



## EF 8AM Tactical Growth Portfolio

1 January 2024

### 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	5.75%	2.47%	13.54%	31.89%	2.47%
Sector	5.18%	7.08%	8.47%	33.86%	7.08%

### DISCRETE YEAR PERFORMANCE

	Fund	Sector
2022	-1.53%	-8.98%
2021	12.53%	11.30%
2020	0.89%	6.70%
2019	15.14%	15.66%
2018	-1.85%	-6.72%

Source: FE to 31.12.2023. Sector is the IA Flexible Investment GTR in GB.

### PERFORMANCE %



31/12/2018 - 29/12/2023 Data from FE fundinfo 2024

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

### 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:

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## FUND MANAGER COMMENTARY

Tactical Growth returned 5.97% during December, outperforming the benchmark IA Flexible Investment sector return of -3.98%. Year to date the fund has returned 2.47%, underperforming the benchmark return of 7.08%. The underperformance this year has been in large part due to a surprisingly strong performance of the US economy in the face of higher interest rates, combined with stubbornly high inflation elsewhere. This has driven short- and long-term interest rates to higher levels than we anticipated, creating an extended period of valuation pressure on the holdings within the portfolio.

However, the monetary tide has turned, generating a significant rebound in the portfolio during December. Bond yields in the US and Europe have tumbled as inflation falls and policy rates peak. This has proved a welcome respite for global equity markets, which were under pressure from rising bond yields over the summer. This rise in bond yields seemed counter-intuitive, occurring just as the lagged impact of tighter monetary policy became evident on inflation and has ultimately proved unsustainable.

Inflation may have driven short- and long-term rates higher but is now clearly on a declining trend. We note that US five-year, market-implied inflation expectations remain close to 2%, having peaked at 3.5% in August 2022. The runaway inflation scare appears to be in the rear-view mirror. It is however the rapid rise in real rates that has impacted on defensive segments of the equity market this year. With US five-year real rates still close to a 20-year high, we believe this source of valuation pressure is likely to ebb over the next 12 months.

Nevertheless, we remain neutral on global equities as US valuations are close to the top of their recent price/book range. As the risk of ever-tightening financial conditions has clearly diminished, we believe market performance should broaden during 2024, both from a sector and geographic viewpoint. The technology sector has been supported by investors' determination to pick artificial intelligence winners, but at current valuations delivery will become increasingly important. At present we prefer sectors outside technology, where valuations are less challenging and dividend yields are likely to compress as the prospect of declines in interest rates in the second half of 2024 comes into view. Given that the most recent global sector performance favoured cyclical and technology stocks in 2023, the fund is positioned to benefit in the event of any sector rotation.

Tactical Growth continues to be positioned with a relatively high overweight allocation to the UK. The reason for this overweight is our judgement that sterling and UK equities are currently undervalued relative to other markets and the recent inflation surge will ultimately prove to be transient as growth weakens during the winter, in response to the fastest rise in UK interest rates and tightest monetary conditions since 2007.

The fund's equity holdings have a blended trailing dividend yield of 3.74% while consensus forecasts call for earnings growth of 12.4% for 2024. Asset-based holdings account for 44% of the fund, including real estate investment trusts, renewable energy investments and IP-related primarily life science holdings. In aggregate, these asset-based investments are currently trading at a historically wide discount of 30% to current net asset value (NAV) and deliver a yield of over 6%.

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 appropriate. For a more detailed description of the fund's investment processes and outlook, professional advisers are welcome to contact the fund manager directly.

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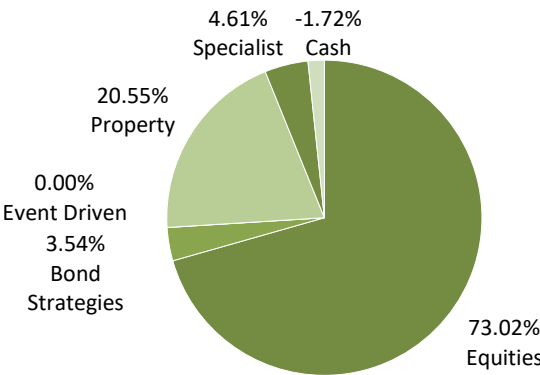


TOP TEN HOLDINGS

Holding	Asset Class	%
Astrazeneca PLC	Equities	5.39%
LXI PLC REIT.	Property	5.02%
Greencoat UK Wind PLC.	Equities	4.83%
Taylor Maritime Investments Limited	Equities	4.60%
Gresham House Enrg Strg Fund	Equities	4.53%
Melrose Industries PLC	Equities	3.75%
Alphabet Inc A	Equities	3.74%
Sequoia Economic Infrastructure	Bond Strategies	3.54%
Next PLC	Equities	3.46%
Smurfit Kappa Group PLC	Equities	3.44%

Source: 8AM Global Ltd to 31.12.2023

ASSET ALLOCATION



Source: 8AM Global Ltd to 31.12.2023

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.