



**WAVERTON**  
INVESTMENT MANAGEMENT

# WAVERTON GLOBAL EQUITY A GBP

FUND FACTSHEET - AS AT 31 JANUARY 2018

## OBJECTIVES

### FUND AIM

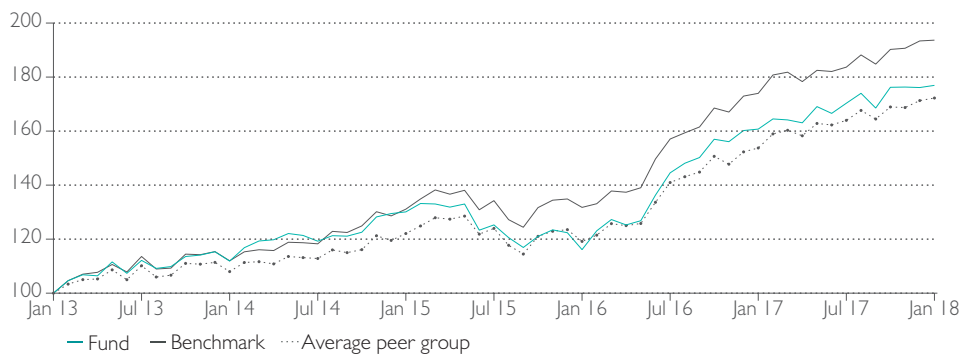
The investment objective of the Fund is to achieve returns in excess of the MSCI World NR through investment in a focused selection of equities on a global basis.

### 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 (%)	0.5	0.4	0.5	10.1	36.0	76.9	325.2
Benchmark (%)	0.2	1.8	0.2	11.3	47.7	93.7	212.1
Morningstar Peer Group (%)	0.3	1.7	0.3	11.9	40.9	71.3	95.8
Quartile	2	4	2	3	3	2	1

### DISCRETE CALENDAR YEAR PERFORMANCE

Period	2017	2016	2015	2014	2013
Fund (%)	9.9	30.9	-5.5	12.3	24.0
Benchmark (%)	11.8	28.2	4.9	11.5	24.3

### STANDARDISED PERFORMANCE

Period 1 year to	31/01/2018	31/01/2017	31/01/2016	31/01/2015	31/01/2014
Fund (%)	10.1	38.4	-10.7	16.3	11.9

## PORTFOLIO SUMMARY

COUNTRY		SECTOR		TOP 10 HOLDINGS	
North America	47.3%	Information Technology	23.2%	Amazon	3.8%
Continental Europe	17.1%	Health Care	20.0%	Alphabet	3.6%
Asia Pacific (ex Japan)	13.7%	Industrials	14.4%	Novo Nordisk	3.4%
Japan	13.4%	Financials	13.4%	Honeywell	3.3%
United Kingdom	8.1%	Consumer Discretionary	8.1%	Becton, Dickinson And Company	3.3%
Cash	0.4%	Consumer Staples	7.2%	Microsoft	3.3%
<b>Total</b>	<b>100.0%</b>	Energy	5.5%	Biogen	3.2%
		Materials	5.4%	Eog Resources	3.2%
		Telecommunication Services	2.4%	Baidu	3.2%
		Cash	0.4%	Visa	3.1%
		<b>Total</b>	<b>100.0%</b>	<b>Total</b>	<b>33.4%</b>

## COMMENTARY

January was a very strong month for global equity markets as we saw some of the largest and fastest flows of funds into the market in history. However sterling strength against the dollar – which would have been a very successful contrarian trade at the beginning of 2017 – offset almost all of those strong gains for the sterling denominated investor. Against this backdrop the fund modestly outperformed, largely driven by positive stock selection in North America. No doubt part of this will have come from the fact that we hold some of the largest stocks in the index – Apple, Alphabet, Amazon, Microsoft etc. Whilst we have very good and fundamental reasons to own each of these stocks, they are always likely to benefit from funds flowing into passive market weighted index trackers. The reverse would obviously be the case in a significant drawdown, which of itself could create an attractive buying opportunity.

Of these, Amazon was the stand out performer returning around 20% in the month depending on your currency. This is quite frankly astounding considering the strength of its performance over the past few years. It does make its valuation less compelling but we are still happy long term holders as it continues to expand its total addressable market.

We initiated a position in Schlumberger in early January. Schlumberger is the largest oil service company in the world, primarily providing consultancy, contracting services and related equipment for Exploration and Production (E&P) customers' exploration, drilling and production operations. SLB's value proposition is linked to its superior technical expertise, equipment and oil field data which improves production efficiency lowering the customer's costs.

Following a period of low E&P capex, reserve lives have shortened and E&P companies must invest more to replace the oil inventory consumed during the last three years, or face the prospect of shrinking. As a result we believe that we are somewhere near the bottom of the E&P capex cycle. The company's revenues are directly linked to increased E&P activity and sales should expand due to greater project volumes. In addition, most customers cut capex in unison during the downturn and it is likely therefore that the entire E&P industry will start to demand SLB's services at the same time, driving price increases leading to additional sales as well as margin expansion. The effect on cash flow generation in this environment is enormous.

The current valuation, however, indicates only a small part of this recovery in sales, margins and cash flow growth which makes it an attractive entry point to us.

### 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	£90.8m
No. of Holdings	37
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 (%)	9.5
Sharpe Ratio	1.0
Information Ratio	-0.6
Tracking Error	5.1
Alpha (%)	-4.2
Beta	1.0
Active Share (% - Current)	90.3

### FUND INFORMATION

Share class	ISIN	Minimum investment	AMC	INC/ACC	NAV	Historic yield (%)	Ongoing charge (%)
A GBP	IE00BIRMYD64	1,500 GBP	1.00%	INC	19.71	0.24%	1.20%
A USD	IE00BIRMYC57	2,500 USD	1.00%	INC	28.14	0.21%	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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