



WAVERTON
INVESTMENT MANAGEMENT

WAVERTON TACTICAL EQUITY FUND A GBP

FUND FACTSHEET - AS AT 30 SEPTEMBER 2018

OBJECTIVES

FUND AIM

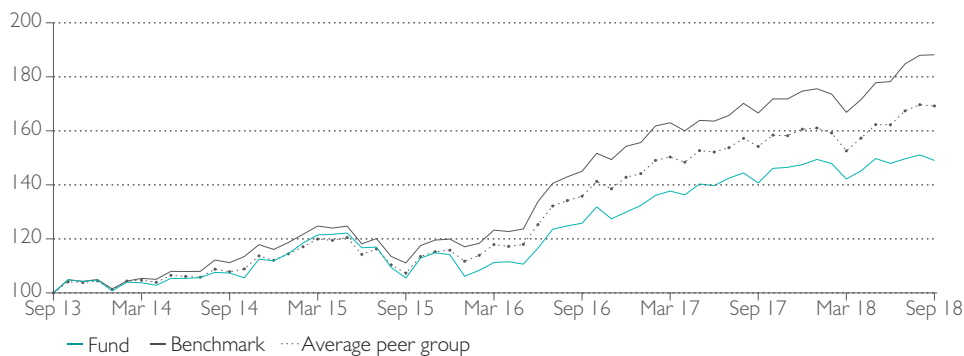
The Fund aims to achieve growth on your investment and income. The Fund may invest up to 100% of its assets indirectly in shares of companies worldwide, through investment in other funds (including, for example, exchange traded funds).

INVESTMENT STYLE

The Fund provides a diversified interest in global equity markets with a high degree of flexibility around the benchmark. It will maintain a relatively concentrated list of holdings with the focus on identifying and blending funds and vehicles which we believe can provide the best risk adjusted returns in each region.

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 Jan 10
Portfolio (%)	-1.4	0.7	1.0	5.9	41.2	49.0	95.1
Benchmark (%)	0.1	5.6	7.7	12.9	69.4	88.2	152.1
Average Peer Group (%)	-0.3	4.2	5.2	9.6	58.0	68.7	110.3
Quartile	4	4	4	4	4	4	3

DISCRETE CALENDAR YEAR PERFORMANCE

Period	2017	2016	2015	2014	2013
Fund (%)	13.5	13.8	2.0	6.8	21.1
Benchmark (%)	13.8	29.6	4.0	11.3	21.0

STANDARDISED PERFORMANCE

Period 1 year to	30/09/2018	30/09/2017	30/09/2016	30/09/2015	30/09/2014
Fund (%)	5.9	11.9	19.2	-1.7	7.4

PORTFOLIO SUMMARY

INVESTMENT VEHICLE

Active Funds	88.7%
Structured Products	4.8%
Passive Vehicles	4.5%
Cash	2.0%
Total	100.0%

EQUITIES BY REGION

Global Equities	26.6%
Asia Pacific (ex Japan)	18.3%
Japan	11.8%
United Kingdom	10.3%
Emerging Markets	10.0%
Continental Europe	9.4%
North America	6.8%
Hedging	4.8%
Cash	2.0%
Total	100.0%

TOP 10 HOLDINGS

Hermes Asia Ex Japan Equity Fund	12.6%
Lindsell Train Japanese Equity Fund	7.9%
T Bailey Aptus Global Financials Fund	7.4%
RWC Global Emerging Markets Fund	7.2%
Driehaus US Micro Cap Equity Fund	6.8%
Smith & Williamson AI Fund	5.9%
MI Metropolis Valuefund	4.7%
Waverton Protection Strategy	4.3%
BNY Mellon Japan Small Cap Equity	3.9%
Magallanes European Equity Fund	3.8%
Total	64.5%

COMMENTARY

It was a similar story with regards the market returns over the third quarter of 2018, as US equities outperformed while Global ex US equity markets underperformed. Given this dichotomy, the Tactical equity fund underperformed the MSCI All Country world index over the quarter as the fund remains significantly underweight the US, while overweight Asia and Emerging markets.

We made little change to the top down positioning of the fund over the quarter, but added two new holdings in September. The first of these, the Miton European Opportunities fund provides access to the mid cap growth opportunity in the continental European equity markets. The focus on companies with growing revenues, expanding margins and increasing return on capital, results in the fund structurally avoiding certain sectors such as Utilities, Oil, Airlines, Telecom's, large cap Pharma and Mining. The resultant portfolio mainly comprises of companies within the Healthcare, Industrial, Technology and consumer focused sectors of the market. This position was funded through the redemption of the Mirabaud European Small and Mid Cap fund. Although the fund has performed well since purchase, the lead manager Ken Nicholson announced his retirement from the fund management industry, and thus we decided to reallocate to the Miton fund for European mid and small cap exposure.

The second holding purchased was the listed venture capital fund, Draper Esprit. The company is unique in scale, size and structure and the team have a proven track record in backing successful early stage Technology companies. Current portfolio holdings such as Graphcore (AI computing chip), Ledger (crypto-currency wallet), Revolut (digital bank) and TransferWise (FX platform) appear particularly promising at this juncture. The company seeks to deliver a 20% pa return, invests in fully operating 'gross profitable' businesses at either series 'A' or beyond. I.e. these are not concept stocks but proven businesses requiring capital to grow and realise potential. The GROW expertise is attracting further capital, providing management know how and expertise, providing a network to achieve global reach and a permanent capital base not subject to the typical 5 year venture capital life cycle. This position was funded through profit taking on the top performing US smaller company fund Driehaus US Micro Cap and the use of fund inflows over the quarter. As we move towards year-end, markets appears finely poised. Despite the risks, we remain broadly optimistic and continue to find good investment ideas.

FUND MANAGER



John Bellamy

FUND MANAGER



Luke Hyde-Smith

FUND MANAGER



Steve Iffland

FUND DETAILS

FUND FACTS

Launch Date	11th January 2010
Morningstar Sector	Global Large-Cap Blend Equity
Benchmark	FTSE All World TR
Fund Size	£83.3m
No. of Holdings	23
Domicile	Ireland
Sedol	B5BCBB7
Bloomberg Code	JOEQAAC ID
Fund Type	OEIC
Base Currency	GBP
Other Currencies	None
Ex Dividend Dates	30th April and 31st October

RISK STATISTICS

3Y Annualised

Fund Volatility (%)	9.6
Index Volatility (%)	8.7
Sharpe Ratio	1.2
Information Ratio	-1.6
Tracking Error	4.4
Alpha (%)	-5.8
Beta	1.0

FUND INFORMATION

Share class	ISIN	Minimum investment	AMC	INC/ACC	NAV	Historic yield (%)	Ongoing charge (%)
A GBP	IE00B5BCBB77	1,500 GBP	1.00%	INC	19.33	0.00%	1.91%
B GBP	IE00B5BCBD91	1,500 GBP	0.75%	INC	19.18	0.00%	1.66%
P GBP	IE00BGQYPS02	1,500 GBP	0.40%	INC	14.39	0.16%	1.32%

CONTACT DETAILS

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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.

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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