



WAVERTON
INVESTMENT MANAGEMENT

WAVERTON ASIA PACIFIC A USD

FUND FACTSHEET - AS AT 31 JANUARY 2018

OBJECTIVES

FUND AIM

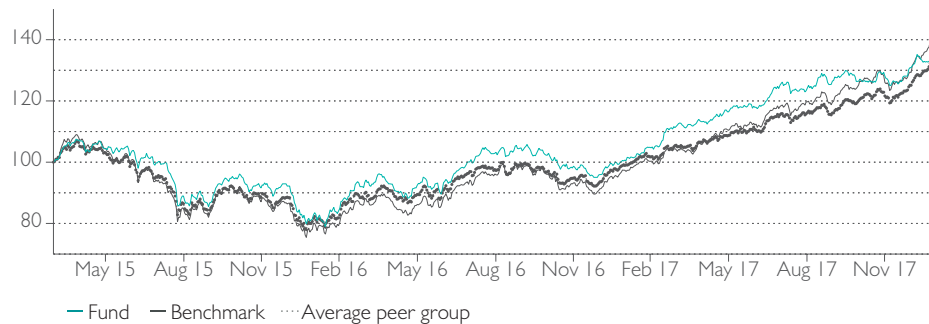
The Waverton Asia Pacific Fund seeks to achieve capital growth and generate an income through diversified investment in equities of Asian-Pacific companies (excluding Japanese equities).

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 (%)	1.4	4.9	1.4	32.0	33.8	41.5	185.3
Benchmark (%)	7.6	11.2	7.6	43.5	42.4	53.5	245.7
Morningstar Peer Group (%)	5.9	10.2	5.9	34.1	36.0	41.2	189.1
Quartile	4	4	4	3	3	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	31/01/2018	31/01/2017	31/01/2016	31/01/2015	31/01/2014
Fund (%)	32.0	21.4	-16.5	5.0	0.7

PORTFOLIO SUMMARY

COUNTRY		SECTOR		TOP 10 HOLDINGS	
Hong Kong	34.3%	Consumer Discretionary	33.2%	Korea Electric Power Corporation	8.1%
South Korea	17.0%	Industrials	17.2%	China Maple Leaf Educational Systems	7.3%
India	11.4%	Information Technology	16.2%	Xingda International Holdings Ltd.	6.1%
Singapore	9.2%	Consumer Staples	9.8%	Cox & Kings (India) Ltd.	5.3%
China	8.3%	Utilities	9.0%	Baidu, Inc. Sponsored ADR Class A	5.1%
Philippines	6.0%	Financials	6.3%	China Meidong Auto Holdings Ltd.	4.4%
Others	5.5%	Telecommunication Services	3.2%	Samsung Electronics Co Ltd Pfd	4.3%
Thailand	3.2%	Health Care	2.6%	Zhejiang Expressway Co. Ltd. Class H	4.2%
Taiwan	2.6%	Cash	2.5%	Ck Hutchison Holdings Ltd	4.1%
Cash	2.5%	Total	100.0%	Xinyi Glass Holdings Limited	3.9%
Total	100.0%			Total	52.8%

COMMENTARY

2018 has started strongly for Asian markets. Alibaba and Tencent, the two tech heavyweight names that we do not own (for the same reasons detailed in the Aug '17 monthly report), rose 18% and 14% during the month. Unsurprisingly, the fund therefore has underperformed, despite rising a healthy 1.4% in absolute terms.

A name we have been adding to recently is Xingda (we first discussed it in our July '17 monthly report). We have spoken to the company many times both before we became a shareholder and since becoming one. Despite very positive noise from the company about improvements in their operating performance and heavy buying of the shares by the management, the shares have continued to trade sideways at their historically low multiple of 7x price to earnings. This situation could have persisted for years, however the company has started aggressively buying back its shares (accounting for 40% of the volume on some days), something we think changes the risk-reward profile of the stock from good, to very good. Since witnessing these buybacks we have tripled our weighting in the name up to 6.5% today, the Fund's third largest holding.

Elsewhere the Fund has benefited from strong upward movements in the shares of Xinyi Glass, China Meidong and China MapleLeaf whilst the weak performance from KEPCO, Cox & Kings and IDFC has been a drag on performance.

We recently initiated a new small holding in the Chinese branded clothing company JNBY. We model a base case of the company growing its earnings at 18% p/a (a discount to its historic growth rate since listing of 28%) and see its price to earnings multiple of 12x (FY'18) as being undemanding given this growth profile. The payout ratio of 70% reassures us regarding any possible corporate governance concerns. The biggest risk is that JNBY's designers produce undesirable clothing and whilst we claim no edge in predicting this, we closely monitor the number of supporters they have on their WeChat group (1.1m at the time of writing) and think this risk is more than compensated in the valuation and growth profile.

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	\$131.6m
No. of Holdings	29
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 (%)	15.5
Sharpe Ratio	0.8
Information Ratio	-0.3
Tracking Error	7.0
Alpha (%)	-0.9
Beta	0.9
Active Share (% - Current)	92.9

FUND INFORMATION

Share class	ISIN	Minimum investment	AMC	INC/ACC	NAV	Historic yield (%)	Ongoing charge (%)
A USD	IE00B0NLMSI8	2,500 USD	1.00%	INC	24.58	0.62%	1.26%
A EUR	IE00B0NLMP86	1,500 EUR	1.00%	INC	24.05	0.76%	1.25%
A GBP	IE00B0NLMR01	1,500 GBP	1.00%	INC	28.85	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

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

ADMINISTRATOR

RBC Investor Services
Dublin_TA_Customer_Support@rbc.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 Administrator, RBC Investor Services (Ireland). 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.