



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

31 October 2018

	Volatility Range ¹	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	4

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	-3.28%	-3.53%	-1.44%	-2.43%	12.97%	-2.63%	29.06%

Source: All performance data - Financial Express

FUND COMMENTARY

Relative to their peer group, a large number of funds in the portfolio outperformed the average. For example, Baillie Gifford Strategic Bond delivered a return of +0.12% which placed it in the 29th percentile compared to all other funds that are considered “strategic bond” funds. It therefore beat 71% of the competition over the month. Other funds that beat their sector averages and worthy of special note would be (but not exclusively limited to) CC Japan Income & Growth, Newton Global Dynamic Bond; TwentyFour Income; Odey Absolute Return; PIMCO Sterling Short Maturity Source ETF.

We continue to believe the portfolio meets the objectives and remains suitable for clients whose risk profile matches the volatility driven approach that this fund takes with regards to management of risk.

During the month the cash allocation rose a little further (to 14.90% from 14.39%) and the alternative assets now account for 23.90% of your fund. No new assets were purchased for the fund, and no existing asset entirely removed. The portfolio contains investments in 18 different funds.

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

KEY FACTS

Fund Manager	Richard Philbin
Fund Size	£17.07m
Launch Date/ Price	01.08.07/ 100p
Vehicle Type	UK OEIC
Initial charge	up to 5%
Price (NAV)	122.49p
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

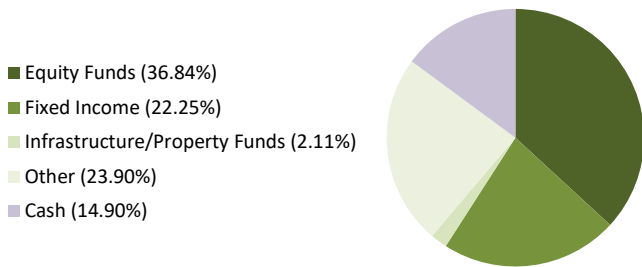


■ A - UT Mixed Investment 20-60% Shares Retail GTR in GB [25.52%]
 ■ B - FP - 8AM Multi-Strategy Portfolio II R TR in GB [25.51%]
 Source: Financial Express
 30/08/2013 - 31/10/2018 Data from FE 2018

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	9.85
CF Miton UK Multi Cap Inc	Equity Funds	9.40
Pimco Sterling Short Maturity	Cash	7.61
CC Japan Income and Growth Founder	Equity Funds	7.38
Cash	Cash	7.29
Jupiter Strategic Bond Fund	Fixed Income	6.09
FP Crux European Special Situations	Equity Funds	6.05
Merian Global Equity Abs Return Fund	Other	6.05
CF Odey Absolute Return	Other	5.92
Invesco Perpetual Global Financial Capital	Fixed Income	5.77

Source: 8AM Global LLP

MARKET COMMENTARY

“Red October” as it will no doubt go down in history was proof – if ever it were needed – that investments can fall as well as rise. Most indices registered negative returns for the month, although for the Sterling investor, some of these broad losses could have been offset had you been invested in the equity market of Brazil or Japan, the South African Rand, or oil for instance. It certainly seems like volatility is returning to markets as the mature economies continue down the path to end the exercise that was Quantitative Easing which started a decade ago. Quantitative Tightening as it is becoming known as will bring with it lots of issues for central bankers, the cost of capital, the bond markets, inflation, fears of recession, equity markets, interest rates and many other factors.

The Federal Reserve continued to rise interest rates in the US; the UK and EU continue to bang heads when it comes to negotiating a Brexit “deal” (although it is bound not to be easy – both home and away – especially when the UK opposition has declared, in reality, no matter what will be agreed between the UK and EU to not agree to anything put forward to parliament. On top of that the EU does not want to budge as it is desperately trying to protect the interests of 27 member countries and to protect the European Union from collapsing at the same time.)

Trade Wars between the US and China continue, with more tariffs being added to more products. This will have uncertain outcomes to many industries. All of this is likely to cause the global economy to slow. Why would you invest in the UK if you don’t know whether the exit from the EU will be hard or soft? Why would you plan to grow your business if you are a major importer of goods from China? Combined with rising wage demands from employees which will be both inflationary and cause pressure on corporate profits and it’s not surprising the markets took breath.

The stock market “wobble” in February was very much focused on the equity markets. The October sell-off was much more broadly spread – affecting the fixed income asset class, alternatives and property / real estate. Could this be the start of the end, or just some volatility returning? Volatility should be normal in capital markets, we have been lulled into a false sense of security over the past decade and many believe that markets only go upwards. This wake-up call should grab the attention of the complacent investors. Diversification is key.

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 FP 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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