



QUILTER CHEVIOT

LIBERO BALANCED FUND

FACTSHEET

NOVEMBER 2018

OBJECTIVE

The Libero Balanced Fund aims to produce a balance between income and capital growth through a balanced investment strategy by investing in a well diversified spread of equities, bonds, and collective funds from each asset class and/or geographical sector. We have an active approach to stock-picking in UK and overseas markets. Where we feel that it would be more appropriate to access a particular asset class or geographical region through a collective fund, our independence allows us to select the best performing collective funds in the market place, without any affiliation to, or over-reliance on, one single investment house.



Source: Financial Express 31 October 2018. Performance is shown as net of management fees with all income reinvested. **Past performance is not a guarantee of future results.**

INVESTMENT PARTNERS

You can also invest in this fund via one of our wide range of Investment Partners.



Cumulative performance (%) to 31 October 2018	YTD	1yr	3yr	5yr	Since Inception
LIBERO BALANCED FUND	-3.05	-1.95	19.86	28.64	55.70
IA Mixed Investment 40-85% Shares	-2.78	-1.75	21.32	30.05	54.30
Bank Of England Base Rate	0.48	0.56	1.26	2.27	3.60

Discrete performance (%) to 31 October each year	2018	2017	2016	2015	2014
LIBERO BALANCED FUND	-1.95	8.84	12.32	6.30	0.96
IA Mixed Investment 40-85% Shares	-1.75	9.84	12.42	4.95	2.14
Bank Of England Base Rate	0.56	0.25	0.44	0.50	0.50

'B' clean share class is the Retail Distribution Class (RDR) and is commission free *Fund Data as at 31 October 2018. **Past performance is not a guide to future performance and future returns are not guaranteed.**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	5.53	2.01	2.21	0.17	2.77	-4.27	4.60	-1.88	0.80	3.80	-0.45	1.11	17.21
2014	-3.09	3.66	-1.39	0.50	1.57	-0.73	-0.08	1.64	-1.53	-0.08	3.60	-0.32	3.58
2015	2.69	1.93	0.76	0.30	1.20	-3.63	0.92	-3.58	-2.05	4.67	0.54	-0.77	2.69
2016	-3.32	1.36	1.97	0.54	-0.15	2.15	5.65	2.21	0.63	1.11	-1.37	2.50	13.81
2017	0.47	2.43	0.86	-0.39	2.43	-0.96	0.39	1.16	-1.08	2.19	-0.31	1.45	8.88
2018	0.56	-1.92	-2.84	3.57	2.38	-0.25	0.98	-0.18	-0.91	-4.24	-	-	-3.05

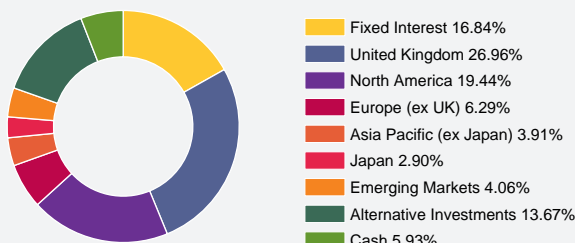
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ASSET ALLOCATION

	%
Fixed Interest	16.84
Equity	63.56
Alternative Investments	13.67
Cash	5.93

ASSET CLASS/GEOGRAPHICAL ALLOCATION

As at 31 October 2018



TOP 10 HOLDINGS

	%
HSBC ETFS S&P 500	9.80
Vulcan Global Value Equity Fund	4.00
Iridian US Equity Fund	3.50
J O Hambro Continental European Fund	3.50
Henderson European Opportunities Fund	3.10
SPDR Barclays US Treasury Bond ETF	2.90
Lazard Emerging Markets Fund	2.80
M&G Optimal Income Fund	2.80
Royal London Sterling Credit Fund	2.70
ETFS Metal Securities	2.40
Total Top 10	37.50%

IMPORTANT: The value of investments and the income from them can go down as well as up. You may not recover what you invest.



FUND DATA

Launch Date	31 March 2011
Launch Price	100.00p
Current Price	155.70p Acc, 135.90p Inc
Fund Size	£38,022,574
ISAs/SIPPs/SSASs/Offshore Bonds	Eligible
Base Currency	GBP
Minimum Lump Sum Investment	£1,000
Minimum Regular Savings	£100 a month
Dealing Schedule	Daily at 12:00pm

Historic Yield	1.90%
Annual Management Charge	1.00%
Initial Fee	0.00%
Ongoing Charges*	1.50%
Ex Dividend Dates	1 January & 1 July
Dividend Pay Dates	30 April & 31 October
Sedol Number	B4S5LT0 Acc, B4PR843 Inc

* This includes the Annual Management Charge

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MARKET COMMENTARY

Global equity markets ended the month on a negative footing, the culmination of a rapid sell-off that started in late September. However, we think this is more like a market correction rather than the start of a more prolonged downturn. Global economic growth, albeit slowing, is still likely to be healthily positive over the next year or so. Equity market valuations are not elevated and are now looking attractive in some sectors. Corporate earnings and dividends are still forecast to grow. Furthermore, any signs of weakness in the US economy will likely temper the Federal Reserve's enthusiasm to raise interest rates in the future, thus providing a counterpoint to the events that kicked-off the fall in stocks in the first place. Volatility may be back, but it doesn't mean that the current bull market is over, in our view.

During the month, nervousness set in after the US Federal Reserve raised interest rates as expected but spoke quite firmly about the need to increase rates by more. At the same time, the yield on three month US Treasuries, a proxy for cash, rose above inflation for the first time in a decade. With that in mind, we started a 'tactical' position in US Treasuries by buying the SPDR Bloomberg Barclays US Treasury Bond UCITS ETF. This security tracks the whole US Treasuries index, has a sterling priced share-class and is unhedged so it offers US dollar exposure.

It is worth noting that higher interest rates themselves are not necessarily a problem if economies are growing strongly, but together with the reversing of quantitative easing in the US, does represent a tightening of liquidity conditions. This means less 'firepower' to keep buying equities. At the same time, higher bond yields have increased the discount rate applied to future company earnings, thereby reducing their present value. This has put downward pressure on the share prices of many industrial stocks, which has been a detractor of performance during the month.

INVESTMENT THEMES

Vulcan Global Value Equity Fund

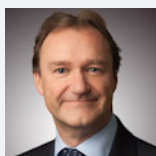
We like the clear focused investment discipline of the Vulcan team, alongside its bias towards stocks which are not 'just' cheap but require underlying business growth. Recent market volatility has provided the Fund with opportunities to add to higher conviction names. The portfolio remains highly concentrated, currently owning 27 stocks - largest holding is in Oracle with a c.9% weighting. The team likes Oracle's long term growth path underpinned via its cloud exposure. Of recent additions, a modest position in Facebook is perhaps the most notable. There is some flexibility, up to 20%, to invest in oversea companies, particularly in the UK and Europe.

Iridian US Equity Fund

Iridian focuses on investing in companies where there is potential for corporate change which may result in significant share price appreciation. The Fund is managed by Sturgis Woodberry and Todd Raker, supported by a large analyst team. Iridian typically invests in 40 to 60 stocks with a mid-cap market bias. Historically, the Fund has taken significant sector positions versus the index, and in particular has largely avoided Financials. The Fund is style agnostic, and market valuations are less important given they are seeking companies undergoing fundamental change. Iridian US Equity has also been the beneficiary of M&A activity in many occasions, with on average of three companies acquired per year.

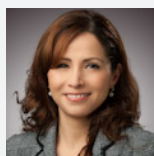
References to specific securities are not recommendations to buy or sell those securities.

FUND MANAGERS



Alan McIntosh - Chief Investment Strategist

Alan began his career as a fund manager in 1982 at Scottish Life, followed by Municipal Mutual and BZW Investment Management. He joined Credit Suisse Asset Management in 1994 as UK Market Strategist, before moving in 1999 to Laing & Cruickshank Investment Management, where he ran the Model Portfolios and was Senior Equity Strategist. Alan continued in this role at UBS Wealth Management following their acquisition of Laing & Cruickshank in 2004, and was appointed Executive Director. He joined Quilter Cheviot in 2006 as Chief Investment Strategist.



Claudia Quiroz - Fund Manager

Claudia is the Lead Fund Manager of the Libero Balanced and the Climate Assets Funds. She also manages segregated portfolios on behalf of private clients, pensions and charities. Claudia holds an MBA from Cass Business School in London and joined Quilter Cheviot from Henderson Global Investors in 2009. She has over 18 years' of investment experience and is a Chartered member of the Chartered Institute for Securities & Investment. She was shortlisted as the Fund Manager of the Year at the Women in Finance Awards 2018.

HOW TO INVEST

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