



WAVERTON
INVESTMENT MANAGEMENT

SOUTHEAST ASIAN FUND I USD ACC

FUND FACTSHEET - AS AT 28 FEBRUARY 2018

OBJECTIVES

FUND AIM

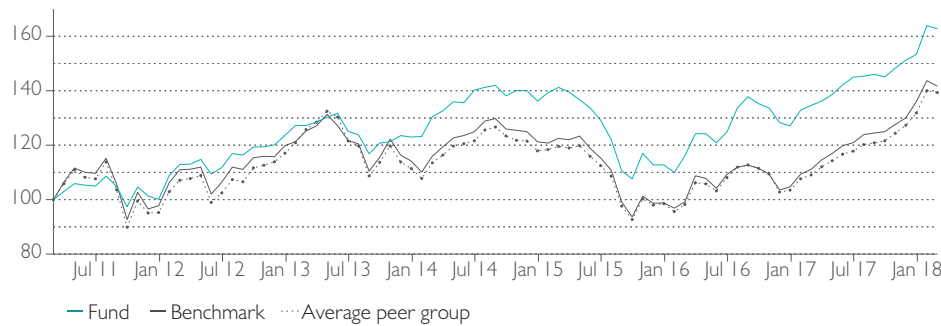
The investment objective is to generate capital growth by investing in a concentrated portfolio of no more than 30 listed Southeast Asian equities

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

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 (%)	-0.7	7.6	6.1	20.9	15.2	27.9	62.8
Benchmark (%)	-1.4	8.9	4.2	27.5	15.6	13.1	39.5
Morningstar Peer Group (%)	-0.8	9.0	5.4	26.4	13.4	11.6	33.3
Quartile	3	4	2	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	28/02/2018	28/02/2017	29/02/2016	28/02/2015	28/02/2014
Fund (%)	20.9	16.0	-17.8	8.3	2.5

PORTFOLIO SUMMARY

COUNTRY		SECTOR		TOP 10 HOLDINGS	
Indonesia	32.3%	Financials	14.0%	Silverlake Axis	7.0%
Thailand	16.5%	Consumer Discretionary	11.5%	Sentul City	5.6%
Philippines	15.4%	Real Estate	10.8%	Bank Tabungan Pensiunan Nasional	5.3%
Malaysia	14.4%	Utilities	10.6%	Bekasi Fajar Industrial Estate	5.1%
Vietnam	11.4%	Consumer Staples	9.3%	Astra Agro Lestari	4.9%
Cambodia	5.4%	Information Technology	7.0%	NagaCorp	4.7%
Singapore	4.4%	Telecommunication Services	6.4%	Alliance Bank	4.2%
Total	100.0%	Industrials	6.3%	Petro Vietnam Drilling & Well	4.2%
		Energy	4.2%	Philippine National Bank	3.9%
		Materials	3.8%	Intouch	3.9%
		Investment Funds	3.3%	Total	48.8%
		Cash	12.7%		
		Total	100.0%		

COMMENTARY

Volatility returned to global equity markets with a vengeance in February, triggered by higher than expected US wage growth data released on the 2nd February. The data point and subsequent sell-off served as a reminder of the potential risks to equity valuations posed by a change in interest rate expectations. The sell-off was indiscriminate and equity markets in Southeast Asia fell with the rest of the world. Singapore and Vietnam suffered the largest drawdowns in the region falling 6% and 10% respectively although the sell-off in each market had different characteristics. Singapore suffered as flows in passive investment structures left the region quickly. In contrast, Vietnam's market is dominated by domestic retail investors who make up 85% of the daily trading volume. Panic selling set in on the 5th February amongst these investors and the market dropped by 5% on the day, a remarkable drop given that daily movement limits of Vietnamese stocks is +/- 7%. This triggered margin calls which exacerbated the drawdown. The sell-off was more moderate in Indonesia, Malaysia and Thailand, which have developed domestic institutional investor bases making their markets less prone to volatile foreign flows or skittish retail participants.

Large-caps significantly outperformed mid-caps in February; this is not normally our favoured environment given our current weighting in mid-caps. Despite this, the fund only suffered a small loss of -0.7% and outperformed the benchmark by 74 basis points. February brought with it a compilation of large cap earnings releases that didn't disappoint. The three Singapore banks announced strong full year earnings, ahead of expectations, adding buoyancy to their already rich valuations. These banks were top contributors to index performance last year and have started 2018 with similar strength.

Silverlake Axis, the Singapore listed, Malaysian banking software company, released earnings in February. Q2 2017/2018 revenue was up 5% to MYR 133.2m, while net profit decreased by 87% y/y to MYR 32.7m. The sharp decrease in net profit was driven by an extraordinary gain last year on the disposal of Global Infotech shares. Maintenance and services made up 77% of total revenue; this low capital intensive segment helps drive the company's high ROE, which is currently over 40%. The company pays a generous dividend and the stock yields 4.7%, which provides further support to the share price. In an EGM held on the 1st March shareholders voted in favour of a resolution to acquire three privately-owned Silverlake businesses. We are supportive of the acquisitions and feel that the earn-out provisions align our interests with those of the majority controlling shareholder and Chairman, Dr. Goh, who also owns 70% of each target company. Silverlake has faced criticism for its complex corporate structure and we are relieved that this deal will bring most of Dr. Goh's privately-held interests into the listed entity.

FUND DETAILS

FUND FACTS

Launch Date	1st March 2011
Morningstar Category	ASEAN Equity
Benchmark	MSCI AC ASEAN NR Index
Fund Size	\$39.1m
No. of Holdings	23
Domicile	Luxembourg
Sedol	BP4W4Z9
Bloomberg Code	SHAEAFAXLX
Fund Type	SICAV
Base Currency	USD
Other Currencies	None
Ex Dividend Dates	N/A

RISK STATISTICS

3Y Annualised	
Fund Volatility (%)	13.3
Index Volatility (%)	13.6
Sharpe Ratio	0.6
Information Ratio	0.0
Tracking Error	6.0
Alpha (%)	0.3
Beta	0.9
Active Share (% - Current)	98.7

FUND INFORMATION

Share class	ISIN	Minimum investment	AMC	INC/ACC	NAV	Historic yield (%)	Ongoing charge (%)
I USD Acc	LU1060842033	1,000,000 USD	0.80%	ACC	829.871	N/A	1.31%
I USD Inc	LU1206605195	1,000,000 USD	0.80%	INC	1627.58	N/A	1.33%
R USD Lead	LU1060841571	100,000 USD	1.25%	ACC	1110.001	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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