

LWM Consultants Ltd

Volatility Measurements

3-Yr Std Dev (volatility)	-
3-Yr Mean Return (average)	-

Investment Style Details

Giant	52.33%
Large	28.76%
Medium	18.58%
Small	0.00%
Micro	0.00%

Top 5 Holdings – 24 Holdings, 59.00% in top 10 holdings

ASML Holding NV	Technology	9.88%
LVMH Moet Hennessy Louis Vuitton SE	Consumer Cyclical	7.95%
Mastercard Inc Class A	Financial Services	7.39%
Microsoft Corp	Technology	6.32%
Alphabet Inc Class C	Communication Services	6.10%

Top 5 Sectors

Technology	32.89%
Healthcare	17.51%
Consumer Cyclical	15.60%
Financial Services	14.41%
Communication Services	8.00%

Top 5 Regions

United States	65.68%
Netherlands	9.91%
France	7.97%
Switzerland	5.76%
United Kingdom	4.86%

UPDATE....

We were introduced to this strategy 12 months ago. As some background, the manager Alister Hibbert managed the European Dynamic Fund for BlackRock for many years and has now trained up a replacement so he can focus on this and a hedge fund strategy he manages.

This is a polar opposite to his previous strategy. This is not a high turnover portfolio. It looks to identify the very best companies and allow compounding to drive returns over the long term. In previous strategies he has “topped and tailed” holdings but in this strategy, he will look to hold. The only reason for change is if the 15% weighting is breached and they need to sell down, or the case for holding the stock has changed.

Examples of holdings include ASML which he has held almost throughout his career, and where he sees the returns and margins likely to only grow further over the coming years. Equally Microsoft and Alphabet, he believes, have unrecognised growth margins which will come through over the long term.

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The businesses have a quality bias and they have no view on investment style or benchmark. They want to find those businesses that have strong market positions, structural tailwinds, high returns, and exceptional management.

Although this is not a high turn strategy, and really aims to be a sleep easy fund, a lot of work is done in the background. They need to watch for anything that can unseat a business. There are challenges and holding a strong market position can change. They talk to the companies on a regular basis, meet with competitors, they attend invest days and they analysis data from colleagues across the company.

The fund is focused purely on global winners and quality businesses. This means that it will have periods in the short term where it is out of favour, but they will not change their focus to fit a short-term style bias.

In summary, since launch this fund has performed strongly and clearly they want it to be a simple structure with just the very best names. They also see this as a long-term holding, and this is matched by a low turnover of holdings enabling strong franchises to compound returns over time. Alister has a very good reputation in the European and Hedge Fund space. In the short term he has shown that he can repeat that with this strategy. There are however many global funds out there. We would add this to our watchlist.

The source of information in this note has been provided by BlackRock and is correct as of October 2021. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this, and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.