

EF 8AM Multi-Strategy Portfolio II Fund (Retail)

30 May 2019

Volatility Range¹

Typical Investor Profile

Peer Group
(for illustrative comparison only)²

Dynamic Planner
Rating

Multi-Strategy Portfolio II

5.0 – 9.5

Cautious

Mixed Investment 20 – 60% Shares



INVESTMENT AIMS

The objective of the fund is to achieve long term Capital Growth (within defined volatility targets).

WHY INVEST?

- Provides a total portfolio management solution.
- A highly experienced management team headed by Richard Philbin.
- A risk controlled portfolio, managed within defined volatility bands.
- Widely diversified portfolio with a broad range of asset classes.
- Selecting only consistently consistent funds and managers.

PERFORMANCE (CLASS R)

	1m	3 m	6 m	1 yr	3 yr	YTD	Since Launch
Multi-Strategy Portfolio II	-0.79%	1.89%	1.36%	-0.86%	13.63%	4.66%	31.07%

Source: All performance data - Financial Express

FUND COMMENTARY

No new assets were introduced to the portfolio in May, but due to cash movements, portfolio re-allocation and performance of underlying holdings the fund did change a little during the month. We believe the fund remains true to the objectives of the portfolio and continues to meet suitability requirements for investors. At the end of the month, exposure to equity funds rose a little (from 45.41% to 45.72% previously) with the allocation to cash and fixed income holdings down. Within different asset classes though, the weight of the Baillie Gifford Strategic Bond fund increased to 4.80% from 4.35% and the recent addition of Fidelity Index world continued to be allocated to. It now accounts for 6.54% (up from 4.95%).

During the month a number of funds delivered strong returns and worthy of note would be the following (although this list is not exclusive...) Tetragon Financial, Newton Global Dynamic Bond, Jupiter Strategic Bond, Fundsmith Equity and Blackstone / GSO Loan Financing. When looking at this list, comfort should be taken that the funds invested in have different approaches to portfolio construction, invest in different asset classes and have been held in the Multi Strategy Portfolio II fund for a long time. It's interesting as well to see that some of the funds provide a high dividend yield, whilst others do not.

Source: All performance data - Financial Express. All portfolio data 8AM Global LLP

KEY FACTS

Fund Manager	Richard Philbin
Fund Size	£21.51m
Launch Date/ Price	01.08.07/ 100p
Vehicle Type	UK OEIC
Initial charge	up to 5%
Price (NAV)	123.65p
Dealing Day & Time	Daily at 12 noon
Income Allocation	31st Aug, 28th Feb
Min Investment	£1,000
Base Currency	Sterling
Pricing Basis	Forward/Single Price
ISIN:	GB00B1Z8MN25 (Class R)

Richard Philbin took over as investment manager of Multi Strategy Portfolio II on the 1st September 2012.



He has managed portfolios for private clients as well as retail and institutional Fund of Funds portfolios for both F&C Investments and AXA, through their Architas brand, helping them to be some of the largest multi managers in the UK. He has been involved in managing multi asset funds since 1994.

PERFORMANCE



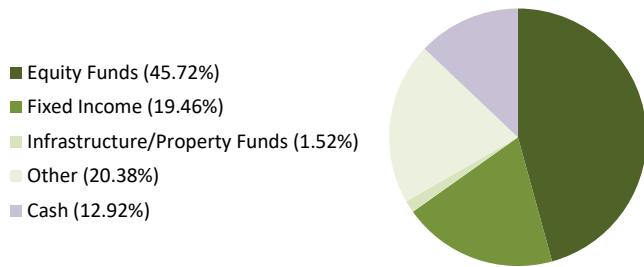
Source: Financial Express

30/08/2013 - 31/05/2019 Data from FE 2019

¹Ranges are measured using the Standard Deviation of the Fund's annualised returns over 1 year periods. ²The IA's Mixed Investment sectors have strict guidelines as to how funds within those sectors should be managed. It is your Managers belief that an unconstrained approach may produce superior results, so he does not wish to be bound by those guidelines. We believe that the IA's managed sectors are a useful tool for comparing the performance of your fund to those with similar investment objectives, or its "peers".



ASSET ALLOCATION



Source: 8AM Global LLP

MULTI-STRATEGY PORTFOLIO II

Top Ten Holdings	Asset Class	%
Fundsmith Equity	Equity Funds	9.02
CF Miton UK Multi Cap Inc	Equity Funds	7.57
Cash	Cash	6.85
Fidelity Index World	Equity Funds	6.54
JP Morgan GBP Ultra Short Income	Equity Funds	6.07
CC Japan Income and Growth Founder	Equity Funds	5.89
Fidelity Investment Fund	Equity Funds	5.65
FP Crux European Special Situations	Equity Funds	5.03
TM Fulcrum Income	Other	5.00
Jupiter Strategic Bond Fund	Fixed Income	4.96

Source: 8AM Global LLP

MARKET COMMENTARY

The month of May was an interesting month in terms of market movements. It's fairly safe to say they were driven by short-term political too-ing and fro-ing. In the UK, Prime Minister Theresa May was forced to step down – which she will do in early June – leaving a leadership fight to be sorted before the summer recess and then a “deal or no-deal” Brexit on 31st October. The newspaper editors will not be happy as the headline of “The End Of May in Early June” is not as snappy or as humorous as “The End Of May Before The End Of April” that was being touted as the original 31st March deadline came and went.

Political ramifications between the US and China and their ongoing trade wars continue. Tariffs rose again on several hundred billion US Dollars of goods between the two countries. A recent paper suggested the average American household will pay almost \$900 more over the forthcoming twelve months for the same basket of goods compared to twelve months ago. Whether that will bring jobs back to the US, inflation, more protectionism and retaliation is yet to be seen. Either way, it's a lot of money. Maybe consumers will change their purchasing habits. Maybe some companies will not pass on the tariffs in increased costs of goods. Maybe, maybe maybe...The US is also sabre-rattling with the EU and Mexico. As a personal view, constricting global trade means the consumer has less choice, and with less choice usually comes higher prices as there are fewer companies competing for the money that is looking to be spent. Combining this with what looks and feels like a slowing (albeit positive) global economy and it is very easy to build a negative case for investing. But, on the other hand (and there is always an “other” hand) interest rates are not going anywhere fast – in fact the Federal Reserve might well reduce rates before the year is out – inflation remains stubbornly low and oil prices are falling. Capital market prices do not look stretched – in fact looking at valuation metrics then Japan and Emerging Markets look very good value (albeit with higher degrees of daily price volatility) and a positive case can be put forward – especially considering where we are in the economic cycle.

In looking over the major equity, fixed income, commodity and currency indices for the month, the majority delivered negative numbers. The Japanese Yen strengthened against Sterling by over 6% for the month (that is a big number in terms of mature currency movements) and oil fell by a little over 10%. It certainly feels like volatility is back and building a portfolio that is diversified remains paramount to risk management. Government bond markets performed well in the month and the higher risk equity markets fared not so well.

Source: All performance data Financial Express

SUITABILITY

An investor who is comfortable with holding a significant proportion of their portfolio in higher risk investments in order to have the opportunity for a greater investment return.

An investor who is prepared to accept investment losses in the short-term in order to achieve potentially greater investment returns over the longer-term. The portfolio will be subject to fluctuations in value.

CONTACT DETAILS

Issued by 8AM GLOBAL LLP, which is authorised and regulated by the Financial Conduct Authority (“FCA”). If you have any doubt as to whether the EF 8AM Investment Funds are suitable for you and you wish to receive advice, you should consult a financial advisor. Further information can be obtained from:

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Page 2 of 2