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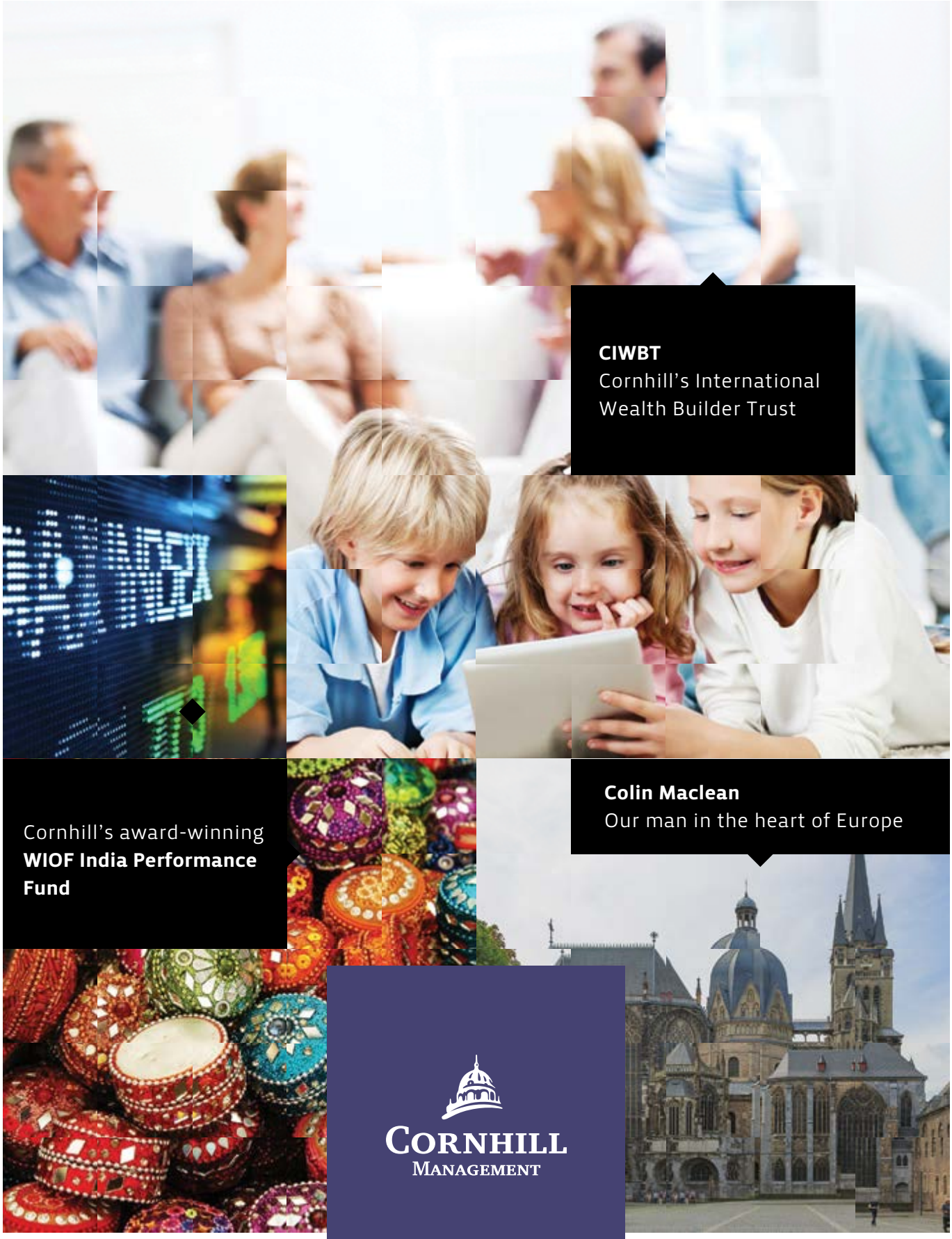

CIWBT
Cornhill's International Wealth Builder Trust

Cornhill's award-winning **WIOF India Performance Fund**

Colin Maclean
Our man in the heart of Europe

CORNHILL
MANAGEMENT

Contents

Speak To Us Today

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Important Note

Disclaimer

Quarterly Review

Global equity markets closed the first quarter of the year in the red as investor optimism in January gave way to fear, panic and foreboding in February and March. The year got off to a stellar start with markets scaling new highs in January as optimism over global growth and trade, US tax cuts and solid corporate earnings helped push equities to record levels. Most major developed markets closed significantly higher while emerging equity markets did extremely well.

February though brought about an abrupt change as markets saw a sharp correction on the back of investor worries about inflation and rate hikes, as well as profit taking after a strong run for shares in previous months. Heavy selling set in following the release of, paradoxically, strong wage readings in the US. Wage growth appeared to be surging ahead, prompting fears among investors that the Federal Reserve would have to push up rates more quickly than previously anticipated. Some subsequently headed straight out of the market, sparking a wave of selling. The major developed markets finished well down for the month while emerging markets struggled against the backdrop of wider global volatility and local issues with performance weak in all regions.

However, just as some calm was settling back into markets after more precise readings showed wage growth was not as rapid as initially thought, things turned ugly again in March as Washington slapped tariffs on steel and aluminium imports, raising concerns over US protectionism. This was followed by 25% tariffs on USD60bn of Chinese imports – and the immediate announcement from Beijing that retaliatory measures would follow, sparking fears of an all-out trade war. Again, markets tumbled and global stocks finished the month lower, pushing quarterly performance well into negative territory.

Of the major developed markets, the UK and Japan were among the worst performers while losses were moderately less steep in the US and Europe. Emerging Market stocks managed to finish the first three months of the year with a small gain, although this was only due to some exceptional returns in January. This turbulence came against a backdrop of generally positive data during the quarter, especially from major developed markets.

In Europe, there were good macro readings, including falling unemployment, strong growth, and solid private sector activity, while consumer confidence remained buoyant. Meanwhile, there appears to be no urgency on the part of the European Central Bank (ECB) to hike interest rates.

In the UK, while growth looks set to be moderate, wages increased and inflation fell.

In the US growth remains healthy on the back of positive retail sales, inflation, labour and consumer confidence data. Meanwhile, the Federal Reserve seems confident enough that the economy will be able to cope with higher rates.

And in Japan, the economy expanded an annualized 0.5% in 4Q2017, marking eight consecutive quarters of GDP growth - the longest period of continuous growth in 28 years.

Looking ahead, although the quarter was a volatile one and global markets finished lower overall, fundamentals remain encouraging – US companies have reported strong earnings with yearly forecasts having been revised up while monetary policy is by and large still accommodative and global growth is healthy.

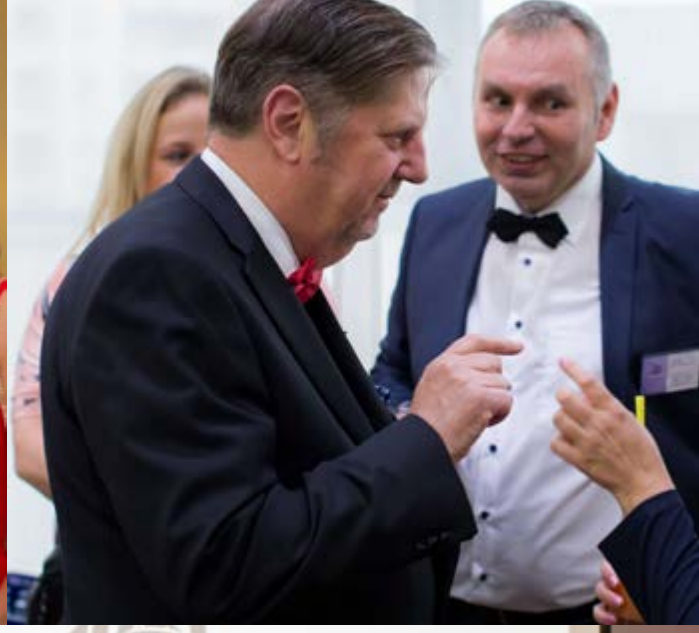
Hello and welcome to our first newsletter of the year.

With 2018 already well under way - we're already into May! - I wanted to let you know about some of the exciting things happening at Cornhill this year, with none more exciting than the work we're doing with our unique Trust product, the Cornhill International Wealth Builder Trust (CIWBT). As you will read about in this edition, our one-stop Family Office solution really does break new ground, offering flexible investment options in a single product with relatively low initial investment amounts, all wrapped up in the benefits of a Trust. We also profile our Trust partner, Whitmill Trust Company who recently celebrated their 25th anniversary. As you'll learn we are making a real push to market the CIWBT in 2018 as we believe it will be one of our flagship products for many years to come.

One of the things that we want to do this year is to bring you a bit closer to the people that help make Cornhill the success that it is. In this edition we catch up with Cornhill's Regional Director for Europe, Colin Maclean. We talk to Colin about the territory he covers, what he does on a daily basis and what drives him to contribute to the Cornhill story. By spending time with people like Colin we hope to provide you with a better understanding of those who help Cornhill deliver world-class, innovative financial solutions.

And I also wanted to say, once again, a very big thank you to all of you for your continuing hard work, dedication and support for Cornhill, which I'm sure will translate into further enduring success for us all.

Derek Chambers,
Chairman, Cornhill Management



At a gala dinner late last year the entire company came together to celebrate 20 remarkable years. Amidst the fun and frivolity Chairman Derek Chambers delivered a heart-warming thank you to everyone who contributed through the years, singling out those with long service records for special recognition. Mr Chambers then ended formal proceedings with a rousing toast to the future.

20 Years of Cornhill Management

Celebrating 20 years of Cornhill Management

From a single office in central Europe to a global operation spanning four continents, Cornhill has come a long way.

We started out in Luxembourg driven by a simple philosophy to help people invest with freedom. Twenty years on, we're still doing that and can look back on two decades of achievement with pride.

We began serving customers in Europe, offering regional equity investment funds. Today, our global network stretches across four continents, with over 160 partners, 100,000 clients worldwide and assets under management of more than USD 1 billion.

And we are still growing, having recently opened offices in the world's biggest financial centres, including London, Dubai and Hong Kong.

Our product range has grown too. Our award-winning funds cover emerging, developed, specialised and fixed income markets while we also offer regular savings plans, international trusts, QROPS, investment accounts and specialized solutions for every investor profile.

But we're not content to stop there as we continue to expand and develop. In the last few months alone we have launched more funds as well as a unique Trust product, the Cornhill International Wealth Builder Trust (CIWBT), and more products are in the pipeline.

We're already planning for another 20 years of success.

CIWBT - Introducing the Cornhill International Wealth Builder Trust

Our unique one-stop family office solution

At Cornhill we've always prided ourselves on our innovative approach to product engineering and the fact that this has led to us consistently being at the cutting edge of financial solutions.

Following the global financial crisis, we were one of the first to recognise that investors were beginning to look for ethical financial products that invested responsibly. We responded by launching our award-winning WSF range of funds.

Today, we believe that we are seeing a similar investor-led paradigm shift as investors question traditional investment pathways and re-examine the conventional compartmentalised approach to life which saw them work hard, save hard, invest any surplus, retire then draw up a Will to stipulate how their assets should be distributed once they'd passed away.

The problem with this model as we see it is this – you devote a lifetime to working hard and creating wealth in order to provide a good life for your family only to lose control at the end when the tax authorities take their share and the relatives who you wanted to shut out contest your Will in order to claim theirs.

We know this is happening more and more. Recent statistics from the UK's Ministry of Justice tell us the number of Wills being contested at London's High Court increased by 700% between 2008 and 2013.

Why is this happening? We believe that there are two underlying factors.

Firstly, with the cost of living increasing – think skyrocketing property prices and the rising cost of a decent education – the next generation are becoming more reliant on an inheritance to help them achieve the same standard of living that their parents enjoyed. As a result, people are more willing to fight for what they see as their share of the inheritance.

Secondly, families are becoming more complex as people separate, move overseas, cohabitate and re-marry, creating de facto relationships and step-families, every member of which feels entitled to their share of the inheritance.

For example, fathers who re-marry and leave most of their wealth to the children from their second marriage, alienate those from the first. Out of such circumstances contests develop, inheritances are fought over. More often than not, the Will is the focal point of this unsightly bickering.

So, what is the outcome? For us this has produced two clear outcomes.

To start with, it's becoming very clear that the common Will is no longer suitable for dealing with wealth distribution in the face of ever-evolving family structures and the pressures of modern day living.

And because of this, investors are searching for a Will substitute. We are now seeing early adaptors searching for a single holistic solution that covers their investment

requirements as well as their succession and estate planning needs. At Cornhill we call this holistic approach 'multi-generational wealth management'.

We believe this is a paradigm shift in investors' requirements. Just as we identified a shift following the global financial crisis so too we believe we have identified one now. Which is why we launched the Cornhill International Wealth Builder Trust ('CIWBT').

Instead of having different vehicles for wealth building, succession and estate planning, the CIWBT breaks new ground by offering a vehicle for all three in a single product via a simple and cost-effective investment platform designed to facilitate multi-generational wealth management and future-proof a family's financial wellbeing.

Wealth Building

Within the CIWBT you have three flexible investment options. You can either invest a lump-sum on its own or decide to save on a regular basis, or you can have a combination of both. All three options come with relatively low initial investment amounts.

Succession and Estate Planning

What's unique about this product is that we've wrapped it in a Trust providing you with a safe-haven for your family wealth and the ability to protect your assets while dictating where and when benefits will be taken as well as who will benefit and when. All of this can be done in a tax efficient manner while avoiding the traditional probate process.

At this point it is worthwhile reminding ourselves what a Trust is.

What is a Trust?

Although there are different types of Trusts with various purposes, they all have the same fundamental structure. A Trust is a legally binding arrangement whereby a person (the Settlor) transfers legal ownership of assets to certain chosen persons (Trustees) to be held in Trust for the benefit of persons named by the Settlor (the Beneficiaries).

The legal transfer of ownership is subject to an agreed set of rules known as the Trust Deed. The Trust Deed also sets out directions from the Settlor to the Trustees on the way in which the assets of the Trust are to be distributed to the Beneficiaries. It also records the powers that the Trustees have in dealing with the Beneficiaries.

Why would I want a Trust?

One of the primary reasons for opening a CIWBT account (and thereby setting up a Trust) is succession planning. A Trust is one of the most effective tools for ensuring that assets are passed on in the way that you wish without fear of legal challenge.

In the Trust Deed you set out what you want to happen to the assets in the Trust – under what circumstances they are to be distributed, what they are to be used for and who

should benefit. For example, you might like to stipulate that if anything happens to you the Trust is to ensure that your youngest daughter continues to enjoy the same standard of living as she does now up until the age of 18. At 18 the Trust is to make a small lump sum available to her for a gap year. At age 19 money is to be made available to her for educational purposes only. At age 27 she will inherit all the assets in the Trust. It is literally up to you – the Trustee is legally bound to carry out your wishes.

As already mentioned we believe that the common Will is no longer fit for purpose in today's environment. Avoiding the probate process is also a primary reason for investing in the CIWBT and setting up a Trust.

But what exactly is probate and why should it be avoided? Probate is the name given to the process a court works through when concluding a deceased's legal and financial matters following their death. Essentially probate involves validating a Will (if there is one) then distributing the estate among the heirs. It sounds simple but there are three main problems with probate:

1. **Time** – the probate process can take a long time. If heirs need their inheritance to pay time sensitive expenses they may have an issue. Settlement times can range anywhere from nine months to two years.

2. **Cost** – the probate process is not free, and any costs incurred are charged to the estate. If the Will or the distribution of assets is contested the costs can potentially skyrocket. If there is no Will and the deceased dies 'in testate' the entire estate can be frozen, with zero access to funds, until the assets are distributed by the executor or the court.

3. **Lack of privacy** – the proceedings of the probate court are a matter of public record. Literally anyone with the time and inclination can look into who got what and how much.

Setting up a Trust via the CIWBT allows the heirs or Beneficiaries of the Trust to avoid the probate process. When you set up a Trust you effectively transfer legal ownership of your assets to the Trustee. Because the assets are no longer yours they do not legally form part of your estate therefore they cannot be included in the probate process. Skipping probate can save your loved ones' time and money as well as protecting their privacy at a delicate juncture.

Over the last century the world has shrunk – modern transportation has made it easier, cheaper and faster for people to move around. In 2017, according to the United Nations Department of Economic and Social Affairs, 258 million people moved to another country to live. So, let's look at an example of what happens when someone moves to a new country and they re-marry a local. Can the CIWBT be useful in such a situation?

The short answer is yes, and we will use a generic example to illustrate why. Most civil law countries and Muslim countries which adhere to Sharia Law follow and enforce a legal concept known as Forced Heirship. Our example will be generic because every country that applies Forced Heirship does so in its own way. If you are looking for guidance on the application of Forced Heirship in a specific country, you should contact a

Because Forced Heirship is particularly relevant to ex-pats living and re-marrying abroad, we thought it worthwhile to dig a little deeper to help you explain it to your clients

In a nutshell, Forced Heirship is a set of rules that set out how assets are to be distributed when a death occurs. The distribution rules vary for each Civil Law jurisdiction but typically the rules guarantee a portion of the estate to a defined list of relatives as well as setting out the order and the proportions that the heirs are to inherit.

Why is Forced Heirship prevalent in some countries and not others?

law professional familiar with the laws of that country.

In general, Forced Heirship is a set of rules that govern how a deceased's estate is to be distributed after he or she has passed away. It typically guarantees a portion of the estate to a defined list of relatives, usually stipulating the order in which, and the proportions, that the heirs are to inherit.

For example, Mr Smith leaves Great Britain in 1998 and settles in GenericLand, a place far removed from the culture and customs of Great Britain. In 2002 he marries a local girl and they live happily until Mr Smith's death in 2017. GenericLand is a civil law country so the state dictates how Mr Smith's GenericLand assets are to be distributed and who will inherit them.

When the dust settles, and all legal requirements are met, Mr Smith's wife of 15 years receives nothing from her husband's estate because the laws of GenericLand state that any assets must pass first to any living relatives. Thus, an estranged uncle claims the entire estate and Mr Smith's wife is left destitute.

However, had Mr Smith moved his assets into the CIWBT the Trustee would have been the legal owner of those assets and, as such, those assets would not legally form part of Mr Smith's estate at the time of his death. This means that they – the assets – would not have fallen under the rules of Forced Heirship and could have been distributed by the Trustee according to Mr Smith's wishes.

We stress again that this a generic example – each civil law country will enforce the Forced Heirship concept in its own way. Please see a law professional for specific guidance.

We've looked at several reasons to set up a Trust. Here is a short summary:

- **Privacy** – assets are held in the Trustees' name, with the identity of the Beneficiaries kept confidential
- **Preservation of wealth** – a Trust may be used to preserve assets and keep them within the family
- **Asset protection** – a Trust may protect assets from legal claims such as Forced Heirship and Probate
- **Succession planning** – a Trust is an effective tool for succession planning allowing you to ensure that assets are passed on in the way that you wish without fear of legal challenge
- **Tax efficiencies** – such as Tax-free capital roll up, Tax-free income generation within the Trust and Tax mitigation prior to distribution

One final word on Trusts – a Trust provides clarity and certainty from the moment the Trust Deed is signed. A Will on the other hand only comes into effect once someone has passed away, at which point it is open to protest and interference. Which would you rather have for yourself and your family – the peace of mind that a Trust provides or a potentially costly and drawn out contest which might end with those you love the most missing out?

For more information about the Cornhill International Wealth Builder Trust, go to **www.ciwbt.com** where you can also request a brochure or get in touch with us via **sales@1cornhill.com**

In very broad brush strokes there are two law traditions that exist in the world today. One is called Civil Law, the other is known as Common Law.

The Civil Law tradition began in Europe in the Middle Ages and is based on legal rules that have been recorded and passed into law or codified. These laws are continually updated and specify what to do in any eventuality that might come before a court.

This is in contrast to the Common Law tradition which began in England at about the same time. The Common Law tradition has some written rules but instead of relying on a comprehensive collection of legal rules and statutes that legislate for every eventuality the law has developed based on the previous rulings of judges in similar cases – this is known as precedent. All rulings are recorded by the courts and referred to whenever a case of a similar nature appears.

Generally speaking, countries that were colonised by European imperial powers such as Spain follow the Civil Law tradition while countries that were colonised by the English have a Common Law approach.

In the nineteenth century other countries such as Russia and Japan which had previously had their own distinctive legal systems, chose to adopt one of these two traditions as they sought to reform their existing systems and interact with the West more closely economically and politically.

So… in the Civil Law tradition the state sets out how assets are to be distributed upon death (Forced Heirship), whereas Common Law allows for freedom of instruction (Wills) – which country follows which tradition is literally a matter of history.

Whitmill TRUST
Highly Personalised Expertise

In good hands – Whitmill Trust Company

The Cornhill International Wealth Builder Trust (CIWBT) is the latest in a long line of products that align with our mission of creating opportunities for more people to access world class investment services and products. By removing barriers to entry such as cost and complexity, Cornhill aims to make financial solutions normally reserved for the wealthy available to everyday investors.

To deliver the CIWBT we have teamed up with award-winning Trust specialists Whitmill Trust Company. They are the appointed Trustee for the CIWBT.

Whitmill Trust Company Limited was established in 1992, with its Gibraltar office being opened in 2009. Since then it has added further offices across Europe and in Dubai and grown to become a leading boutique provider, specialising in the formation, management and administration of traditional fiduciary structures (Trusts) and the planning of integrated international estates for succession planning.

Over more than a quarter of a century Whitmill has established itself as a leader in Trust and other financial solutions, eschewing institutional links to give it the agility to provide flexible wealth planning and structuring solutions.

It provides expert services across a full spectrum of fields, including legal, accounting, corporate, secretarial, administration and compliance, and its team has extensive experience in providing corporate services and administration to corporate bodies, asset managers and other institutional clients.

It also has decades of experience in serving and supporting private clients across the globe and has carved out a reputation for itself as a trusted provider to which clients and their professional advisers can turn to when they require a flexible, expert and reliable partner to coordinate their financial and family affairs.

Like Cornhill, independence and flexibility are at the heart of Whitmill's operational ethos and have helped Whitmill become globally-renowned experts in private office solutions that are tailored to work effectively for each family.

Its credentials as a Trust specialist are impeccable and Whitmill was named Trust Company of the Year – Gibraltar at the 2015 Citywealth Awards. Last year it was named Global 100 Fund Administrator of the Year – Europe.

As Derek Chambers, Chairman of Cornhill explains: "Whitmill's experience and expertise in working with Trusts marks them out as exceptional. Teaming up with them is the right choice to deliver what is an exceptional Trust product."

He adds: "This is a unique product, linked to our successful open architecture investment platform, offering all the benefits of a trust and flexible, global investment options. Its potential is enormous."

To find out more about Whitmill, visit www.whitmill.com

For more information about the Cornhill International Wealth Builder Trust, go to www.ciwbt.com where you can also request a brochure or get in touch with us via sales@1cornhill.com

CIWBT
Key Facts And Benefits:

With the Cornhill International Wealth Builder Trust there are 3 flexible investment options. Clients can invest:

- a LUMP-SUM amount only;
- a REGULAR amount only; or
- a COMBINATION of the two: a lump-sum to establish a capital base which is then supplemented with regular savings contributions

Each option has its own minimum level of investment:

- The LUMP-SUM minimum investment is only GBP50,000 (USD70,000/EUR65,000)
- The REGULAR INVESTMENT minimum is only GBP1,000 per month
- The COMBINATION investment minimums are GBP30,000 (USD40,000/ EUR35,000) for the Lump-sum and GBP200 (USD300/EUR250) per month for the Regular

The CIWBT gives clients:

A personal Trust

- Delivering cost and tax-efficient multi-generational estate planning
- Providing a confidential Trust structure
- Giving families access to the wealth as soon as possible, potentially without estate and probate delays
- Managed by fully-regulated Trust experts

As well as an open architecture investment account for lump sum investing that

- Provides access to any security with an ISIN through Cornhill's unique open architecture investment platform
- Offers relatively low lump-sum investment and the ability to switch investments free of the usual bid/offer spreads

And a semi-open architecture account for regular investments with

- A highly flexible savings plan where payments can be changed without additional cost and withdrawals made without penalty (although the Target Investment Amount must be met by maturity date)
- No minimum age to begin the savings plan, meaning you can start building wealth for your children from an early age.

Frankly speaking

Our man in Aachen talks Charlemagne, Cornhill's diversity and our unique Trust product

In the first of a new series of feature articles we speak with some of the people behind the scenes at Cornhill that work hard on a daily to basis to make this a great company. We hope to provide you with an insight into what people do at Cornhill and the passion they bring to their roles.

In the heart of Aachen, the capital of Charlemagne's Frankish empire, we meet Colin Maclean, Cornhill's Regional Director – Europe. As we stroll across the cobbles of Münsterplatz on our way to the Imperial Cathedral Colin's adoration of his adopted home is at once obvious and endearing.

"Charlemagne ordered the building of the Cathedral in about 790 and he was buried here when he died… since then more than 30 German monarchs have been crowned here. It was designated a UNESCO World Heritage Site in the late '70s. Back then – long ago, not the '70s – Aachen was the centre of Western culture – it's quite a place!" Colin informs me, relishing the role of tour guide. I can't help but wonder how a wee lad from Scotland found his way to this picturesque corner of Germany where three countries meet.

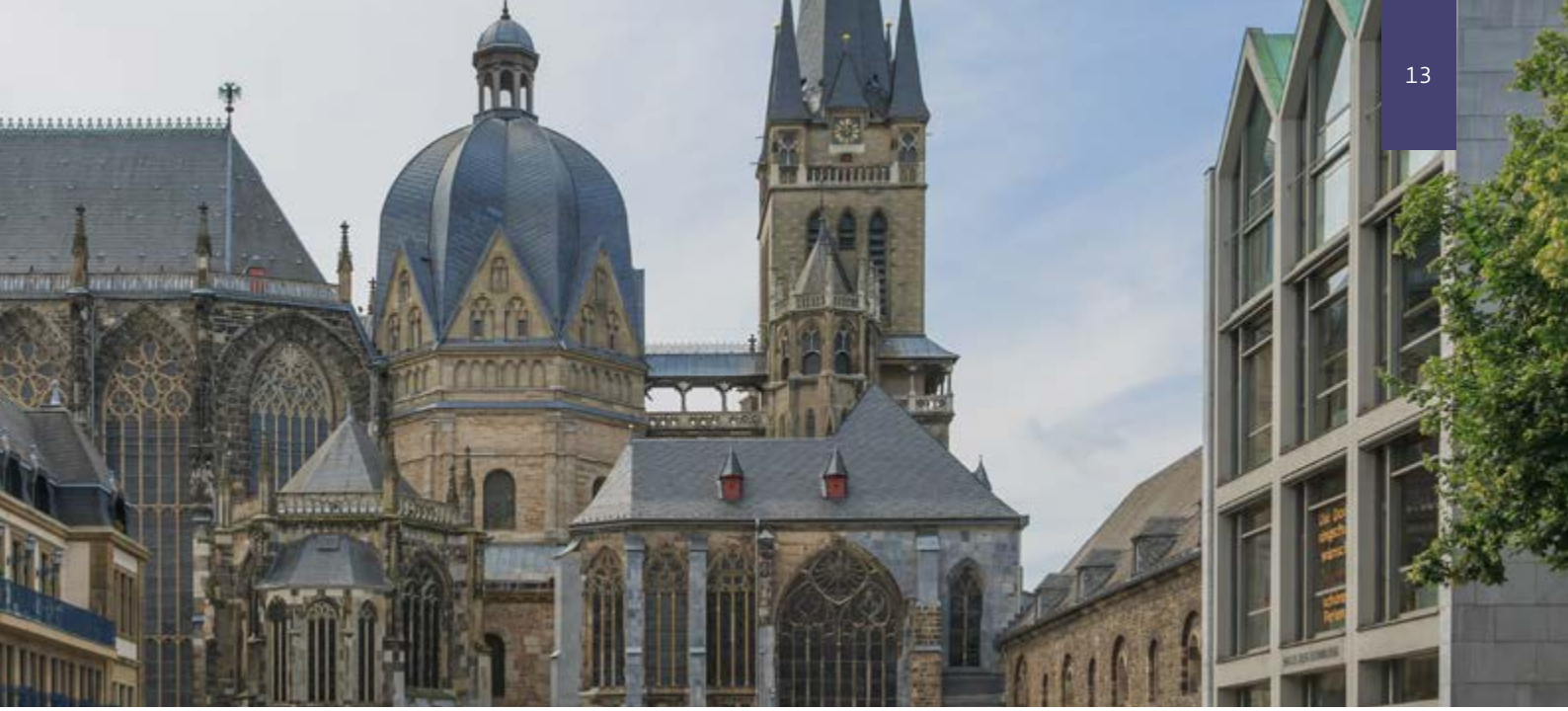
He laughs at the memory as he replies, "The military, and a woman, of course."

Originally from Scotland, Colin joined the military and moved around a lot, getting to experience various places and cultures but he'd always had a fascination with Germany and it was the one place he instantly fell in love with upon visiting. After leaving the military Colin returned to Germany and settled in Aachen, and, as fate would have it, found a job working for the Army as a Damage Controller. Following that he entered the financial services industry with a three-year apprenticeship at DAS, a leading insurance company in Germany and Europe. The apprenticeship culminated in a German Diploma in Insurance. Shortly after graduating Colin was tasked with launching DAS in the UK which he duly did but Germany, and Aachen in particular, was where he wanted to be.

He has lived in Germany now, on and off, for over 30 years. His wife, Margrit, is German and their two adult children grew up here. Colin speaks fluent German, but it wasn't always so. "I studied German at secondary school, so I guess that made me a perfect candidate for Military Language School where I really learned to speak German – almost fluently in fact. At the same time, I gained a Diploma in Translation (German). However, I still maintain that the best way to learn a language is total immersion. Even with my language qualifications – Scottish accent aside – communicating was a bit rough at first but I soon felt at home and of course the people here are great and very patient," he recalls.

Since moving on from what he refers to as 'the DAS-old days', Colin has enjoyed a 20-year career in the off-shore industry, working mainly for insurance companies and broker houses.

"Over the years I noticed that the financial environment in Europe was changing… there were significant modifications being made to EU regulations and I remember at the time sitting down with my wife and saying to her 'these changes are going to have a massive impact on the industry here in Europe'. These changes were then reflected in conversations I was having with partners throughout Europe who were also concerned about their future in the industry in the EU, and more and more I was being asked for European regulated products. At that point, I knew I had better start looking for



something which would fit my partners requirements now, and, in the future."

And so he did. Cornhill was soon in his sights.

"Without doubt it was the diversity of products within the Cornhill range that first attracted me to the company. I contacted Derek (Derek Chambers, Chairman of Cornhill) and we arranged to meet," says Colin with a wry smile.

"This is another reason I love living here," he beams enthusiastically. "Although we are in Germany, Luxembourg [where Derek Chambers lives] is just down the road, while Belgium is right there (points) and Holland there (points). In my role as Regional Director – Europe I travel a lot and Aachen is just so handy. Oftentimes I can get away with doing day trips which means I get to sleep in my own bed at night. It's ideal!"

Speaking of travel, Colin spends two weeks out of every month on the road. He currently works with Cornhill's partners in Spain, the Netherlands, Belgium, Cyprus, Germany, Gibraltar and Switzerland. Before meeting me, he'd spent the previous week in Geneva and was due to fly down to Spain for the next four days.

"One of the things I love most about working at Cornhill is the unpredictability of each day. I know it's a cliché and everyone says it but literally no two days are alike here. No two questions are alike either and I think that's down to the diversity of our product range – funds, Trust, lump sum investing, regular savings – all generate quite different questions."

Colin estimates that he spends 60% of his time "selling" while the other 40% is spent on administration tasks such as follow up calls relating to service delivery and reviewing application forms.

As we are currently investing a lot of time and effort in promoting the Cornhill International Wealth Builder Trust (CIWBT) it would be re-miss of me not to ask Colin how it is going.

"For me it's going well. It's a new product, an exciting product and one that I believe will be around for a long time. Because it's new there is obviously an introductory period, an educational exercise if you will, in getting the key messages across. I mean this product is unique – where else can you get an investment tool, an estate planning and succession tool – all in one package. Once people get their heads around what this product does and how well it does it, they are going to want it. It's my job to help them see and understand what this product can deliver."

"I also see the CIWBT as a substitute for traditional life insurance products, especially for those European ex-pats who have worked abroad and now wish to return to the EU. Traditionally, you'd use a Life Company product to help those clients, a process that involved the client signing several sets of paperwork. With the CIWBT we now offer advisers and their clients a one-stop product, with just the one set of paperwork."

As our conversation turns to the future of Europe, Colin repeats his assertion that he sees the lack of products now on offer to advisers in Europe as a massive opportunity for Cornhill and its partners.

"Hopefully Cornhill will be around as long as this magnificent Cathedral," Colin enthuses as we bid each other farewell in the shadow of Charlemagne's great construction. He then invites me back to Aachen for a more social and tourist-oriented visit.

I think I will take him up on it – it is after all, quite a place.

For more information on Cornhill or any of the products mentioned here, go to ***www.1cornhill.com*** *or get in touch with us via* ***sales@1cornhill.com***

WIOF INDIA PERFORMANCE FUND

Cornhill's award-winning WIOF India Performance Fund has outperformed peers at the start of this year as it continues to deliver after a stellar run of returns in 2017.

The equity fund, which posted a 64% gain last year (Class A USD), has outperformed peers since the start of this year despite the downturn on global markets seen in the first months of 2018.

According to research published by fund news and research portal Trustnet.com, the WIOF India Performance Fund has outperformed similar Indian equity funds from global fund houses such as Schroders, Sanlam and others.

The success of the fund, which was named Equity Fund of the Year 2014 in a survey by global finance and business magazine Forbes, comes as the Indian economy is booming and the country's pro-business government pushes ahead with reforms which are fundamentally changing the investment environment.

According to latest forecasts from the International Monetary Fund, India will become the fastest growing major economy in the world in 2018, with growth set to hit 7.4%, well above most other emerging markets and major developed economies.

Meanwhile, its equity market will become the fifth largest in the world, eclipsing China, according to Mumbai-based financial group Sanctum Wealth Management, as reforms change the way Indians invest.

New legislation on banking and ongoing financialization of household savings has helped drive a shift in capital flows into Indian equities from foreign investors to domestic investors – domestic mutual funds bought USD15.3bn of equities last year as opposed to USD8bn bought by foreign investors - meaning the health of equity markets is far less reliant on foreign capital.

Domestic investors are rebalancing their portfolios away from gold and property and into financial assets such as equities.

A raft of key economic reforms have also changed the market picture – the landmark Goods and Sales Tax (GST), introduced in 2017, has brought a 50% increase in the number of unique taxpayers; banks are cleaning up their balance sheets, which should help corporate lenders; government housing schemes will help developers, contractors and the wider construction industry.

As well as this, corporate earnings growth is expected to be strong going forward with the local NIFTY Index's FY2019 and FY2020 EPS forecasted to grow at 22% and 18% respectively.

Last year, the Indian equity market was one of just three emerging markets which gained more than 35%, and its market capitalisation grew a staggering 46%. And experts are excited about the future prospects for Indian equities.

Reliance Wealth Management, Investment Adviser for the WIOF India Performance Fund, said: "We remain enthused by the fact that India is witnessing multiple reforms being implemented simultaneously. This, we believe, augurs very well for the equity investor with a longer term horizon."

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