



QUILTER CHEVIOT

LIBERO BALANCED FUND -'B' SHARE CLASS

FACTSHEET

APRIL 2019

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 March 2019. 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 March 2019	YTD	1yr	3yr	5yr	Since Inception
LIBERO BALANCED FUND -'B' SHARE CLASS	6.90	3.64	23.17	32.15	59.50
IA Mixed Investment 40-85% Shares	6.45	4.30	24.02	33.18	58.62
Bank Of England Base Rate	0.18	0.66	1.35	2.37	3.91

Discrete performance (%) to 31 March each year	2019	2018	2017	2016	2015
LIBERO BALANCED FUND -'B' SHARE CLASS	3.64	0.52	18.22	-2.70	10.27
IA Mixed Investment 40-85% Shares	4.30	1.54	17.11	-2.94	10.63
Bank Of England Base Rate	0.66	0.35	0.34	0.50	0.50

Past performance is not a guide to future performance and future returns are not guaranteed. Source: Financial Express 31/03/2019. B Accumulation share class performance, inclusive of charges, in GBP with net income reinvested. The performance of other share classes may differ.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
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	-0.13	-4.05	-7.10
2019	3.55	1.62	1.59	-	-	-	-	-	-	-	-	-	6.90

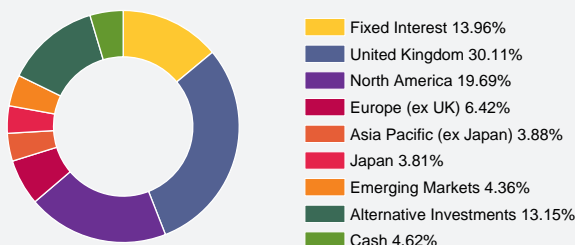
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ASSET ALLOCATION

	%
Fixed Interest	13.96
Equity	68.27
Alternative Investments	13.15
Cash	4.62

ASSET CLASS/GEOGRAPHICAL ALLOCATION

As at 31 March 2019



TOP 10 HOLDINGS

	%
HSBC ETFS S&P 500	10.18
Vulcan Global Value Equity Fund	3.89
Iridian US Equity Fund	3.69
J O Hambro Continental European Fund	3.23
Janus Henderson European Select Opportunities Fund	3.19
Lazard Emerging Markets Fund	2.97
Royal London Sterling Credit Fund	2.83
M&G Securities Optimal Income Fund	2.77
Royal Dutch Shell	2.60
Invesco Physical Gold	2.58
Total Top 10	37.93%

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 - 'B' SHARE CLASS

Launch Date	31 March 2011
Launch Price	100.00p
Current Price	159.50p Acc, 137.80p Inc
Fund Size	£37,712,187.67
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*	1.57%
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

MARKET COMMENTARY

Equity markets have recovered the majority of the losses incurred late last year as the Federal Reserve turned more dovish and a US-China bilateral trade agreement is in sight. The big surprise was in the bonds markets, where investors have started to discount the potential for a US recession resulting in a marked decline in yields. Continued OPEC+ production discipline also saw the Brent crude oil price recover to \$68 a barrel from \$54 at the start of the year.

Global growth has likely slowed in Q1 to around 3.2% from the peak of 4% this time last year – an indication that extended US/China trade negotiations are taking their toll on global trade and GDP. A loss of growth momentum wasn't unexpected but a particularly weak euro area manufacturing survey in March - showing a meaningful decline in export orders - suggested the all-important recovery in China might lag expectations. Global GDP estimates were already assuming US growth would slow to around 2.5% in 2019 while remaining well balanced across consumption and investment.

The Chinese economy is in the midst of a multi-year structural transition which has been accompanied by stop/go policy stimulus targeting job creation as much as high GDP rates. Agreement has been reached on stricter enforcement of international trade norms and China is expected to pass laws to protect the intellectual property of foreign investors.

The UK's future political and economic outlook remains unclear at the time of writing with both major political parties engulfed in polarised views. We suspect the vast majority of the electorate would likely vote for a 'sensible' compromise but this isn't on offer and even a snap election is unlikely to result in a decisive outcome.

Estimates for corporate earnings have been revised down in recent months to around 5% growth from 14% last year. Company guidance and analyst estimates are positioned for an Asian and European cyclical upturn with consumer and non-bank financial sectors topping the growth tables. The strong rise in share prices and reduced earnings mean forward valuations have risen towards the upper-end of their twelve month range. In absolute terms a price/earnings multiple of 15 times is reasonable but companies must now deliver – and potentially surprise on the upside – for markets to make significant progress from current levels.

INVESTMENT THEMES

During the period we added a new holding in Aberforth UK Smaller Companies and increased our existing position in Persimmon.

ABERFORTH UK SMALLER COMPANIES

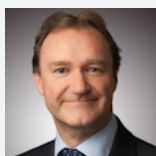
Aberforth is a new holding within our UK smaller company allocation. The Fund is a diversified portfolio managed by an experience team of six investors from Aberforth Partners – a specialist smaller companies investment boutique. The team focusses on 'value', typically investing in 80 to 100 stocks. The Fund actively avoids AIM-listed stocks as these tend to be more growth-orientated or lower quality stocks, in their view.

PERSIMMON

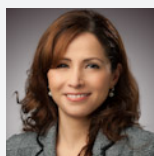
Persimmon is one of the UK's leading housebuilders with one of the largest land banks. It is very successful at obtaining planning permission for strategic sites which are more profitable. The stock is underpinned by a 9% yield and has no exposure to the slowing London market. We also like the continuity provided by the confirmation of the CEO and its strong balance sheet with c. £1bn of cash we expect some of this to be returned to shareholders in due course.

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 20 years' of investment experience and is a Chartered member of the Chartered Institute for Securities & Investment. Claudia sits on the International Equities Stock Selection Committee at Quilter Cheviot.

HOW TO INVEST

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CONTACT DETAILS

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