



WAVERTON
INVESTMENT MANAGEMENT

WAVERTON TACTICAL EQUITY FUND A GBP

FUND FACTSHEET - AS AT 31 MARCH 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 (%)	-3.9	-3.6	-3.6	3.2	17.0	46.2	86.1
Benchmark (%)	-3.9	-4.5	-4.5	2.4	33.8	68.1	123.5
Average Peer Group (%)	-4.2	-5.1	-5.1	1.6	27.2	54.1	88.7
Quartile	2	1	1	2	4	3	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	31/03/2018	31/03/2017	31/03/2016	31/03/2015	31/03/2014
Fund (%)	3.2	23.8	-8.4	17.1	6.7

PORTFOLIO SUMMARY

INVESTMENT VEHICLE

Active Funds	91.8%
Structured Products	4.5%
Passive Vehicles	3.1%
Cash	0.6%
Total	100.0%

EQUITIES BY REGION

Global Equities	23.6%
Asia Pacific (ex Japan)	19.3%
Emerging Markets	14.5%
Japan	11.7%
United Kingdom	9.9%
Continental Europe	9.9%
North America	6.0%
Hedging	4.5%
Cash	0.6%
Total	100.0%

TOP 10 HOLDINGS

Hermes Asia Ex Japan Equity Fund	12.8%
RWC Global Emerging Markets Fund	8.4%
T Bailey Aptus Global Financials Fund	8.1%
Lindsell Train Japanese Equity Fund	7.7%
Driehaus US Micro Cap Equity Fund	6.0%
Magallanes European Equity Fund	5.8%
MI Metropolis Valuefund	4.6%
Waverton Protection Strategy	4.5%
Mirabaud Europe Ex-Uk Small & Mid	4.1%
BNY Mellon Japan Small Cap Equity	4.0%
Total	66.0%

COMMENTARY

The first quarter of 2018 witnessed a return of equity market volatility with global equities registering the first negative quarter in sterling terms since the third quarter of 2015. The Tactical equity fund was not immune to this volatility and fell 3.45% over the quarter although outperformed the MSCI ACWI which fell 4.49% in Sterling terms.

The funds top performing holding over the quarter was the Lindsell Train Japanese equity fund which rose 5.91%, outperforming MSCI Japan which fell 2.62% in Sterling terms. The fund managers positioning in high quality growth stocks within the Healthcare, Technology and Consumer Staples sectors proved advantageous. It was interesting to note one of the top positions, healthcare company Takeda made an approach for UK pharmaceutical company Shire towards the quarter end.

We purchased two new European equity funds over the quarter, funded through redemption of the Schroder European Alpha fund and RAM European Systematic fund. The first fund, Magallanes European equity, is a value focused fund managed by the experienced Ivan Martin. The approach is stock specific, fundamental in nature, with a clear focus on undervalued and contrarian opportunities, seeking 4-6% alpha over the long term. Profitability in the construction, engineering, automobile and global shipping sectors have only recently begun to pick up, on the back of higher commodity prices and a strengthening investment cycle. The managers expect a further improvement in earnings growth as the cycle continues, which the fund is ideally positioned to benefit from.

The second purchase was the Mirabaud European ex UK small and mid-capitalisation fund, which is a high quality growth fund managed by the experienced team at Mirabaud, led by Ken Nicholson. Targeting 3% pa outperformance over the cycle, the fund invests in a concentrated portfolio of growth companies across the small and mid-capitalisation segment of the European equity market. The fund provides exposure to improving domestic demand and the upturn in the Eurozone driven by ongoing economic growth, very likely more euro appreciation and a further expansion in corporate earnings, which should provide a positive environment for this active stock picking approach.

Towards the quarter end we reduced exposure to the Japanese equity market through the sale of the Source JPX-Nikkei 400 ETF in order to increase exposure to the Driehaus US Micro Cap fund following an encouraging update with the manager and the RWC Emerging market fund due to the ongoing opportunity in developing and frontier equity markets. We remain constructive on the equity market yet remain aware the return of volatility indicates risks have risen.

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	£77.4m
No. of Holdings	22
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 (%)	11.0
Index Volatility (%)	10.2
Sharpe Ratio	0.5
Information Ratio	-1.1
Tracking Error	4.3
Alpha (%)	-4.3
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	18.44	0.00%	1.91%
B GBP	IE00B5BCBD91	1,500 GBP	0.75%	INC	18.28	0.00%	1.66%
P GBP	IE00BGQYPS02	1,500 GBP	0.40%	INC	13.7	0.13%	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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