



8/9 Lovat Lane
London
EC3R 8DW
Tel +44 (0)207 220 9780
Fax +44(0) 207 9266925

www.charteris.co.uk

DMS CHARTERIS GLOBAL MACRO FUND

REQUEST FOR PROPOSAL RESPONSE
As at February 2020

Fund Manager/ Due Diligence Questionnaire

For questions or more information please contact:

Terry Farrow

Tel: +44 (0)207 220 9780

tf@charteris.co.uk

DMS Charteris Global Macro Fund

Charteris Treasury Portfolio Managers Limited Registered Office: 8/9 Lovat Lane, London, EC3R 8DW –
Registered No. 1830771 (England).

Charteris Treasury Portfolio Managers Limited is Authorised and Regulated by the Financial Conduct Authority

1. **BASIC INFORMATION**

1.1 **When was the Fund launched?**

The fund was originally launched on 27th February 2015 as the *FP Charteris Global Macro Fund* where WAY Fund Managers were the original ACD, the Fund was transferred to Host Capital on 30th December 2016 & Host Capital have now been taken over by DMS Governance; however there has been no change in Investment Manager or investment strategy. CTPM has had full control of the investment decisions since launch.

1.2 **What is the Fund's investment process?**

The managers combine top down thematic strategy with bottom up stock selection. Technical analysis is used extensively to aid market timing. The Fund invests broadly across a range of securities targeted for value, growth potential and income, providing exposure to liquid UK, European and Global companies and securities.

1.3 **What is the Fund's investment strategy?**

The strategy is to provide long term capital and income growth from investment in a diversified portfolio of investments including listed securities. The managers seek to identify new opportunities such as alternative energy sources and then look for the best approach for taking advantage of the investment theme. The fund can move to cash or government debt in times of market turbulence if required. There will be no geographical restrictions in respect of chosen investments.

1.4 **Provide details of the types of units available and ISIN codes**

Share class Ticker	SEDOL	ISIN	Bloomberg
A Accumulation	BV8VPH3	GB00BV8VPH36	FPCGMAA
A Income	BV8VPJ5	GB00BV8VPJ59	FPCGMAI

1.5 **What is the current size of the Fund?**

£4.9m (as at 31st December 2019)

1.6 **Provide details of the current charges levied on the Fund (initial and AMC) and the total expense ratio (now OCF). Do you propose to review these within the next 12 months?**

A Class	No initial charge
	1.25% AMC
	2.61% TER (Total Expense ratio)*

*as at 28th February 2019

Currently there are no plans to review these charges in the next 12 months. The total expense ratios quoted above are subject to change as the size of the Fund fluctuates due to market movement and net inflows / outflows.

1.7 Provide details of current yield and distribution dates.

The dividend is semi-annual and paid at the end of February and August. Is able to pay a yield of up to 2%

1.8 What is the legal structure of your Fund? Can it invest in other Funds and to what proportion?

The Fund is a UCITS ICVC – No it cannot invest in other funds.

1.9 Contact details; e-mail address, direct dial telephone number of primary manager:

Terry Farrow
Tel: +44 (0)207 220 9780
tf@charteris.co.uk

2. FUND MANAGEMENT TEAM

2.1 Name the lead Fund manager. When was he appointed?

Same management team have been in place since the launch of the fund.

Terry Farrow – Chartered MCSI, ACIB, APFS, CFP

Terry has over 40 years experience in the investment markets having worked in important roles for both Barclays Bank and Standard Chartered Merchant Bank. He has been exposed to a great range of asset classes from US Treasuries to the derivatives futures and options market. Terry became an IFA in 1990 and started to grow his client base acquiring a licence from the Institute of Financial Planning in 2005. Terry is also qualified at Level K10 Retirement options - covering all types of pension advice both to G60 and G70 level to cover both Pension advice and Investment Management. The latter a qualification held by a handful of Investment professionals in the UK. In January 2012, Terry was granted membership of the Chartered Institute of Securities and Investment (MCSI) and is now level 6.

Ian Williams, Chartered FCSI (Chartered Fellow of the Chartered Securities Institute)

Ian has spent the last 35 years as a specialist in Equity and Fixed Income markets, covering sales, research, market making and proprietary trading. He was a member of the LSE (London Stock Exchange) for many years before joining Chase Manhattan Bank (now JP Morgan). He subsequently worked for Dresdner Kleinwort Benson & Guinness Mahon (now Investec) before becoming Chairman & CEO of Charteris Treasury Portfolio Managers (CTPM). In Terry's absence, Ian will assume responsibility of managing the fund.

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2.2 Are there any plans to enhance or restructure the team within the next 12 months?

No

2.3 How is the team remunerated and when do any packages fall due to re-negotiation.

No performance bonus – please refer to the remuneration policy which is available on request

3. INVESTMENT PROCESS

3.1 Detail the investment process and sell disciplines employed by the team, paying particular attention to macro-economic input, quantitative screening and qualitative factors considered. For example, what measures do you pay particular attention to and why?

The investment style is to take advantage of relative valuation opportunities in equity markets judiciously adjusting the composition of the portfolio while maintaining a view on the benchmark.

First, the portfolio management team updates its view of the global economic situation by analysing a number of Fundamental, cyclical, and technical factors:

Fundamental

- Underlying Global economic, current & forecast, economic data
- Movements in other global markets
- Global Central Bank policy
- Inflation/growth expectations
- Valuations and yields in other asset classes (e.g.: equities and bonds)

Cyclical

- Seasonal patterns in the market – namely equity, bond & precious metal cycles
- Major and intermediate time cycles in the Equity market

Technical

- Primary market trend analysis and interpretation
- Analysis of ‘oversold’ & “overbought” conditions

After the management team has identified where it believes the most value lies in the market, it has at its disposal a set of investment management techniques that in the proper combination can help to enhance Fund performance.

3.2 To what extent is any Fundamental research undertaken proprietary? How much use do you make of broker contacts?

Both in-house proprietary research and research provided by specialist stockbrokers used to assist in informing the Fund manager's view of the market.

A select group of brokers and analysts are used and consulted on a continual basis;

3.3 How is the overall structure of the portfolio determined and who makes the decisions?

1. Analysis of the equity market using Fundamental, cyclical and technical factors.
2. Stocks are selected through on an analysis of the market and how they relate to the overall investment objective of the Fund.
3. The named Fund manager, Terry Farrow

4. RISK MANAGEMENT

4.1 Detail any restrictions applied at stock and sector levels.

Cash

Treated as an asset class when appropriate

Holding sizes

No limits other than those prescribed by UCITS III rules

Number of holdings

25-50

Small capitalisation companies

Currently Leading Blue Chip companies

Industry exposure

Blue Chip Equities – UK exposure currently overweight

Country exposure

Global

Unapproved securities

No

Warrants

None

Collective investment schemes

None

Uncalled commitments

None

Underwriting

None

4.2 How many stocks will the Fund normally hold, and is this a function of risk management?

Between 25 and 50. Yes it is a function of risk management.

4.3 Is the portfolio monitored by individuals who are not directly associated with its construction?

Yes, DMS Investment Management services (UK) limited (“DMS”) as ACD of the fund has the responsibility of compliance, oversight, apportionment, and investment management of the company. DMS delegates the investment management of the fund through its agreement with Charteris Treasury Portfolio Managers. It is the portfolio management team that manages the investments of the fund within the constraints outlined by the Fund’s prospectus, its mandate, and UCITS

4.4 Provide details of how the team and the group aim to control risk within the portfolio.

Diversified exposure to global Blue Chip equity sector with limits on individual holdings and observance of sector weightings but not in a tracker format.

4.5 Detail who values the Fund? Is a third party involved in this process? Who are the administrators? Who are the Funds auditors?

Yes, a number of third parties are involved in this process:

ACD – DMS

Admin – Credit Agricole

Custodian – Credit Agricole

Auditors – Grant Thornton UK LLP

Transfer Agent – Investor Administration Solutions LTD

5. PERFORMANCE AND OUTLOOK

5.1 Does the Fund have a specific performance objective?

The Fund manager does aim to offer a superior risk adjusted return over that of a passive holding of UK Blue Chip equities whilst providing a superior yield.

5.2 What factors have contributed most to the performance of the Fund over the past six months?

Stock selection across highly liquid equity markets, the flexibility to switch from equities to government bonds as the top holding is a short dated UK Conventional Gilt which has added stability to the NAV of the fund.

5.3 How well do you think that the Fund is currently placed given your outlook?

The fund will continue to pursue its current strategy of investing in precious metals miners, different aspects of alternative energy, pharmaceuticals, with the possibility of technology, in particular security software. We are happy with the global diversification inside the fund which can take advantage of the global growth seen from certain regions in the world.

This presentation is issued by Charteris Treasury Portfolio Managers Limited (CTPM) which is authorised and regulated by the *Financial Conduct Authority (FCA)* No. 114952.

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Past performance is not a guide to future performance and investors may not get back the full amount invested.

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