

# Portfolio Monitor



	1-Wk	1-Mo	3-Mo	YTD	1-Yr	3-Yr	10-Yr	Sin. Purch
Total Return %	0.91	6.67	12.91	1.59	—	—	—	12.05
Personal Return %	26	19	52	6.67	12.91	1.59	—	24.92
US Market Index Return %	0	3	0	1.29	8.96	0.06	—	6.85

26	19	52
0	3	0
0	0	0



Portfolio: **JDL Live**  
 Report Date: **31 July 2018**

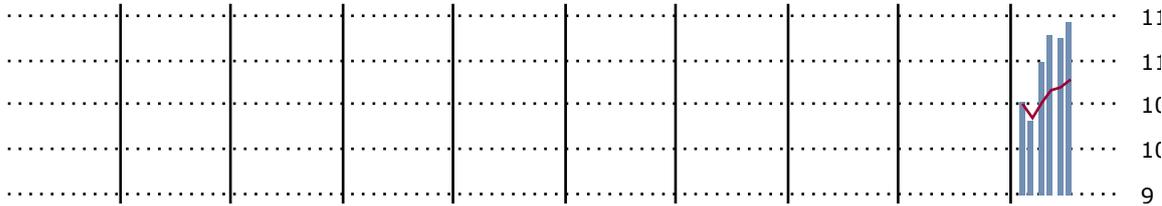
# JDL Live

Your Benchmark	Portfolio Return (%)	Benchmark Return (%)	Reporting Period
FTSE 100 TR GBP	0.79	1.52	Jul 2018

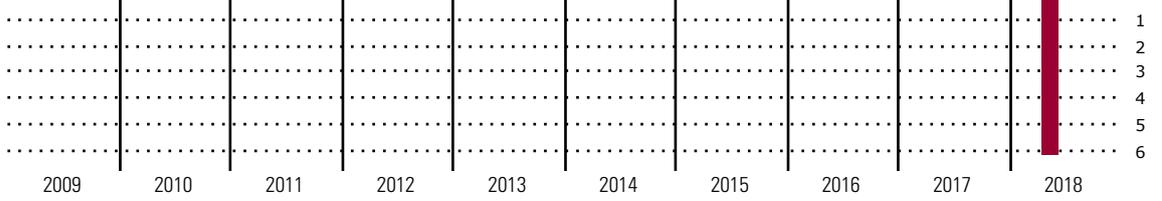
Currency	GBP
Previous Balance	1,886,545.4
	7
Current Balance	1,901,490.6
	8

## Performance

Growth Of 10000 GBP ● Portfolio ● Benchmark



### Quarterly Performance Relative To Benchmark



	1 Month	3Months	6 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Purchase
Portfolio Return (%)	0.79	2.52	2.33	-	-	-	-	-	-0.26
US Large-Cap Value Equity (%)	1.52	4.12	-	-	-	-	-	-	-

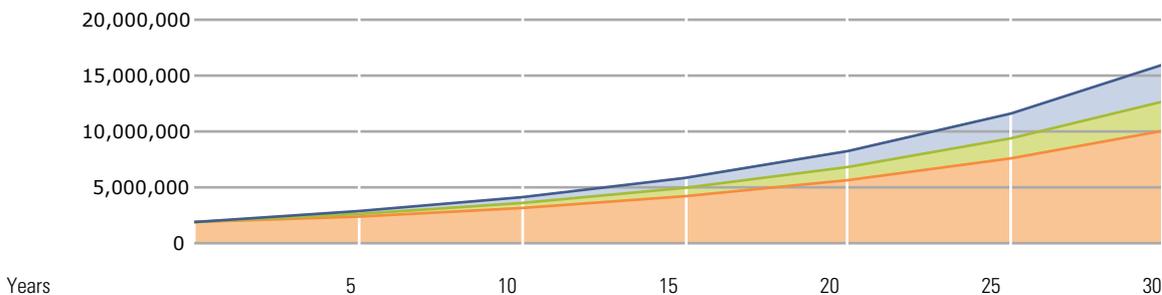
## Top 5 Gainers

Name	Morningstar Rating™	Morningstar Analyst Rating™	Market Value	1 Month (%)	Weight (%)
Jupiter European Opportunities Trust PLC	★★★★★	Gold	19,715.76	6.51	1.04
Dodge & Cox Worldwide Global Stock Fund GBP Accumu	★★★★	Gold	57,284.30	5.36	3.01
Veritas Global Focus A GBP	★★★★★	Gold	39,023.24	3.58	2.05
Schroder QEP Global Core Equity Fund A Acc	★★★★	Bronze	38,788.34	3.52	2.04
Troy Trojan Global Equity O Acc	★★★★	-	39,675.71	3.16	2.09

## Top 5 Losers

Name	Morningstar Rating™	Morningstar Analyst Rating™	Market Value	1 Month (%)	Weight (%)
JOHCM UK Equity Income Y GBP Acc	★★★★	Silver	36,749.26	-0.92	1.93
Unicorn UK Income B Acc	★★★	-	18,497.71	-0.31	0.97
Janus Henderson Strategic Bond Fund I Acc	★★★★	Silver	36,884.19	-0.12	1.94

## Potential Value up to 30 years



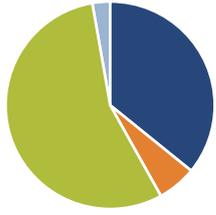
Years	5	10	15	20	25	30
75% Chance	2,380,356.04	3,150,002.23	4,206,765.82	5,644,689.76	7,597,043.40	10,246,644.08
50% Chance	2,617,094.59	3,602,007.71	4,957,581.44	6,823,309.57	9,391,182.80	12,925,445.27
25% Chance	2,877,378.00	4,118,873.14	5,842,401.21	8,248,027.00	11,609,031.28	16,304,570.94

The conduct of Morningstar's analysts is governed by Morningstar's Code of Ethics, Securities Trading and Disclosure Policy, and Investment Research Integrity Policy. For information regarding conflicts of interest, please click <http://global.morningstar.com/equitydisclosures>.

Important disclosure on each security below.

In this section we provide a hypothetical outlook on your portfolio's future performance highlighting the percent chance of achieving the values we project.

### Asset Allocation



	Port
Stocks	35.88
Bonds	6.06
Cash	55.32
Other	2.75
Not classified	0.00

### Sector Weightings

	Port. (%)
<b>Cyclical</b>	<b>13.52</b>
Basic Materials	1.43
Consumer Cyclical	4.93
Financial Services	6.63
Real Estate	0.53
<b>Sensitive</b>	<b>13.23</b>
Communication Services	1.17
Energy	1.74
Industrials	3.42
Technology	6.90
<b>Defensive</b>	<b>9.02</b>
Consumer Defensive	4.49
Healthcare	4.26
Utilities	0.26
Not Classified	64.24

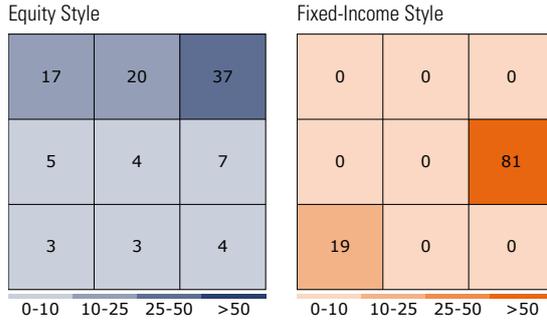
### Return Analysis



### Risk Measures in Top 10 Largest Portfolio Holdings

Name	Type	Holding Port. Date	Std Dev	Mean	Weight (%)
1 Fundsmith Equity I Acc	Fund	30 Apr 2018	10.90	21.51	3.18
2 Dodge & Cox Worldwide Global Stock Fund GBP Accumu	Fund	30 Jun 2018	11.32	15.25	3.01
3 Scottish Mortgage Investment Trust plc	Invest. Trust	30 Apr 2018	15.51	24.88	2.26
4 Lindsell Train Global Funds plc - Lindsell Train G	Fund	30 Jun 2018	10.74	20.25	2.24
5 Troy Trojan Global Equity O Acc	Fund	31 Jul 2018	10.35	14.03	2.09
6 Liontrust Special Situations Fund I Inc	Fund	30 Jun 2018	8.94	14.16	2.05
7 Veritas Global Focus A GBP	Fund	30 Jun 2018	11.46	14.76	2.05
8 Schroder QEP Global Core Equity Fund A Acc	Fund	30 Jun 2018	10.73	14.74	2.04
9 Alliance Trust PLC	Invest. Trust	31 May 2018	11.83	17.55	1.96
10 Janus Henderson Strategic Bond Fund I Acc	Fund	31 May 2018	3.26	3.27	1.94
Portfolio	-	-	-	-	-
Benchmark	-	-	-	-	-

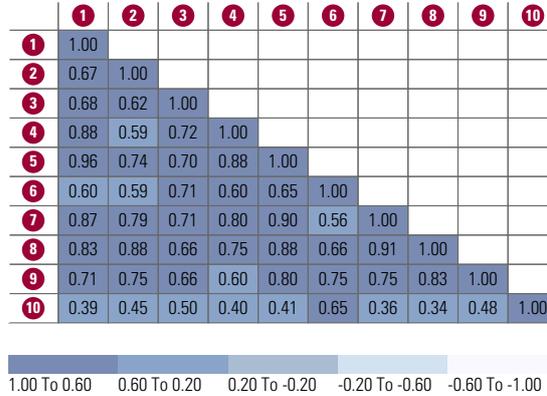
### Investment Style



### Regional Exposure

	Port. (%)
<b>Greater Europe</b>	<b>17.45</b>
United Kingdom	11.76
Western Europe - Euro	4.07
Western Europe - Non Euro	1.32
Emerging Europe	0.05
Middle East / Africa	0.25
<b>Americas</b>	<b>15.52</b>
United States	15.06
Canada	0.25
Central & Latin America	0.21
<b>Greater Asia</b>	<b>2.79</b>
Japan	0.98
Australasia	0.26
Emerging 4 Tigers	0.38
Emerging Asia - Ex 4 Tigers	1.17
Not Classified	64.24

### Correlation Matrix



Morningstar Style Box This nine-square grid provides a representation of the "investment style" of stocks and mutual funds. For stocks and stock funds, it classifies securities according to market capitalization and growth and value factors. Fixed income funds are classified according to credit quality and sensitivity to changes in interest rates.

The risk/reward scatter plot is based on each holding's risk and return over the most recent three-year period. Risk is measured as 3-year standard deviation of return. Return is measured as 3 year mean return. Also contains the portfolio's risk and return. The correlation chart examines how investment returns move together. The objective of building a diverse portfolio is to reduce portfolio risk by selecting investments whose returns do not move together- whose returns are 'uncorrelated'. The correlation matrix calculates the correlation of returns between each pair of investments in the chart, and displays the correlations in a matrix

## Total Holdings in Portfolio

Name	Morningstar Rating™	Morningstar Analyst Rating™	1 Month (%)	3 Months (%)	1 Year (%)	3 Years Anlsd (%)	5 Years Anlsd (%)	Weight (%)
Cash	-	-	-	-	-	-	-	53.76
Fundsmith Equity I Acc	★★★★★	Gold	2.54	11.16	16.93	23.08	19.86	3.18
Dodge & Cox Worldwide Global Stock Fund GBP Accumu	★★★★	Gold	5.36	8.43	7.76	15.65	12.86	3.01
Scottish Mortgage Investment Trust plc	★★★★★	-	0.85	12.98	32.73	26.46	25.66	2.26
Lindsell Train Global Funds plc - Lindsell Train G	★★★★★	Silver	1.60	11.05	23.58	21.58	19.25	2.24
Troy Trojan Global Equity O Acc	★★★★	-	3.16	9.64	10.15	14.39	13.17	2.09
Liontrust Special Situations Fund I Inc	★★★★★	Bronze	0.62	5.10	14.90	14.68	12.44	2.05
Veritas Global Focus A GBP	★★★★★	Gold	3.58	10.01	6.25	15.07	13.12	2.05
Schroder QEP Global Core Equity Fund A Acc	★★★★	Bronze	3.52	7.38	10.95	15.14	12.48	2.04
Alliance Trust PLC	★★★★	-	2.67	5.97	9.44	18.26	14.11	1.96
Janus Henderson Strategic Bond Fund I Acc	★★★★	Silver	-0.12	-0.24	-0.73	3.27	5.00	1.94
Kames Sterling Corporate Bond Fund GBP B Acc	★★★	Silver	0.13	-0.10	0.10	3.72	4.26	1.93
JOHCM UK Equity Income Y GBP Acc	★★★★	Silver	-0.92	0.44	9.87	9.72	9.40	1.93
The City of London Investment Trust Plc	★★★★	Gold	1.06	2.73	5.64	6.79	7.41	1.92
Artemis Monthly Distribution Fund I Inc	★★★★★	Silver	1.58	2.30	3.97	9.48	10.06	1.90
Liontrust Monthly Income Bond Fund Class P Gross I	★★★★	-	0.73	-0.90	0.14	5.48	5.28	1.88
Polar Capital Technology Trust	★★★★★	-	1.11	10.63	23.30	28.65	23.75	1.59
RIT Capital Partners	★★★★★	-	1.94	5.78	10.62	12.20	13.19	1.55
GAM Global Diversified Instl GBP Acc	★★	-	1.44	0.79	-1.40	8.40	7.58	1.40
T. Rowe Price Funds SICAV - US Blue Chip Equity Fu	★★★★	Gold	1.65	9.74	24.17	21.97	20.31	1.11
Artemis US Select Fund I Acc GBP	★★★★	Bronze	2.98	9.04	21.86	19.61	-	1.08
Finsbury Growth & Income Trust Plc	★★★★★	Gold	1.35	7.72	13.91	14.37	13.06	1.06
Jupiter European Opportunities Trust PLC	★★★★★	Gold	6.51	12.25	19.65	15.90	15.44	1.04
Schroder Income Maximiser Z Acc	★★★★	-	1.45	1.81	12.07	8.67	7.63	1.03
Jupiter International Financials Fund I Acc	★★★★★	-	1.19	6.36	10.37	13.25	12.25	1.01
Man GLG UK Income Fund Professional Accumulation S	★★★★	Bronze	0.07	0.88	11.13	11.85	11.79	1.01
BNY Mellon Investment Funds-Newton Multi-Asset Div	★★★★	-	1.35	2.24	2.44	6.25	5.86	0.99
Unicorn UK Income B Acc	★★★	-	-0.31	1.60	1.71	6.02	8.35	0.97

## Holding Overlap

Name	Weight in portfolio (%)	Country	Weight in holding (%)	Sector	Holding Port. Date
<b>Microsoft Corp</b>	<b>0.73</b>	<b>United States</b>		<b>Technology</b>	
Alliance Trust PLC	0.03		1.58		31/05/2018
Artemis US Select Fund I Acc GBP	0.06		6.00		30/04/2018
The City of London Investment Trust Plc	0.01		0.52		31/03/2018
Dodge & Cox Worldwide Global Stock Fund GBP Accumu	0.04		1.31		30/06/2018
Fundsmith Equity I Acc	0.15		4.84		30/04/2018
Troy Trojan Global Equity O Acc	0.12		5.98		31/07/2018
Schroder QEP Global Core Equity Fund A Acc	0.04		1.88		30/06/2018
T. Rowe Price Funds SICAV - US Blue Chip Equity Fu	0.06		5.08		30/06/2018
Veritas Global Focus A GBP	0.09		4.30		30/06/2018
Polar Capital Technology Trust	0.12		7.85		30/04/2018
<b>Unilever PLC</b>	<b>0.64</b>	<b>United Kingdom</b>		<b>Consumer Defensive</b>	
The City of London Investment Trust Plc	0.05		2.68		31/03/2018
Finsbury Growth & Income Trust Plc	0.10		9.75		30/04/2018
Fundsmith Equity I Acc	0.10		3.09		30/04/2018
GAM Global Diversified Instl GBP Acc	0.05		3.69		30/06/2018
Lindsell Train Global Funds plc - Lindsell Train G	0.18		7.99		30/06/2018
Troy Trojan Global Equity O Acc	0.07		3.26		31/07/2018
Liontrust Special Situations Fund I Inc	0.08		3.81		30/06/2018
Schroder QEP Global Core Equity Fund A Acc	0.01		0.42		30/06/2018
<b>Diageo PLC</b>	<b>0.54</b>	<b>United Kingdom</b>		<b>Consumer Defensive</b>	
Alliance Trust PLC	0.01		0.59		31/05/2018
The City of London Investment Trust Plc	0.06		3.12		31/03/2018
Finsbury Growth & Income Trust Plc	0.11		9.94		30/04/2018
Fundsmith Equity I Acc	0.07		2.07		30/04/2018
Lindsell Train Global Funds plc - Lindsell Train G	0.16		7.36		30/06/2018
Troy Trojan Global Equity O Acc	0.04		1.84		31/07/2018
Liontrust Special Situations Fund I Inc	0.08		3.90		30/06/2018
Schroder QEP Global Core Equity Fund A Acc	0.01		0.46		30/06/2018
<b>Amazon.com Inc</b>	<b>0.48</b>	<b>United States</b>		<b>Consumer Cyclical</b>	
Alliance Trust PLC	0.03		1.50		31/05/2018
Artemis US Select Fund I Acc GBP	0.05		4.47		30/04/2018
Schroder QEP Global Core Equity Fund A Acc	0.02		1.12		30/06/2018
Scottish Mortgage Investment Trust plc	0.24		10.46		30/04/2018
T. Rowe Price Funds SICAV - US Blue Chip Equity Fu	0.11		9.70		30/06/2018
Polar Capital Technology Trust	0.04		2.50		30/04/2018
<b>Royal Dutch Shell PLC B</b>	<b>0.43</b>	<b>United Kingdom</b>		<b>Energy</b>	
The City of London Investment Trust Plc	0.06		3.37		31/03/2018
GAM Global Diversified Instl GBP Acc	0.03		2.06		30/06/2018
JOHCM UK Equity Income Y GBP Acc	0.18		9.43		30/06/2018
Liontrust Special Situations Fund I Inc	0.08		4.03		30/06/2018
Man GLG UK Income Fund Professional Accumulation S	0.04		3.73		30/06/2018
Schroder Income Maximiser Z Acc	0.03		2.92		30/04/2018
<b>PayPal Holdings Inc</b>	<b>0.43</b>	<b>United States</b>		<b>Financial Services</b>	
Artemis US Select Fund I Acc GBP	0.01		1.04		30/04/2018
Fundsmith Equity I Acc	0.17		5.22		30/04/2018
Jupiter International Financials Fund I Acc	0.02		2.03		30/06/2018
Lindsell Train Global Funds plc - Lindsell Train G	0.11		4.82		30/06/2018
Troy Trojan Global Equity O Acc	0.10		4.79		31/07/2018
T. Rowe Price Funds SICAV - US Blue Chip Equity Fu	0.02		1.43		30/06/2018
Polar Capital Technology Trust	0.01		0.66		30/04/2018
<b>BP PLC</b>	<b>0.37</b>	<b>United Kingdom</b>		<b>Energy</b>	
Alliance Trust PLC	0.01		0.66		31/05/2018
The City of London Investment Trust Plc	0.06		3.29		31/03/2018
JOHCM UK Equity Income Y GBP Acc	0.14		7.20		30/06/2018
Liontrust Special Situations Fund I Inc	0.08		4.05		30/06/2018
Man GLG UK Income Fund Professional Accumulation S	0.02		1.58		30/06/2018
Schroder Income Maximiser Z Acc	0.05		5.34		30/04/2018
<b>Alphabet Inc C</b>	<b>0.33</b>	<b>United States</b>		<b>Technology</b>	
Alliance Trust PLC	0.03		1.42		31/05/2018
Artemis US Select Fund I Acc GBP	0.05		4.64		30/04/2018
Dodge & Cox Worldwide Global Stock Fund GBP Accumu	0.08		2.64		30/06/2018
Schroder QEP Global Core Equity Fund A Acc	0.02		1.04		30/06/2018
Scottish Mortgage Investment Trust plc	0.04		1.85		30/04/2018

Name	Weight in portfolio (%)	Country	Weight in holding (%)	Sector	Holding Port. Date
T. Rowe Price Funds SICAV - US Blue Chip Equity Fu	0.05		4.38		30/06/2018
Polar Capital Technology Trust	0.06		3.89		30/04/2018
<b>HSBC Holdings PLC</b>	<b>0.32</b>	<b>United Kingdom</b>		 <b>Financial Services</b>	
The City of London Investment Trust Plc	0.08		4.40		31/03/2018
JOHCM UK Equity Income Y GBP Acc	0.13		6.56		30/06/2018
Man GLG UK Income Fund Professional Accumulation S	0.05		5.37		30/06/2018
Schroder Income Maximiser Z Acc	0.06		5.56		30/04/2018
<b>Visa Inc Class A</b>	<b>0.31</b>	<b>United States</b>		 <b>Financial Services</b>	
Alliance Trust PLC	0.02		0.91		31/05/2018
Artemis US Select Fund I Acc GBP	0.02		1.83		30/04/2018
Fundsmith Equity I Acc	0.10		3.14		30/04/2018
Jupiter International Financials Fund I Acc	0.01		1.37		30/06/2018
Troy Trojan Global Equity O Acc	0.09		4.20		31/07/2018
Schroder QEP Global Core Equity Fund A Acc	0.02		1.06		30/06/2018
T. Rowe Price Funds SICAV - US Blue Chip Equity Fu	0.04		3.49		30/06/2018
Polar Capital Technology Trust	0.01		0.78		30/04/2018

## Lindsell Train Global Funds plc - Lindsell Train Global Equity Fund B GBP Inc

14/06/2018 | Peter Brunt, CFA | - Morningstar Inc.

### Morningstar Analyst Rating™



#### Portfolio Role:

The highly concentrated nature of the portfolio, combined with its structural active sector positions, make this fund most suitable as a supporting player.

#### People:

The fund benefits from a small, but highly experienced management team.

#### Parent:

Lindsell Train sticks to its specialties with UK, Japanese, and global equity strategies.

#### Process:

The managers seek high-quality, sustainable, cash-generative franchises to hold over the long term.

#### Performance:

Strong stock selection has far outweighed any regional/sector headwinds.

#### Price:

We consider the ongoing charge to be attractively priced relative to the category.

#### Morningstar Opinion:

This fund is a standout choice for investors comfortable with a highly concentrated portfolio that can look markedly different from the MSCI World Index at regional and sector levels. It sees Lindsell Train co-founders Michael Lindsell and Nick Train join forces and apply their investment approach to a global opportunity set. Both managers have more than 30 years' experience including several years managing global equity portfolios prior to launching this fund in 2011. They are joined by comanager James Bullock; while less experienced, he has been contributing to the strategy since joining Lindsell Train in 2010. The crux of the managers' investment philosophy lies in the belief that a highly concentrated portfolio of high-quality, cash-generative, strong, and easily understood business franchises will outperform the market and reduce volatility over the long term. Accordingly, they use strict criteria aligned to this belief to significantly filter down the universe. Qualifying stocks are subject to in-depth fundamental analysis undertaken by the three managers and two supporting analysts. Given the restricted investable universe and managers' long experience, we find the team sufficiently resourced. We believe a key strength lies in the managers' deep understanding of company strategies and their ability to see through the noise and buy stocks that are best placed to defend their business over the long term. The stock-specific and unconstrained nature of the approach has resulted in sizeable regional and sector deviations from the MSCI World Index and peers. Investors must be comfortable with periods of short-term volatility. The fund will face headwinds if any of the markets to which it is underweight outperform (and vice versa). It will also typically underperform in strongly rising (often macro- or low-quality-driven) markets, as in 2016, when it lagged the index by 4.5 percentage points. However, the managers' unwavering adherence to their investment philosophy and strong stock selection have resulted in considerable long-term success on an absolute and risk-adjusted basis. While less proven on this global product, we like the managers' clear investment philosophy and their disciplined and consistent approach. The fund is assigned a Morningstar Analyst Rating of Silver.

# Kames Sterling Corporate Bond Fund GBP B Acc

16/05/2018 | Irene Ruiz Espejo | - Morningstar Inc.

## Morningstar Analyst Rating™



### Portfolio Role:

Core. This fund invests only in sterling investment-grade corporate-bonds.

### People:

The managers have considerable relevant experience and they are supported by strong team resources.

### Parent:

Fixed income and equities continue to be Kames' key strengths while it expands into other asset classes.

### Process:

A strong team-based approach that has been well executed over time.

### Performance:

The fund's long-term results have been strong.

### Price:

The fund's fees are in line with the category median.

### Morningstar Opinion:

Despite some turnover at the helm of this fund in August 2017, we continue to view positively the strong team-based approach behind the Kames Sterling Corporate Bond fund, which retains its Morningstar Analyst Rating of Silver. The fund has been managed by Kames veteran Iain Buckle since October 2009. Up until August 2017, David Roberts, the former head of fixed income, was also a named manager here. We view his departure as a loss, but this fund continues to be well-resourced and benefits from Buckle's extensive experience on the strategy, with Rory Sandilands alongside him as a comanager. Buckle brings two decades' industry experience, having joined Kames in 2000 from Baillie Gifford. He is also responsible for Bronze-rated Kames Ethical Corporate Bond. Sandilands joined Kames in June 2016 and has 18 years of industry experience. He has an investment banking background, having previously worked in credit sales at Goldman Sachs and Morgan Stanley. The managers benefit from being part of an experienced and collegial team of 29 fixed-income investment professionals who cohesively formulate top-down views. The duo also contributes to the team's investment-grade credit research effort, with Buckle focusing on securitised assets and Sandilands on oil and gas names. The fund invests exclusively in sterling-denominated bonds, but the managers have flexibility to invest up to 10% in high-yield debt and 20% in government debt. While asset allocation across investment-grade, high-yield, and government bonds is driven by a combination of top-down and bottom-up analysis, the managers actively rotate the portfolio's exposures to reflect their view across six sources of alpha: duration, yield curve, asset allocation, rating preference, and sector and bond selection. Historically, the portfolio has been true to its high-conviction nature and has remained decently concentrated in individual issuers but well-diversified across sectors. Despite short-term challenges to performance from its underweight duration stance, the fund's long-term track record remains strong. Overall, the experienced team behind it and well-executed process continues to support our conviction here.

## Jupiter European Opportunities Trust PLC JEO

03/05/2018 | Samuel Meakin, CFA | Investment Research Analyst - Morningstar Inc.

### Morningstar Analyst Rating™



#### Role in Portfolio:

Core. The fund can be used as a core holding.

#### Executive Summary:

- *Process:* Focus on companies that can sustain profit growth and margins over a long period of time.
- *NAV Performance:* The fund has delivered excellent returns for investors over the long term.
- *People:* A talented and experienced manager.
- *Parent:* Investors in Jupiter's funds gain access to a quality pool of experienced managers.
- *Board:* The board numbers five and has a bias to investment experience; all are shareholders, which we like to see.

#### Morningstar Opinion:

We believe this fund to be a standout choice for European equities managed by an experienced and talented fund manager. Alexander Darwall has managed the trust's assets since its inception in 2000. Prior to joining Jupiter in 1995, Darwall was Executive Director, European Research at Goldman Sachs. In addition to this fund, he has also managed Jupiter European (UK unit trust) since 2001 and Jupiter European Growth (SICAV) since 2007. All are managed using the same approach, look for the same types of companies, and have a high level of commonality. The

stability and consistency of management and investment approach is an undoubted contributing factor to the funds' success. The strategy is unconstrained to allow Darwall to find the best opportunities across Europe. Investors should note that in the case of this trust, the investable universe includes the UK, despite its FTSE World Europe ex-UK reference benchmark. This is unusual, as the benchmark is not fully representative of the opportunity set, although it does not necessarily diminish the merits of the strategy. However, it is also notable because the fund's performance fee is calculated against the Europe ex-UK index. The slightly-higher-than-median ongoing charge plus performance fee setup also contributes to our view that the charging structure could be improved upon. Nonetheless, the fund has demonstrated the ability to overcome this hurdle and provide strong relative returns for investors. Darwall takes a high-conviction approach; he builds his portfolios from the bottom up, following thorough fundamental analysis, and there is a strong focus in his process on having an in-depth understanding of how a company works and on maintaining regular contact directly with its management. He aims to invest in companies that can sustain profit growth and margins over a long period of time. To this end, he looks for firms with a good track record of profitability, proven product and business model, evidence of entrepreneurial endeavour, and the prospect of above-average growth opportunities. There is no set time horizon when buying a stock, and Darwall is happy to continue to hold on to successful investments as long as the strong fundamentals remain in place. As such, portfolio turnover is generally low, helping to keep trading costs down. The fund has comfortably outperformed its reference ex-UK benchmark, the pan-European index and the Morningstar category average over the manager's tenure. Risk-adjusted returns are also very strong, helped by the focus on quality businesses which has helped to limit losses in down markets, as evidenced by the fund's superior downside capture ratio relative to peers. All said, we think there's much to like here: an experienced and talented manager, with an effective process that has delivered strong returns over the long term. The fund retains its Morningstar Analyst Rating of Gold.

This is not the complete report. Please go to the website to read the full research report

## Fundsmith Equity I Acc

29/03/2018 | Peter Brunt, CFA | - Morningstar Inc.

### Morningstar Analyst Rating™



#### Portfolio Role:

Core. The fund is suitable for investors seeking a low-beta approach to global equity investing.

#### People:

Terry Smith is an original thinker and often demonstrates his willingness to bet against the crowd.

#### Parent:

A specialised investment boutique that is client-focused with a long-term investment approach.

#### Process:

Terry Smith aims to invest in high-quality, cash-generative businesses that will compound in value over the years.

#### Performance:

Fund performance since launch has been extremely strong, driven primarily by strong stock selection.

#### Price:

We consider the ongoing charge for the fund's clean share class to be reasonably priced.

#### Morningstar Opinion:

This is one of the strongest options for investors seeking exposure to high-quality global equities. Terry Smith co-founded Fundsmith LLP and launched this fund in 2010 on the back of the success he achieved as investment advisor to the Tullett Prebon pension fund. His experience in the industry dates back to 1974 and has included time in research and in senior management positions at FTSE companies. He is an original thinker and has often demonstrated his willingness to bet against the crowd. Smith's investment philosophy is to buy and hold, ideally forever, high-quality businesses that will continually compound in value. High-quality companies are defined as having little need for leverage, an above-average cash return on operating capital employed, and an ability to sustainably grow at this rate of return. When considering these criteria, and a minimum USD 2 billion market cap to keep the strategy scalable, the investable universe is significantly reduced to a shortlist of around 65 names for deep-dive analysis. Smith is supported here by Julian Robins and Daniel Washburn. Robins is a co-founder of Fundsmith and has worked with Smith for over two decades. Washburn's experience is limited to Fundsmith, which he joined in 2011. Further resource was added in 2017 with the hiring of two analysts who focus on mid-caps. We consider the analytical resources appropriate given the limited opportunity set and extremely long-term investment horizon (portfolio turnover is <5% per year). Investors should be aware that this is a very high-conviction and long-term approach. There are elements of sector concentration (the approach excludes large parts of the market) and valuation risk in the portfolio, and returns may look at odds with the broad MSCI World Index over the short term. We believe Smith has a good handle on the risks, however, and over the long term will serve investors well. He has developed a very strong track record on this fund. While returns have benefited from style tailwinds since launch, we believe Smith has added significant value above and beyond the fund's style bias. His track record on the Tullett Prebon pension fund also highlights his ability to add value over a market cycle. As our conviction remains high in this fund's ability to outperform in the long-term, it retains a Morningstar Analyst Rating of Gold.

## Man GLG UK Income Fund Professional Accumulation Shares (Class C)

29/03/2018 | Samuel Meakin, CFA | Investment Research Analyst - Morningstar Inc.

### Morningstar Analyst Rating™



#### Portfolio Role:

Core. The fund is suitable for investors looking for core exposure to UK equities.

#### People:

A settled team headed up by Henry Dixon.

#### Parent:

Man GLG benefits from a depth and breadth of resources, but its investment culture is still evolving.

#### Process:

A well-structured investment process that is executed with discipline.

#### Performance:

Outperformance over the manager's tenure.

#### Price:

The fund is priced reasonably within its peer group.

#### Morningstar Opinion:

A highly disciplined, value-focused approach applied to UK equity income investment. Henry Dixon took over the management of this fund in November 2013, shortly after joining Man GLG. Although his strong track record stems mainly from his mainstream UK equities mandates, the same value investment philosophy that he employs on Man GLG Undervalued Assets, which has a Morningstar Analyst Rating of Silver (and previously on Matterley Undervalued Assets), underpins the approach on this UK equity-income product. He is supported by a team that includes Jack Barrat, comanager of the Undervalued Assets fund, and dedicated analysts Alice Owen and James Houlden. Overall, we believe the resources dedicated to this fund are adequate to fulfil the needs of the approach. This fund targets the same types of stock as the Undervalued Assets fund—those trading below the team's estimate of the company's asset value and those where the company's profit stream is being undervalued relative to the cost of capital, in their opinion—with the additional caveat of a yield of at least that of the market. The fund also targets another type of opportunity: companies with net cash balance sheets and strong free cash flows, which can lead to positive dividend surprises. As well as the focus on valuation, the process also seeks to steer the manager towards elements of quality and positive earnings momentum. Additionally, the allocation to stocks lower down the market-cap scale differentiates this fund from many of its equity-income peers. Performance over the manager's tenure from November 2013 has been very strong in both relative and absolute terms, with the fund comfortably outperforming the index and category average to the end of February 2018. This is a relatively short time frame over which to assess the fund, but we draw additional comfort from Dixon's prior track record on his mainstream UK equities mandates, given the high degree of overlap in terms of process and portfolio. We believe the disciplined application of a solid, well-formed investment process by a capable portfolio manager makes this fund a strong proposition, despite the shorter track record in equity-income investing. The fund earns a Morningstar Analyst Rating of Bronze.

# Artemis Monthly Distribution Fund I Inc

07/03/2018 | Randal Goldsmith | Fund Analyst - Morningstar Inc.

## Morningstar Analyst Rating™



### Portfolio Role:

Core. The fund is suitable as a core holding.

### People:

The fund has proven managers: James Foster and Jacob de Tusch-Lec.

### Parent:

A solid steward.

### Process:

The managers look for companies with strong underlying free cash flow.

### Performance:

Strong performance from two experienced managers with track records in their own right.

### Price:

Competitively priced clean share class.

### Morningstar Opinion:

Artemis Monthly Distribution is a strong choice for investors seeking income from a globally diversified equity and bond fund. The fund is managed by James Foster and Jacob de Tusch-Lec; both are experienced and have strong track records. They work together here, adapting the approaches of their own funds to meet this fund's income requirement. It is invested in bonds and equities broadly in proportion to its benchmark split, 60% iBox £ non Gilts and 40% MSCI AC World, and is rebalanced following any significant drifts using the fund's cash flows. The managers' main focus is on security selection in their respective parts while working together to ensure the fund meets its regular monthly distribution mandate. The focus on security selection over asset allocation plays to the managers' strengths, particularly in equities where De Tusch-Lec has proved his stock-picking skills within Artemis Global Income, which ranks at the top of its Global Equity Income Morningstar Category over the past five years. On the fixed-interest side, Foster gives a bit more attention to top-down positioning, drawing on his lengthy, successful experience as a strategic bond-fund manager. He takes account of the equities portfolio positioning after discussion with De Tusch-Lec, making adjustments accordingly. He recently took the portfolio's bond portion to a slightly negative duration (while keeping it positive in the Artemis Strategic Bond fund, which has a Morningstar Analyst Rating of Silver) because he was aware of the core equity-income holdings' interest-rate sensitivity. Similar cooperative adjustments made by the managers have proved successful in the past (it sits at the top of its Moderate Allocation Morningstar Category from inception to the end of January 2018). We have conviction in the approach's repeatability, which is reinforced by the size of monthly distribution (GBP 740 million at the end of January 2018 with around GBP 300 million in equities), giving De Tusch-Lec more freedom than in Artemis Global Income (over GBP 4 billion) to take advantage of his best smaller-cap ideas, which he has continued to do. We have upgraded the fund to a Morningstar Analyst Rating of Silver.

## JOHCM UK Equity Income Y GBP Acc

08/01/2018 | Peter Brunt, CFA | - Morningstar Inc.

### Morningstar Analyst Rating™



#### Portfolio Role:

Core UK exposure for income-seeking investors who are comfortable with a higher level of volatility than the FTSE All Share.

#### People:

Clive Beagles and James Lowen have worked together for over 15 years, and their understanding of each other's skills is a strength here.

#### Parent:

JO Hambro offers a focused set of funds managed by small teams of experienced fund managers.

#### Process:

The managers use a bottom-up approach with a strict yield criterion, which promotes a consistent sell discipline.

#### Performance:

The approach has produced strong returns over the long term, but it can exhibit periods of weakness.

#### Price:

An additional performance fee detracts from what is otherwise an attractive ongoing charge.

#### Morningstar Opinion:

The fund benefits from a long-established and successful management partnership that has adhered to the same disciplined approach for well over a decade. Clive Beagles and James Lowen have comanaged this fund since launch. They joined JO Hambro Capital Management from Newton Investment Management in 2004 and have worked together for more than 15 years. We think their skills are complementary—Beagles tends to focus on macroeconomic factors and trends to generate ideas, while Lowen focuses more on bottom-up analysis. The two have proved highly adept and disciplined in applying their contrarian approach to equity-income investing that focuses on stocks with an above-market dividend yield and reasonable growth prospects. While a prospective yield above the FTSE All-Share benchmark qualifies a stock for investment (and conversely a sale if its yield falls to the index's level), its cash flows, balance-sheet strength, and valuation will determine whether it reaches the portfolio. This comprises 50-70 stocks and is constructed with little heed to the benchmark, which means it can look quite different at the sector and market-cap levels. Notably, the fund has had a long-standing bias to companies found at the smaller end of the market-cap spectrum. This has largely proved to be a tailwind over the years but also adds to the fund's volatility, which is higher than that of the benchmark and Morningstar Category average. The managers' focus on valuations tends to see the fund exit areas of the market considered to be "en vogue" early and invest in those that are still considered out of favour. As a result, the performance profile of the fund can experience periods of relative weakness. Importantly, over the long term, returns have been strong relative to the benchmark and peers, including on a risk-adjusted basis, with stock selection the main alpha driver. The fund has an attractive ongoing charge, although its competitiveness is diminished by a performance fee. On balance, we continue to have a high level of conviction in the fund's ability to outperform over the long term while providing an above-average yield and growing income stream. It retains a Morningstar Analyst Rating of Silver.

## T. Rowe Price Funds SICAV - US Blue Chip Equity Fund Q GBP

18/12/2017 | Mathieu Caquineau, CFA | Senior Analyst, Active Strategies - Morningstar Inc.

### Morningstar Analyst Rating™



#### Portfolio Role:

This fund can serve as a supporting player for European investors.

#### People:

This manager has decades of experience.

#### Parent:

T. Rowe Price remains on top.

#### Process:

Blue chips and more.

#### Performance:

Steady long-term performance.

#### Price:

This fund is reasonably priced.

#### Morningstar Opinion:

T. Rowe Price US Blue Chip Equity's long-tenured manager has consistently executed a sound approach. The fund's Morningstar Analyst Rating has been upgraded to Gold from Silver. Larry Puglia has been the fund's only manager since the strategy's inception in 1993 in the United States. It has been sold to European investors since 2003 through this Luxembourg-domiciled fund. Puglia looks for firms with above-average and durable growth prospects, strong free cash flow, and management that allocates capital well. While the fund is well diversified, it does make bigger bets on dominant franchises with strong runways for growth. Sizable stakes in Amazon.com, Facebook, and Alphabet have boosted results versus its Russell 1000 Growth Index benchmark in recent years. Focusing on those types of names has led to long-term earnings growth above the benchmark's, though it has also come with higher price metrics at times. T. Rowe Price's well-regarded analyst bench--especially its perennially strong technology and media/telecom teams--is the driver behind many of the fund's successful picks. Puglia has run the fund alongside various iterations of the analyst team during his 24-year tenure, effectively using the analysts' research to post consistently strong results, even during periods where the team has seen some turnover. Indeed, the fund is a strong contender through any lens. It landed in the Morningstar Category's top 20% or better for the trailing one-, three-, five-, and 10-year periods through November 2017 and has outpaced the benchmark and average peer on a risk-adjusted basis during Puglia's tenure. It can be vulnerable in market dips, such as the market pullback from July 2015 to February 2016. Currently it has a lot riding on Internet-related names, which could prove bumpy if that group sells off. But long-term risk-adjusted results are impressive. While there is some key-person risk given Puglia is in his late 50s, T. Rowe Price has a strong track record of handling manager transitions.

## Dodge & Cox Worldwide Global Stock Fund GBP Accumulating Class

01/12/2017 | Fatima Khizou | Investment Research Analyst - Morningstar Inc.

### Morningstar Analyst Rating™



#### Portfolio Role:

The large-cap-centric portfolio and diversification at a regional and sector level means the fund could be used as a core global equity holding, in our opinion.

#### People:

A vastly experienced management team.

#### Parent:

An excellent steward.

#### Process:

A patient value approach with a contrarian streak.

#### Performance:

Excellent long-term results, but not a smooth ride.

#### Price:

Attractively priced.

#### Morningstar Opinion:

Dodge & Cox Worldwide Global Stock is an excellent choice for investors who share the management team's patience and are willing to invest for the longer term. Dodge & Cox's eight-member global equity investment committee, whose members have been with the firm for an average of 22 years, manages this fund. A deep and experienced analyst team, most of them Dodge & Cox lifers, supports the committee. The seasoned investment staff, combined with the consensus-oriented team approach, limit key-person risk here. The team seeks stocks that look cheap on a range of valuation measures. It relies on bottom-up, fundamental research and favours firms with good management, competitive advantages, and solid growth potential. Often, it takes advantage of bad news or a bad economic environment to buy fundamentally strong businesses. Once management initiates a position, it tends to hold on for the long term, so portfolio turnover is quite low. While the managers don't align country or sector weightings with the indexes, they do limit individual holdings to about 3% of assets to reduce the risks inherent in such a contrarian strategy. The fund has delivered excellent long-term results. From its inception in December 2009 through October 2017, its annualised gain of 10% trounced the MSCI ACWI benchmark's and global large-blend Morningstar Category's gains of 9% and 6.9%, respectively. Additionally, the fund has been consistent, outperforming the index in all 55 rolling five-year periods since its inception. The team's contrarian nature and willingness to be patient have contributed to the fund's long-term success but have also led to elevated volatility and downside capture levels. This was evident during a subpar 2015 owing to its long-standing overweighting in poor-performing emerging-markets stocks. But the fund's subsequent strong showing in 2016 illustrates how it overcomes such setbacks. All said, the fund's deep and experienced management team, decisive value approach, and low expenses continue to make it an excellent long-term option in the global equity space. The fund retains its Morningstar Analyst Rating of Gold.

# The City of London Investment Trust Plc CTY

21/11/2017 | David Holder | - Morningstar Inc.

## Morningstar Analyst Rating™



### Role in Portfolio:

The fund provides investors with core UK equity exposure. It offers the prospect of longer-term growth in capital and income--the dividend here has been raised for 51 consecutive years. The manager's cautious approach and focus on limiting downside risk makes it especially suitable for those investors with less tolerance for risk although they should still broadly expect equity volatility.

### Executive Summary:

- *Process:* Curtis' process favours caution, and income is of paramount importance in his decision-making. This leads to a portfolio biased toward large caps but not to the exclusion of smaller names or overseas opportunities, which are limited to 20%.
- *NAV Performance:* The fund has performed well over the short, medium, and long term under Curtis' stewardship, beating both its peers and the FTSE All-Share. He has achieved this without taking excess levels of risk.
- *People:* Job Curtis is a long-standing veteran of Henderson. He has managed investment trusts since 1987 and this trust since July 1991. He is supported by a stable team with some exceptional depth of experience within it.
- *Parent:* Merger complete, Neutral Parent rating maintained.
- *Board:* The board under the chairmanship of Philip Remnant comprises a good range of skills and experiences. All directors own shares in the fund, which we like to see as we feel it aligns their interests with those of the investor.

### Morningstar Opinion:

City of London remains a highly compelling option for investors. Our ongoing belief in City of London is primarily built upon our conviction in Job Curtis, who has been at the helm for 26

years, a length of tenure that's exceptionally rare. His involvement with the fund dates back to his time at Touche Remnant, which was acquired by Henderson in 1992, although he officially took charge of the fund in July 1991. Investors are in safe and accomplished hands here. Not only has the management been consistent, but the process used by Curtis is little changed over that time, too. "Conservative" is a moniker that permeates through the management of the trust, and Curtis is naturally a cautious, mildly contrarian investor, and this approach has served shareholders well over the years. He doesn't ignore the macro picture, but the bulk of his analysis is done from the bottom up. A company's cash generation and physical assets are important in his analysis, but the primary focus is dividend yield as a measure of value together with balance-sheet scrutiny to ensure robustness, continuity, and growth in distributions. The prudent and measured approach to portfolio management has resulted in outperformance over most time frames. Indeed, over Curtis' tenure since 1991, the fund has returned an annualised 9.4%, some 70 basis points more than the FTSE All-Share and around 180 basis points ahead of the peer group over this period. The fund has quite a low active share score and historical tracking error, suggesting outperformance has been generated through relatively small incremental positions, rather than by aggressive sector and stock positioning. The focus on well-managed companies with a commitment to their dividend had also enabled the fund to increase its dividend in each of the past 51 years. Another plus is the board's approach to discount and premium management. While there is no firm rule in place, the board will issue shares when the fund trades at a premium to its net asset value, as we have seen for some time now, but it will also buy back shares when the fund trades at a sustained and material discount. We take comfort in the fact the board has demonstrated its approach clearly and thus kept discount volatility muted, and we think shareholders should be reassured by this. Finally, and most crucially, investors benefit from the very low costs associated with this fund. With ongoing charges for financial year-end 2017 of 0.42%, the board has made good with its avowed intent to have amongst the lowest fees available for any investment trust. In summary we believe the combination of an exceptionally experienced and stable management, a consistent process, very low fees, and a focus on dividend generation contribute to make this one of the most compelling options of its kind. We are pleased to reiterate its Morningstar Analyst Rating of Gold.

This is not the complete report. Please go to the website to read the full research report

## Liontrust Special Situations Fund I Inc

17/11/2017 | Samuel Meakin, CFA | Investment Research Analyst - Morningstar Inc.

### Morningstar Analyst Rating™



#### Portfolio Role:

Supporting Player. The fund's small- and mid-cap bias makes it inappropriate as a core holding, but it can play part of a wider portfolio.

#### People:

Anthony Cross and Julian Fosh are experienced investors.

#### Parent:

Liontrust is a multiboutique asset manager.

#### Process:

A focus on companies with superior intangible assets and strong returns on capital.

#### Performance:

Strong absolute and relative returns since launch.

#### Price:

The fund's costs are reasonable relative to peers.

#### Morningstar Opinion:

We believe Liontrust Special Situations to be an attractive offering for investors seeking an unconstrained UK equity fund. The fund is managed by Anthony Cross with support from Julian Fosh; each brings over 20 years of industry experience. Cross has managed this fund since launch and was joined by Fosh in May 2008. The process, however, dates back to 1997 and is based on Cross' proprietary research, which has continued to be updated and refined since he joined forces with Fosh. The managers' skill sets complement each other: Fosh brings experience in large-cap UK stocks, while most of Cross' career has centred on small- and mid-cap stocks. They are supported by Victoria Stevens and Matt Tonge, both of whom joined in 2015. The process focuses on the importance of the intangible assets of a company, emphasising intellectual capital, distribution channels, and repeat business. The process typically leads the fund to have a natural bias toward the less capital-intensive people businesses, such as support services, technology, and media. The resulting portfolio will have around 50 stocks, with a mid- and small-cap bias, and the size of each holding is influenced by the level of risk that the managers associate with the stock. Performance since inception has been very strong; the fund has comfortably outperformed both the index and the category average (to the end of October 2017). Investors should be aware that the managers pay relatively little attention to the benchmark; the fund can therefore have large active positions that can lead to significant divergence in the performance of the fund relative to the index and peer group. The focus on intangible assets that provide companies with economic moats has tended to help protect investors' capital better than peers in weaker market environments such as 2011, but means that the fund can sometimes fail to keep up in strong market rallies, such as in 2013. The fund provides investors with access to a differentiated process managed by a team with a strong track record. Despite the sizable level of assets managed by this team, we remain comfortable with how it manages them and the overall shape of this fund. It retains a Morningstar Analyst Rating of Bronze.

## Finsbury Growth & Income Trust Plc FGT

14/11/2017 | Simon Dorricott, CFA | Fund Analyst - Morningstar Inc.

### Morningstar Analyst Rating™



#### Role in Portfolio:

The fund can serve as a core holding for UK equities.

#### Executive Summary:

- *Process:* A focus on quality companies, based on a long-term investment horizon.
- *NAV Performance:* Returns here have been excellent, and Train has demonstrated his ability to add value through a range of market cycles, without taking excessive risk.
- *People:* Nick Train is a talented fund manager with good experience.
- *Parent:* Lindsell Train sticks to its specialties: the management of UK, Japanese, and global equities.
- *Board:* The board brings extensive experience gained through a variety of careers in financial markets.

#### Morningstar Opinion:

Finsbury Growth & Income benefits from the stewardship of a seasoned and talented UK equity manager who has demonstrated a consistent approach. Nick Train started his career as an

investment manager at GT Management in 1981 and established Lindsell Train in 2000 together with his colleague Michael Lindsell. Train has run this fund since that time and in 2006 launched an open-ended fund managed to the same mandate. Train's process is differentiated and has proved successful through a number of market cycles. He looks for unique and high-quality companies that offer a high and sustainable return on equity and low capital intensity and that are cash-generative. The result is a concentrated portfolio with clear biases relative to peers and the FTSE All-Share Index. Turnover is low, reflecting Train's long-term approach and his buy-and-hold style. He sells out only if he no longer considers a company to be of sufficient quality. This process has led to strong absolute returns and, given the strategy has clear biases and risks, unusually consistent relative returns over the medium to longer term. In addition to good upside capture, Train's emphasis on quality companies has led to strong performance in weaker markets, as evidenced by the fund's strong outperformance in 2011 when it protected capital better than most. We also like the board's approach to managing the fund's discount. It operates a strict discount-control mechanism that keeps the fund's discount below 5%. Conversely, the board has been very proactive at issuing shares in recent years when the fund has traded at a premium. We like the clear guidance and follow-through on its approach. Further, the board members have significant experience, and all six members are shareholders in the fund. There are some long-serving directors in situ; however, a new member, Simon Hayes, was added in 2015. One potential concern is that, in addition to his responsibilities as a portfolio manager, Train also has duties as a founding partner. Yet the firm has thus far stuck to its core competencies and has not tried to aggressively gather assets. All told, we think there is much to like here: an experienced manager, a tried-and-tested process that has delivered excellent returns, and a competitive fee structure. The fund retains its Morningstar Analyst Rating of Gold.

This is not the complete report. Please go to the website to read the full research report

## Janus Henderson Strategic Bond Fund I Acc

20/09/2017 | Ashis Dash, CFA | - Morningstar Inc.

### Morningstar Analyst Rating™



#### Portfolio Role:

Supporting Player. This fund offers investors exposure to a diversified fixed-income portfolio. However, its frequent and sizable allocation to lower-quality credits could lead to a bumpy ride for investors.

#### People:

Experienced managers supported by Janus Henderson's well-resourced fixed-income team.

#### Parent:

Merger complete, Neutral Parent rating maintained.

#### Process:

A high-conviction asset-allocation-heavy approach that has proved its effectiveness over time.

#### Performance:

The fund has outperformed its peers in the long run but has struggled from time to time from risky bets.

#### Price:

Marginally lower than the median for its Morningstar peer group.

#### Morningstar Opinion:

This fund is led by a solid pair of managers who are not afraid to make bold choices. John Pattullo has managed this fund since launch in October 1999 while Jenna Barnard became deputy manager in January 2004 and subsequently comanager in January 2006. In our view, Pattullo and Barnard are talented fixed-income managers and have a long and solid history of working together. They also benefit from Janus Henderson's large resources, including access to a pool of 20 credit analysts. The managers aim to outperform the IA E Strategic Bond peer group. They employ a flexible and unconstrained strategy looking to add value mostly from asset allocation. Unsurprisingly, the structure of the fund is primarily influenced by the managers' assessment of macroeconomic and market factors. These are married with security-specific analysis while incorporating a healthy regard for valuations. They can invest across the fixed-income spectrum but have historically exhibited a bias to corporate bonds. Derivatives are also used extensively, for expressing ideas as well as risk management. The managers have, in our opinion, demonstrated an aptitude for analysing the economic cycle and positioning the portfolio accordingly over time, which is key to such a flexible strategy. It is reflected in the fund's performance; it has outperformed its IA and Morningstar categories over three, five, and 10 years (as at August 2017). However, investors should be mindful of the risks involved here. Given the frequent aggressive allocation to high yield (which has ranged from 20% to 80% since the strategy's inception) and financials (a high beta sector), the fund can be volatile. It has had some tough periods, such as 2008 and 2010-11, and is likely to experience other periods of underperformance in the future. That said, the long-term risk-adjusted performance under the managers' tenure is strong. We believe that with the team in place, following the same flexible approach they have effectively applied over the years, the fund can continue to do well going forward. We thus retain its Morningstar Analyst Rating of Silver.

## Artemis US Select Fund I Acc GBP

12/07/2017 | Fatima Khizou | Investment Research Analyst - Morningstar Inc.

### Morningstar Analyst Rating™



#### Portfolio Role:

The fund is suitable for those seeking a higher-alpha approach to US equity investing.

#### People:

A very experienced US equity manager.

#### Parent:

Artemis operates a boutique culture allowing its managers to run their own distinct strategies.

#### Process:

Top-down and bottom-up analysis is combined to identify attractive investments.

#### Performance:

A reasonably solid outcome.

#### Price:

Competitively priced.

#### Morningstar Opinion:

An experienced manager and a proven investment approach make Artemis US Select a worthy option in the US equity market. Manager Cormac Weldon has run this strategy since its September 2014 inception. He moved to the group in May 2014 from Threadneedle, where he built a strong track record, managing three retail funds including the American Select fund on which this Artemis product is based. Additionally, when joining the firm, he brought the majority of his US equity team with him, as he was keen to replicate his successful process at this new group. Besides analysts, the team also includes two managers: William Warren and Stephen Moore, who is the deputy manager on this fund and lead on two other products. He is an experienced investor and has worked alongside Weldon since 2002. Analysts and managers follow the same approach and are encouraged to discuss and debate recommendations. The investment process combines top-down views with bottom-up research analysis. Company meetings are supplemented with sell-side input to ensure a thorough understanding of key growth drivers, while both up and down price targets are set for each stock and form the basis of stock-level decisions. The team invests with conviction and as such most of the assets will typically be concentrated in a few sectors. Despite the high-conviction nature of the approach, the fund's volatility figures have been lower than large-cap growth Morningstar Category peers<sup>1</sup>. During its life span through the end May 2017, the fund's annualised gain of 10.3% is in line with the S&P 500 benchmark's gain of 10.2% but beats the large-growth category's gain of 8.4%. While this remains a relatively short period, the manager has a longer track record on Threadneedle American Select, which he managed to good effect during his 12-year tenure. Weldon has had a good start on this fund, and we think investors who stay over the long haul will be well-served. The fund therefore retains its Morningstar Analyst Rating of Bronze.

## Veritas Global Focus A GBP

31/05/2017 | Muna Abu-Habsa | Fund Analyst - Morningstar Inc.

### Morningstar Analyst Rating™



#### Portfolio Role:

Core. This fund offers investors access to a focused global equities portfolio with a thematic overlay.

#### People:

The fund benefits from a strong pairing in Richardson and Headley and an experienced analyst team.

#### Parent:

Veritas Asset Management manages funds only in areas where it has strong expertise.

#### Process:

The managers seek quality companies with high levels of cash generation.

#### Performance:

The fund has generated excellent risk-adjusted returns over the long term.

#### Price:

The ongoing charge exceeds the median for comparable global-equity funds.

#### Morningstar Opinion:

Veritas Global Focus remains amongst the strongest offerings in its sector. A major strength of this fund is its management. Charles Richardson and Andrew Headley, who previously worked together at Newton, have been at the helm since the fund was launched in 2003. Headley leads on this fund while Richardson leads on the Veritas Global Equity Income fund. They benefit from the support of an experienced team of six analysts, whose research is instrumental to the portfolio. The fund's standout characteristic is the extent to which the managers aim to deliver real returns to investors. Indeed, preservation and growth of capital are considered to be of more importance than benchmark risk, and the portfolio is managed with little regard to an index. The managers use a thematic framework to help identify global industries that they believe will benefit from long-term structural drivers. This is then overlaid with the search for companies with durable competitive advantages and strong, sustainable cash flows. In every investment made, they seek to understand the margin of safety built into the price they pay. The real-return focus has driven the fund to strong returns in a variety of market conditions, including years as disparate as 2008 and 2009. The fund also delivered a positive return in 2011, when the average category peer was down by 10%. That is not to say, however, that the fund will outperform in all types of markets. For example, performance in 2012 was less competitive as the managers' preference for cash-generative companies drove its large underweighting in financials, which strongly outperformed. In addition, the fund may not fully participate when lower-quality companies rally, such as in 2013 when it finished in the third quartile despite a 20% return. All told, for investors seeking global equity exposure with the aim of growing the real value of their investment through time, this remains one of our highest conviction funds in its sector. Also, the soft-closure of the fund in 2017 suggests the firm is keeping existing investor's interests at heart, particularly as the closure wasn't accompanied with a rise in the management fee. The fund retains its Morningstar Analyst Rating of Gold.

## Schroder QEP Global Core Equity Fund A Acc

06/03/2017 | Muna Abu-Habsa | Fund Analyst - Morningstar Inc.

### Morningstar Analyst Rating™



#### Portfolio Role:

Core. This fund may be used as a core holding for investors seeking global-equity exposure.

#### People:

We hold Justin Abercrombie in high regard and draw comfort from his long involvement with the quant model.

#### Parent:

A company strongly focused on asset management with particular strength in equities.

#### Process:

We like the manager's highly disciplined and well-rounded approach to portfolio construction.

#### Performance:

Justin Abercrombie has amassed an excellent risk/return profile relative to peers during his tenure.

#### Price:

The fund's rock-bottom ongoing charge provides investors with a cost advantage.

#### Morningstar Opinion:

Investors in Schroder QEP Global Core Equity have access to a steady and solid proposition in the global-equity space. This fund boasts an experienced and long-standing manager in Justin Abercrombie. Although this share class only launched in 2010, Abercrombie has successfully managed other share classes of this fund since its launch in January 2000 and its Lux-based mirror fund since September 2001, using a quantitative model that he has developed. We hold Abercrombie in high regard and we draw comfort from his long and close involvement with the model. We also value the support he receives from the 15 investment professionals on the quantitative equity products, or QEP, investment team, with an average experience of 11 years. The quant model applied here is unique, given that it is purely focused on valuations and quality, rather than being trend-following and earnings-based. Value is measured on absolute and relative bases, including assessments of dividends, cash flow, earnings, sales, and assets. Quality is captured through analysing the underlying building blocks of a company, namely profitability, stability, and financial strength. The manager's investment philosophy is based on combining fundamental data and well-researched behavioural insights, while also placing emphasis on portfolio construction and diversification of risk. The focus on risk management has typically enabled the fund to handle adversity better than its Morningstar Category peers. For example, maintaining sector and country neutrality relative to the MSCI World Index in 2011 helped the fund avoid many of the top-down risks faced by rivals that year. Moreover, its quality bias helped performance as investors sought safety in more financially stable issues. This pattern has held true during several down periods during the last decade--a strong result that reflects well on the consistency of approach. This fund's seasoned and talented manager, coupled with a consistently executed process that has been proved through time, make it a worthy offering in the global equity space. Moreover, the fund's ongoing charge of 40 basis points provides investors with a significant cost advantage. The fund retains our Morningstar Analyst Rating of Bronze.

This report summarises the composition characteristics of a portfolio of securities created by you. It considers broad asset allocation and regional exposures, security style and sector exposure to provide a variety of ways for considering the level of diversification within a portfolio, its potential riskiness and its possible behaviour in the future. The information contained in this report is from the most recent information available to Morningstar and may or may not be an accurate reflection of the current composition of the securities included in your portfolio.

### Your Benchmark

The benchmark is the Morningstar category index chosen by you when you've created your portfolio in Portfolio Manager.

### Performance – Growth Chart

The graph compares the growth of a fund with that of the benchmark. The returns are not adjusted to reflect sales charges or the effects of taxation, but are adjusted to reflect actual ongoing fund expenses and assume reinvestment of dividends and capital gains. If adjusted, sales charges would reduce the performance quoted. The index is an unmanaged portfolio of specified securities and the index average does not reflect any initial or ongoing expenses. A fund's portfolio may differ significantly from the securities in the index. The index shown may differ from the index/benchmark provided in the fund's prospectus.

### Potential Value Chart

In this section we provide a hypothetical outlook on your portfolio's future performance highlighting the percentage of achieving the values we project.

### Asset Allocation (data should be as of Report Date)

This pie chart and table show the portfolio's exposure to the following broad asset classes: Stocks, Bonds, Cash and Other. The Other category represents an asset class that Morningstar recognises but classifies outside of the asset classes listed above. (For example, real estate is typically classified as Other.) Not Classified is for those securities Morningstar does not recognise or track. The tables adjacent to the pie chart identify the net asset allocation percentages of the portfolio, as well as the component long positions (assets) and short or marginal positions (liabilities) of the portfolio.

### World Regions and Stock Sector (data should be as of Report Date)

World Regions: this data set provides a broad breakdown of a portfolio's geographical exposure, by region and by market maturity. Only non-cash equity assets are evaluated in determining the exposures. Not Classified indicates the percentage of the equity portion of the portfolio for which Morningstar is unable to assess region or origin. Stock Sector: This table shows the percentage of the portfolio's equity assets invested in each of the three supersectors (cyclical, sensitive, defensive) and 11 major industry subclassifications. The Sector Graph accompanying the table demonstrates the sector orientation of the portfolio in relation to the Morningstar Broad Market Index. Not Classified is for those securities Morningstar does not recognise or track.

### Risk/Return Scatter Graph and Risk Measures in Top 10 Portfolio Holdings

The risk/reward scatter plot is based on each holding's risk and return over the most recent three-year period. Risk is measured as 3-year standard deviation of return. Return is measured as 3-year mean return. The risk/reward scatter plot also contains the portfolio's risk and return. In Risk Measures in Top 10 Portfolio Holdings, the standard deviation shows how far a set of values are spread above and below the average for a particular fund type. If the standard deviation is a high number, positive or negative, then the fund has performed that far above or below the average. If the standard deviation is low then the fund has performed closer to the average. Mean is the annualised performance of a fund over three years.

### Correlation Matrix

The matrix shows the performance correlation between different holdings. A correlation of 1 indicates the two holdings move in the same direction, a correlation of -1 indicates the two holdings move in opposite directions and a correlation of 0 means that no correlation could be found. A correlation of -1 will offer maximum diversification.

### Morningstar Rating

For funds, the Morningstar Rating is calculated for funds with at least a three-year history. It is a measure of past performance based on a Morningstar risk-adjusted return measure that accounts for variation in a fund's monthly performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The Morningstar Rating for Funds is applied to open-end funds (OEICs and unit trusts), closed-end funds (including investment trusts) and exchange-traded funds. The Morningstar Star Rating for Stocks is assigned based on an analyst's estimate of a stock's fair value. It is projection/opinion and not a statement of fact. Morningstar assigns star ratings based on an analyst's estimate of a stock's fair value. Four components drive the Star Rating: (1) our assessment of the firm's economic moat, (2) our estimate of the stock's fair value, (3) our uncertainty around that fair value estimate and (4) the current market price. This process culminates in a single-point star rating that is updated daily. A 5-star represents a belief that the stock is a good value at its current price; a 1-star stock isn't. If our base-case assumptions are true the market price will converge on our fair value estimate over time, generally within three years. Investments in securities are subject to market and other risks. Past performance of a security may or may not be sustained in future and is no indication of future performance. For detail information about the Morningstar Star Rating for Stocks, please visit <http://global.morningstar.com/equitydisclosures>.

### Quantitative Fair Value

Quantitative Fair Value Estimate represents Morningstar's estimate of the per share dollar amount that a company's equity is worth today. The Quantitative Fair Value Estimate is based on a statistical model derived from the Fair Value Estimate Morningstar's equity analysts assign to companies which includes a financial forecast of the company. The Quantitative Fair Value Estimate is calculated daily. It is a projection/opinion and not a statement of fact. Investments in securities are subject to market and other risks. Past performance of a security may or may not be sustained in future and is no indication of future performance. For detail information about the Quantitative Fair Value Estimate, please visit <http://global.morningstar.com/equitydisclosures>.

### Fair Value Estimate

Fair Value is derived from a detailed projection of a company's future cash flows. Analysts create custom industry and company assumptions to feed income statement, balance sheet, and capital investment assumptions into a proprietary discounted cash flow modeling template. Scenario analysis, in-depth competitive advantage analysis, and a variety of other analytical tools are used to augment the discounted cash flow process. Combining analysts' financial forecasts with the firm's economic moat helps us assess how long returns on invested capital are likely to exceed the firm's cost of capital. Because we are modeling free cash flow to the firm—representing cash available to provide a return to all capital providers—we discount future cash flows using the weighted average of the costs of equity, debt, and preferred stock (and any other funding sources), using expected future proportionate long-term, market-value weights. If our base-case assumptions are true the market price will converge on our fair value estimate over time, generally within three years. Investments in securities are subject to market and other risks. Past performance of a security may or may not be sustained in future and is no indication of future performance. For detail information about the Qualitative Fair Value, please visit <http://global.morningstar.com/equitydisclosures>.

### Morningstar Analyst Rating

The Morningstar Analyst Rating is not a credit or risk rating. It is a forward-looking and subjective evaluation performed by the mutual fund analysts of Morningstar, Inc. Morningstar evaluates funds based on five key pillars, which are process, performance, people, parent and price. Morningstar's analysts use this five pillar evaluation to identify funds they believe are more likely to outperform over the long term on a risk-adjusted basis. Analysts consider quantitative and qualitative factors in their research, and the weighting of each pillar may vary. The Analyst Rating ultimately reflects the analyst's overall assessment and is overseen by Morningstar's Analyst Rating Committee. The approach serves not as a formula but as a framework to ensure consistency across Morningstar's global coverage universe. The Morningstar Analyst Rating is applied to actively-managed funds, i.e. open-end funds (OEICs and unit trusts) and closed-end funds (including investment trusts). The Analyst Rating scale ranges from Gold to Negative, with Gold being the highest rating and Negative being the lowest rating. A fund with a "Gold" rating distinguishes itself across the five pillars and has garnered the analysts' highest level of conviction. A fund with a "Silver" rating has notable advantages across several, but perhaps not all, of the five pillars-strengths that give the analysts a high level of conviction. A "Bronze"-rated fund has advantages that outweigh the disadvantages across the five pillars, with sufficient level of analyst conviction to warrant a positive rating. A fund with a "Neutral" rating isn't seriously flawed across the five pillars, nor does it distinguish itself very positively. A "Negative" rated fund is flawed in at least one if not more pillars and is considered an inferior offering to its peers. Analyst Ratings are reevaluated at least every 14 months. For more detailed information about Morningstar's Analyst Rating, including its methodology, please go to <http://corporate.morningstar.com/us/documents/MethodologyDocuments/AnalystRatingforFundsMethodology.pdf>. The Morningstar Analyst Rating should not be used as the sole basis in evaluating a mutual fund. Morningstar Analyst Ratings are based on Morningstar's current expectations about future events; therefore, in no way does Morningstar represent ratings as a guarantee nor should they be viewed by an investor as such. Morningstar Analyst Ratings involve unknown risks and uncertainties which may cause Morningstar's expectations not to occur or to differ significantly from what we expected.