund. Currently this is 1.63 years because, at current market levels, most of the current investments are likely to mature within 1 to 3 years. This number gives the investor an idea of how long it will take for them to earn the Equivalent Annualised Return.



## Equivalent Annualised Return

The table also shows the current expected return of the Fund considering estimated fees for certain movements in the underlying indices. For example, if markets do not move, we would expect the Fund to yield 6.2% given its current make-up. You can also see that we expect a positive return if the market falls 20% and then stays at this level until all investments mature.

## Important Information

Source for all data is Atlantic House Investments, Solactive and Bloomberg as at 30 June 2021, unless stated otherwise.

The price of shares and income from them can go down as well as up and past performance is not a guide to future performance. Investors may not get back the full amount originally invested. A comprehensive list of risk factors is detailed in the Prospectus and KIID and an investment should not be contemplated until the risks are fully considered. There is no guarantee that the Fund will achieve its objective. The Prospectus and KIID can be viewed at [www.atlantichousefm.com](http://www.atlantichousefm.com) and at [www.geminicapital.ie](http://www.geminicapital.ie).

Calculations do not consider credit spread movements of the issuers of the securities. The Mark to Market of the securities and therefore the NAV of the Fund will decrease as credit spreads widen and vice versa if spreads narrow.

This document is issued by Atlantic House Investments Limited and does not constitute or form part of any offer or invitation to buy or sell shares. It should be read in conjunction with the Fund's Prospectus, key investor information document ("KIID") or offering memorandum. Atlantic House Investments Limited is authorised and regulated by the Financial Conduct Authority FRN 931264. Atlantic House Investments Limited is a Private Limited Company registered in England and Wales, registered number 11962808. Registered Office: One Eleven Edmund Street, Birmingham. B3 2HJ.

The contents of this document are based upon sources of information believed to be reliable. Atlantic House Investments Limited has taken reasonable care to ensure the information stated is accurate. However, Atlantic House Investments Limited make no representation, guarantee, or warranty that it is wholly accurate and complete.

The Atlantic House Defined Returns Fund is a sub-fund of GemCap Investment Funds (Ireland) plc, an umbrella type open-ended investment company with variable capital, incorporated on 1 June 2010 with limited liability under the laws of Ireland with segregated liability between sub-funds.

GemCap Investment Funds (Ireland) plc is authorised in Ireland by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011) (the "UCITS Regulations"), as amended.

Gemini Capital Management (Ireland) Limited, trading as GemCap, is a limited liability company registered under the registered number 579677 under Irish law pursuant to the Companies Act 2014 which is regulated by the Central Bank of Ireland. Its principal office is at Ground Floor, 118 Rock Road, Booterstown, A94 VOY, Co. Dublin and its registered office is at 1 WML, Windmill Lane, Dublin 2, D02 F206. GemCap acts as both management company and global distributor to GemCap Investment Funds (Ireland) plc. GemCap UK Limited (FRN 924419) is an appointed representative of Connexion Capital LLP (FRN 480006), which is authorised and regulated by the Financial Conduct Authority and provides distribution oversight services to GemCap acting as global distributor and is responsible for the oversight of all distribution arrangements for the sub-fund.

The Fund is not sponsored, promoted, sold, or supported in any other manner by Solactive AG nor does Solactive AG offer any express or implicit guarantee or assurance either regarding the results of using the Index and/or Index trademark or the Index Price at any time or in any other respect. The Index is calculated and published by Solactive AG. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards the issuer, Solactive AG has no obligation to point out errors in the Index to third parties including but not limited to investors and/or financial intermediaries of the Fund. Neither publication of the Index by Solactive AG nor the licensing of the Index trademark for the purpose of use in connection within the Fund constitutes a recommendation by Solactive AG to invest capital in said Fund nor does it in any way represent an assurance or opinion of Solactive AG about any investment in this Fund.

### Need more information?



[www.atlantichousefm.com](http://www.atlantichousefm.com)



[info@atlantichouseinvestments.com](mailto:info@atlantichouseinvestments.com)



(+44 ) 020 7043 0100 |  
Telephone lines are recorded