

WAVERTON

INVESTMENT MANAGEMENT

MANAGED PORTFOLIO SERVICE

The Waverton Managed Portfolio Service (MPS) provides a personalised and measured approach to managing your investments. Our portfolio managers will work closely with you to ensure your investments reflect your ongoing requirements. The key elements of our approach to managing clients' money are:

- Personalised portfolio with dedicated portfolio manager
- Portfolio range for a wide variety of risk profiles
- Real return investment objectives
- Diversified investment in a variety of asset classes
- Defined risk and volatility parameters
- Expertise in alternative assets
- Regular reviews with your portfolio manager
- Independently assessed by a range of agencies

“Regardless of the vagaries of markets, we believe that a commitment to active management, high levels of personal service and a value for money proposition will remain at the heart of what we do.”

Andrew Fleming, Chief Executive

WAVERTON PORTFOLIO RANGE

Our range of mandates are shown below. Over the long term, we will aim to achieve a return in excess of inflation (i.e. a real return), which is reflected in the 'Indicative Long Term Returns' figure for each portfolio.

Mandate	Risk Description*	Time Horizon	Neutral Asset Class Weighting & Reference Index			Indicative Long Term Return §
			Equity	Bond	Cash ‡	
Growth	Volatile	7 years	75	15	10	CPI + 3.5%
Balanced	Medium volatility; diversified	6 years	60	25	15	CPI + 3.0%
Cautious	Medium volatility; highly diversified	5 years	45	35	20	CPI + 2.5%
Defensive	Low volatility; highly diversified	4 years	33.3	33.3	33.3	CPI + 2.0%
Conservative	Low volatility; highly diversified	4 years	20	40	40	CPI + 1.5%

Risk Descriptions*	Explanation
Volatile	A high risk of losses in the short to medium term
Medium volatility; diversified	A significant risk of some loss over the short to medium term, moderated through asset class diversification
Medium volatility; highly diversified	Risk of meaningful losses is moderated through a high degree of diversification across asset classes
Low volatility; highly diversified	Risk of modest losses, the impact of which will be limited by a high degree of asset class diversification

Reference Indices Weighted according to mandate type	
Equities	MSCI AC World Index
Fixed Income	Markit iBoxx £ Gilts Index Markit iBoxx £ Corporates Index
Cash	GBP Libor 1 Month

†Historic volatility of returns as at 31.07.16 and based on returns since January 1986. Bands reflect the potential range of volatility as a result of asset allocation changes within the indicated limits. For example, the lower end of the Equity volatility band reflects the fact that there is flexibility to reduce equity exposure to as low as 65% in exceptional circumstances – in favour of Bonds and Cash

‡In actual portfolios this will include other alternative asset classes such as Commodities, Property Funds and Hedge Funds

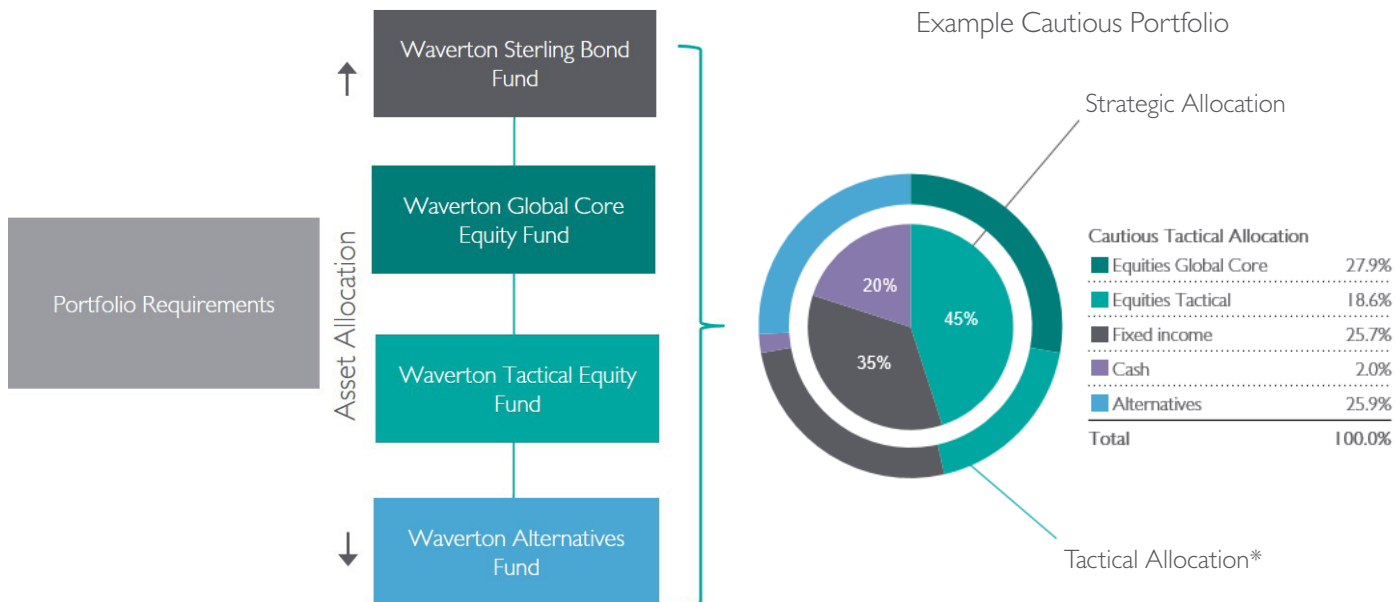
§Given the unprecedented interest rate and monetary policy environment, the range of outcomes is likely to be high

HOW WE CONSTRUCT YOUR PORTFOLIO

Your portfolio will be constructed using four specialist Waverton OEIC Funds, which are managed specifically to form the building blocks of the portfolio – the Waverton Tactical Equity, Global Core Equity, Bond and Alternatives funds.

The holdings of each fund are managed in a complementary way so that there is a consistent strategy throughout the portfolio.

Our approach is illustrated below:



*Tactical asset allocation as at 30.09.18

Fund Prospectus and KIID are available from Waverton on request or can be downloaded from our website.

FEATURES OF OUR APPROACH

We believe our approach has a number of advantages including:

- **Fully diversified portfolio:** blend of direct equity, direct bonds, third party funds and other investment vehicles
- **Investment range:** access to funds and investment vehicles that might not otherwise be available
- **Cost efficient:** benefit from potential reductions to the underlying fund fees of third party funds
- **Potential tax efficiency:** CGT and VAT benefits to the portfolio structure
- **Flexibility:** Can be used within a range of investment structures, including SIPP's, ISA's and Offshore Bonds

INDEPENDENT ASSESSMENT

Independent assessment of our portfolios is available through:



MANAGING RISK: ASSET CLASS RANGES

It is important to manage the amount of risk which is taken within your portfolio. One way we do this is to define the extent to which the amounts invested in each asset class might vary over time. This is set out in the table below:

Mandate	Neutral Equity Weighting	Tactical Asset Class Ranges					
		Equities		Bonds & Cash		Alternative Assets	
		Upper	Lower	Upper	Lower	Upper	Lower
Growth	75	90	55	45	5	25	0
Balanced	60	80	40	60	15	30	0
Cautious	45	60	30	70	20	35	0
Defensive	33.3	45	20	80	25	40	0
Conservative	20	40	0	80	40	60	0

The above table illustrates the extent to which we would expect weightings in each asset class to vary during normal market conditions and reflects our active approach to asset allocation. In exceptional market conditions, in the interest of preserving clients' wealth, we reserve the right to operate outside these bands to reduce risk if this is necessary. In the event of this happening, we will keep clients fully informed.

REPORTING

Central to our approach is a close relationship with your portfolio manager and a high level of reporting and service.

- Direct contact with Portfolio Manager
- Quarterly formal valuations
- Ad-hoc valuations on request
- Review meetings as required - typically annually
- Secure online access to valuations
- Annual taxation package

OUR CHARGES

The Waverton annual management charge for each portfolio is 1% per annum. This is reduced to 0.75% per annum if you are working with an IFA. This is not subject to VAT.

The typical Total Expenses for each portfolio are shown below (these include the Waverton annual management charge):

Waverton Portfolio	Total Expense Ratio	
	Standard Charge	IFA Introduced Charge
Growth Portfolio	1.51%	1.31%
Balanced Portfolio	1.45%	1.27%
Cautious Portfolio	1.39%	1.24%
Defensive Portfolio	1.42%	1.26%
Conservative Portfolio	1.38%	1.24%

The Portfolio TERs have been calculated on the following basis:

- The product charge for the relevant Share Class for each Waverton Fund. The source is the European MIFID II Template (EMT) as at September 2018. The costs represent the total expenses of the Fund, including the costs of any underlying holdings such as third party funds.
- The costs do not allow for platform charges such as trading charges.

Asset Allocation is based on the strategic asset allocation for each portfolio but with a greater weighting to Alternative Assets such as third party funds.

ABOUT WAVERTON

Waverton is an independent investment management house dedicated to providing high quality investment outcomes through personalised discretionary portfolios and a platform based portfolio service. We are highly focussed in our approach and only provide investment management services. Founded in 1986, the headcount of the firm today stands at over 140 members of staff, of which a quarter are portfolio managers with responsibility for over £5.9bn of assets (as at 30th September 2018).

MANAGED PORTFOLIO SERVICE TEAM

Investment Professionals (previous firms)	Investment Expertise	Investment Experience	
		Total (Years)	Waverton (Years)
John Bellamy (Buckmaster & Moore)	Managed Portfolio Service	36	11
Jeff Keen (TriAlpha)	Fixed Income/Asset Allocation	34	9
William Dinning (Coal Pension Trustees)	Asset Allocation	33	1
Tomislav Satchell (Govett Investment Management)	Managed Portfolio Service	33	11
Steven Iffland (Graduate)	Managed Portfolio Service	19	19
Benjamin Jenkins (HSBC)	Analyst	15	13
Luke Hyde-Smith (Brompton Asset Management)	Managed Portfolio Service	14	2
James Mee (Graduate)	Managed Portfolio Service	6	6
Charles Griffin (RBS)	Managed Portfolio Service	5	4
James Carter (Moody's)	Fixed Income Analyst	2	1
Average		19	7

CONTACT US

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RISK WARNING

This document is for your personal use only and should not be construed as advice not an offer or inducement to undertake investment business. Please also see the Fund factsheets, KIID documents and prospectus at:

<http://www.waverton.co.uk/investment-funds/fund/>

The value of investments and the income from them can go down as well as up and investors may not recover the amount of their original investment. The sterling value of overseas investments, and the income from them, will fluctuate as a result of currency movements. Past performance is not a guide to future performance.

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