



**WAVERTON**  
INVESTMENT MANAGEMENT

# WAVERTON GLOBAL EQUITY A GBP

FUND FACTSHEET - AS AT 30 SEPTEMBER 2017

## OBJECTIVES

### FUND AIM

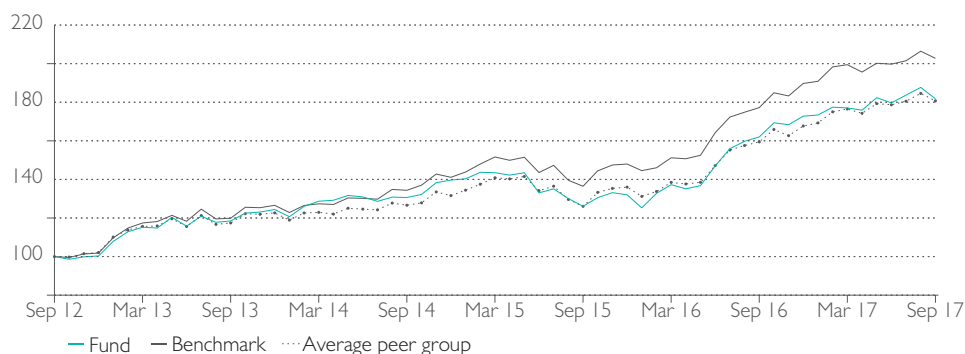
The investment objective of the Fund is to achieve returns in excess of the MSCI World NR through investment in a focused selection of equities on a global basis.

### 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 (%)	-3.1	1.2	5.2	12.2	39.2	81.8	305.0
Benchmark (%)	-1.8	1.5	6.8	14.4	50.9	102.7	197.8
Morningstar Peer Group (%)	-1.9	1.4	8.1	13.5	42.3	80.3	91.1
Quartile	4	3	4	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	30/09/2017	30/09/2016	30/09/2015	30/09/2014	30/09/2013
Fund (%)	12.2	28.5	-3.5	10.3	18.5

## PORTFOLIO SUMMARY

COUNTRY		SECTOR		TOP 10 HOLDINGS	
United States	42.8%	Information Technology	23.7%	Baidu, Inc. Sponsored ADR Class A	3.6%
Japan	13.3%	Health Care	21.0%	Royal Philips NV	3.4%
Denmark	8.6%	Financials	15.0%	Honeywell International Inc.	3.4%
United Kingdom	8.5%	Industrials	14.6%	Alphabet Inc. Class A	3.4%
Germany	6.1%	Consumer Staples	7.3%	Novo Nordisk A/S Class B	3.4%
Hong Kong	6.0%	Consumer Discretionary	6.7%	Biogen Inc.	3.4%
China	3.6%	Energy	3.1%	Apple Inc.	3.2%
Netherlands	3.4%	Materials	3.0%	Bayer AG	3.2%
South Korea	2.5%	Telecommunication Services	2.9%	Eog Resources, Inc.	3.1%
Thailand	2.5%	Cash	2.7%	Visa Inc. Class A	3.1%
Cash	2.7%	<b>Total</b>	<b>100.0%</b>	<b>Total</b>	<b>33.1%</b>
<b>Total</b>	<b>100.0%</b>				

## COMMENTARY

Both the fund and the benchmark were down in September as every major region gave up some of the considerable year to date gains. This was slightly ironic as the best sectors were the most cyclically exposed (Oil & Gas, Basic Materials etc) as recent data showed that growth around the world is strengthening and that the end is in sight for global quantitative easing. Whilst we welcome the growth, the companies that we speak to are not as enthusiastic about the growth as some stock price moves imply.

We mentioned Carrefour last month which was an "up or out" candidate and as it bounced a little bit we concluded on the latter. Similarly a surge in the price of Wells Fargo also gave us an opportunity to sell the rest of the holding as we no longer believe that it is the business that it once was. Some of the proceeds have been re-deployed into our preferred North America bank, US Bancorp.

There have been company visits in Japan, Asia and Europe this month which have helped to inform view on global growth. These trips also provide opportunities to meet a large number of companies and quiz management teams on strategy in their own environment. This often provides food for thought for future analysis and idea generation but sometimes brings up ideas for more immediate consideration.

Since our return from Japan we have purchased a position in Ain Holdings, the leading chain of dispensing pharmacies in Japan. The industry is hugely fragmented but looks set to consolidate very rapidly as changes to government regulation and dispensing fees make it difficult for the small or less technical stores/chains to survive. The larger chains can attract more pharmacists (of which there is a shortage), provide higher value add services (generating more revenue per customer) and make extra margin when large enough to be able to wholesale purchase and distribute both generic and branded drugs. Pharmacies have historically been banned from being inside large hospitals but this regulation looks set to be relaxed allowing large players to build their new pharmacies in prime position and take share from the others outside. Ain is the largest, significantly better capitalised than competitors and most highly regarded in the industry; it is our opinion that it will be a major winner in a period of rapid change. The stock is one that we have followed for some time; the recent de-rating provides the opportunity to take advantage of this compelling opportunity.

### 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	£83.5m
No. of Holdings	35
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 (%)	10.8
Index Volatility (%)	9.7
Sharpe Ratio	1.0
Information Ratio	-0.6
Tracking Error	5.1
Alpha (%)	-3.8
Beta	1.0
Active Share (% - Current)	90.7

### FUND INFORMATION

Share class	ISIN	Minimum investment	AMC	INC/ACC	NAV	Historic yield (%)	Ongoing charge (%)
A GBP	IE00B1RMYD64	1,500 GBP	1.00%	INC	18.82	0.18%	1.20%
A USD	IE00B1RMYC57	2,500 USD	1.00%	INC	25.45	0.16%	1.20%

## 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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