



WAVERTON
INVESTMENT MANAGEMENT

WAVERTON ASIA PACIFIC A USD

FUND FACTSHEET - AS AT 28 FEBRUARY 2018

OBJECTIVES

FUND AIM

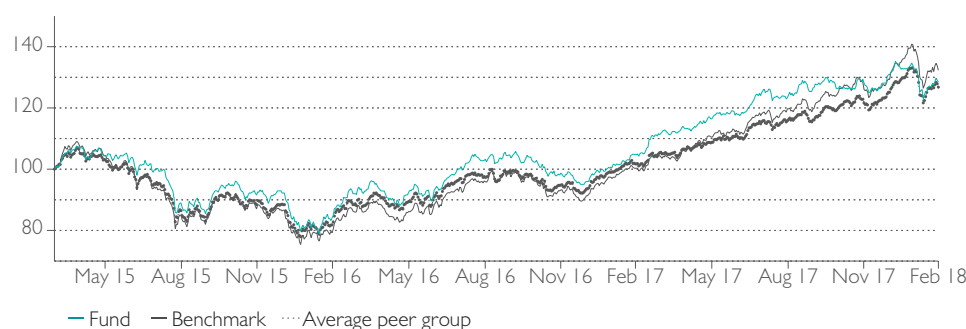
The Waverton Asia Pacific Fund seeks to achieve capital growth and generate an income through diversified investment in equities of Asian-Pacific companies (excluding Japanese equities).

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 1ST 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	YTD	1 Year	3 Years	5 Years	Inception Oct 05
Portfolio (%)	-3.2	0.3	-1.9	22.5	27.7	35.0	176.2
Benchmark (%)	-5.0	5.0	2.2	31.9	32.8	44.7	228.5
Morningstar Peer Group (%)	-4.2	4.3	1.4	25.3	26.4	34.1	176.6
Quartile	1	4	4	3	2	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	28/02/2018	28/02/2017	29/02/2016	28/02/2015	28/02/2014
Fund (%)	22.5	24.7	-16.4	4.5	1.3

PORTFOLIO SUMMARY

COUNTRY		SECTOR		TOP 10 HOLDINGS	
Hong Kong	40.6%	Consumer Discretionary	37.9%	China Maple Leaf Educational Systems	8.0%
South Korea	13.7%	Industrials	17.3%	Korea Electric Power Corporation	7.5%
India	11.6%	Information Technology	16.4%	Xingda International Holdings Ltd.	7.3%
China	8.9%	Utilities	8.4%	Baidu, Inc. Sponsored ADR Class A	5.5%
Singapore	6.4%	Consumer Staples	7.7%	Cox & Kings (India) Ltd.	5.1%
Philippines	6.3%	Telecommunication Services	4.3%	China Meidong Auto Holdings Ltd.	5.0%
Others	4.3%	Financials	4.3%	Idfc Ltd.	4.3%
Thailand	3.6%	Health Care	3.1%	Ck Hutchison Holdings Ltd	4.3%
Taiwan	3.1%	Cash	0.6%	Samsung Electronics Co Ltd Pfd	4.1%
Malaysia	1.5%	Total	100.0%	Zhejiang Expressway Co. Ltd. Class H	4.0%
Total	100.0%			Total	55.1%

COMMENTARY

Asian markets were weak across the board, with the MSCI Asia ex-Japan falling 5%. The fund fell by 3.2%.

We used the sell-off to add to our holdings in Xingda International, China Meidong, Xinyi Glass, HKBN and China Machinery Engineering. We sold our holding in ThaiBev after a disappointing meeting with them in Bangkok last month.

We initiated a new holding in the Chinese car manufacturer, Geely. Whilst we are cautious on the outlook for car sales in Western economies, China is at a different point in the "S" curve; only 15% of people own a car (vs 79% in the US). Geely is the beneficiary of this and two other trends we believe will persist:

- i) An increased willingness by Chinese to buy domestic car brands over foreign one, the domestic brand market share has increased from 38% in 2014, to 45% in 2016.
- ii) Geely's increased market share amongst domestic brands which has risen from 5% in 2014 to 7.6% in 2016.

The second trend is the hardest to forecast but it is one we still believe will continue for the following reasons: Firstly Geely's background as a private company, whereas its domestic peers are almost exclusively state owned enterprises. Secondly its superior capital allocation where, unlike its peers, return on equity is a key performance indicator. Finally Geely has joint ventures that will allow it to monetise international brands in China, thanks to its parent company's ownership of Volvo and Lotus.

At 13x 12m forward consensus earnings, Geely is at a premium valuation to its peers, but given it has compounded its earnings per share at 33% since their IPO in 2005 (the shares have compounded faster) we think the current valuation represent good value. This judgement appears to be shared by the chairman, who decided to top up his holding with the purchase of an additional \$60m worth of shares at the end of January, something we think speaks volumes.

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	\$127.5m
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 (%)	16.3
Index Volatility (%)	15.9
Sharpe Ratio	0.8
Information Ratio	-0.2
Tracking Error	7.1
Alpha (%)	0.0
Beta	0.9
Active Share (% - Current)	88.0

FUND INFORMATION

Share class	ISIN	Minimum investment	AMC	INC/ACC	NAV	Historic yield (%)	Ongoing charge (%)
A USD	IE00B0NLMS18	2,500 USD	1.00%	INC	23.8	0.64%	1.26%
A EUR	IE00B0NLMP86	1,500 EUR	1.00%	INC	23.74	0.77%	1.25%
A GBP	IE00B0NLMR01	1,500 GBP	1.00%	INC	28.58	0.72%	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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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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