



Investment Handbook

Guernsey

PO Box 222, 20 New Street,
St Peter Port, Guernsey, GY1 4JG
T: +44 (0) 1481 729 100
F: +44 (0) 1481 729 700

Jersey

PO Box 419, First Floor, Weighbridge House,
Liberation Square, St Helier, Jersey, JE2 3NA
T: +44 (0) 1534 722 051
F: +44 (0) 1534 722 052

Welcome to Ravenscroft

Ravenscroft Investment Management offers investment funds and portfolio management services with a transparent and jargon-free investment process.

02 - Investment for everyone

02 - Why invest?

02 - Our team

03 - Investing with Ravenscroft

03 - Our process

03 - Investing sustainably for the future

04 Identifying irrefutable trends

04 - Increasing wealth

05 - Changing demographics

06 - Technological innovation

07 What are investment themes?

09 - Global Brands

09 - Emerging Economies

11 - Healthcare

11 - Technology & Innovation

12 Our core strategies

14 - Cautious Income

14 - Balanced

15 - Growth

15 - Global Blue Chip

16 Sources



Investment for everyone

We offer investment solutions for all types of people; from those with no investment experience right up to qualified investment professionals; from individuals and families to complex trusts and corporations.

Our aim is to understand your individual investment needs and ensure that these needs are met.

Why invest?

Investing sensibly for the long term can achieve a range of outcomes; from simply growing the value of your money to providing supplemental income.

Investing can also protect the value of your savings against inflation and can be used to help you plan for future costs such as your retirement, children's education or a deposit for a house.

Our team

At the core of our business is a stable team who have been investing together for more than a decade.

The team's interests are aligned with investors and shareholders through holdings in our company's stock and also through our investment funds.

Investing with Ravenscroft

Investing can be simple and our investment offerings have been designed to reflect this. All strategies are cost-effective and contributions and withdrawals are flexible and stress-free.

Regular reporting, online access and a friendly voice at the end of the telephone mean that you are always kept in the loop regarding how your investments are performing. We welcome all types of clients and are very happy to discuss any specific requirements that you may have.

Our process

We invest into global themes that will benefit from long-term changes in demography, globalisation and technological developments.

We focus on value; we aim to buy great assets at cheap valuations to increase the potential upside. We do not try to second guess political or economic outcomes.

We do not invest into complex hedge fund strategies with long lock-in periods - all investments are liquid and transparent.

Investing sustainably for the future

Environmental, social and governance issues are increasingly at the forefront of investors' minds.

As long-term investors seeking high quality and well run businesses, such concerns have always been a key part of our process, as poor practices in these areas are a risk to long-term returns. Beyond that, there are cases where investment opportunities align with actively supporting sustainability through themes such as the efficient use of global resources. Where such opportunities arise you will find them within the portfolios we construct.

Financial promotion: the value of your investment may go down as well as up, you may get back less than what you invested.

Identifying irrefutable trends

At Ravenscroft, it is our contention that irrefutable trends are undeniable and unyielding forces that are shaping our societies, cities and the very world around us.

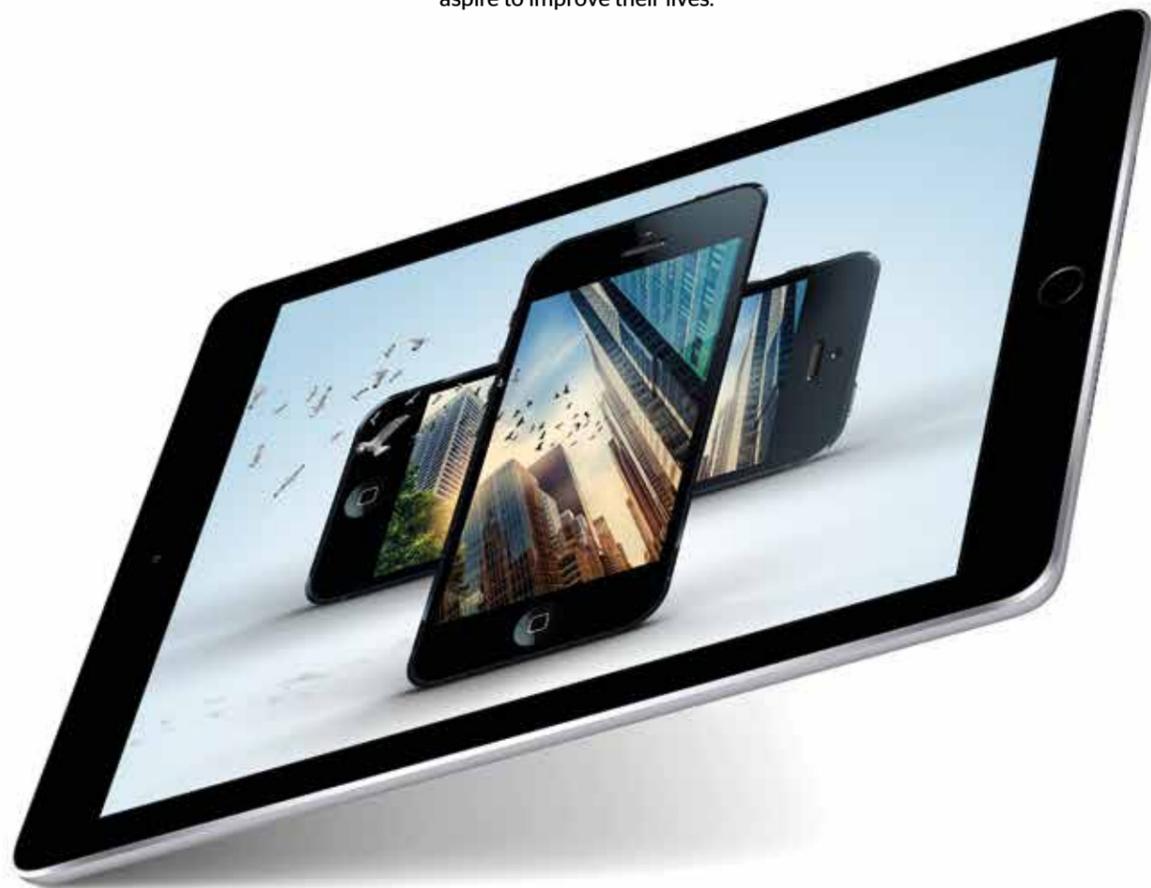
They are not passing trends or fads, but ongoing phenomena supported by strong independent evidence. You don't need to be a fortune teller to understand these trends because they are simple, observable and are happening right in front of us.

Here are three game-changing irrefutable trends and how we aim to profit from them.

Increasing wealth

No matter which way you cut it, there's never been a better time to be alive. Improvements in nutritional science and healthcare have driven life expectancy across the globe to new highs and, as a result, our population is growing.

There are more of us than ever - and we're richer too! As a result, our consumption is growing voraciously as people aspire to improve their lives.



Changing demographics

Across the globe, people are flocking from rural areas to cities in a phenomenon known as urbanisation. Over 80% of the UK population now lives in urban areas, often initially drawn there by jobs or superior resources.

This mass exodus has been facilitated by improvements in technology, which have significantly reduced labour demands in rural industries like farming. By 2050, up to 68% of the world's population could live in urban environments, compared to 55% today.

We aren't only multiplying, we're living longer.

According to the UN, in 2017, one in eight people worldwide was aged 60 years or over. By 2050, older people are projected to account for one in eight people globally, making it the largest in human history.

We're now better at curing illness than ever before and this, combined with reducing birth rates in wealthy countries, means that right now a higher percentage of us are enjoying our golden years than ever before.

Financial promotion: the value of your investment may go down as well as up, you may get back less than what you invested.

Technological innovation

In 1965, Professor Gordon Moore wrote about the rapidly expanding processing power in computers, which doubled roughly every two years. Now dubbed Moore's Law, his conclusion is often used to explain the rapid computing advances we've made in recent years.

Of course, rapid progress has not been confined to computing. Robots are replacing entire workforces. Marketers quantify us, trawling through data to identify likely customers. Manufacturers are developing smart materials that react uniquely to specific stimuli - including electric and magnetic fields, stress, moisture and temperature. Medical innovation can now even help blind people to see again.

And with the advent of driverless cars, even our roads aren't safe from technological disruption.



What are investment themes?

At Ravenscroft, we don't believe anyone can predict the future. Instead of trying to forecast the next big thing, we prefer to invest in tangible themes that are shaping our world.

Irrefutable trends appeal to us because they are already in motion. Our investment themes then, are a way to capture the powerful returns potential of these transformational forces.

Some investment themes look to exploit a number of trends, while others are closely linked to one or two.

Financial promotion: the value of your investment may go down as well as up, you may get back less than what you invested.



Global Brands

This theme aims to harness the growing population by investing in consumer staples and consumer discretionary companies.

The former represent predictable sales of small-ticket items you use every day, like toothpaste, while the latter accounts for luxury purchases like designer handbags.

The emergence of a burgeoning and consumption-hungry middle class in Asia and parts of Africa is acting as a particularly strong tailwind for these industries as the newly wealthy seek western brands as status symbols.

Emerging Economies

Urbanisation is a costly and complicated process. Truckloads of raw materials must be poured into a developing city every day, while the resident population may not have enough skilled workers to keep up with production.

This theme covers both the companies that help build our cities and those that serve the growing populations.



Financial promotion: the value of your investment may go down as well as up, you may get back less than what you invested.



Healthcare

As the population grows and ages, healthcare demand is rising. We invest in a myriad of companies that aim to profit from these shifting demographics.

In order to gain diverse exposure to healthcare, we own a combination of pharmaceutical companies that benefit from blockbuster breakthroughs and manufacturers that specialise in prosthetics and surgical tools.

Technology & Innovation

With perhaps the most wide-reaching mandate of all, the technology and innovation theme is very exciting.

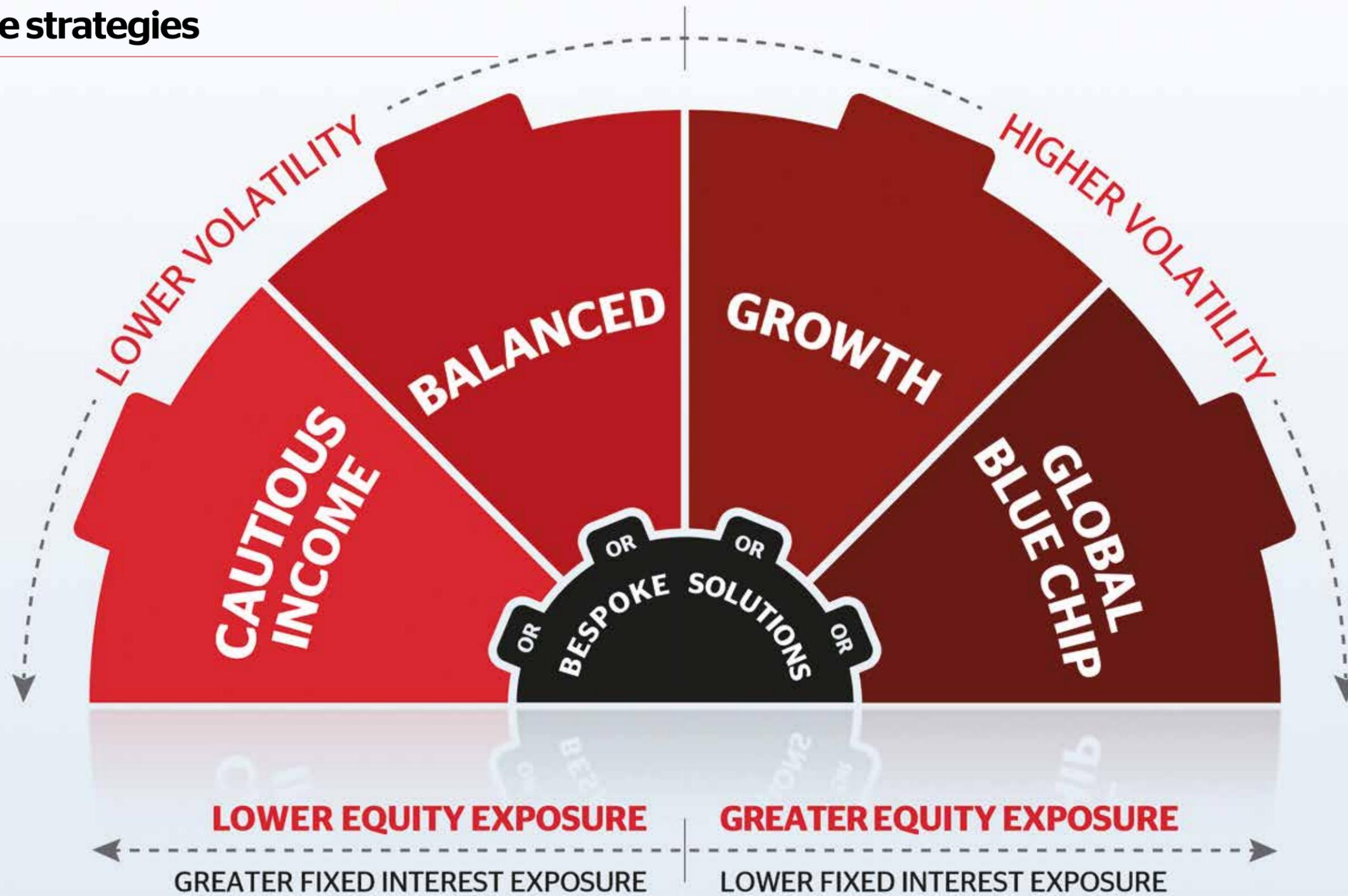
When evaluating investments, we not only demand a track record of innovation and disruption, but demand clear evidence of the potential to do so again in the future.

We seek to buy industry leaders across the technology space, from the likes of blue chip service providers to dominant mobile phone manufacturers selling to the emergent Asian middle class.



Financial promotion: the value of your investment may go down as well as up, you may get back less than what you invested.

Our core strategies



Financial promotion: the value of your investment may go down as well as up, you may get back less than what you invested.

Our core strategies

Core strategies can be accessed via our investment funds or portfolio management service.



Lower risk

Cautious Income

Aims to increase value by predominantly allocating capital to fixed income investments. The cautious strategy can also invest into global blue chip equities with strong cash flow and progressive dividend policies.

The maximum equity weighting that this strategy can have is 35% and this can be lower dependent on valuations. The cash generated can be re-invested to provide capital growth or taken as an income stream.



Medium risk

Balanced

Aims to provide capital appreciation through a balance of fixed income and global and thematic equities.

The maximum equity weighting that this strategy can have is 60% and this can be lower dependent on valuations.



Higher risk

Growth

Aims to provide long-term capital appreciation by investing predominantly into global equities. Over the long term, the portfolio should provide the greatest returns but it will mean accepting a greater level of volatility due the higher equity exposure.

The maximum equity weighting that this strategy can have is 85% and this can be lower dependent on valuations.



Higher risk

Global Blue Chip

Invests into approximately 25-30 global blue chips that are in line with our long-term investment themes. The aim is to invest into such companies at an attractive valuation and hold them for the long term.

The cash generated can be re-invested to provide capital growth or taken as an income stream.

Financial promotion: the value of your investment may go down as well as up, you may get back less than what you invested.

Sources

- + **UK urban population:** <https://data.worldbank.org>
- + **Global urbanisation trends:** <https://www.un.org/development/desa/publications/2018-revision-of-world-urbanization-prospects.html>
- + **Ageing populations:** http://www.un.org/en/development/desa/population/publications/pdf/ageing/WPA2017_Highlights.pdf
- + **Moore's Law:** <https://www.intel.com/content/www/us/en/silicon-innovations/moores-law-technology.html>

Dates recovered: 08/02/2019

RISK WARNING: The value of investments and the income derived from them may go down as well as up and you may not receive back all the money which you invested. Any information relating to past performance of an investment or investment service is not a guide to future performance. Fluctuations in the rate of exchange may have an adverse effect on the value, price or income of non-sterling denominated investments.

Ravenscroft is a trading name of Ravenscroft Limited ("RL"), Ravenscroft Investment Management Limited ("RIML") and Ravenscroft Cash Management Limited ("RCML"); all of which are licensed and regulated by the Guernsey Financial Services Commission to conduct investment business. RL is also regulated by the Jersey Financial Services Commission to conduct investment and funds services business.

BullionRock is the trading name of Ravenscroft Precious Metals Limited and Coinbox Limited, which are registered with the Guernsey Financial Services Commission as Non-Regulated Financial Services Businesses.

For all Ravenscroft connected entities, please refer to www.ravenscroftgroup.com/disclaimer

All calls will be recorded and monitored for training and security purposes.

This material is for your information only and is not intended to be used by anyone other than you. The given material is subject to change and, although based upon information which we consider reliable, it is not guaranteed as to accuracy or completeness and it should not be relied upon as such. The material is not intended to be used as a general guide to investing, or as a source of any specific investment recommendations, and makes no implied or express recommendations concerning the manner in which any client's account should or would be handled, as appropriate investment strategies depend upon clients' investment objectives. This material does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it would be unlawful to make such offer or solicitation. It is the responsibility of any person or persons in possession of this material to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction. Prospective investors should inform themselves and take appropriate advice as to any applicable legal requirements and any applicable taxation and exchange control regulations in the countries of their citizenship, residence or domicile which might be relevant to the subscription, purchase, holding, exchange, redemption or disposal of any investments. RIML does not provide tax advice to its clients and all investors are strongly advised to consult with their tax advisors regarding any potential investment. Opinions expressed are our current opinions as of the date appearing on this material only. Any historical price(s) or value(s) are also only as of the date indicated. While we endeavour to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so. Certain transactions, including those involving futures, options and high yield securities and investments in emerging markets may give rise to substantial risk and may not be suitable for all investors. Foreign currency denominated investments are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of, or income derived from, the investment; such investments are also subject to the possible imposition of exchange control regulations or other laws or restrictions applicable to such investments. Investments referred to in this material are not necessarily available in all jurisdictions, may be illiquid and may not be suitable for all investors. Investors should consider whether an investment is suitable for their particular circumstances and seek advice from Ravenscroft Investment Management Limited. The price and value of the investments referred to in this material and the income from them may go down as well as up and investors may realise losses on any investments. Past performance is not a guide to future performance. Future returns are not guaranteed and a loss of principal may occur.

If you wish to know if any of the products or services covered in this material is right for you, or your clients, please contact a member of the Ravenscroft team or other qualified financial adviser.