



WAVERTON
INVESTMENT MANAGEMENT

SOUTHEAST ASIAN FUND I USD ACC

FUND FACTSHEET - AS AT 31 JULY 2018

OBJECTIVES

FUND AIM

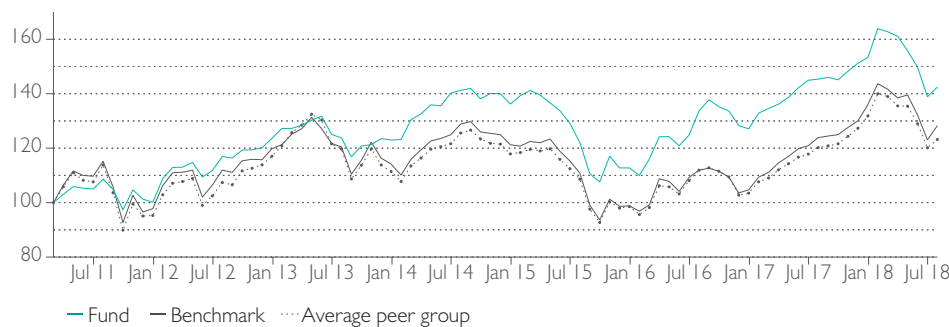
The investment objective is to generate capital growth by investing in a concentrated portfolio of no more than 30 listed Southeast Asian equities

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 (%)	2.6	-8.5	-7.1	-2.0	16.7	15.1	42.4
Benchmark (%)	4.3	-8.1	-5.7	3.6	15.7	6.5	26.3
Morningstar Peer Group (%)	2.3	-8.9	-6.7	2.1	11.2	2.0	18.9
Quartile	2	1	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	31/07/2018	31/07/2017	31/07/2016	31/07/2015	31/07/2014
Fund (%)	-2.0	8.7	9.6	-13.6	14.1

PORTFOLIO SUMMARY

COUNTRY		SECTOR		TOP 10 HOLDINGS	
Indonesia	31.1%	Consumer Discretionary	14.5%	Silverlake Axis	7.8%
Thailand	17.3%	Financials	13.7%	NagaCorp	5.5%
Philippines	13.8%	Utilities	12.6%	Sentul City	4.8%
Malaysia	12.2%	Industrials	12.4%	Jardine Cycle & Carriage	4.8%
Vietnam	11.0%	Information Technology	12.3%	Siam City Cement	4.7%
Cambodia	5.5%	Real Estate	9.2%	Philippine National Bank	4.6%
Singapore	4.5%	Consumer Staples	8.3%	Bank Tabungan Pensiunan Nasional	4.6%
Cash	4.6%	Materials	4.7%	Blue Bird	4.6%
Total	100.0%	Investment Funds	4.2%	Aboitiz Power	4.6%
		Energy	3.5%	Manila Water	4.6%
		Cash	4.6%	Total	50.7%
		Total	100.0%		

COMMENTARY

We've moved on from the narrative of synchronised global growth, prevalent at the start of the year, to a more imbalanced global picture of strength in the US but weaker elsewhere in the developed world. Add to this tightening liquidity conditions, led by the US Federal Reserve raising rates, and the threat of an impending trade war between the US and China it's perhaps unsurprising that markets were weak and capital flowed out of the region in 1H 2018. The pressures that built up in the 1H started to subside in July though risks remain. Foreigners were net buyers across the region for the month and, with the exception of Vietnam, all markets recovered with Thailand (+6.7%) and Philippines (+6.6%) leading the way. The fund was up 2.6% underperforming the index which was up 4.3%. Again, with the exception of Vietnam, currencies across the region also stabilised in July. Vietnam is the only country in our universe which applies a "soft-peg" to manage its currency against the USD. On 23rd July The State Bank in Vietnam (SBV) moved to devalue the Dong by 1%. The macro picture in the country remains strong with exports growing by double digits this year. Since 2012 it has recorded healthy current account surplus's and FX reserves remain over USD 60bln. We believe the SBV's move was more in reaction to China's 4% devaluation earlier this year rather than deteriorating fundamentals in the country.

With the media's focus on every move made by both American and Chinese governments with respect to trade tariffs, the subject is likely to remain at the forefront of investors' minds for some time. It's difficult to unpick the extent to which regional market weakness this year has been caused by the threat of increased protectionism, a tighter liquidity environment or simply profit taking after strong returns in 2017. What we can say is that from a bottom up perspective conditions look promising with some strong 1H earnings announced in July. As earnings accelerate, expectations are revised so valuations of both regional markets and the portfolio are looking undemanding. A significant amount of bad news appears to be priced in. The fund now trades on a PE of 12.7x and the MSCI ASEAN index trades on 15x vs. the MSCI World index of 18.5x. The other key point to make is how well corporates are performing in the face of the threats to the macro environment. This was highlighted when meeting companies in Jakarta last month. Despite high and increasing real interest rates, Indonesian corporates have coped well; generating impressive returns while maintaining strong balance sheets. In our view this remains a positive environment for stock picking as we can avoid companies that are ill-equipped to withstand higher costs of capital and those reliant on external funding for growth. Instead our investment process leads us to select cash generative companies with strong balance sheets and, given the recent market sell-off, has meant we can buy them or add to existing positions at more attractive valuations.

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	\$26.5m
No. of Holdings	21
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 (%)	13.7
Index Volatility (%)	14.3
Sharpe Ratio	0.8
Information Ratio	0.0
Tracking Error	6.2
Alpha (%)	0.9
Beta	0.9
Active Share (% - Current)	99.2

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	1424.369	N/A	1.33%
R USD Lead	LU1060841571	100,000 USD	1.25%	ACC	971.406	N/A	1.85%

CONTACT DETAILS

MARKETING CONTACT

Charles Scott Plummer
 csp@waverton.co.uk
 +44 (0)20 7484 7429
 www.waverton.co.uk

MARKETING CONTACT

Jonno Ross
 jross@waverton.co.uk
 +44 (0)20 7484 7491
 www.waverton.co.uk

DOMICILIARY AGENT

Casa4 Funds
 www.casa4funds.com

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.

Issued by Waverton Investment Management Limited. Registered in England No 2042285. Registered Office: 16 Babmaes Street, London, SW1Y 6AH. Authorised and Regulated by the Financial Conduct Authority.