



WAVERTON
INVESTMENT MANAGEMENT

SOUTHEAST ASIAN FUND I USD ACC

FUND FACTSHEET - AS AT 30 APRIL 2018

OBJECTIVES

FUND AIM

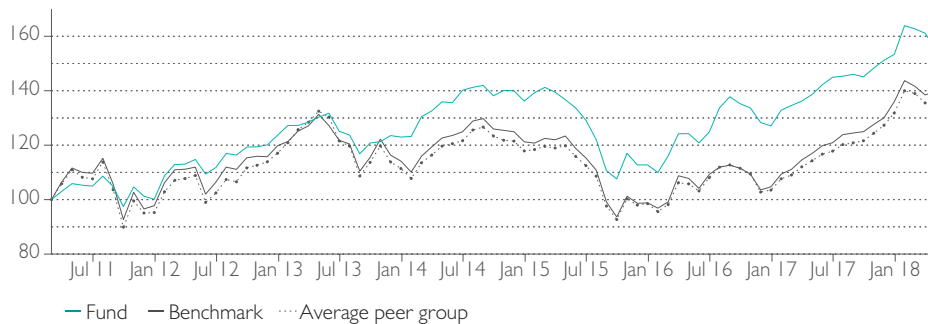
The investment objective is to generate capital growth by investing in a concentrated portfolio of no more than 30 listed Southeast Asian equities

INVESTMENT STYLE

The Fund seeks to construct 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

PERFORMANCE SINCE INCEPTION



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 (%)	-3.4	-5.0	1.5	12.3	13.9	19.5	55.7
Benchmark (%)	0.8	-2.9	2.6	19.3	13.1	6.3	37.4
Morningstar Peer Group (%)	-0.2	-3.6	2.5	17.3	10.4	3.7	30.1
Quartile	4	4	3	4	2	1	1

DISCRETE CALENDAR YEAR

Period	2017	2016	2015	2014	2013
Fund (%)	20.7	12.7	-17.2	10.7	-0.5
Benchmark (%)	29.9	6.0	-18.5	6.2	-4.7

STANDARDISED PERFORMANCE

Period 1 year to	30/04/2018	30/04/2017	30/04/2016	30/04/2015	30/04/2014
Fund (%)	12.3	11.6	-9.1	0.6	4.3

PORTFOLIO SUMMARY

COUNTRY		SECTOR		TOP 10 HOLDINGS	
Indonesia	31.9%	Consumer Discretionary	12.8%	Silverlake Axis	8.1%
Thailand	16.7%	Information Technology	12.7%	Sentul City	5.9%
Philippines	15.6%	Utilities	12.6%	Bekasi Fajar Industrial Estate	5.1%
Malaysia	12.0%	Financials	12.6%	Hana Microelectronics	4.6%
Vietnam	10.1%	Industrials	11.2%	NagaCorp	4.4%
Cambodia	4.4%	Real Estate	11.0%	BEC World	4.4%
Singapore	4.3%	Consumer Staples	7.8%	Bank Tabungan Pensiunan Nasional	4.4%
Cash	5.1%	Materials	4.1%	Singapore Post	4.3%
Total	100.0%	Investment Funds	3.7%	Philippine National Bank	4.2%
		Energy	3.7%	Manila Water	4.2%
		Telecommunication Services	2.9%	Total	49.7%
		Cash	5.1%		
		Total	100.0%		

COMMENTARY

In the face of classic late-cycle threats to the global economic expansion, emerging markets are showing signs of growing unease. The perceived threats include rising US interest rates, an inflation scare, currency volatility, capital flight and global trade wars. Although the overall Southeast Asian benchmark rose by 0.8% in USD terms in April, correlation between regional markets broke down markedly over the course of the month, with Singapore rising by 5.4% in local currency terms, whilst Vietnam declined by 10.6%, Indonesia by 3.1% and the Philippines by 2.0%. Even setting aside the sharp contraction in Vietnam, which as a frontier market tends to demonstrate greater volatility, the discrepancy between Indonesia and the Philippines, where the portfolio is overweight, and Singapore, where it is not, was exceptional. The portfolio suffered in April as a result, declining by 3.4% in USD terms. There were multiple reasons for this underperformance of the region's emerging markets relative to its only developed market. Pre-eminent among them was a US Federal Reserve in tightening mode, raising investors' fears of increasing headwinds for emerging markets from a strong US dollar, and a possible re-enactment of the "taper tantrum" capital outflows of 2013.

With the US Treasury 10Y bond yield attempting to break decisively above the psychologically-important 3% resistance level, and the US Federal Reserve looking gradually to normalise policy through higher rates and a steady rundown of its balance sheet, interest rate differentials are becoming important to markets once again. The US dollar has begun to attract renewed support after 15 months of sustained weakness. Whilst Singapore is a potential early beneficiary of higher rates, as much of its economy and market is composed of banks that stand to gain from expanding net interest margins, the same is not true for Indonesia or the Philippines, and recent developments have brought intense scrutiny on these economies. We expect global growth to hold up well in late-2018 however. Central banks everywhere are making plain their willingness to accept some inflationary "overshoot", which suggests that Southeast Asian exports and corporate earnings will remain strong for now. It seems likely to us that Indonesia and the Philippines have been oversold.

On the 24th April, Silverlake Axis announced that the group had secured a new core banking system contract with a large ASEAN banking institution. The bank in question, as yet unnamed, is undergoing a program to modernise its legacy systems which will support the bank's "transformation plans and act as an enabler to deliver its digital initiatives". Silverlake's flagship core banking solution, Silverlake Axis Integrated Banking Solution (SIBS), will be deployed. The contract is scheduled to be implemented within 15 months but is expected to contribute to 2018 revenue. The news is clearly positive for the company, and when coupled with the recently completed acquisition of three private entities in the fintech space, underlines the strength of Silverlake's offering in both core banking software and the digital enhancements that will enable banks to address the challenge from fintech start-ups.

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	\$33.6m
No. of Holdings	22
Domicile	Luxembourg
Sedol	BP4W4Z9
Bloomberg Code	SHAEAFALX
Fund Type	SICAV
Base Currency	USD
Other Currencies	None
Ex Dividend Dates	N/A

RISK STATISTICS

3Y Annualised

Fund Volatility (%)	13.4
Index Volatility (%)	13.7
Sharpe Ratio	0.6
Information Ratio	0.0
Tracking Error	6.2
Alpha (%)	0.7
Beta	0.9
Active Share (% - Current)	98.9

FUND INFORMATION

Share class	ISIN	Minimum investment	AMC	INC/ACC	NAV	Historic yield (%)	Ongoing charge (%)
1 USD Acc	LU1060842033	1,000,000 USD	0.80%	ACC	829.871	N/A	1.31%
1 USD Inc	LU1206605195	1,000,000 USD	0.80%	INC	1557.142	N/A	1.33%
R USD Lead	LU1060841571	100,000 USD	1.25%	ACC	1061.961	N/A	1.85%

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Risk Warning: Past performance is no guide to future performance. The value of holdings may fall as well as rise. All financial investments involve an element of risk. The level of income from the investment may fluctuate in value. Currency movements may also affect the value of the investment. If the currency in which the past performance is displayed differs from the currency of the country in which you reside, then you should be aware that due to exchange rate fluctuations the performance shown may increase or decrease if converted into your local currency. The Fund may invest assets in Emerging Market Countries. The risks involved in investments in Emerging Market Countries are likely to exceed the risks of investment in more mature markets. For full details of investment risks please refer to the Prospectus. A copy of the full prospectus and the KIID is available from Waverton Investment Management or Casa4 Funds. Waverton Investment Management is authorised and regulated by the Financial Conduct Authority. Sources: Waverton, Morningstar.

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