



QUILTER CHEVIOT

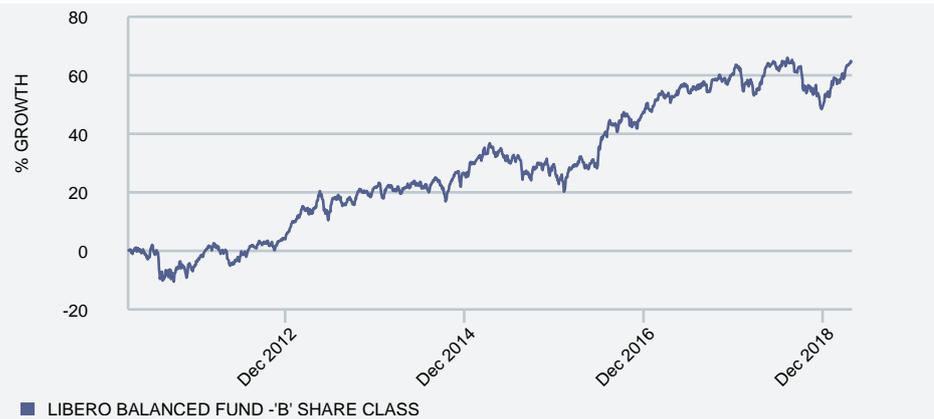
# LIBERO BALANCED FUND -'B' SHARE CLASS

## FACTSHEET

MAY 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 30 April 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 30 April 2019	YTD	1yr	3yr	5yr	Since Inception
LIBERO BALANCED FUND -'B' SHARE CLASS	10.32	3.26	26.42	35.70	64.60
IA Mixed Investment 40-85% Shares	9.53	4.05	27.22	37.13	63.21
Bank Of England Base Rate	0.25	0.69	1.38	2.40	3.98

Discrete performance (%) to 30 April each year	2019	2018	2017	2016	2015
LIBERO BALANCED FUND -'B' SHARE CLASS	3.26	4.52	17.13	-2.47	10.06
IA Mixed Investment 40-85% Shares	4.05	4.82	16.66	-2.75	10.84
Bank Of England Base Rate	0.69	0.37	0.32	0.50	0.50

Past performance is not a guide to future performance and future returns are not guaranteed. Source: Financial Express 30/04/2019. 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	3.20	-	-	-	-	-	-	-	-	10.32

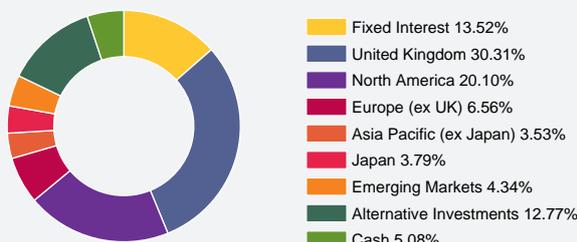
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### ASSET ALLOCATION

	%
Fixed Interest	13.52
Equity	68.63
Alternative Investments	12.77
Cash	5.08

### ASSET CLASS/GEOGRAPHICAL ALLOCATION

As at 30 April 2019



### TOP 10 HOLDINGS

	%
HSBC ETFS S&P 500	10.27
Vulcan Global Value Equity Fund	4.05
Iridian US Equity Fund	3.76
JO Hambro Continental European Fund	3.31
Henderson European Select Opportunities Fund	3.24
Lazard Emerging Markets Fund	2.96
Royal London Sterling Credit Fund	2.76
M & G Optimal Income Fund	2.70
Royal Dutch Shell 'B'	2.57
Invesco Physical Markets Secured Gold	2.48
<b>Total Top 10</b>	<b>38.10%</b>

**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	164.60p Acc, 142.20p Inc
Fund Size	£39,031,098.66
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	2.20%
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

Stock markets rose in April driven by better than expected economic news as well as good corporate results in the US. Sterling returns for global investors were boosted by sterling weakness against the dollar to \$1.29. The oil price continues to be squeezed higher as the US withdraws Iranian sanctions relief. Economic growth in advanced economies appears reasonable, slightly lower than in 2018 but a long way from justifying the recession fears that were circulating around Christmas.

In the US, interest rates are on hold for the time being while overall financial conditions have eased and the drag from the US government shutdown is passing. Residential housing data although previously weak shows some signs of improvement. Consumer spending remains the main driver of domestic growth and is well supported by strong job growth and rising wages. The pick-up in orders for capital goods suggests business investment will accelerate in the second half of the year. Rising oil prices will likely lead to a small increase in headline inflation but core inflation (i.e. excluding the more volatile food and energy sectors) will remain subdued. Markets are pricing a 50% chance of a rate cut in the second half of 2019 but given the likelihood of steady GDP growth of around 2.7% this may be premature.

GDP growth in other advanced economies remains relatively low compared to the US. In Japan for instance, while GDP estimates aren't deteriorating, GDP is likely to remain anaemic at around 0.6%. China's reacceleration may not boost German exports, with the Eurozone powerhouse only expected to register 2019 GDP growth of 1%. The UK's exit from the EU has been delayed for a second time until 31 October, providing some relief for the economy. Unfortunately, there seems little prospect of agreeing a way forward which means at least another six months of uncertainty, or the prospect of a general election.

Double digits' gain in stock markets this year reflect improved sentiment rather than a material change in economic or corporate profit expectations. Valuations for most markets are at the top end of their twelve months' range, so markets may pause for breath before further progress is made. Although we are only part way through the Q1 results season some companies are already guiding higher and analysts are beginning to revise up their expectations. The biggest uncertainty however remains global trade, US politicians are guiding towards a satisfactory outcome to the negotiations although the delay in agreeing the detail suggests an element of caution is warranted.

## INVESTMENT THEMES

Our exposure to US equities produced particularly good returns during the month with the HSBC S&P 500 ETF and Vulcan Global Value Fund as the largest positive contributors, followed by Prudential within our UK equity allocation.

## Vulcan Global Value Equity Fund

We like the clear focused investment discipline of the Vulcan team, their bias towards stocks which are not 'just' cheap but require underlying business growth along with recent market volatility has provided the Fund with opportunities to add to higher conviction names. The portfolio remains highly concentrated, owning 24 stocks as at 31 December 2018, its largest holding being Hilton Worldwide Holdings with a c6.4% weighting; the team likes Hilton's long-term growth path underpinned via its franchise model. There is some flexibility, up to 20%, to invest in overseas companies, particularly in the UK and Europe, with a large position in financial Swiss group, Swiss RE.

## Prudential

Prudential is an international life insurance business with major operations in the UK, US and Asia. It is in the process of de-merging its UK business which we like as it will create value for shareholders. Interestingly, its strategy is underpinned by three very different demographic needs. In Asia, Prudential addresses the investment needs of the growing middle class, in the US it provides asset accumulation and retirement income products to the baby boomers, whilst it meets the savings and retirement needs of an ageing population in Europe. In our view, the company offers superior growth relative to peers reflecting the strength of its Asian business which is supported by stronger economic growth, favourable demographics, limited welfare provision and increasing penetration from a low base.

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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