# EF 8AM Tactical Growth Portfolio

2 January 2020

## 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 recorded a gain of 2.77% during December, in-line with the UK market against a backdrop of positive investor sentiment over the same period.

2019 appears to have been the year when many of the feared risks ultimately failed to materialise. Fears of a recession proved unfounded as central banks eased policy following a period of weak incoming economic data. The US/China trade conflict may now be resolved as Trump appears to be seeking a signed agreement in mid-January, potentially with an eye on his re-election later in the year.

UK PM Boris Johnson's Conservative party has comprehensively defeated Labour in the recent UK general election, consigning Corbynism to books on experimental politics. PM Johnson's Brexit deal has also now been voted through Parliament, settling the path for Brexit.

Nevertheless, in many respects it was simply the turn in monetary policy over the year that both shifted Tactical Growth to a more aggressive risk positioning and rescued market sentiment during Q3. This more aggressive positioning was maintained into the end of the year.

We note the mega-cap segment of global equity markets continues to deliver double-digit ROE and high single-digit earnings growth. This strong corporate performance has occurred despite the marked slowdown in global trade volumes and is a testament to the resilience of the largest business franchises. Current valuations for this group of equities suggest further outperformance over the medium term and we continue to look to increase exposure to this segment of the market.

However, valuations for developed market equities are once again approaching cycle highs and we are concerned in the light of quite mixed incoming data that a degree of complacency has crept into both equity and credit markets. We are looking to take profits on positions which have performed strongly during Q4, with a view to re-investing the proceeds into event-driven situations as the year unfolds. Declining political risk should also be expected to lower volatility and as a result encourage corporate investment in the real economy, IPOs and increased merger and acquisition activity. However, at current market valuations, we are seeking to focus the equity component of the portfolio to long-term company-specific ideas and themes, rather than merely gain broad market exposure.

In our view, government bonds remain unappealing at current low yields and largely dependent on the near-term direction of monetary policy. At present, government bond yields remain compressed even as the effects of 2019's loosening of monetary policy may bear fruit during H120. There is a risk that given ebullient markets, recent surprisingly weak economic data may yet be overlooked by central banks in the short-term, following the synchronised and significant reversal in policy direction (towards loosening) during 2019.

Tactical Growth is now positioned with a neutral view on equities as we patiently seek new investment opportunities with the right risk/reward. The fund returned 15.14% during 2019 which was a good result. The challenge now is to consolidate and build on these gains during 2020.

Source: All performance figures - Financial Express to 31.12.19

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

| | 6 m | 1 yr | 3 yr | 5 yr | YTD |
|---|---|---|---|---|---|
| Tactical Growth | 8.06% | 15.14% | 22.43% | 41.29% | 15.14% |
| Sector | 4.46% | 15.57% | 19.90% | 39.30% | 15.57% |

Source: Financial Express to 31.12.19. Sector is the IA Flexible Investment GTR in GB.

## KEY FACTS

| | |
|---|---|
| Fund Manager | Alastair George |
| IA Sector | Flexible Investment |
| Sedol Number | B9C65S1 (Class A) |
| | B3KQYX9 (Class R) |
| ISIN | GB00B9C65S15 (Class A) |
| | GB00B3KQYX95 (Class R) |
| Fund Size | £17.07m |
| Launch Date/ Price | 02.02.09 at 100p |
| Vehicle Type | UK OEIC |
| Unit Type | Income |
| ISA Eligible? | Yes |
| Total Expense Ratio | 1.67% (Class A) |
| Initial charge | 0% (Class A) |
| | up to 5% (Class R) |
| Price (NAV) | 136.43p (Class A) |
| | 153.09p (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

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:


8AM GLOBAL LLP
The Thatched Office
Manor Farm
Kimpton, Andover
Hampshire SP11 8PG

or

Way Fund Managers Limited
Cedar House, 3 Cedar Park
Cobham Rd
Wimborne
Dorset BH21 7SB

Information & Dealing: 01264 773155
E-mail: jeremy.nunn@8amglobal.com
Website: www.8amglobal.com





© 8AM GLOBAL LLP 2019 - Authorised and Regulated by the Financial Conduct Authority

## 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).

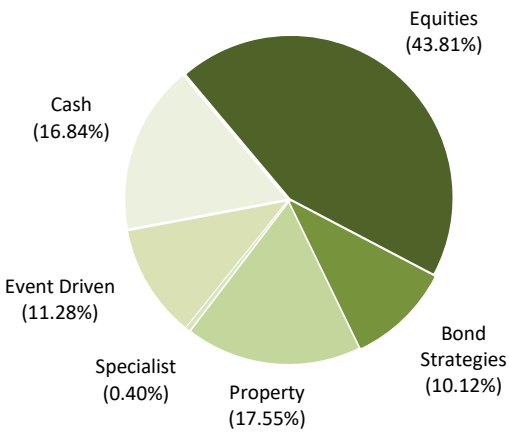
*[#]Target return estimates should not be considered a reliable indicator of future performance.*

## TOP TEN HOLDINGS

| Fund Name | Asset Class | % |
|---|---|---|
| Cash | Cash | 13.48 |
| Pimco Sterling Short Maturity | Cash | 3.36 |
| iShares FTSE 250 | Equities | 3.06 |
| Supermarket Income REIT Plc | Property | 2.92 |
| ITV Plc | Equities | 2.91 |
| Bayer AG-REG | Equities | 2.90 |
| Alphabet Inc | Equities | 2.67 |
| Secure Income REIT Plc | Property | 2.55 |
| Target Healthcare REIT Ltd | Property | 2.41 |
| iShares FTSE Gilts UK 0-5 | Bond Strategies | 2.35 |

Source: 8AM GLOBAL LLP to 31.12.19

## ASSET ALLOCATION




Source: 8AM GLOBAL LLP to 31.12.19

## 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 Retirement Choices | AJ Bell | Ascentric/Funds Direct |
| Aviva | AXA IOM | Canada Life International |
| Embark | Fidelity | Fusion |
| James Hay | Merchant Investors | Novia |
| Nucleus | Old Mutual Wealth | Prudential |
| Scottish Widows Intl | Standard Life Elevate | Standard Life |
| Transact | Zurich | |

**IMPORTANT INFORMATION**
This document has been produced for information only and represents the views of 8AM GLOBAL LLP at the time of writing. It should not be construed as Investment Advice. No investment decisions should be made without first seeking advice. Full details of the EF 8AM Investment Funds, including risk warnings, are published in the EF 8AM Investment Funds Prospectus. Advisers and investors should note that the sub-funds of EF 8AM Investment Funds ("the Fund"), as contained in the Fund's full Prospectus are not registered for promotion in any jurisdiction outside of the United Kingdom. Advisers will need to ensure that they are not contravening any local rules if they recommend investment into the sub-funds to investors resident outside of the United Kingdom.
**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 effected 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.



© 8AM GLOBAL LLP 2019 - Authorised and Regulated by the Financial Conduct Authority