SHINING A LIGHT ON THE……
Rathbone Global Opportunities Fund

AT A GLANCE

Investment Objective
The objective of the fund is to provide above average long-term capital growth from a global portfolio. The fund will be able to invest in any transferable security in all recognised world financial markets. The income yield will be at best minimal.

Inception Date	9th May 2001
Fund Factsheet Link	http://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F0GBR04HVM

Management	
Manager Name	**Start Date**
James Thomson	1st November 2003

Investment Style Details	
Equity Style	
Market Capitalisation	**% of Equity**
Giant	28.04%
Large	38.38%
Medium	32.27%
Small	1.31%
Micro	0.00%

Top 10 Holdings		
Total number of holdings	60	
Assets in Top 10 Holdings	23.55	
Name	**Sector**	**% of Assets**
Amazon.com	Consumer Cyclical	2.97%
Align Technology Inc	Healthcare	2.66%
Adobe Inc	Technology	2.64%
PayPal Holdings Inc	Financial Services	2.46%
Mastercard Inc A	Financial Services	2.26%
Visa Inc Class A	Financial Services	2.22%
Salesforce.com inc	Technology	2.17%
Abiomed Inc	Healthcare	2.11%
Tencent Holdings Ltd	Technology	2.04%
Intuit Inc	Technology	2.01%

Volatility Measurements	
3-Yr Std Dev (volatility)	12.51%
3-Yr Mean Return (average)	16.75%

FUND PERFORMANCE

Performance from 1st January 2013 to 31st March 2019:

	2013	2014	2015	2016	2017	2018	2019
Rathbone Global Opportunities Fund	26.09%	8.74%	14.75%	15.91%	19.19%	-1.28%	13.47%
iShares MSCI World ETF	30.32%	10.75%	1.17%	8.13%	17.26%	-8.94%	11.53%

Performance over 12 months, 3 years, 5 years and since launch:

	1 year	3 years	5 years	Since launch
Rathbone Global Opportunities Fund	13.19%	55.52%	94.72%	374.83%
iShares MSCI World ETF	5.17%	32.32%	42.97%	-

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

UPDATE….

James has managed the fund for 15 years and has built up a strong reputation. The fund looks to invest in under the radar companies. What he likes are easy to understand businesses, scalable and repeatable strategies, durable domination, pricing power, entrepreneurial, prudent, flexible management, differentiated and barriers to entry, under-promised and over deliver and gentle innovation.

He doesn’t hold commodities, there are no big banks or industrials, and he doesn’t like small cap which he sees as speculative. The holdings are roughly equally weighted around 2%. The fund is mainly US (66%), Europe and UK. He sees lots of opportunities but there is limited space within the fund to add new ideas.

James is benchmark agnostic so there will be parts of the market where this fund has little exposure. From a geographic side it has little or no exposure to Japan, Asia and Emerging Markets. His view is that access to these regions is better through a specialist manager.

In terms of holdings Amazon is a long-term position. When he invested ten years ago this was one of the most hated companies. The focus has been on the customer rather than the shareholder. But ultimately if the customer is happy then the shareholder will benefit. Amazon is focusing more on profitability, removing unprofitable lines.

Other businesses he likes include Match Group, which own a variety of dating sites including Tinder. They have 70 million users and 5 million are premium subscribers. The biggest risk to the business is new innovative businesses with better features. Bumble is the closest rival and Facebook have recently announced their own dating site, but this is seen as a poor alternative.

Paypal is another holding and where they see opportunities is in Venmo, which is a digital wallet that lets people make and share payments with friends.

The focus is on growth stocks, and in a recession this style of investment could be hit hardest. James is less worried about the macro picture as he stills sees good quality companies irrespective of the macro picture. He doesn't believe a recession is due in the near term. The US don't want a recession so will do everything to avoid this and this has come through in a softening from the Fed. He thinks that the boom and bust we have seen in the past is likely to be replaced by much lower growth.

There are risks - political uncertainty globally is a worry with a sharp divide between the hard left and right. The level of debt is rising but not at the same levels as 2007. Brexit clarity would send sterling up and damage the performance of the fund in the short term. In terms of trade they expect a deal, but a deal could send the markets down in the short term.

In summary, the fund has delivered strongly. The manager is benchmark agnostic focusing on around 60 of the best companies in the world. It is a developed world fund so the argument could be that this isn't a true global strategy. Many of the holdings have been long term holds and the focus on under the radar company's benefits performance over the long term.

The source of information in this note has been provided by Rathbone and is correct as at March 2019. 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.