



EF 8AM Tactical Growth Portfolio

30 April 2019

INVESTMENT AIMS

The objective of the Fund is to provide long term capital appreciation. It aims to achieve this by targeting returns from a wide variety of asset classes without inducing excessive volatility.

FUND MANAGER COMMENTARY

It has been quite a ride to the upside in global markets in 2019 to date. The swing in sentiment dating from October 2018 has been extreme and enabled us to add positions to the equity portfolio during Q1. Earlier expectations for profits growth in 2019 were indeed over-optimistic as we expected, but fears that central banks would ignore weakening economic trends were always likely to prove wide of the mark.

At this stage however, while the cross-asset class rally in global markets may leave investors focused on the upside, we now view the short-term bull trade as complete, following the US Fed's confirmation that rates are on hold rather than on their way down. For the summer of 2019, we believe main street will be the bigger beneficiary of improving economic conditions, compared to Wall Street.

High yield credit spreads have moved notably lower since December and despite central bankers' warnings on deteriorating credit standards, leveraged loan indices have recouped all of 2018's losses and now stand at new all-time highs. Equity market volatility has once again fallen to very low levels compared to its 25-year history. The US initial public offering market has been reignited. It is difficult to argue in our view that the easing of US and eurozone monetary policy and resulting stabilisation of the global economy is not already to a large extent priced into global markets.

Despite the magnitude of the recent trough-to-peak swings in equities, relatively little from a fundamental perspective has changed. Median earnings forecasts for 2019 have fallen a low single-digit percentage from previously over-optimistic levels and more recently have stabilised. Similarly, 2019 GDP growth expectations have fallen, but also modestly. More recent incoming global economic data has improved, suggesting the period of downgrades may be coming to an end.

We remain highly selective and maintain a neutral allocation to equities. This is not because we expect a relapse in the economic outlook over the summer but because the US Fed has shown it is unlikely to juice asset prices further in the short-run. Equity valuations which were close to their lows of the last three years in December have now returned to relatively elevated levels. The closing of output gaps in the US, UK and Germany show that the risk of late-cycle dynamics such as rising cost pressures, notably in wages, cannot be ruled out. We note for example a significant proportion of the reduction in earnings forecasts for 2019 can be attributed to declining EBIT margin forecasts in developed markets.

Trump's recent tweets on trade have upset the strong market consensus, following a large number of encouraging press reports, that a US/China deal would shortly be reached. It is however a reminder that a number of unresolved political risks, including the UK's Brexit process, remain in place despite the rally in markets.

Tactical Growth returned 2.34% during April and is up 7.05% year-to-date."

Source: All performance figures - Financial Express to 30.04.19

PERFORMANCE (CLASS A) (Alastair George takes over as Fund manager 30.08.2012)

	1 m	3 m	6 m	1 yr	YTD	Since Launch
Tactical Growth	2.34%	3.49%	4.79%	1.61%	7.05%	54.22%
Sector	1.88%	4.39%	4.14%	3.13%	6.81%	90.21%

Source: Financial Express to 30.04.19. Sector is the UM Mixed Asset Flexible TR in GB.



Source: Financial Express
08/12/2014 - 30/04/2019 Data from FE 2019

KEY FACTS

Fund Manager	Alastair George
IA Sector	Flexible Investment
Sedol Number	B9C65S1 (Class A)
ISIN	GB00B3KQYX95 (Class R)
Fund Size	£11.76m
Launch Date/ Price	02.02.09 at 100p
Vehicle Type	UK OEIC
Unit Type	Income
ISA Eligible?	Yes
Total Expense Ratio	1.79% (Class A)
Initial charge	0% (Class A) up to 5% (Class R)
Price (NAV)	127.95p (Class A) 143.79p (Class R)
Dealing Day and Time	Daily at 12 noon
Year End	30th June
Income Allocation	31st Aug, 28th Feb
Minimum Investment	£1,000 (Class A)
Base Currency	Sterling
Pricing Basis	Forward/Single Price

CONTACT DETAILS

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WHY INVEST?

- Target return 7%# per annum (net of fees).
- Provides exposure to traditional value-based equity investment.
- Provides diversified exposure to a variety of hedge and absolute return strategies but crucially at a fraction of the cost.
- Unconstrained asset allocation allows increased flexibility (subject to Fund's investment powers).

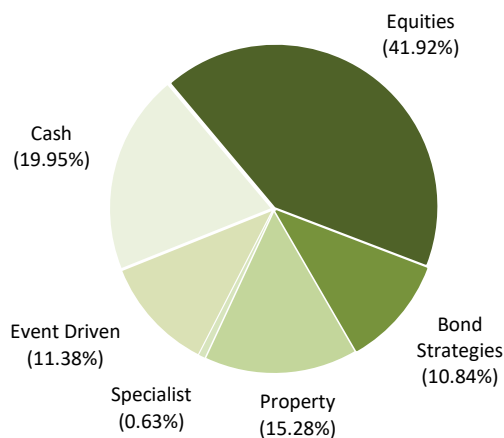
#Target return estimates should not be considered a reliable indicator of future performance.

TOP TEN HOLDINGS

Fund Name	Asset Class	%
Cash	Cash	18.13
Secure Income REIT Plc	Property	3.50
Syncona Ltd	Equities	3.05
INMARSAT Plc	Event Driven	2.77
Sequoia Economic Infra Income Fund	Bond Strategies	2.73
Alcentra Euro Floating Rate Income Fund	Bond Strategies	2.52
Alphabet Inc.	Equities	2.52
Close Brothers Group Plc	Equities	2.52
Next Plc	Equities	2.47
Melrose Industries Plc	Equities	2.44

Source: 8AM GLOBAL LLP to 29.04.19

ASSET ALLOCATION



Source: 8AM GLOBAL LLP to 29.04.19

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.

AVAILABILITY

The portfolio is available direct and via:

Aegon (International)	AJ Bell/SIPP Centre	Ascentric/Funds Direct
Aviva/Norwich Union	Axa Elevate	AXA IOM
Axa/Winterthur	Canada Life International	James Hay
L&G Intl	SEI	Merchant Investors
Novia	Nucleus	Prudential
RMB	Royal Skandia	Scottish Widows Intl
Skandia (SIS & SLAC)	Standard Life	Transact

IMPORTANT INFORMATION

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RISK WARNINGS

The EF 8AM Investment Funds, are subject to normal stock market fluctuations and other risks inherent in such investments. The value of your investment and the income derived from it can go down as well as up, and you may not get back the money that you have invested. Investments in overseas equities may be affected by changes in exchange rates, which could cause the value of your investment to increase or diminish. Capital appreciation in the early years will be adversely affected by Initial Charges, so you should regard your investment as medium to long term. Past performance is not a guide to future performance. Every effort is taken to ensure the accuracy of this data, but no warranties are given.