



WAVERTON
INVESTMENT MANAGEMENT

WAVERTON ASIA PACIFIC A USD

FUND FACTSHEET - AS AT 31 JULY 2018

OBJECTIVES

FUND AIM

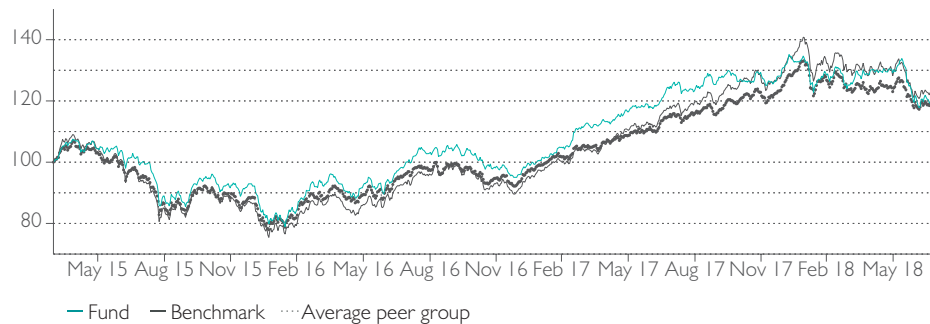
The Waverton Asia Pacific Fund seeks to achieve capital growth and generate an income through diversified investment in equities of Asian-Pacific companies (excluding Japanese equities).

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 (%)	-0.5	-6.9	-7.5	-3.2	20.8	29.4	160.4
Benchmark (%)	0.8	-5.3	-4.0	5.2	32.0	46.7	208.7
Morningstar Peer Group (%)	0.5	-3.5	-3.2	5.4	28.6	39.8	169.4
Quartile	4	4	4	4	3	3	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	31/07/2018	31/07/2017	31/07/2016	31/07/2015	31/07/2014
Fund (%)	-3.2	25.0	-0.1	-1.9	9.1

PORTFOLIO SUMMARY

COUNTRY		SECTOR		TOP 10 HOLDINGS	
Hong Kong	46.7%	Consumer Discretionary	31.5%	Idfc Ltd.	6.8%
India	13.0%	Information Technology	21.3%	Xingda International Holdings Ltd.	6.3%
South Korea	8.1%	Industrials	20.5%	China Maple Leaf Educational Systems	6.0%
China	7.5%	Financials	6.8%	Zhejiang Expressway Co. Ltd. Class H	5.8%
Philippines	6.1%	Consumer Staples	6.1%	China Meidong Auto Holdings Ltd.	5.0%
Thailand	5.7%	Telecommunication Services	5.1%	Cox & Kings (India) Ltd.	4.7%
Singapore	4.1%	Utilities	4.0%	Xinyi Glass Holdings Limited	4.6%
Others	4.1%	Health Care	3.4%	Ck Hutchison Holdings Ltd	4.5%
Taiwan	3.4%	Cash	1.3%	Baidu, Inc. Sponsored ADR Class A	4.3%
Cash	1.3%	Total	100.0%	Samsung Electronics Co Ltd Pfd	4.3%
Total	100.0%			Total	52.3%

COMMENTARY

July was a disappointing month for the fund, underperforming by 1.3%. All of this came from China Meidong, a Chinese car dealership which fell over 20% during the month. Having reviewed our investment thesis, we continue to hold the stock and have recently been purchasing one of its peers in sector, Zhongsheng, as we believe the share prices of both of these companies have sold off irrationally. The market's justification for their declines has been that the trade war between China and US is detrimental to these dealers through the 15% tariff increase on all cars imported from the US into China. Whilst true, only a small portion of both these dealership's cars are actually imported from the US (<3%) and they are more likely to be affected by the tariff reduction of 10% that affect cars imported into China from countries other than the US, which make up about 45% of China Meidong's volumes and 20% of Zhongsheng's. These changes in tariffs feed through to changes in prices for consumers and so it is not surprising that the car sales data for June was weak, given that, for many, they may have been delaying their purchases in order to benefit from lower prices the following month. Therefore, our investment case is that the 40% decline in P/E ratios that these firms have experienced since mid-June, down to levels of ~7x current earnings (with both of them expected to grow EPS at over 25% for next 12 months) is unwarranted given our view that the current weakness in operations is temporary.

As a final positive, the founders of Zhongsheng (who already own 58% of the company) decided to add to their shareholding by buying an additional \$2.4m worth of their companies' shares. We actively monitor director's dealings in their own companies and, in the case of Zhongsheng, we are happy to be joining them.

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	\$120.0m
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 (%)	16.4
Index Volatility (%)	15.0
Sharpe Ratio	0.8
Information Ratio	-0.5
Tracking Error	7.0
Alpha (%)	-3.0
Beta	1.0
Active Share (% - Current)	74.2

FUND INFORMATION

Share class	ISIN	Minimum investment	AMC	INC/ACC	NAV	Historic yield (%)	Ongoing charge (%)
A USD	IE00B0NLMS18	2,500 USD	1.00%	INC	22.38	0.87%	1.25%
A EUR	IE00B0NLMP86	1,500 EUR	1.00%	INC	23.25	0.90%	1.23%
A GBP	IE00B0NLMR01	1,500 GBP	1.00%	INC	28.27	0.83%	1.25%

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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