

WS Charteris Global Macro Fund

By combining growth
opportunities with income
generating equities

Fund presentation

Q4 2021

For Professional investors only. Not for consumer use





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Background – WS Charteris Global Macro Fund

■ Manager

Terry Farrow, ACIB, AFPS, CFP, Chartered MSCI, Chartered Financial Planner, European Financial Planner
Lead manager of the **WS Charteris Global Macro Fund**. Top performer in Citywire Absolute return sector 2016 & 2020.



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■ Performance

✓ 2020 Top in Citywire Absolute Return Sector	- up 27.30%	*Source CWM
✓ 2019 2 nd in Citywire Absolute Return Sector	- up 16.10%	*Source CWM
✓ 2016 Top in Citywire Absolute Return Sector	- up 45.00%	*Source CWM

■ Framework

UK UCITS Structure

ACD – Waystone Management (UK) Limited (formerly *DMS Investment Management Services (UK) Limited*). WS is the worldwide leader in Fund governance with assets under service of \$350bn

Depository & Custodian – Credit Agricole (AAA). CACEIS Bank, UK Branch



Current Outlook / Macro overview

1. Asia and Emerging Markets to grow at a much faster rate for decades to come. Still ultra competitive in terms of wage rates and relative exchange rates. Inter-Asian trade to increase hugely over the next decade(s)
2. Commodity super cycle has completed its secondary reaction low, expect upward pressure to now resume over the next few years. QE to infinity – just adds rocket fuel to an existing commodity bull market. FED caught between rock and a hard place, likely rate hikes but could be short-lived
3. Europe to stagnate in the long term. Structural problems still dominate as the EU is woefully uncompetitive. On-going problems with legacy debts and Government over-spending in many European countries. Having Germany close nuclear plants for solar and wind power, gas prices soaring – energy costs in EU will add to problems
4. USA better placed than EU partly due to dominance in technology sector and self sufficiency in energy. However, US budget deficit now increasing exponentially leading to a financial crisis in the longer term. Nearly \$30 trillion in Government debt, how can interest rate rise help problems?
5. Post Brexit uncertainty leaves UK equities at substantial discount to global peers
6. The 30 year Bull market in bonds is over. Gilts, T-bonds etc now offer asymmetric risk reward characteristics.



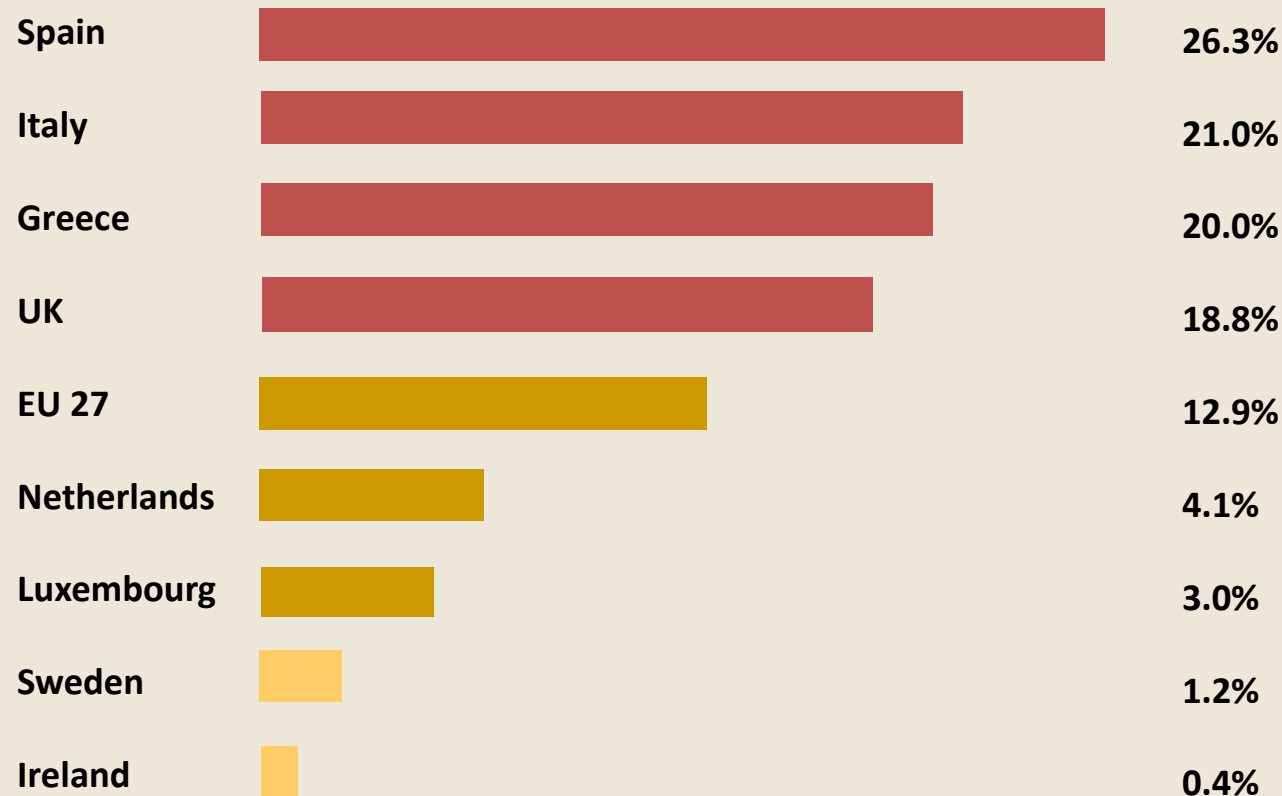
How European Government Debt grew during the Pandemic

European debt still mounting
with non-core countries debt
increasing is difficult for EU

To raise interest rates without
causing distress – thus
stagflation strong possibility

Percentage point increase in general government gross debt

Source: Eurostat via UK Office for National Statistics (End of Q4 2019 to end of Q3 2021)





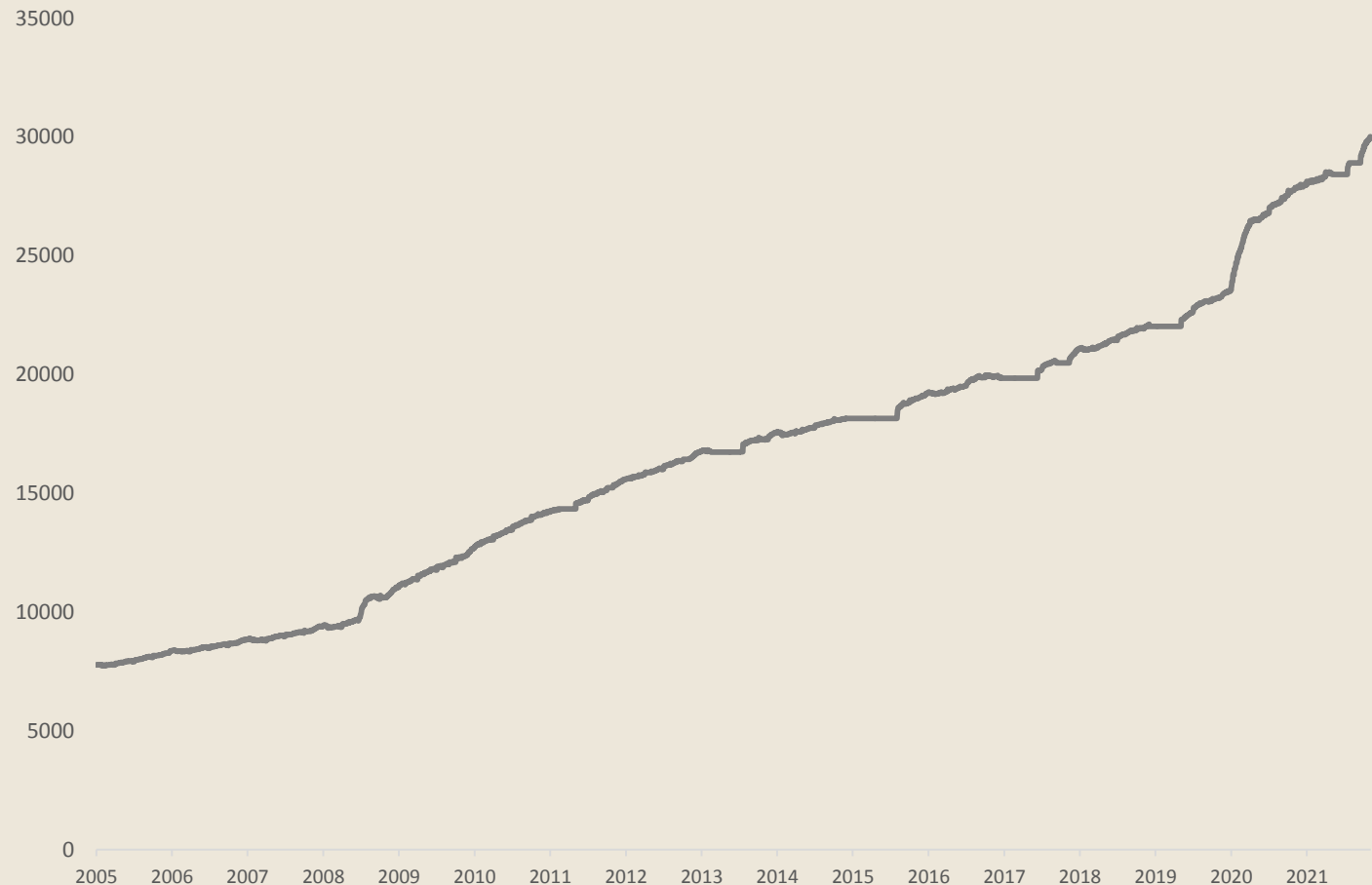
How US Government Debt continues to grow

US Debt passes £ 30 trillion in Q1 of 2022

It will continue to grow and compound

US Debt passes \$30 TRILLION!

Source: Bloomberg (as at 31 Jan 2022)

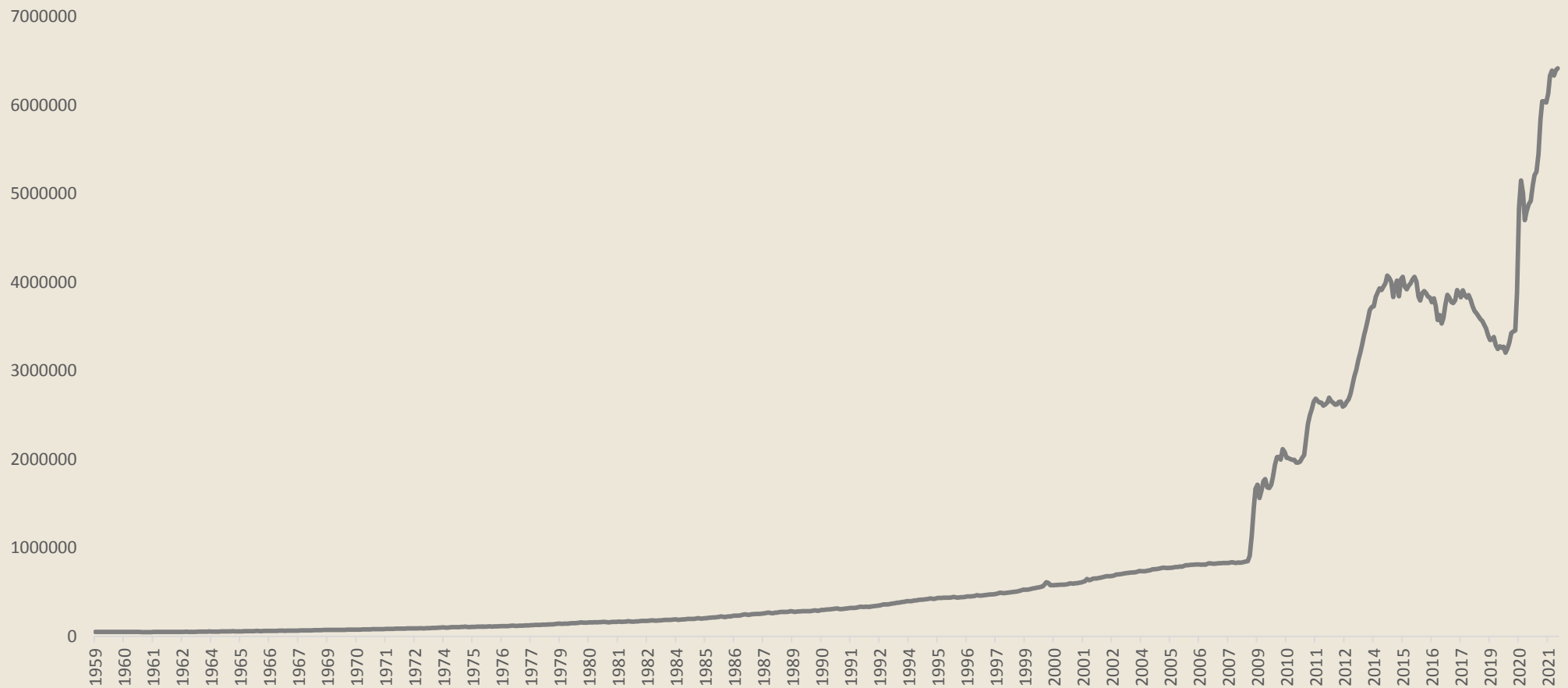




US Monetary Base since 1959

Monetary base; Total

Source: Federal Reserve Bank of St Louis (01 Jan 1959 - 01 Dec 2021)

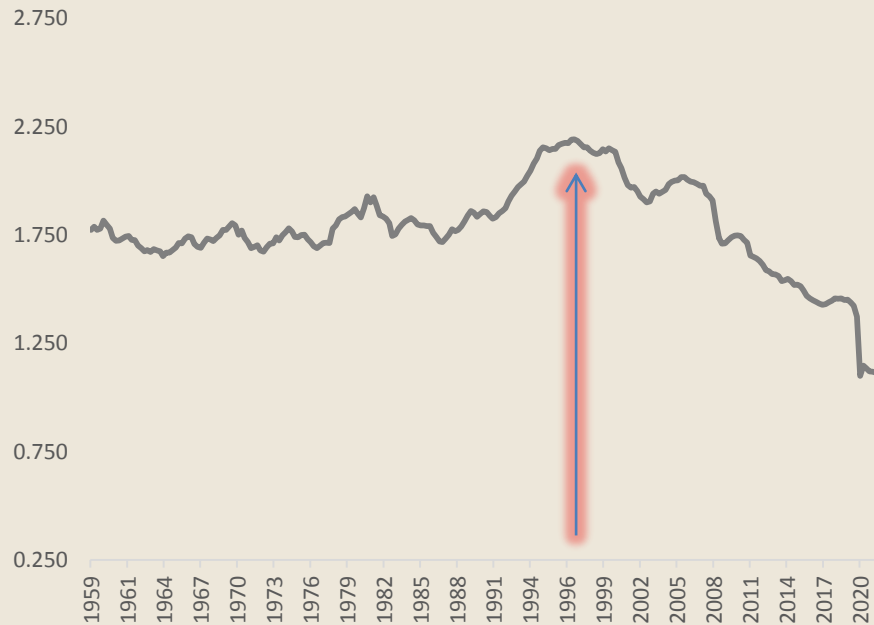




M2 Velocity & Labour force participation rate

Velocity of M2 Money Stock

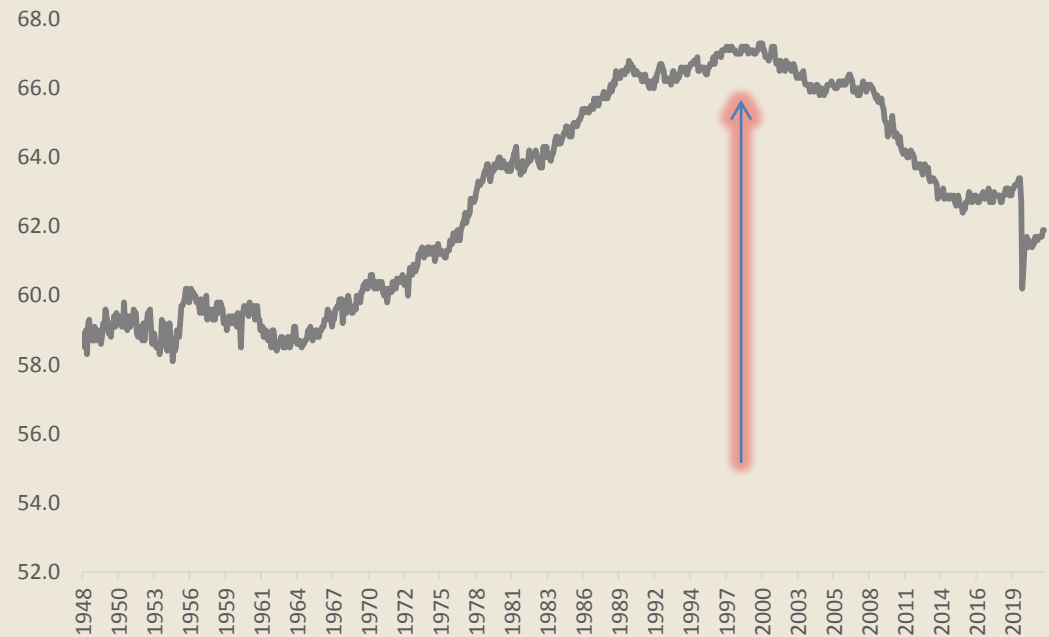
Source: Federal Reserve Bank of St Louis (01 Jan 1959 - 1 Oct 2021)



This fall reflects the retirement bulge of the “baby boomers” combined with Globalisation due to Internet

Labour Force participation rate

Source: Federal Reserve Bank of St Louis (01 Jan 1948 – 01 Dec 2021)



This fall reflects the retirement bulge of the “baby boomers” combined with Globalisation due to Internet



UK Real Yields vs. UK All-share Index Equity Dividend Yield

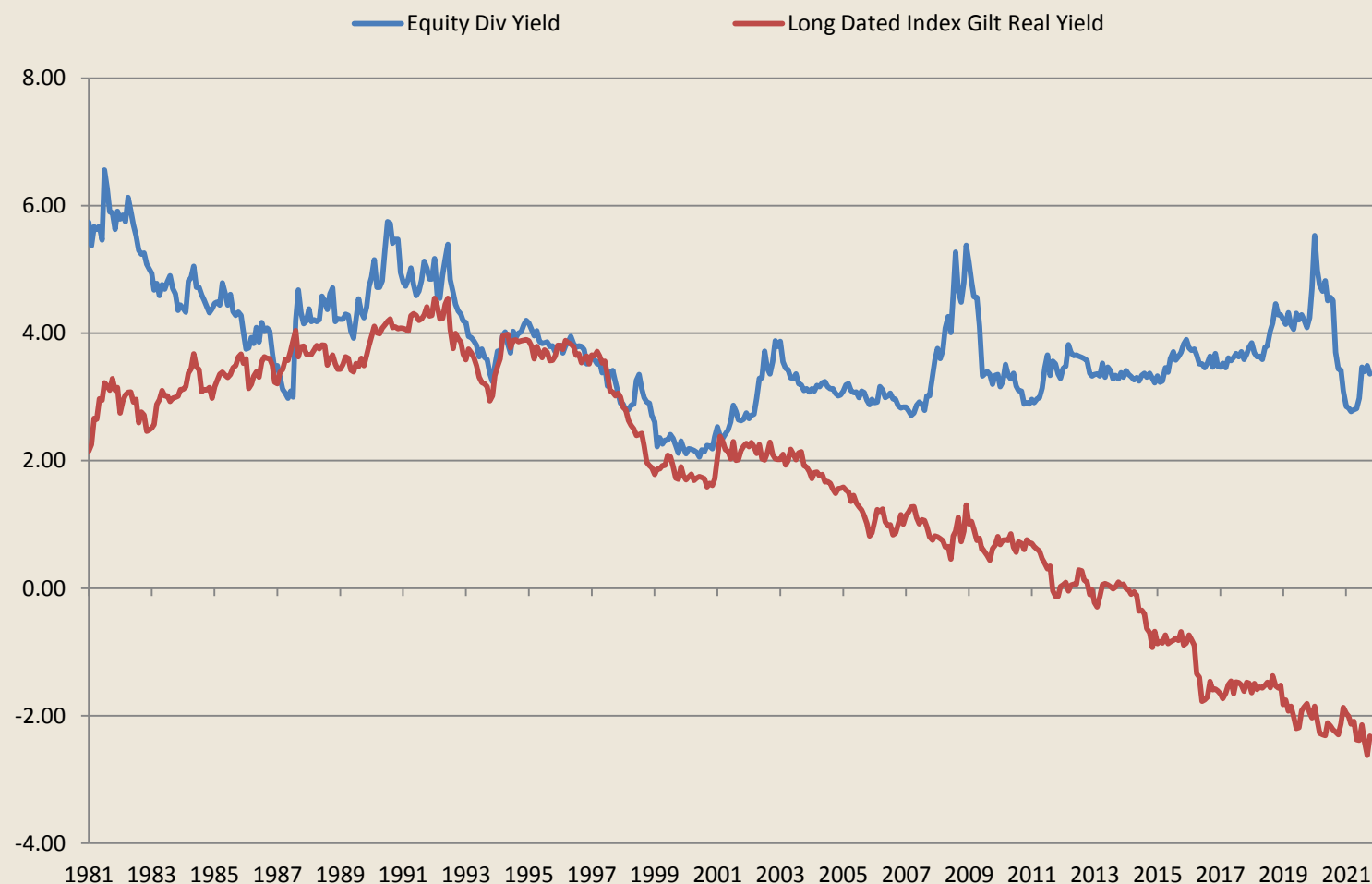
Real yields also peaked around year 2000 and have fallen consistently for 20 years.

This Real Yield analysis highlights a bear market in bonds therefore the fund currently has a 0% exposure to fixed income securities.

This process will reverse the bull market in Bonds worldwide.

Equities vs. Index Linked Gilts Yield Ratio

Source: Charteris, Bloomberg (as at 31 Dec 2021)

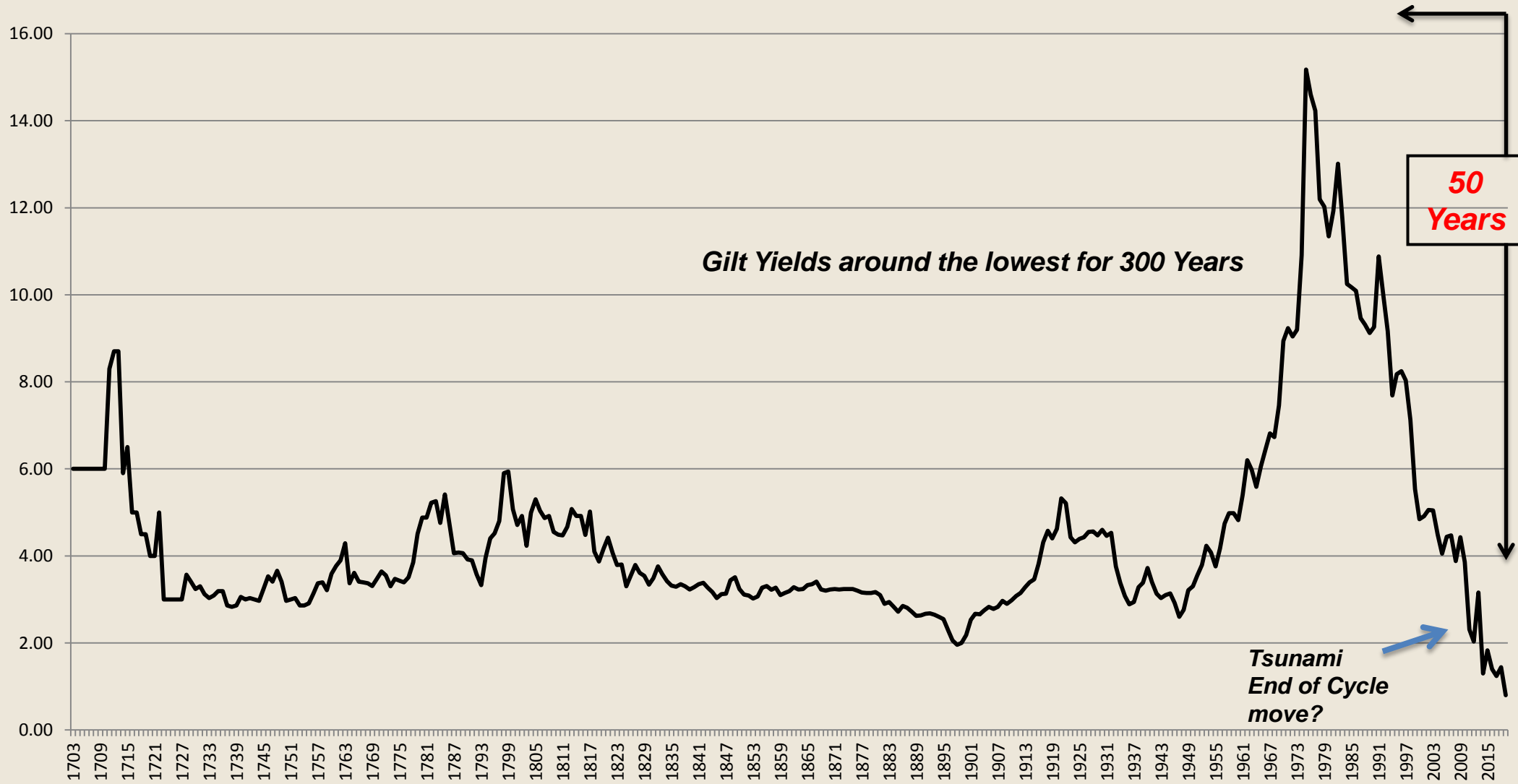




Average UK Gilt Yield History since 1703

UK Gilt Yields

Source: Bank of England / Debt Management Office (as at 31 Dec 2019)





The Fund

- Launched March 2015
- Performance since launch +55.45% *(as at 31 Dec 2020)*
- Trailing 5yr cumulative performance +82.40% *(as at 31 Dec 2020)*
- Trailing 3yr cumulative performance +35.30% *(as at 31 Dec 2020)*
- YTD 2020 cumulative performance +27.30% *(as at 31 Dec 2020)*

Highlights

- Top performer in Citywire Absolute return sector 2016 & 2020
- 2nd top performer in Citywire Absolute return sector 2019
- Morningstar 2 star / FE Single Crown



Fund objective and unique aspects

- Offers unique ability to disinvest 100% equities into 100% cash (sovereign debt) in times of extreme market corrections or retracements
- Fund denominated in Sterling
- Has a broad remit and is allowed to invest in any country, sector or share
- All assets are liquid and tradable in the secondary market.
- Rather than investing in potentially overvalued shares such as some Tech shares, the fund invests in value shares that appear to offer greater value on a longer term basis

Fund objective

To invest in a GLOBAL portfolio of blue chip securities with the aim of providing a dividend yield of circa 3% or more without sacrificing capital gains



Actively managed



Global portfolio



Valuation-based approach



Conviction led



Long term

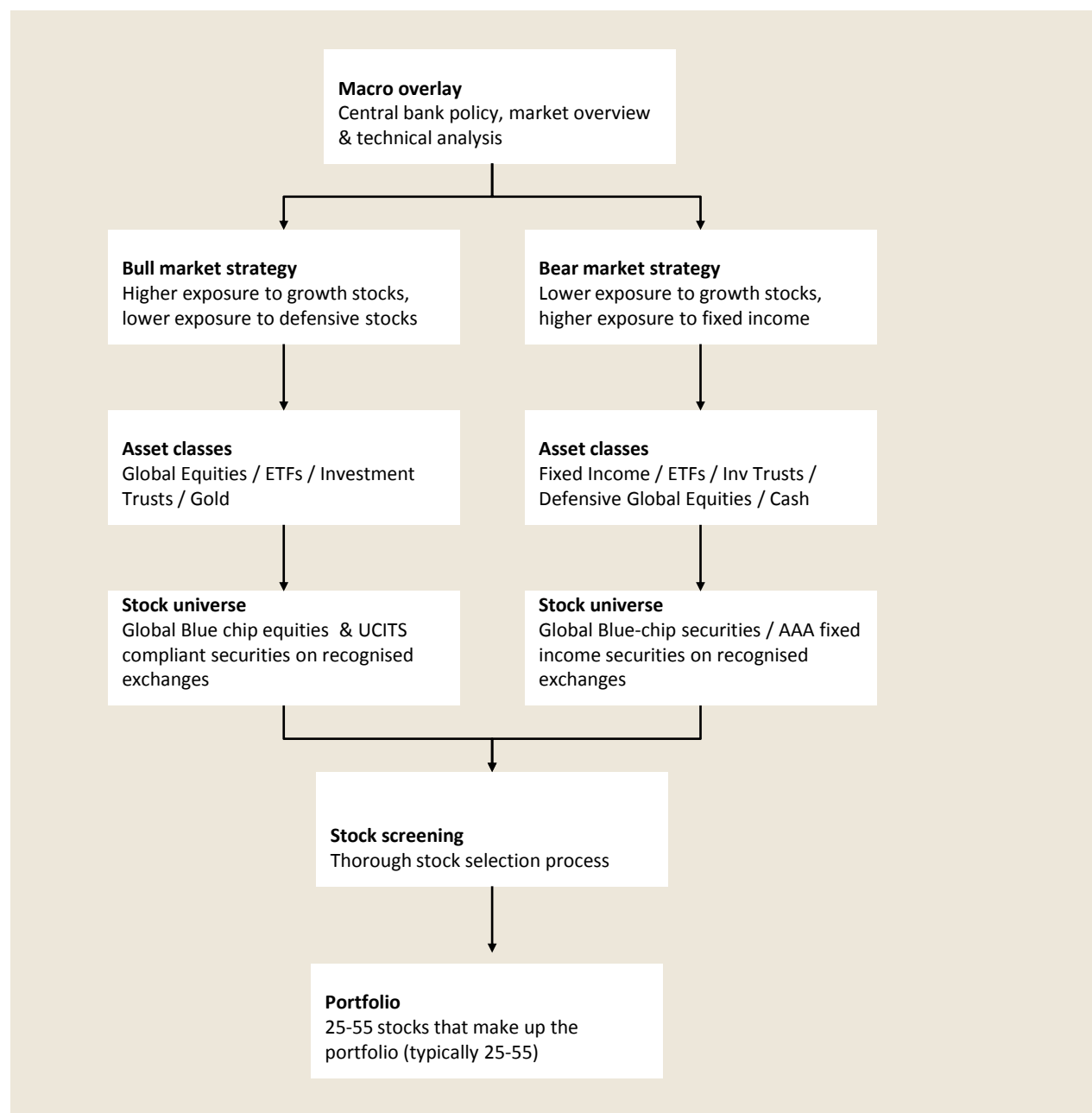


Liquid portfolio



How do we build portfolios?

- Targeting absolute returns over a 3-5 year time horizon
- Companies with the ability to grow earnings at an above average rate
- Strong base of recurring revenues & significant market share
- Strongly financed companies with low capital requirements
- P/E Ratios that are not unduly excessive
- Highly profitable companies are defined by superior operating ratios with high returns on capital employed
- Flexibility to buy other securities such as ETFs and Investment Trusts at manager's discretion





Dividend Yield

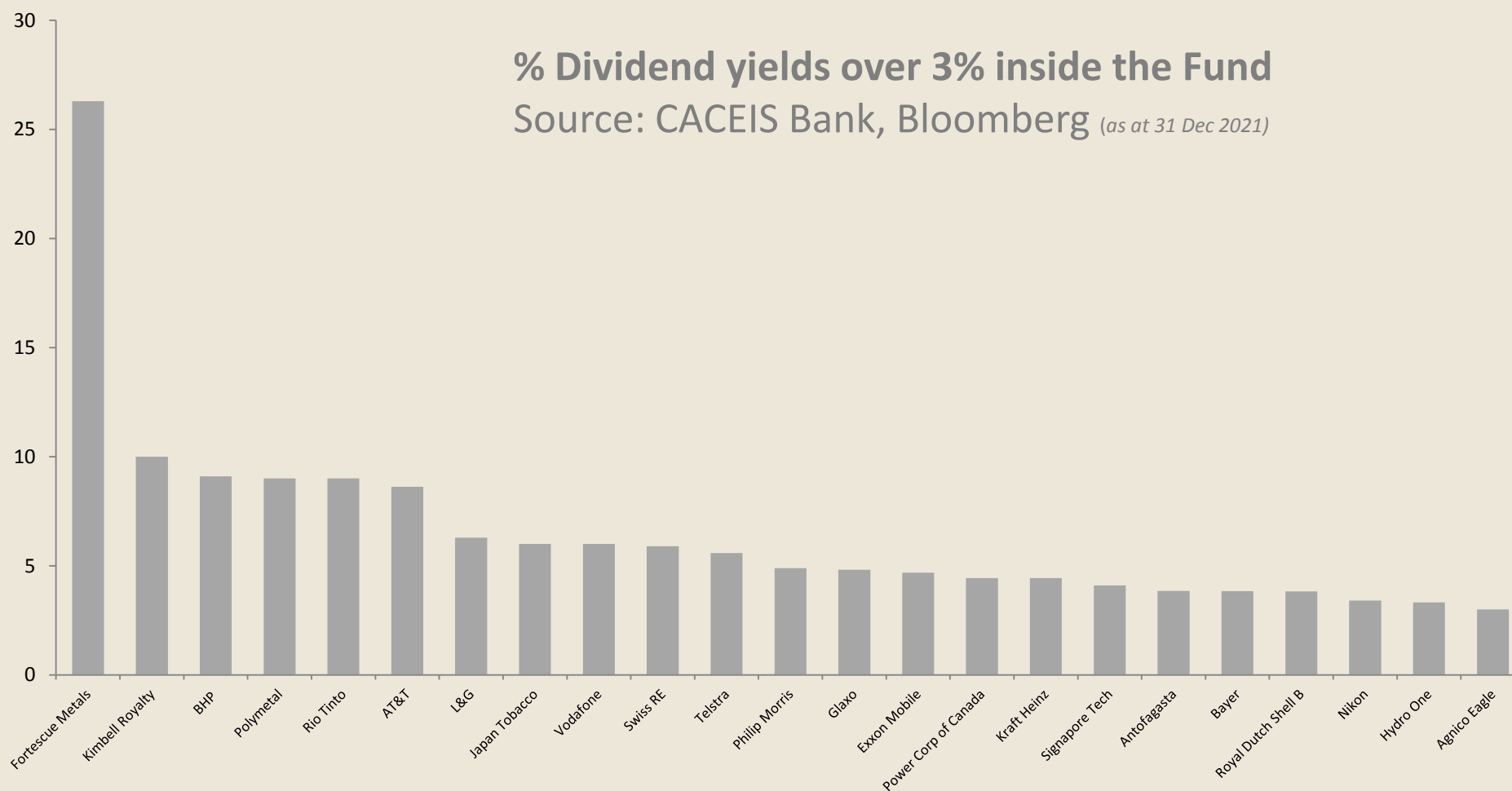
- The fund aims to provide a dividend yield in excess of 3% per annum by investing in a portfolio of blue chip global equities
- These high yielding shares on the next slide account for **48.92%** of the Fund *(as at 31 Dec 2021)*



Dividend Yield %

% Dividend yields over 3% inside the Fund

Source: CACEIS Bank, Bloomberg (as at 31 Dec 2021)

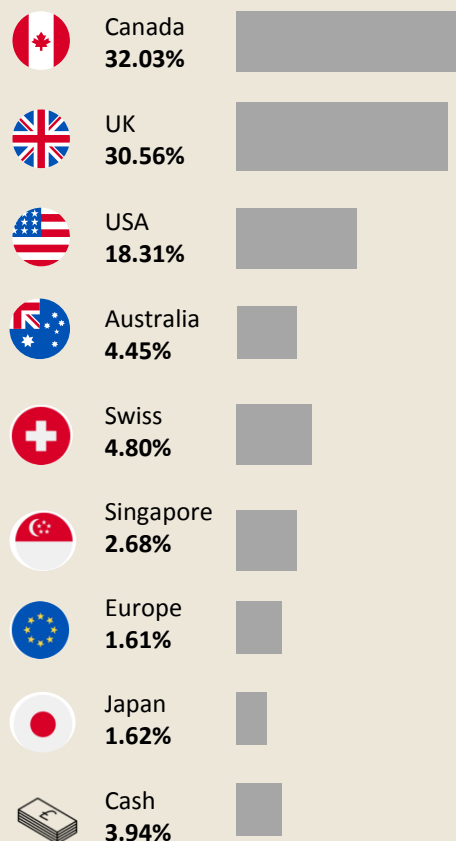




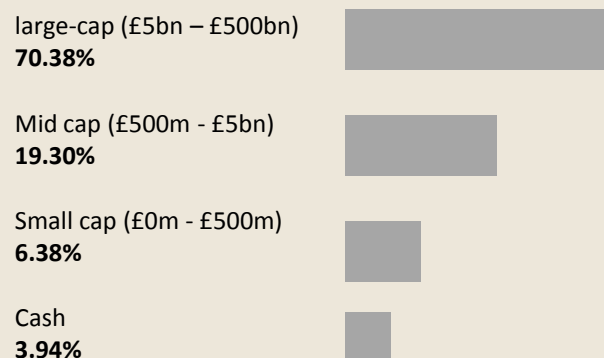
Portfolio Details

(as at 31 Dec 21)

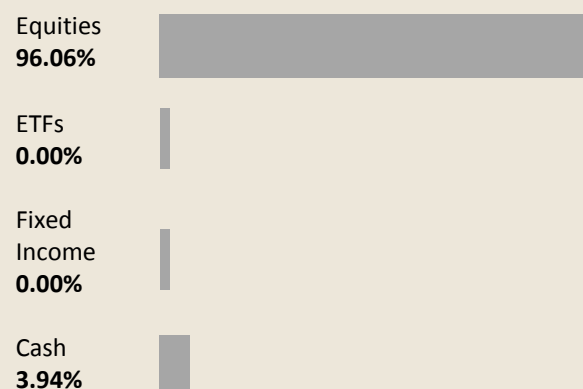
Share domicile holding



Market capitalisation



Asset Split



Top 10 holdings

Stock	Country	Weight
MAG Silver	Canada	6.64%
Kirkland Lake Gold	Canada	5.85%
Antofagasta	UK	5.06%
Hydro One	Canada	4.02%
CVS Health	USA	4.00%
Exro Technologies	Canada	3.69%
Roche	Switzerland	3.65%
Raytheon	USA	3.65%
BHP Group	Australia	3.62%
Fortescue Metals	Australia	3.34%
Total of top 10		43.52%



Portfolio Details

How do we select regions of the Globe to invest in?

- With a Global remit, it is often difficult to invest in smaller markets around the world without considerable knowledge of how that market operates
- Extensive risk exists in illiquid sectors or smaller markets around the world so we will avoid these
- Established markets with blue-chips global securities offer less liquidity risk than smaller securities
- Research is conducted on economic data from countries of interest
- Currently have exposure to US, Canada, UK, EU, Switzerland, Singapore, Japan and Australia
- Countries currently under review include South Korea and Vietnam





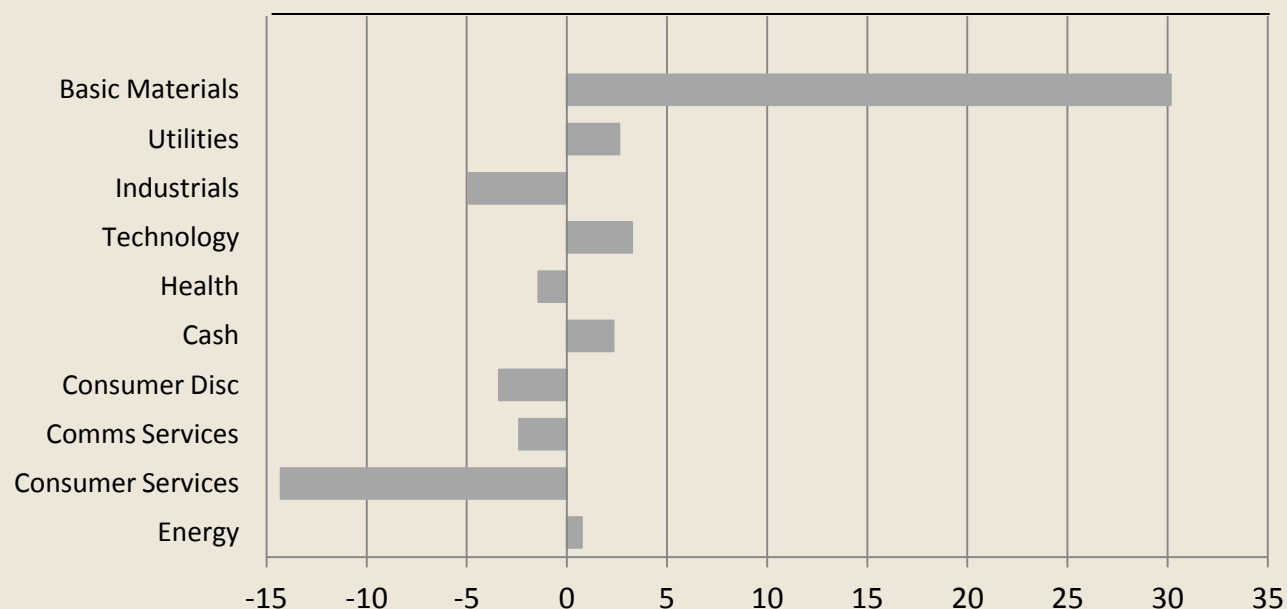
Portfolio Details

How do we select which sectors to invest in?

- With a Global remit, portfolio is constructed to perform during inflation
- Research is conducted on economic & other underlying conditions which can be variable
- Established blue-chips global securities offer higher dividend cover than smaller securities
- Currently have exposure to Basic Materials, renewables, utilities and retail

Overweight / Underweight Sector Allocation compared to UK Index

Source: Bloomberg (as at 31 Dec 2021)





Portfolio Details

Fund Size

£2.6m (as at 31 December 2021)

OCF, charges and TER

	Initial Charge	AMC %	OCF / TER*
I Classes	0%	0.8%	1.90%

*as at 31 Aug 2021 (OCF = ongoing charging fee, TER = Total Expense Ratio)

Currently there are no plans to review these charges in the next 12 months. The total expense ratios quoted above are subject to change as the size of the fund fluctuates due to market movement and net inflows / outflows.

Yield and distribution rates

Distribution: Annual - 31st May
Interim - 30th Nov

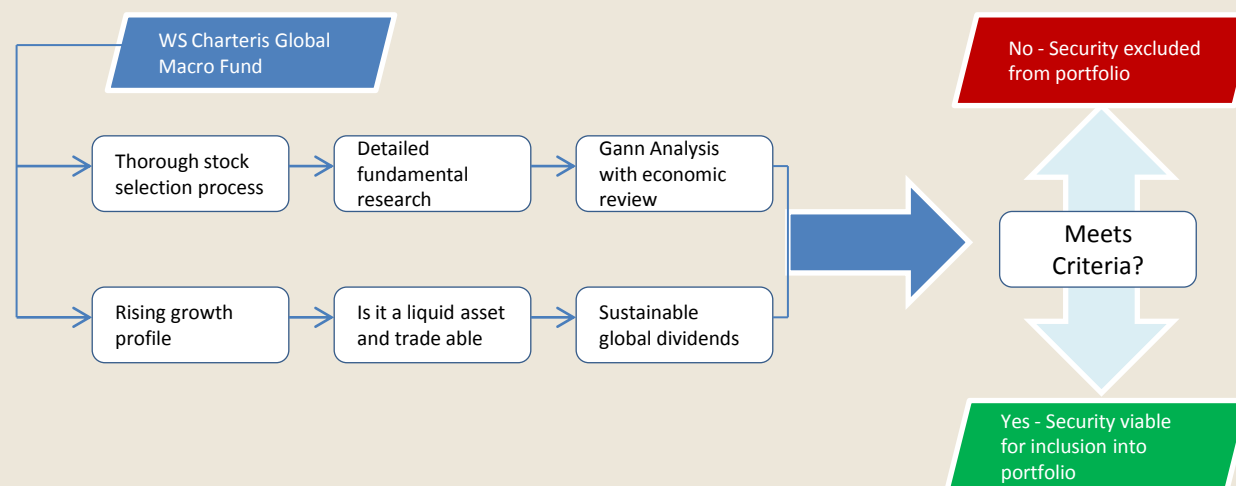
Suitable for:

Regular savings, SIPPs, SSAS, ISA's & ISA transfers

Fund Structure

UK ICVC
Valued at midday every day
Priced in Sterling (£)

Investment Process



Risk & reward profile

Stock Holdings	Fundamental Research	Qualitative bottom up analysis and objectivity
Diversification	Sector Position Limit	IA Global Sector 10%
Methodology	Cash Limit Strategy	Up to 20% Long only. No shorting or hedging of any security
Risk Management	Independent verification No Lock-in Period	All positions of Fund are constantly monitored by compliance at Waystone Management (UK) Limited [ACD] as well as compliance team at Credit Agricole [Depositary] Daily reporting & review of the Fund



The Investment Team – WS Charteris Global Macro Fund



Terry Farrow
Lead Fund Manager

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0207 220 9780

Terry Farrow – ACIB, AFPS, CFP, Chartered MSCI, Chartered Financial Planner, EFP

Terry has over 40 years experience in the investment markets having worked in important roles for both Barclays Bank and Standard Chartered Merchant Bank. He has been exposed to a great range of asset classes from US Treasuries to the derivatives futures and options market. Terry acquired a licence from the Institute of Financial Planning in 2005 which is an internationally recognised qualification. Terry is qualified at Level K10 Retirement options - covering all types of pension advice. Terry is also qualified both to G60 and G70 level to cover both Pension advice and Investment Management. There are only a handful of Investment professionals in the UK that hold the G70 qualification. In January 2012, Terry was granted membership of the Chartered Institute of Securities and Investment (MCSI) and is now level 6.



Ian Williams
Fund Manager

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Ian Williams – Chartered FCSI, Chartered Wealth Manager

Ian has spent the past 35 years trading equities, commodities and G7 government bonds, covering sales, research, market making and proprietary trading. He was a member of the London Stock Exchange for many years before joining Chase Manhattan Bank (now JP Morgan). He then worked for Dresdner Kleinwort Benson and Guinness Mahon (now Investec) before becoming Chairman & Chief Executive of Charteris Treasury Portfolio Managers. Ian is the lead manager of the **WS Charteris Gold & Precious Metals Fund** (which was the top Fund in the country across all sectors in calendar year 2016) and the newly launched **WS Charteris Strategic Bond Fund** & The **WS Charteris Premium Income Fund**. A Charteris managed Gilt fund was the top UK Gilt Fund in 2007 & 2009 & 2013*. Ian Williams awarded Trustnet Alpha Manager in 2011 & accomplished a CityWire A rating in 2009, 2010 & 2011.



The Company – Charteris Treasury Portfolio Managers



About Charteris Treasury Portfolio Managers

Founded in 1984, Charteris builds upon an investment discipline and culture that its founders understand and passionately believe in. We are grounded in the belief that core principles are fundamental to how we manage money and behave as a business. These principles are underpinned by a common theme – a complete focus on the long-term management of our clients' money.

Our investment philosophy combines macro-economic and value-based stock research with long-term cycle analysis of all major asset classes. We focus on identifying investment opportunities prioritising long-term capital growth, sustainable income and high liquidity. At the heart of our philosophy is our attitude to risk. We believe carefully managed risk is of paramount importance – preserving and growing clients' wealth is our priority.



Fund Details

Do's and Don'ts inside the Fund	WS Charteris Global Macro Fund
Currency Risk?	YES – Priced in Sterling, but assets priced in global currencies
Any Hedging?	NO
Assets held?	YES – Blue Chip Global Equities YES – Cash
Assets held?	NO - UK Gilts – but can hold at manager's discretion NO – ETFs – but can hold at manager's discretion NO – Investment Trusts – but can hold at manager's discretion NO – Bank Loans NO – Convertible Bonds NO – Corporate Bonds NO – Corporate Credit NO – Debt
Max Holding of a security?	10%
Max amount of cash held at any one time?	20%
Max percentage towards one security?	10%
Fund Structure	UK ICVC
ISA Eligible?	YES



Fund Details

IMA Sector	IA Global Sector
Bloomberg Ticker Codes	FPCGMAA LN Equity (Inst Acc Class) FPCGMAI LN Equity (Inst Inc Class)
Thomson Reuter Codes	LP68297776 (Inst Acc Class) LP68297777 (Inst Inc Class)
ISIN Identifiers	GB00BV8VPH36 (Inst Acc Class) GB00BV8VPJ59 (Inst Inc Class)
Custodian	Credit Agricole, CACEIS Bank, UK Branch
Authorised Corporate Director (ACD) and Registrar	Waystone Management (UK) Limited
Auditor	Grant Thornton
AMC	1.25% (Institutional/Clean Classes)
OCF	1.79% (Institutional / Clean Classes) <i>(as at 31 Aug 21)</i>
MEXID	WYAABX (Inst Acc Class) WYAABW (Inst Inc Class)
Citicode / FE Code	M3RZ (Inst Acc Class) M3SA (Inst Inc Class)



Key information and Risk warnings

Past performance should not be used as a guide to future performance. All performance information is based on the Institutional Accumulation share class unless otherwise stated.

The value of this investment and the income from it can go down as well as up, it may be affected by exchange rate variations and you may not get back the amount that you invested.

The outlook expressed in this presentation represents the views of the Investment Manager at the time of preparation and should not be interpreted as investment advice.

The asset splits detailed within this presentation are correct as at the reporting period and are subject to change, whilst operating within the objectives of the Fund.

This presentation should be viewed in conjunction with the Fund's Key Investor Information Document (KIID), which will exclusively form the basis of any application and the Fund's prospectus. A comprehensive list of risk factors is detailed in the KIID and the Principal Prospectus and an investment should not be contemplated until the risk are fully considered and understood.

This presentation is issued by Charteris Treasury Portfolio Managers Ltd. The KIID and Prospectus are available from the ACD, Waystone Management (UK) Ltd at waystone.com or Charteris at charteris.co.uk.

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