

Aptus Global Financials Fund

February 2018

FOR PROFESSIONAL INVESTORS ONLY - Retail investors should consult their financial adviser.

Information in this factsheet is at 1st March 2018 (except where indicated).

Before making an investment you should ensure that you have read and understood the relevant Key Investor Information document, these can be found at: www.tbaileyfs.co.uk/funds/aptus-investment-fund

Fund Aim

The Aptus Global Financials Fund aims to produce capital appreciation with an attractive, growing income stream. The Fund follows a strategy of gaining exposure to equity and other securities of financial services globally. Key areas of investment include banks, investment banks, insurance and asset management companies. The Fund is managed by Johnny de la Hey who leads an experienced team of sector specialists at Toscafund Asset Management LLP whose combined investment experience spans over 70 years.

Fund Manager Commentary

The Fund pulled back 57bp in February but is still up 235bp YTD. Major contributors included TCS, Integrafin and Pagseguro (post strong IPO showings) and Provident Financial bonds, which rose strongly post the announced rights issue. However, these could not offset losses from EFG (messy but we believe solid results), Indiabulls Housing Finance (India weakness), IWG (bid was withdrawn though we don't see this as the end) and a number of European names following a strong January and ahead of the Italian elections.

Undoubtedly February was a more challenging and volatile month than we have seen for a while but it has not shaken our conviction in either our thesis regarding the opportunity in financials or the shape of the portfolio (i.e. biased to Europe). Much of the "excitement" in the month was around the impact of "investors" in inverse VIX ETFs and the need for Risk-Parity investors to sell equities as equity markets fell.

However, in our view, the real story was further evidence of an acceleration in economic growth and signs of inflation, a combination of which is likely to force yields to break out of their "lower forever" range of the last few years. The ramifications of this are enormous, with investors in all likelihood having to reassess the portfolios they have spent the last few years building, swapping bond proxies for real growth stocks and cyclical beneficiaries.

Investment Process

The Manager's investment process stems from a bottom-up, valuation based, fundamental approach. Companies' profitability, balance sheets and prospects are analysed, then modelled and compared with consensus expectations. Additional emphasis is placed upon meetings with management and industry bodies. Investments are made globally, predominantly in developed markets (UK, US, Europe), with additional investment in emerging markets. Once invested, stocks are continuously monitored and when appropriate, exited.

Such a seismic move cannot be completed easily, hence the probability of a sustained period of increased, though frankly normal, volatility.

We will not be able to completely avoid such volatility but absolutely believe that financials are well placed in this environment as beneficiaries of stronger growth and higher rates. Moreover, valuations remain no worse than in line with history (the US) and in some cases (the periphery of Europe), still at levels (0.4 - 0.5x TBV) from which we have been able to make multiple times our money in the past.

Clearly rising rates (whenever that may be) would be conducive to the earnings of many of these financials but we continue to see "micro" changes around regulation, balance sheet strengthening, NPL sales and capital return as very supportive in the meantime. Where this has become more reflected in share prices we continue to find ample new names in which to invest.

Alongside these more cyclical plays we continue to be able to find new secular opportunities in areas such as payments (Pagseguro) or investment platforms (Integrafin), which add diversification and growth into the portfolio while maintaining a good dividend yield, which we still expect to be well over 4% for the year.

Fund Data

Fund Launch Date: 1 November 2012

Launch price: 200.00p

Price:
B Inc Class GBP 354.33p
B Acc Class GBP 451.65p

Fund Size: £383.16m

Pricing Frequency: 8am, daily

Annual Management Charges (AMC):
B Class Shares 1.20%

Ongoing Charges Figure (OCF):
B Class Shares 1.44%

Minimum Initial Investment:
£1,000

IA Sector: Global Equity Income

Dividend Yield: 4.54%

Minimum Subsequent Investment:
£50

Accounting End Dates: 31 December
30 June

Authorised Corporate Director (ACD):
T. Bailey Fund Services Limited
(FCA No: 190293)

SEDOL numbers
B Acc GBP: B796C34
B Inc GBP: B8DYMWO

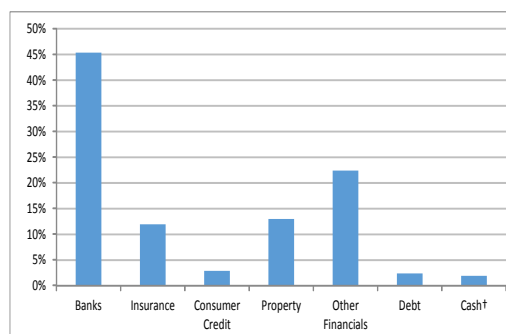
Top Ten Active Exposures (% of NAV)*

TCS Group Holdings	4.18%
Uniti Group Inc	4.15%
E*Trade Financial Corp	4.06%
Banco BPM SPA	3.96%
Direct Line Insurance Group	3.50%
Indiabulls Real Estate Ltd	3.45%
Bank of America	3.05%
Deutsche Pfandbriefbank AG	3.00%
Societe Generale SA	3.00%
Indiabulls Housing Finance	2.92%

Source: Toscafund

*Some of this exposure is obtained through derivatives

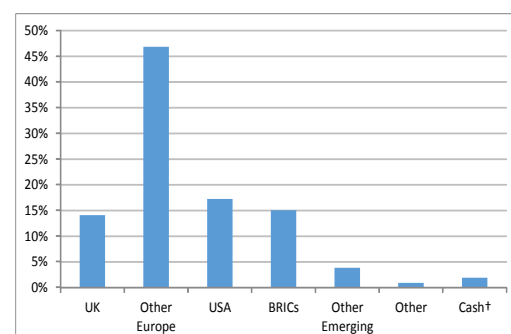
Sector Exposures (% of NAV)*



Source: Toscafund

† Represents the proportion of AUM not exposed to risk assets

Regional Exposures (% of NAV)*

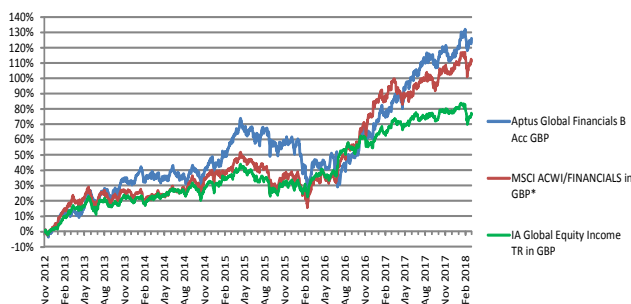


Source: Toscafund

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Performance since launch (1 November 2012)



Total Return, Bid to Bid, Tax UK Net Sterling Terms (B Acc Class).

Source: T. Bailey/Financial Express. Past performance is not a reliable indicator of future results. 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 you invested.

*1/11/12 – 31/3/13 currencies in the Fund were hedged and the relevant benchmark was MSCI ACWI Financials in Local Currency. As such the chart left understates the Fund's relative performance by around 5%.

Toscafund Asset Management LLP

Toscafund is an established multi asset manager based in London. The firm was founded in 2000 by Martin Hughes and is part of Old Oak Group, a large, well capitalised, financial services business. Toscafund's investment team, many of whom have been top rated in their analytical careers, has long standing and in-depth industry experience. Currently, the firm employs 44 people, of which over half are partners.

Johnny de la Hey - Portfolio Manager

Johnny is the Portfolio Manager for the Aptus Global Financials Fund. Johnny has been a Portfolio Manager since 2008 and has 24 years experience as a banks analyst. Johnny joined Toscafund in 2000, and contributed to the portfolio management of several of Toscafund's products, being responsible for many of the firm's financial sector related investments. From 1997 to 2000, Johnny was a financials specialist at Tiger Management. Before joining Tiger, he worked at Credit Lyonnais (1996-97) and Societe Generale Securities (1992-96). He graduated with a first class honours degree in Geography from University College, University of London, England in 1992.

Toscafund has invested in a robust infrastructure with effective monitoring, evaluation and risk management. Oversight and governance is provided by the holding company's independent board which includes Sir George Mathewson (ex-Chairman of RBS) and John McFarlane (Chairman of Barclays).

Investment Team

Johnny is supported by a highly experienced investment team of four analysts.

Jonathan Sheehan, Insurance Analyst with over 25 years experience in the industry and has been with the firm for 14 years.

Joe Chai, Property Analyst with over 16 years experience of analysing investment opportunities within the property sector.

Katie Black, Financial Services Analyst with experience of small/mid cap equity research as well as financial/business services.

Rob Sheward, Emerging Markets Analyst, the most recent member of the team; formerly worked as a consultant for a FTSE 100 company.

How to Invest

By telephone:

Call: 0115 988 8277

Postal application form to:

Client Services
T. Bailey Fund Services Limited
64 St. James's Street
Nottingham
NG1 6FJ

Please note:

Institutional deals can also be placed by EMX or Calastone
Please contact T. Bailey for details.

Applications forms and other supporting documents
available at: www.tbaileyfs.co.uk/funds/aptus-investment-fund

Risk Warnings

This document is for general information purposes only and does not take into account the specific investment objectives, financial situation or particular needs of any particular person. It is not a personal recommendation and it should not be regarded as a solicitation or an offer to buy or sell any securities or instruments mentioned in it. This document represents the views of T. Bailey Fund Services Limited and Toscafund Asset Management LLP at the time of writing. It should not be construed as investment advice. Full details of the Aptus Global Financials Fund (the 'Fund'), including risk warnings, are published in the Key Investor Information document, Supplementary Information document and Prospectus, all available from www.tbaileyfs.co.uk/funds/aptus-investments-fund. The Fund is 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 you invested. Investments in overseas markets may be affected by changes in exchange rates, which could cause the value of your investment to increase or diminish. The Fund may invest in derivatives both for investment purposes and for efficient portfolio management.

The Fund is invested in global financial services companies. This sector has been volatile in recent years due to economic and market conditions, and this volatility may continue in the future. The Fund should therefore be viewed as a long-term investment only and appropriate for investors who can assess the risks and potential rewards and also can also bear any resulting losses. Investments in emerging market regions may involve a higher than average risk and may not afford the same level of investor protection as would apply in more developed jurisdictions.

Derivative contracts such as CFDs also expose the Fund to the risk that the counterparty (the CFD provider) may default in the event of bankruptcy or insolvency. Past performance is not a reliable indicator of future results. Every effort is taken to ensure the accuracy of the data used in this document but no warranties are given. All sources Toscafund Asset Management LLP and T. Bailey Fund Services Limited unless otherwise stated. Issued by T. Bailey Fund Services Limited. T. Bailey Fund Services Limited is authorised and regulated by the Financial Conduct Authority (No. 190293). Please note that T. Bailey Fund Services Limited does not provide financial advice to private individuals. The fund may invest more than 35% of its scheme property in transferable securities and money market instruments issued or guaranteed by an EEA State (See Prospectus for more details).

If you have any doubt whether the Aptus Global Financials Fund is suitable for you and you wish to receive advice you should contact your Financial Adviser.

T. Bailey Fund Services Limited is registered in England and Wales No. 3720363. Registered address as above.