



WAVERTON
INVESTMENT MANAGEMENT

WAVERTON GLOBAL EQUITY A GBP

FUND FACTSHEET - AS AT 31 OCTOBER 2017

OBJECTIVES

FUND AIM

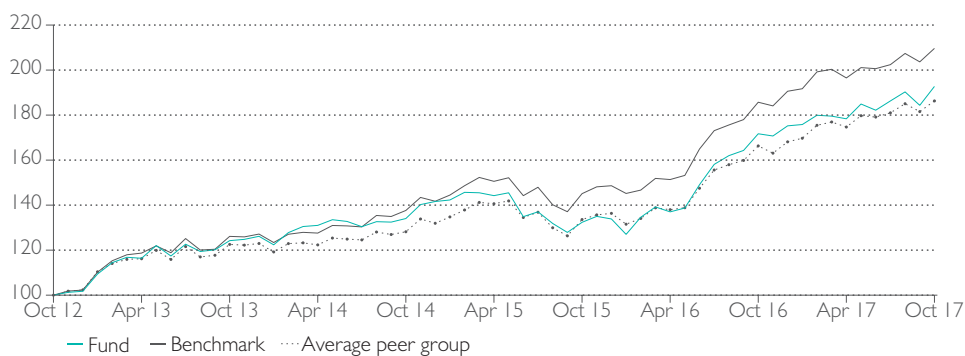
The investment objective of the fund is to achieve returns in excess of the MSCI World NR through investment in a focused selection of equities on a global basis.

INVESTMENT STYLE

The Fund seeks to acquire, at a reasonable valuation, the highest quality companies in whatever sector and part of the world we find them. The investment process is driven by a bottom up and fundamental analysis approach with a top down and macro overlay assisting in regional and sector allocation tilts. The Fund will be populated by a concentrated list of high conviction global best ideas.

PERFORMANCE

ROLLING PERFORMANCE



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.

Period	1 Month	3 Months	YTD	1 Year	3 Years	5 Years	Inception Mar 99
Portfolio (%)	4.6	3.5	10.0	12.3	43.8	92.7	323.5
Benchmark (%)	2.9	3.6	10.0	12.9	52.3	109.6	206.6
Morningstar Peer Group (%)	2.7	3.0	11.0	12.1	45.4	86.2	95.5
Quartile	1	2	3	3	3	2	1

DISCRETE CALENDAR YEAR PERFORMANCE

Period	2016	2015	2014	2013	2012
Fund (%)	30.9	-5.5	12.3	24.0	7.6
Benchmark (%)	28.2	4.9	11.5	24.3	10.7

STANDARDISED PERFORMANCE

Period 1 year to	31/10/2017	31/10/2016	31/10/2015	31/10/2014	31/10/2013
Fund (%)	12.3	29.7	-1.3	7.9	24.2

PORTFOLIO SUMMARY

COUNTRY		SECTOR		TOP 10 HOLDINGS	
North America	43.8%	Information Technology	24.1%	Alphabet	3.5%
Continental Europe	17.9%	Health Care	20.3%	Baidu	3.5%
Asia Pacific (ex Japan)	14.6%	Financials	14.6%	Novo Nordisk	3.4%
Japan	13.7%	Industrials	14.4%	Apple	3.3%
United Kingdom	8.3%	Consumer Staples	7.6%	Honeywell	3.3%
Cash	1.7%	Consumer Discretionary	7.4%	Royal Philips	3.3%
Total	100.0%	Materials	4.0%	Amazon	3.2%
		Energy	3.1%	Biogen	3.2%
		Telecommunication Services	2.8%	Microsoft	3.2%
		Cash	1.7%	Becton, Dickinson And Company	3.1%
		Total	100.0%	Total	33.0%

COMMENTARY

After the sharp cyclical rotation in the last fortnight of September, equity markets resumed their somewhat more familiar trend in October with the global index and the fund being driven up by North American Technology. Names like Alphabet, Amazon and Microsoft demonstrated stellar revenue and earnings results for the third quarter which were well ahead of expectations, and the stocks reacted accordingly. Decent stock selection within our Industrial and Healthcare holdings (which are typically more defensive than the market) helped recover the negative relative performance from the previous month.

There was little trading on the fund during October except to continue to add to positions which had pulled back without (what is in our view) just cause.

One of the areas that we have found it difficult to find compellingly valued new opportunities has been in the US (particularly in Industrials) with many of the business we admire trading at all-time high multiples. We have, however, initiated a position in Owens Illinois – the largest global manufacturer of glass products that are used for a variety of beverages. The business has historically been poorly run with underinvestment seen in their inefficient production and poor account management. A new management team – with an effective remuneration strategy to focus the mind - has seen a significant upgrade to production lines lead to a commensurate reduction in maintenance costs. They have also made strategic investments alongside key customers which should improve their position longer term. The old management team allowed debt to creep up so these significant investments have left the company highly geared which is an obvious risk. However the new management team have a stated degearing programme and with significant investments behind them as profitability improves then the cash flow to pay down the debt should be readily available. This is effectively a transfer of value from the debt holders to the equity holders – a great kicker whilst we already think that the equity is cheap at 12.5x the (currently) low free cash flow level. A rapid rate rising environment would obviously be negative but a gradual increase would allow to pay down the debt and make a great return for its equity holders.

FUND MANAGER



Katrina Norris

FUND MANAGER



George Palmer

FUND DETAILS

FUND FACTS

Launch Date	16th March 1999
Morningstar Category	Global Large Cap Blend Equity
Benchmark	MSCI World Net Return Index
Fund Size	£87.6m
No. of Holdings	36
Domicile	Ireland
Sedol	BIRMYD6
Bloomberg Code	WAVGEAG ID
Fund Type	OEIC
Base Currency	GBP
Other Currencies	USD
Ex Dividend Dates	30th April and 31st October

RISK STATISTICS

3Y Annualised

Fund Volatility (%)	11.0
Index Volatility (%)	9.7
Sharpe Ratio	1.1
Information Ratio	-0.4
Tracking Error	5.2
Alpha (%)	-2.9
Beta	1.0
Active Share (% - Current)	90.6

FUND INFORMATION

Share class	ISIN	Minimum investment	AMC	INC/ACC	NAV	Historic yield (%)	Ongoing charge (%)
A GBP	IE00B1RMYD64	1,500 GBP	1.00%	INC	19.63	0.24%	1.20%
A USD	IE00B1RMYC57	2,500 USD	1.00%	INC	26.16	0.22%	1.20%

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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