



# FP 8AM Tactical Growth Portfolio

28 February 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

It may be considered a small pyrrhic victory but Tactical Growth is year-to-date down only 0.07% while the FTSE 100 is down 5.29%. This outperformance is a demonstration of the fund's commitment to delivering capital preservation in less benign markets.

The standout market event during February was the discontinuity in equity market volatility. From close to record lows in the final days of January, US market implied volatility jumped to over 50% annualised a few days later. No single trigger or fundamental change provides a satisfactory explanation. Our suspicion is that investor complacency in a period of tightening monetary policy is to blame.

Renormalisation of monetary policy will over time have a much broader impact on asset prices, in our view. As volatility returned to interest rate markets we expected a follow-through to equity market volatility, even if not as abrupt. The elephants in the room are equity and credit risk premia, which are still very low (or, in other words, valuations extended) in a historical context.

We do not have a model that tells us whether these other investment parameters will normalise gradually – or suddenly, as was the case with equity volatility. The recent volatility experience does, however, add to the weight of evidence of market risk premia also reverting back to more normal levels as monetary policy is re-normalised. We continue to believe the point of maximum equity market exposure was much earlier in this cycle.

There has, however, been no evidence in recent weeks that economic fundamentals are weakening. Economic surprise remains positive and profits forecasts robust, especially in the US following tax reform. Policy-sensitive US two-year rates have been moving sharply higher, reflecting increasing investor confidence in growth. If the expectations for strong profits growth can be maintained, the normalisation of valuations may yet only have a relatively modest impact on market prices, namely as a period of sideways trading as bond yields and interest rates rise.

All of the previous points only serve to highlight the features of a top-of-cycle investment landscape. While recognising the growth dynamic is strong for the moment, we continue to believe equity portfolios should now be tilted towards sectors that have offered a degree of resilience. Market volatility is, in our view, likely to settle at this new, higher level and portfolios should be managed accordingly. Bond yields may have risen substantially since we highlighted anomalously low yields in December, but on balance the risk to yields still appear to the upside for now.

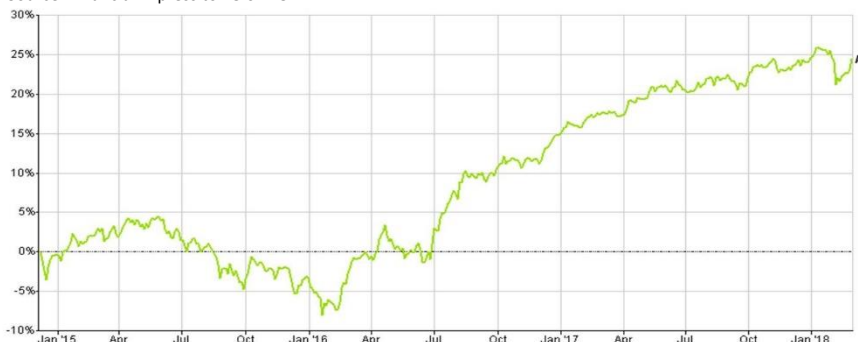
We remain focused on carefully researched specific growth - or event-driven situations over broad market exposure. Tactical Growth returned -0.19% during February, outperforming the FTSE 100 which returned -3.40% over the same period.

Source: All performance figures - Financial Express to 28.02.18

## PERFORMANCE (CLASS A)

	1 m	3 m	6 m	1 yr	YTD	Since Launch
Tactical Growth	-0.19%	0.69%	1.74%	5.92%	-0.07%	46.69%

Source: Financial Express to 28.02.18



■ A - FP - 8AM Tactical Growth Portfolio A Inc TR in GB [24.43%]

Source: Financial Express

08/12/2014 - 28/02/2018 Data from FE 2018

## KEY FACTS

Fund Manager	Alastair George
IA Sector	Unclassified
Sedol Number	B9C65S1 (Class A)
ISIN	GB00B3KQYX95 (Class R)
Fund Size	£7.42m
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)	123.66p (Class A)
	139.11p (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%<sup>#</sup> 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).

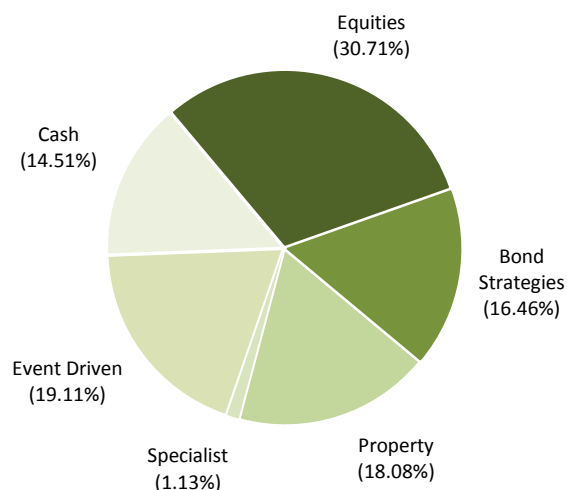
<sup>#</sup>Target return estimates should not be considered a reliable indicator of future performance.

## TOP TEN HOLDINGS

Fund Name	Asset Class	%
Cash	Cash	11.63
Sky Plc	Event Driven	5.38
GKN Plc	Event Driven	3.98
Alcentra Euro Floating Rate Income Fund	Bond Strategies	3.97
Syncona Ltd	Equities	3.73
CQS New City High Yield Fund Ltd	Bond Strategies	3.60
Picton Property Income Ltd	Property	3.55
NB Global Floating Rate in £	Bond Strategies	3.45
Sequoia Economic Infra Income Fund	Bond Strategies	3.45
Millenium & Cophthorne Hotel Plc	Property	3.26

Source: 8AM GLOBAL LLP to 28.02.18

## ASSET ALLOCATION



Source: 8AM GLOBAL LLP to 28.02.18

## 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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