



**WAVERTON**  
INVESTMENT MANAGEMENT

# WAVERTON ASIA PACIFIC A USD

FUND FACTSHEET - AS AT 31 MARCH 2018

## OBJECTIVES

### FUND AIM

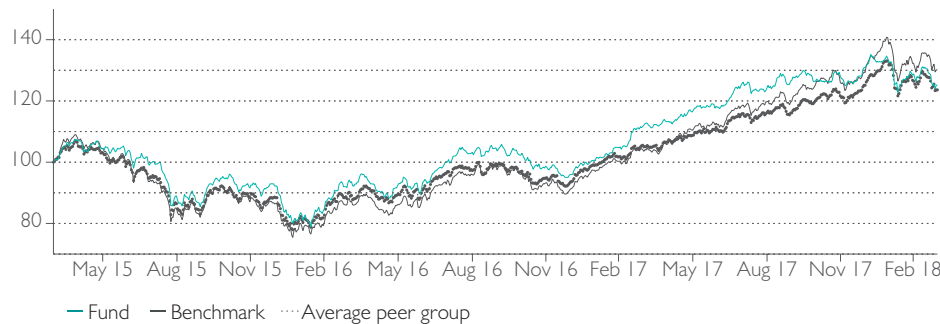
The Waverton Asia Pacific Fund seeks to achieve capital growth and generate an income through diversified investment in equities of Asian-Pacific companies (excluding Japanese equities).

### 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 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	YTD	1 Year	3 Years	5 Years	Inception Oct 05
Portfolio (%)	-2.5	-4.3	-4.3	11.7	25.2	29.6	169.2
Benchmark (%)	-1.5	0.7	0.7	25.8	30.3	45.2	223.6
Morningstar Peer Group (%)	-2.4	-1.1	-1.1	18.3	23.7	32.3	170.1
Quartile	3	4	4	4	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	31/03/2018	31/03/2017	31/03/2016	31/03/2015	31/03/2014
Fund (%)	11.7	19.0	-5.8	2.1	1.4

## PORTFOLIO SUMMARY

COUNTRY		SECTOR		TOP 10 HOLDINGS	
Hong Kong	40.7%	Consumer Discretionary	37.3%	Korea Electric Power Corporation	8.0%
South Korea	14.9%	Industrials	16.7%	China Maple Leaf Educational Systems	7.9%
India	10.8%	Information Technology	16.1%	Xingda International Holdings Ltd.	6.7%
China	7.4%	Utilities	8.9%	China Meidong Auto Holdings Ltd.	5.6%
Philippines	6.4%	Consumer Staples	7.8%	Cox & Kings (India) Ltd.	5.1%
Singapore	6.3%	Telecommunication Services	4.9%	Samsung Electronics Co Ltd Pfd	4.4%
Others	4.9%	Financials	4.1%	Baidu, Inc. Sponsored ADR Class A	4.4%
Thailand	3.7%	Health Care	3.5%	Ck Hutchison Holdings Ltd	4.3%
Taiwan	3.5%	Cash	0.7%	Zhejiang Expressway Co. Ltd. Class H	4.2%
Malaysia	1.4%	<b>Total</b>	<b>100.0%</b>	Idfc Ltd.	4.1%
<b>Total</b>	<b>100.0%</b>			<b>Total</b>	<b>54.7%</b>

## COMMENTARY

The Fund underperformed the index by 1% over the month, marking the end of a disappointing first quarter to the year. Over the month, the fund was hurt by the results of China Machinery Engineering (CMEC) and Xingda, whose share prices fell after being interpreted negatively by the market. The Fund was helped by the performance of China Meidong and China Maple Leaf.

When a share declines or appreciates significantly it is a trigger for us to revisit our investment case; often a difficult task to undertake because of psychological biases that hamper objectivity. Overcoming these biases can be achieved by answering questions such as: has the company's situation changed from when we bought it? If we were to look at the company now, for the first time, would we initiate a holding the same size as our existing one? What factors most impact our assessment of the company's intrinsic value?

CMEC's shares fell because its results suggested a decline in headline profitability. A closer look at the detail show that, before FX and exceptional items, CMEC's earnings continue to grow at the historic rate of c10%. It is our contention that the market has got it wrong, and that the share price reflects a valuation for the company of less than its net cash. Furthermore, given its deal pipeline, the company's earnings are likely to appreciate at a faster rate in the future. We continue to hold the shares.

Conversely, Xingda is a name where the investment thesis has deteriorated somewhat. We had been led to believe that management were to start buying back shares after their results. Unfortunately, management is now backpedalling on this commitment as a result we have lightened up on our holding.

We are continue to look to invest in the stocks of attractively valued, high quality businesses across the region.

### 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	\$123.3m
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 (%)	15.9
Sharpe Ratio	0.6
Information Ratio	-0.2
Tracking Error	7.1
Alpha (%)	-0.4
Beta	0.9
Active Share (% - Current)	87.8

### FUND INFORMATION

Share class	ISIN	Minimum investment	AMC	INC/ACC	NAV	Historic yield (%)	Ongoing charge (%)
A USD	IE00B0NLMSI8	2,500 USD	1.00%	INC	23.2	0.65%	1.26%
A EUR	IE00B0NLMP86	1,500 EUR	1.00%	INC	22.99	0.79%	1.25%
A GBP	IE00B0NLMR0I	1,500 GBP	1.00%	INC	27.49	0.75%	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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