



# EF 8AM Tactical Growth Portfolio

1 June 2022

## INVESTMENT AIMS

The objective of the Fund is to provide long term capital appreciation.

## PERFORMANCE (CLASS A)

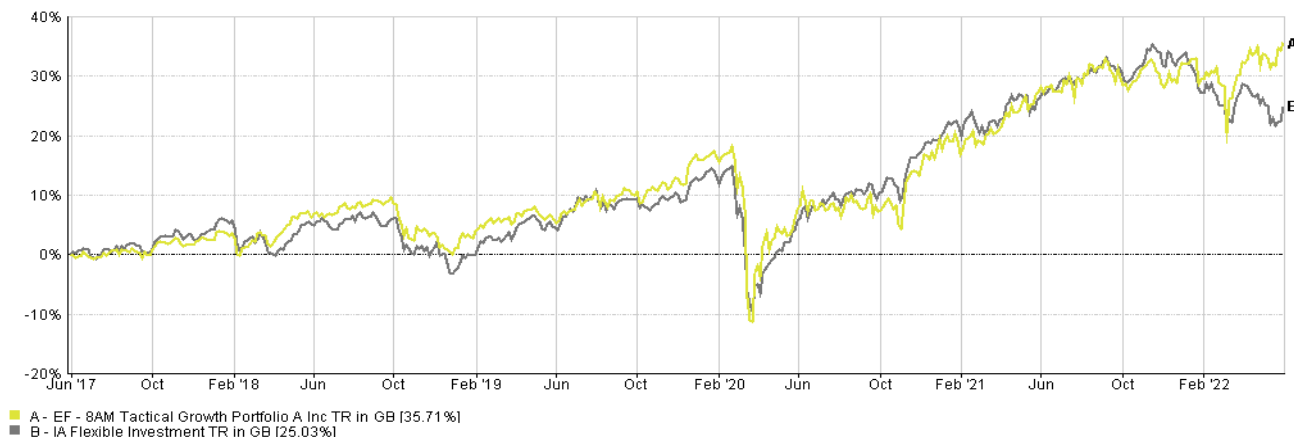
|                 | 6 m   | 1 yr   | 3 yr   | 5 yr   | YTD    |
|-----------------|-------|--------|--------|--------|--------|
| Tactical Growth | 6.35% | 6.43%  | 28.83% | 35.71% | 2.85%  |
| Sector          | 5.13% | -1.14% | 19.78% | 25.03% | -6.39% |

## DISCRETE YEAR PERFORMANCE

|      | Fund   | Sector |
|------|--------|--------|
| 2021 | 12.53% | 11.30% |
| 2020 | 0.89%  | 6.70%  |
| 2019 | 15.14% | 15.57% |
| 2018 | -1.85% | -6.72% |
| 2017 | 8.34%  | 11.21% |

Source: Financial Express to 31.05.2022. Sector is the IA Flexible Investment GTR in GB.

## PERFORMANCE %



31/05/2017 - 31/05/2022 Data from FE fundinfo 2022

Past performance is not an indicator of future performance.  
Source: Financial Express

## KEY FACTS

|                      |  |
|----------------------|--|
| Fund Manager         | Alastair George                                  |
| IA Sector            | Flexible Investment                              |
| ISIN                 | GB00B9C65S15 (Class A)<br>GB00B3KQYX95 (Class R) |
| Fund Size            | £15.1m   |
| Launch Date/ Price   | 02.02.09 at 100p                                 |
| Vehicle Type         | UK OEIC  |
| Unit Type            | Income   |
| ISA Eligible?        | Yes  |
| OCF                  | 1.59% (Class A)                                  |
| Initial charge       | 0% (Class A)<br>up to 5% (Class R)               |
| Price (NAV)          | 153.10p (Class A)<br>171.81p (Class R)           |
| Dealing Day and Time | Daily at 12 noon                                 |
| Year End             | 30th June  |
| Income Allocation    | 31st Aug, 28th Feb                               |
| Minimum Investment   | £1,000 (Class A)                                 |
| Base Currency        | Sterling   |
| Pricing Basis        | Forward/Single Price                             |

## CONTACT DETAILS

Issued by 8AM Global Limited, which is authorised and regulated by the Financial Conduct Authority. If you have any doubt as to whether the EF 8AM Investment Funds are suitable for you and you wish to receive advice, you should consult a financial advisor. Further information can be obtained from:

8AM Global Limited  
The Thatched Office, Manor Farm  
Kimpton, Andover  
Hampshire SP11 8PG

or

WAY Fund Managers Limited  
Cedar House, 3 Cedar Park  
Cobham Rd, Wimborne  
Dorset BH21 7SB

Information: 01264 773155

Dealing: 01202 855856

E-mail: jeremy.nunn@8amglobal.com



## FUND MANAGER COMMENTARY

Tactical Growth returned 1.42% during May and is now up 2.85% in 2022 to date.

This represents a striking outperformance as many equity market indices have stumbled, with year-to-date losses of over 10% being recorded in both the US and many markets in continental Europe. It also remains one of the most difficult periods for global government bond indices in the last 20 years, with losses near 10% year-to-date.

The fund's strong relative performance has been earned through our disciplined approach to value investing which led us to cut US and global technology holdings prior to the significant declines of the past 9 months. This value-based approach is in combination with a strategic overlay which embeds today's key themes into the asset allocation: monetary policy normalisation, higher inflation, high and volatile energy prices, slowing economic growth and continued supply chain disruption. There have been limited changes to the portfolio over the past month as the current asset allocation remains appropriate given a little-changed investment outlook, in our view.

The main uncertainty is the duration of the surge in inflation and the resulting timing of the inflection point in the global normalisation of monetary policy. Energy prices and headline inflation are strongly correlated. If oil prices remain above \$100 per barrel, headline consumer price index (CPI) inflation is likely to remain well above 2% in the US and Europe over the next 12 months. Consequently, central banks may have little choice but to maintain pressure on the monetary brake pedal, even as the global economy slows. However, with an estimated \$226trn of debt outstanding globally, policy rates are unlikely to rise as far as the 1980s. We believe a relatively modest tightening of financial conditions will deliver the reduction in final demand that policymakers need to ease inflationary pressure.

Therefore, at some point during 2022 we expect to see the peak in long-term bond yields for this cycle. We have had zero government bond exposure since the onset of the COVID-19 pandemic. Inflation risks were being understated and central bank policies were keeping the price of long-term government debt artificially low. However, with yields for 10-year US treasury bonds now above 3% the risk/reward calculus is shifting towards a more favourable outlook for bonds. We anticipate starting to add exposure around the time headline inflation peaks and developed markets enter an extended period of disinflation as growth slows.

Despite a strong performance relative to comparable funds in the year-to-date, the holdings within the Tactical Growth fund continue to offer excellent value, in addition to their defensive qualities and inflation protection. Equity holdings, which account for approximately 75% of the portfolio, have a blended prospective dividend yield of over 4% while consensus forecasts call for earnings growth of 10% for 2022. We also believe the trailing price/book multiple of only 1.2x remains attractive for an equity portfolio which is expected to deliver a return on equity in excess of 10% this year.

Therefore, at current valuation levels for the individual holdings within the portfolio we have good reason to expect the portfolio to meaningfully outperform both cash and inflation over the medium-term. We believe the fund's strategy which is to invest where there is long-term value and at an attractive risk/reward remains wholly appropriate in today's world. There may be evident risks but also highly attractive opportunities to invest. For a more detailed description of the fund's investment processes and outlook, professional advisers are welcome to contact the fund manager directly.

Alastair George  
Fund Manager  
M: 00 44 7494 458 875  
[alastair.george@8amglobal.com](mailto:alastair.george@8amglobal.com)

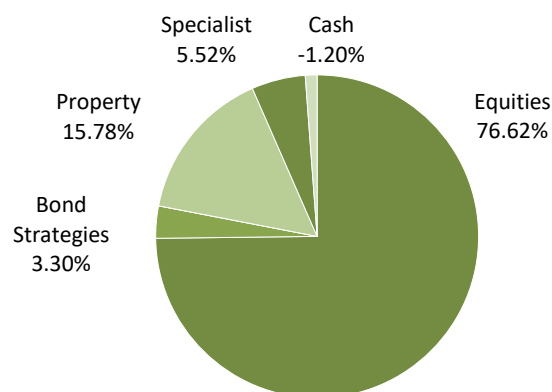


## TOP TEN HOLDINGS

| Holding                             | Asset Class | %     |
|-------------------------------------|-------------|-------|
| BP PLC                              | Equities    | 6.08% |
| Taylor Maritime Investments Limited | Equities    | 6.00% |
| Secure Income REIT PLC              | Property    | 5.27% |
| Gresham House Enrg Strg Fund        | Equities    | 4.97% |
| Novo Nordisk A/S                    | Equities    | 4.33% |
| Astrazeneca PLC                     | Equities    | 4.12% |
| Grindrod Shipping Holdings Ltd      | Equities    | 4.09% |
| Supermarket Income REIT PLC         | Property    | 3.91% |
| National Grid PLC                   | Equities    | 3.86% |
| Greencoat UK Wind PLC               | Equities    | 3.75% |

Source: 8AM Global Ltd to 31.05.2022

## ASSET ALLOCATION



Source: 8AM Global Ltd to 31.05.2022

## WHY INVEST?

- Provides exposure to traditional value-based equity investment with a clearly defined macroeconomic overlay
- Tactical and diversified exposure to a variety of hedge and absolute return strategies.
- Unconstrained asset allocation allows increased flexibility (subject to Fund's investment powers).

## SUITABILITY

An investor who is comfortable with holding a significant proportion of their portfolio in higher risk investments in order to have the opportunity for a greater investment return.

An investor who is prepared to accept investment losses in the short term in order to achieve potentially greater investment returns over the longer-term. The portfolio will be subject to fluctuations in value.

## AVAILABILITY

The portfolio is available direct and via:

|                          |                       |                           |
|--------------------------|-----------------------|---------------------------|
| Aegon Retirement Choices | AJ Bell               | Ascentric/Funds Direct    |
| Aviva                    | AXA IOM               | Canada Life International |
| Embark                   | Fidelity              | Fusion                    |
| James Hay                | Merchant Investors    | Novia                     |
| Nucleus                  | Old Mutual Wealth     | Prudential                |
| Scottish Widows Intl     | Standard Life Elevate | Standard Life             |
| Transact                 | Zurich                |                           |

## IMPORTANT INFORMATION

This document has been produced for information only and represents the views of 8AM Global Limited at the time of writing. It should not be construed as Investment Advice. No investment decisions should be made without first seeking advice. Full details of the EF 8AM Investment Funds, including risk warnings, are published in the EF 8AM Investment Funds Prospectus. WAY Fund Managers Limited is the authorised corporate director (ACD) of the EF 8AM Tactical Growth Portfolio and is authorised and regulated by the Financial Conduct Authority. Registered Office: Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB.

## RISK WARNINGS

The EF 8AM Investment Funds, are subject to normal stock market fluctuations and other risks inherent in such investments. The value of your investment and the income derived from it can go down as well as up, and you may not get back the money that you have invested. Investments in overseas equities may be effected by changes in exchange rates, which could cause the value of your investment to increase or diminish. Capital appreciation in the early years will be adversely affected by Initial Charges, so you should regard your investment as medium to long term. Past performance is not a guide to future performance. Every effort is taken to ensure the accuracy of this data, but no warranties are given.