



**WAVERTON**  
INVESTMENT MANAGEMENT

# WAVERTON ASIA PACIFIC A USD

FUND FACTSHEET - AS AT 31 DECEMBER 2017

## OBJECTIVES

### FUND AIM

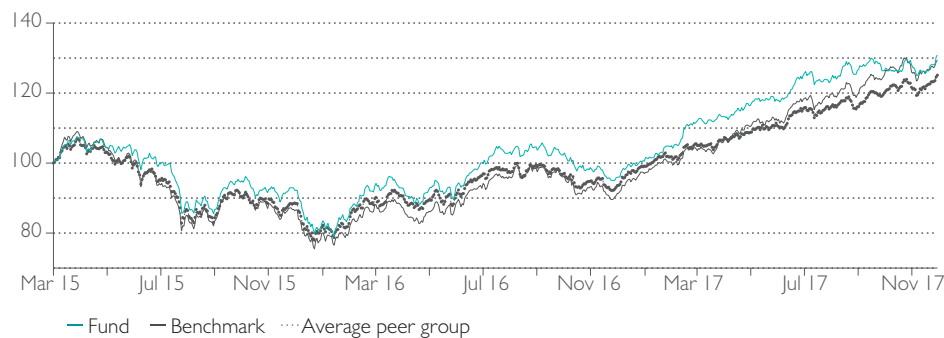
The Waverton Asia Pacific Fund seeks to achieve capital growth and generate an income through diversified investment in equities of Asian-Pacific companies (excluding Japanese equities).

### INVESTMENT STYLE

The Fund employs a pragmatic approach to investing in Asia through a combination of active country / sector allocations and disciplined stock selection in a reasonably concentrated portfolio (25-40 holdings).

## PERFORMANCE

### PERFORMANCE SINCE 1<sup>ST</sup> APRIL 2015\*



**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 A 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

\*William Hanbury co-managed the Fund from 1st Jan 2015 and became lead manager on 1st April 2015.

Period	1 Month	3 Months	1 Year	3 Years	5 Years	Inception Oct 05
Portfolio (%)	2.1	3.5	36.4	35.1	45.4	181.4
Benchmark (%)	2.7	8.2	41.7	35.7	46.6	221.4
Morningstar Peer Group (%)	2.8	7.8	34.3	30.1	37.3	171.7
Quartile	4	4	2	1	2	2

### DISCRETE CALENDAR YEAR PERFORMANCE

Period	2017	2016	2015	2014	2013
Fund (%)	36.4	4.1	-4.8	-2.1	9.9
Benchmark (%)	41.7	5.4	-9.2	4.5	3.2

### STANDARDISED PERFORMANCE

Period 1 year to	31/12/2017	31/12/2016	31/12/2015	31/12/2014	31/12/2013
Fund (%)	36.4	4.1	-4.8	-2.1	9.9

## PORTFOLIO SUMMARY

COUNTRY		SECTOR		TOP 10 HOLDINGS	
Hong Kong	32.5%	Consumer Discretionary	33.6%	Korea Electric Power Corporation	8.4%
South Korea	19.1%	Information Technology	16.0%	Xinyi Glass Holdings Limited	7.9%
India	11.5%	Industrials	15.6%	China Maple Leaf Educational Systems	6.1%
Singapore	10.1%	Consumer Staples	10.9%	Cox & Kings (India) Ltd.	5.8%
China	8.9%	Utilities	9.3%	Baidu, Inc. Sponsored ADR Class A	5.7%
Philippines	6.4%	Financials	8.1%	Samsung Electronics Co Ltd Pfd	4.2%
Others	4.0%	Telecommunication Services	2.9%	Idfc Ltd.	4.0%
Thailand	2.9%	Health Care	2.7%	Silverlake Axis Ltd	3.9%
Taiwan	2.7%	Cash	0.9%	China Meidong Auto Holdings Ltd.	3.9%
Malaysia	1.9%	<b>Total</b>	<b>100.0%</b>	Ck Hutchison Holdings Ltd	3.8%
<b>Total</b>	<b>100.0%</b>			<b>Total</b>	<b>53.7%</b>

## COMMENTARY

The fund finished the year strongly in absolute terms, returning over 36%, but lagged the benchmark by 5%. Relative to our peers we were in the top 34% by performance and the lowest 20% by volatility.

Whilst the principle goal of the fund is to outperform, we are most willing to accept underperformance in year like this, when our benchmark undergoes a strong rally driven by a few industry heavyweights. Not owning Tencent or Alibaba (for the same reasons we detailed in our October report), which doubled over the year and are our benchmark's largest holdings, cost the fund over 7% in relative performance. Although the fund lagged the index, we believe the fund was, and still is, significantly lower risk than the index, something in-part illustrated by our lower relative volatility, but also by looking through at our holdings relative to the index: lower price to earnings multiple, lower price to book but a higher dividend yield and higher return on assets.

In terms of the performance of our holdings over the year, our top ten holdings contributed 26% to our returns (i.e 72% of the total), whilst our largest ten losers collectively only detracted 3.3% to our returns. We believe this illustrates the asymmetric risk-return profiles of the companies we invest in, an important goal. We go into 2018 cautiously optimistic.

### FUND MANAGER



William Hanbury

### INVESTMENT TEAM



Brook Tellwright

### ANALYST



Alena Isakova

## FUND DETAILS

### FUND FACTS

Launch Date	31st October 2005
Morningstar Category	Asia-Pacific Ex-Japan Equity
Benchmark	MSCI AC Asia Ex Japan Index
Fund Size	\$130.8m
No. of Holdings	28
Domicile	Ireland
Sedol	B0NLMSI
Bloomberg Code	WAVAPAU ID
Fund Type	OEIC
Base Currency	USD
Other Currencies	GBP, EUR
Ex Dividend Dates	31st April and 31st October

### RISK STATISTICS

#### 3Y Annualised

Fund Volatility (%)	16.1
Index Volatility (%)	15.0
Sharpe Ratio	1.0
Information Ratio	0.0
Tracking Error	6.0
Alpha (%)	1.1
Beta	0.9
Active Share (% - Current)	93.9

### FUND INFORMATION

Share class	ISIN	Minimum investment	AMC	INC/ACC	NAV	Historic yield (%)	Ongoing charge (%)
A USD	IE00B0NLMSI8	2,500 USD	1.00%	INC	24.25	0.62%	1.26%
A EUR	IE00B0NLMP86	1,500 EUR	1.00%	INC	24.62	0.74%	1.25%
A GBP	IE00B0NLMR01	1,500 GBP	1.00%	INC	29.8	0.69%	1.26%

The benchmark was FTSE All World Asia Pacific ex Japan TR from inception to 30th September 2014. From 1st October 2014 the benchmark for the Waverton Asia Pacific Fund is MSCI AC Asia ex Japan.

## CONTACT DETAILS

### MARKETING CONTACT

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### ADMINISTRATOR

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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 Administrator, RBC Investor Services (Ireland). Sources: Waverton, Morningstar.

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