



**WAVERTON**  
INVESTMENT MANAGEMENT

# SOUTHEAST ASIAN FUND I USD ACC

FUND FACTSHEET - AS AT 30 SEPTEMBER 2017

## OBJECTIVES

### FUND AIM

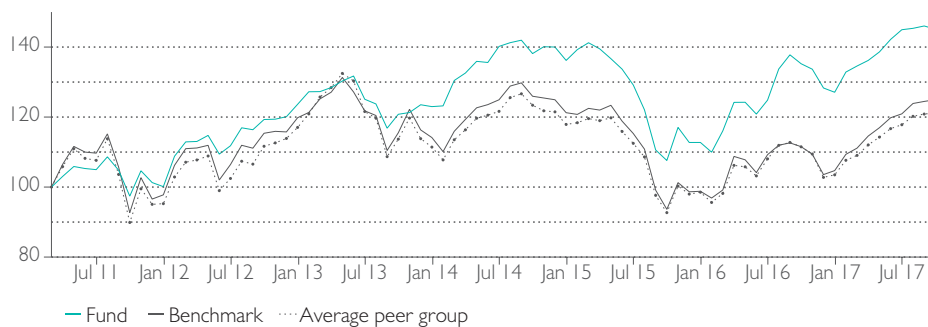
The investment objective is to generate capital growth by investing in a concentrated portfolio of no more than 30 listed Southeast Asian equities

### INVESTMENT STYLE

The fund invests in growth companies at reasonable prices (GARP). Building concentrated portfolios from the bottom up, unconstrained by the composition of the index. The managers seek to make a small number of long-term investments, primarily in growing companies, with strong management and operating in favourable business environments.

## PERFORMANCE

### ROLLING PERFORMANCE



**Risk Warning:** Past performance is no guide to future performance. The value of holdings may fall as well as rise and investors may not get back their initial investment.

Important information: Performance displayed is for the I Share Class. Performance is calculated on a NAV to NAV basis and does not take into account any initial fees. Performance is displayed net of fees and assumes income is reinvested.

Period	1 Month	3 Months	YTD	1 Year	3 Years	5 Years	Inception Mar 11
Portfolio (%)	-0.6	0.1	14.2	7.3	5.0	21.6	45.1
Benchmark (%)	0.4	3.3	19.3	12.0	-0.8	8.3	23.0
Morningstar Peer Group (%)	0.6	2.9	17.0	8.4	-3.8	8.7	18.0
Quartile	4	4	4	3	1	1	1

### DISCRETE CALENDAR YEAR

Period	2016	2015	2014	2013	2012
Fund (%)	12.7	-17.2	10.7	-0.5	23.5
Benchmark (%)	6.0	-18.5	6.2	-4.7	22.5

### STANDARDISED PERFORMANCE

Period 1 year to	30/09/2017	30/09/2016	30/09/2015	30/09/2014	30/09/2013
Fund (%)	7.3	25.7	-22.1	14.4	1.3

## PORTFOLIO SUMMARY

COUNTRY		SECTOR		TOP 10 HOLDINGS	
Indonesia	29.7%	Financials	17.9%	Silverlake Axis	5.1%
Philippines	17.6%	Consumer Discretionary	16.7%	Bank Tabungan Pensiunan Nasional	5.0%
Thailand	17.2%	Utilities	12.5%	BEC World	4.6%
Malaysia	12.3%	Consumer Staples	10.3%	KrungThai Card	4.5%
Vietnam	10.6%	Telecommunication Services	7.9%	Philippine National Bank	4.4%
Singapore	8.2%	Industrials	6.9%	Aboitiz Power	4.4%
Cambodia	4.5%	Real Estate	6.8%	NagaCorp	4.3%
<b>Total</b>	<b>100.0%</b>	Information Technology	5.1%	Vietnam Enterprise Investments	4.3%
		Investment Funds	4.3%	Cikarang Listrindo	4.1%
		Materials	3.9%	Bekasi Fajar Industrial Estate	4.1%
		Energy	2.9%	<b>Total</b>	<b>44.8%</b>
		Cash	4.8%		
		<b>Total</b>	<b>100.0%</b>		

## COMMENTARY

The fund had a disappointing month, with a 0.6% decline, against a rise of 0.4% for the benchmark MSCI ASEAN index. The best performing regional markets were Thailand (+3.1% in US\$ terms) and the Philippines (+3.4%), whilst Indonesia (-0.4%) was the laggard. Once again, large cap stocks led the way in Southeast Asia, as they have throughout the year, whilst mid-caps struggled, and the MSCI ASEAN mid-cap index declined by 1.0% in September. This is an unfavourable backdrop for the fund, which has a high exposure to mid-cap stocks, but we continue to find that the best medium and longer term growth opportunities are hidden amongst overlooked and currently unloved mid-cap names. It is our belief that the case for owning them is further strengthened by their recent underperformance relative to large cap peers.

The Thai people are preparing for the five day funeral later this month of their beloved King Rama IX, who died exactly one year ago, after an extraordinary 70 years on the throne. It will be a sombre occasion but, to judge by the meticulous preparations, a glorious and magnificent spectacle. And it will mark the end of 12 months of mourning that have eclipsed every other aspect of life here in Bangkok, including politics, economics and commerce. So much of Thai life has been put on hold during this period, that it is difficult to be sure what forces are waiting to re-emerge in November, blinking in the sunlight. And there is of course natural apprehension about the future when so few Thais remember life before the late King's reign. But the strong stock market seems to hint at growing confidence that politics at least will remain stable for the immediate future. Indeed, the military government's firm grip has been strengthened by the flight into exile in London of former-PM Yingluck Shinawatra, which deprives the opposition of its most recent leader. There is also a possibility that 12 months of pent-up consumer demand will lead to a strong year end for the domestic economy.

The poor performance of the Indonesian market in September reflects a suddenly improved showing by the US dollar in the last few weeks, and a rising sense that dollar weakness may have run its course for now. This weakness has been pivotal to emerging market performance in 2017. With the Fed now embarking on the process of shrinking its balance sheet, and continuing to signal a possible further rate rise this year, there is a widespread perception that Indonesia is the most vulnerable regional market if the dollar now rallies. We think the stocks most exposed to this kind of reversal are the large caps that are members of global and regional emerging market indices and that have driven the MSCI Indonesia to an 11.4% gain year-to-date. The MSCI Indonesia mid-cap index has declined by 4% over the same period, and as a result we are increasingly seeing some excellent opportunities emerging in the mid-cap space there.

### TEAM



Brook Tellwright



William Hanbury



Douglas Barnett

## FUND DETAILS

### FUND FACTS

Launch Date	1st March 2011
Morningstar Category	ASEAN Equity
Benchmark	MSCI AC ASEAN NR Index
Fund Size	\$30.3m
No. of Holdings	24
Domicile	Luxembourg
Sedol	BP4W4Z9
Bloomberg Code	SHAEAF:LX
Fund Type	SICAV
Base Currency	USD
Other Currencies	None
Ex Dividend Dates	N/A

### RISK STATISTICS

#### 3Y Annualised

Fund Volatility (%)	12.8
Index Volatility (%)	13.0
Sharpe Ratio	0.5
Information Ratio	0.3
Tracking Error	5.9
Alpha (%)	1.9
Beta	1.0
Active Share (% - Current)	97.9

### FUND INFORMATION

Share class	ISIN	Minimum investment	AMC	INC/ACC	NAV	Historic yield (%)	Ongoing charge (%)
I USD Acc	LU1060842033	1,000,000 USD	0.75%	ACC	829.871	N/A	1.65%
I USD Inc	LU1206605195	1,000,000 USD	0.75%	INC	1451.043	N/A	1.65%
R USD Lead	LU1060841571	100,000 USD	1.25%	ACC	1014.104	N/A	2.11%

## CONTACT DETAILS

### MARKETING CONTACT

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