



WAVERTON
INVESTMENT MANAGEMENT

SOUTHEAST ASIAN FUND I USD ACC

FUND FACTSHEET - AS AT 30 JUNE 2018

OBJECTIVES

FUND AIM

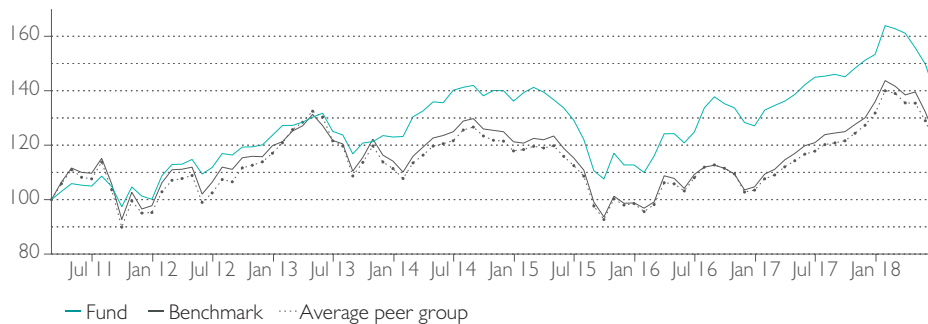
The investment objective is to generate capital growth by investing in a concentrated portfolio of no more than 30 listed Southeast Asian equities

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 (%)	-7.3	-13.8	-9.4	-4.2	7.5	11.0	38.9
Benchmark (%)	-6.9	-11.1	-9.5	1.8	6.7	1.0	21.2
Morningstar Peer Group (%)	-6.8	-11.2	-9.0	1.5	4.3	-2.0	15.8
Quartile	3	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	30/06/2018	30/06/2017	30/06/2016	30/06/2015	30/06/2014
Fund (%)	-4.2	16.1	-3.4	-7.9	12.1

PORTFOLIO SUMMARY

COUNTRY		SECTOR		TOP 10 HOLDINGS	
Indonesia	35.0%	Financials	15.1%	Silverlake Axis	9.3%
Thailand	16.2%	Utilities	14.9%	Bank Tabungan Pensiunan Nasional	5.9%
Philippines	14.4%	Information Technology	14.5%	Bekasi Fajar Industrial Estate	5.8%
Malaysia	13.7%	Industrials	12.6%	Hana Microelectronics	5.2%
Vietnam	10.7%	Consumer Discretionary	12.3%	Cikarang Listrindo	5.2%
Singapore	4.6%	Real Estate	10.0%	Blue Bird	5.0%
Cambodia	4.4%	Consumer Staples	8.1%	Manila Water	5.0%
Cash	1.0%	Investment Funds	4.0%	Philippine National Bank	4.7%
Total	100.0%	Materials	4.0%	Aboitiz Power	4.7%
		Energy	3.6%	Singapore Post	4.6%
		Cash	1.0%	Total	55.4%
		Total	100.0%		

COMMENTARY

These are trying times for investors in emerging markets, which are assailed on all sides by higher interest rates, currency volatility and rising trade tensions. The pressures only seemed to increase during June. The fund declined by 7.3% vs. the benchmark which declined 6.9% for the month in US\$ terms, led by Thailand, down 10.4% in US\$ terms, but with every regional market now in retreat. The over-riding investor concern at this point is currency volatility; again it was Thailand that led the way in June, with the baht losing around 3% of its value against the US\$, but year-to-date it is the Indonesian rupiah and the Philippine peso that have been hardest hit, declining by 4.7% and 6.7% respectively. This inevitably has investors worrying about the potential for a vicious circle of imported inflation, higher domestic interest rates and slower growth. Against this background, it is perhaps not surprising that those markets with a long history of fiscal and current account deficits, currency volatility and high inflation risks should be in the eye of the storm. Hence the sharpest year-to-date declines in equities have also been in Indonesia and the Philippines, down 13.1% and 21.3% respectively in US\$ terms.

Despite broadly sound economic fundamentals, the trend towards higher rates in Southeast Asia is now firmly established. Indonesia hiked by 50 basis points at the end of June, on top of two 25bp increases in May, and the Philippines by 25bps in June, also on top of a single 25bp increase in May. Investors are waiting to see if these measures will prove sufficient to restore confidence in the rupiah and the peso. By surprising the market with its aggressive stance, Indonesia may have done enough to support the rupiah for now. The Philippines will probably need to raise again however, whilst Thailand and Vietnam are looking behind the curve in this tightening cycle. The Thai baht finally succumbed to selling pressure in June and the Vietnamese dong, although it has held up well this year, also shows evidence of pressures accumulating. In short, this tightening is only mid-cycle at best in Southeast Asia, which may imply further volatility ahead in both currencies and equities in the second half of the year.

With central bankers starting to raise rates across the region, we expect the market to begin rewarding companies with strong balance-sheets and those less reliant on increasingly expensive external funding. The portfolio leans heavily toward such companies. Several investments have net cash, including Hana Microelectronics, Silverlake Axis and NagaCorp, and non-financial holdings across the portfolio have on average less than 45% debt-to-equity, versus more than 80% for the index. In general, we seek to invest in companies that are highly cash generative.

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	\$26.8m
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 (%)	14.1
Index Volatility (%)	14.4
Sharpe Ratio	0.6
Information Ratio	0.0
Tracking Error	6.2
Alpha (%)	0.4
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	1388.521	N/A	1.33%
R USD Lead	LU1060841571	100,000 USD	1.25%	ACC	946.959	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.