



WAVERTON
INVESTMENT MANAGEMENT

WAVERTON ALTERNATIVES FUND II A GBP

FUND FACTSHEET - AS AT 31 MARCH 2018

OBJECTIVES

FUND AIM

The Fund aims to provide long term capital appreciation through a diversified portfolio of securities which may themselves invest in equities and alternative asset classes to the extent that these are allowed by the COLL Sourcebook. There is no particular emphasis on any geographic region or sector.

INVESTMENT STYLE

The Fund will actively allocate between various alternative asset classes and seeks consistent returns with lower volatility than equity based investments.

PERFORMANCE

ROLLING PERFORMANCE



Risk Warning: Past performance is no guide to future performance. The value of holdings may fall as well as rise and investors may not get back their initial investment.

Important information: Performance displayed is for the A Share Class. Performance is calculated on a NAV to NAV basis and does not take into account any initial fees.

Performance is displayed net of fees and assumes income is reinvested.

Period	1 Month	3 Months	YTD	1 Year	3 Years	5 Years	Inception June 08
Portfolio (%)	-0.7	-1.2	-1.2	-2.2	-5.0	-0.4	-0.5
Benchmark (%)	0.0	0.1	0.1	0.3	1.4	2.5	10.9
Average Peer Group (%)	-2.1	-3.0	-3.0	0.5	14.5	11.1	28.2
Quartile	1	1	1	4	4	4	4

DISCRETE CALENDAR YEAR PERFORMANCE

Period	2017	2016	2015	2014	2013
Fund (%)	0.2	-3.7	1.6	1.3	4.0
Benchmark (%)	0.3	0.6	0.6	0.5	0.5

STANDARDISED PERFORMANCE

Period 1 year to	31/03/2018	31/03/2017	31/03/2016	31/03/2015	31/03/2014
Fund (%)	-2.2	-0.7	-2.2	3.7	1.1

PORTFOLIO SUMMARY

ASSET ALLOCATION

Equity Market Neutral	27.5%
Other	15.1%
Global Macro	11.4%
Property	9.8%
Aircraft / Asset Leasing	6.9%
CTA	6.7%
Long/Short Equity	6.4%
Infrastructure	6.2%
Equity Event Driven	5.9%
Insurance	4.1%
Total	100.0%

INVESTMENT VEHICLE

Active Funds	90.5%
Passive Funds	4.8%
Cash	4.7%
Total	100.0%

TOP 10 HOLDINGS

Old Mutual UK Specialist Equity Fund F	8.4%
Phileas Long/Short Europe I £ Acc	7.0%
MontLake Dunn WMA UCITS Fund £	6.7%
Jupiter Absolute Return Fund I Acc	6.6%
Odey UK Absolute Return Fund	6.4%
Boussard & Gavaudan Absolute Return	5.9%
Spinnaker Emerging Markets Macro	5.8%
JL Equity Market Neutral Fund 'B' £	5.7%
JP Morgan Multi-Asset Macro Acc GBP	5.6%
Channel Islands Property	5.6%
Total	63.7%

COMMENTARY

The Fund returned a small loss during the quarter which was due entirely to further weakness in our reinsurance and infrastructure funds

Both our reinsurance funds fell in January after announcing estimates of expected losses resulting from their exposures to Californian wildfires whilst infrastructure funds were generally weaker on continuing concerns over the increased political risk to PFI contracts. However, with both asset classes held widely by wealth managers we think that tax planning towards the end of the financial year was also a factor. Long term holders of both reinsurance and infrastructure will still be sitting on decent profits and we believe took the opportunity to realise gains towards the end tax year. Similarly, more recent investors will be sitting on material losses which they may also have decided to utilise, particularly in infrastructure with the increased political risk. In that regard, we expect to see greater price stability in the new financial year.

Our hedge fund strategies performed well and overall were positive in the quarter. The higher levels of volatility and lower equity correlations we have seen of late are a much more helpful environment for active managers. As we expect this trend to continue we plan to increase our allocation to selective hedge fund strategies. With the end of QE and against a backdrop of rising interest rates, absolute return bond funds in particular interest us and we have a number of manager meetings arranged in the coming weeks.

FUND MANAGER



Tomi Satchell

ANALYST



James Mee

FUND DETAILS

FUND FACTS

Launch Date	24th June 2008
IA Sector	Specialist
Benchmark	ICE Libor 3 Month
Fund Size	£55.5m
No. of Holdings	24
Domicile	UK
Sedol	B2QN8B3
Bloomberg Code	CF JOHBI LN
Fund Type	OEIC
Base Currency	GBP
Other Currencies	None
Ex Dividend Dates	1st July and 1st January

FUND INFORMATION

Share class	ISIN	Minimum investment	AMC	INC/ACC	NAV	Historic yield (%)	Ongoing charge (%)
A GBP	GB00B2QN8B32	25,000 GBP	1.00%	INC	0.98	0.48%	1.78%
B GBP	GB00B2QN8M47	25,000 GBP	0.75%	INC	0.96	0.74%	1.53%

CONTACT DETAILS

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AUTHORISED CORPORATE DIRECTOR

Link Asset Services

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Risk Warning: Past performance is no guide to future performance. The value of holdings may fall as well as rise and investors may not back their initial investment. All financial investments involve an element of risk. The level of income from the investment may fluctuate in value. Currency movements may also affect the value of the investment. If the currency in which the past performance is displayed differs from the currency of the country in which you reside, then you should be aware that due to exchange rate fluctuations the performance shown may increase or decrease if converted into your local currency.

For full details of investment risks please refer to the Prospectus and the KIID. A copy of the Prospectus or the KIID is available from Waverton Investment Management or the Authorised Corporate Director, Capita Financial. Note: Performance displayed is for the A Share Class. Performance is calculated on a NAV to NAV basis and does not take into account any initial fees. Performance is calculated net of fees and assumes income is reinvested.

Sources: Waverton Investment Management, Morningstar.

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