FP 8AM Tactical Growth Portfolio

30 June 2018

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

Tactical Growth continued to deliver a positive performance during June. However, the US versus rest of the world trade confrontation is becoming the dominant narrative. A trade war may not make sense but does now represent a potentially serious challenge to the global trading system. We also cannot rule out at this point that negative responses in financial markets may be a prerequisite to negotiating a face-saving route out of the situation for all sides.

Balanced against this headline risk are strong global consensus earnings estimates which show few signs of the impact of a potential trade war. Despite a significant slowing of economic momentum in the UK and Europe, consensus (I/B/E/S) forecasts remain as high as 8-9% 2018 earnings growth on a median basis. In the US, profits forecasts have stepped up in recent months. The median US company is now expected to deliver close to 20% earnings growth in 2018.

Yet offsetting the benefits of strong US profits growth is the prospect of tighter US monetary policy and larger fiscal deficits. US bond market investors still have to contend with rising short-term interest rates and a substantial increase in the issuance of US Treasuries to finance Trump's tax reform. Furthermore, this is happening at the same time as the US Fed attempts to reduce the size of its balance sheet. The recent trade protectionism-related flight to safety is understandable but in our view current US 10-year Treasury yields still appear too low in the context of rising US interest rates and a substantial increase in Treasury issuance. We therefore maintain very limited duration risk within the portfolio. Emerging markets are underperforming as the US Fed tightens monetary policy and it is too early to look for value in this asset class in our view, even if a major crisis appears unlikely for now.

We continue to believe developed equity markets are in a period of consolidation. Valuations are moving closer towards long-run averages by markets simply trading sideways as profits grow while monetary policy is normalised. Over the last month, downside risks have, in our view, increased as the rhetoric on trade has sharpened considerably across both the Pacific and Atlantic. The fund remains cautiously positioned with respect to equities and is investing highly selectively, with a focus on event-driven situations less exposed to the macro factors discussed previously.

Tactical Growth returned 0.44% during June compared to a decline of -0.23% for the FTSE 100. The fund is up 4.08% year to date.

Source: All performance figures - Financial Express to 30.06.18

PERFORMANCE (CLASS A)

	1 m	3 m	6 m	1 yr	YTD	Since Launch
Tactical Growth	0.44%	4.96%	4.08%	7.57%	4.08%	52.78%

Source: Financial Express to 30.06.18

Source: Financial Express

08/12/2014 - 29/06/2018 Data from FE 2018

KEY FACTS

Fund Manager	Alastair George
IA Sector	Unclassified
Sedol Number	B9C65S1 (Class A)
ISIN	GB00B3KQYX95 (Class R)
Fund Size	£8.59m
Launch Date/ Price	02.02.09 at 100p
Vehicle Type	UK OEIC
Unit Type	Income
ISA Eligible?	Yes
Total Expense Ratio	1.93% (Class A)
Initial charge	0% (Class A)
	up to 5% (Class R)
Price (NAV)	128.79p (Class A)
	144.51p (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).
- Target volatility: 50% of the volatility of the FTSE 100 over any 12 month time period.
- 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).

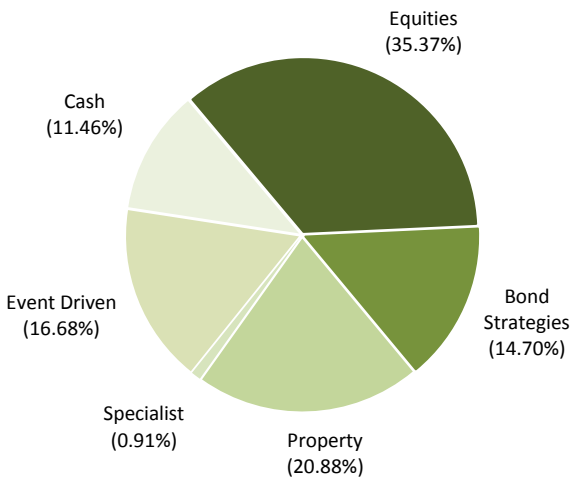
[#]Target return estimates should not be considered a reliable indicator of future performance.

TOP TEN HOLDINGS

Fund Name	Asset Class	%
Cash	Cash	8.97
Sky Plc	Event Driven	5.09
Secure Income REIT Plc	Property	4.48
Syncona Ltd	Equities	4.08
Alcentra Euro Floating Rate Income Fund	Bond Strategies	3.52
Picton Property Income Ltd	Property	3.29
CQS New City High Yield Fund Ltd	Bond Strategies	3.24
Sequoia Economic Infra Income Fund	Bond Strategies	3.15
NB Global Floating Rate in £	Bond Strategies	3.07
Aroundtown SA	Property	2.90

Source: 8AM GLOBAL LLP to 30.06.18

ASSET ALLOCATION



Source: 8AM GLOBAL LLP to 30.06.18

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

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