



WAVERTON
INVESTMENT MANAGEMENT

WAVERTON CAUTIOUS INCOME FUND P GBP

FUND FACTSHEET - AS AT 30 APRIL 2018



OBJECTIVES

FUND AIM

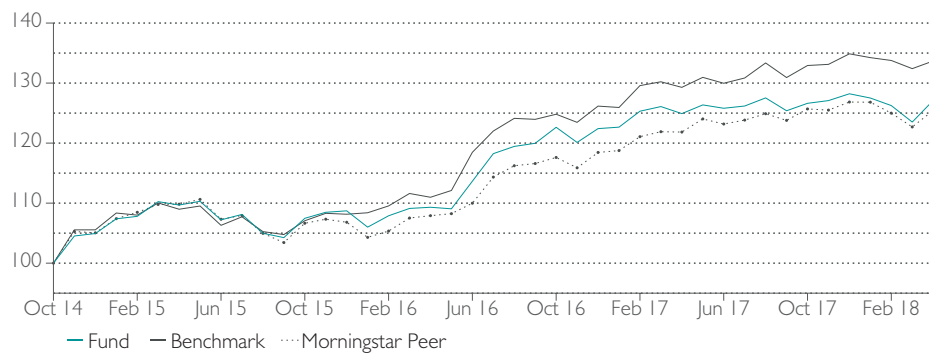
The investment objective of the Waverton Cautious Income Fund is to provide holders with a reasonable level of income and maintain the real value of the capital over the medium to long term. The yield of the Fund may alter as interest rate and market conditions change.

INVESTMENT STYLE

The Fund has a multi-asset structure and invests in a diversified portfolio of equities, government and corporate bonds mainly through third party funds but also with some direct holdings. The Fund will maintain a relatively concentrated portfolio with a high degree of flexibility.

PERFORMANCE

PERFORMANCE SINCE INCEPTION



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 P 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. The Waverton Cautious Index is a composite benchmark of 45% MSCI AC World Index TR, 17.5% Iboxx Sterling Gilts Index, 17.5% Iboxx Sterling Corporates Index, 20% GBP 1 month LIBOR.

Period	1 Month	3 Months	YTD	1 Year	3 Years	Inception Oct 14
Portfolio (%)	2.9	-0.3	-0.9	1.8	15.9	27.1
Benchmark (%)	1.0	-0.4	-0.9	3.4	22.7	33.7
Average Peer Group (%)	2.2	-1.1	-1.2	2.9	14.2	25.4
Quartile	1	1	2	4	2	2

DISCRETE CALENDAR YEAR PERFORMANCE

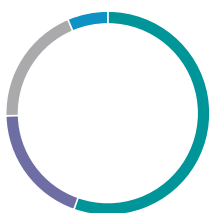
Period	2017	2016	2015
Fund (%)	4.7	12.6	3.6
Benchmark (%)	6.9	16.7	2.5

STANDARDISED PERFORMANCE

Period 1 year to	30/04/2018	30/04/2017	30/04/2016
Fund (%)	1.8	14.3	-0.3

PORTFOLIO SUMMARY

ASSET ALLOCATION



Asset	%	Projected Yield (%)
Equities	55.4%	1.5%
Alternatives	19.2%	0.9%
Fixed Income	19.0%	0.9%
Cash	6.4%	0.0%
Total	100.0%	3.3%

TOP 10 HOLDINGS

iShares MSCI World UCITS ETF	7.9%
Waverton Sterling Bond Fund 'A' Inc £	5.4%
Schroder European Alpha Income Z Inc	5.1%
iShares MSCI Far East ex Japan Fund £ UCITS ETF	4.6%
Morant Wright Nippon Yield Fund 'B' £ Inc	4.1%
T.Bailey Fund SVS APTUS Global Fins B Inc	3.9%
Channel Islands Property	3.9%
MDO Management Co RWC Global Emerging Markets B £	3.5%
Somerset Emerging Markets Dividend Growth A Fund Inc	3.5%
Helical Bar 4% Convertible Bond 17/06/2019	3.0%
Total	44.9%

COMMENTARY

Markets saw a short-term bottom in late March and have rallied towards positive territory for the year through April in sterling terms. During the month all key equity regions were positive in sterling terms, with the FTSE 100, Eurostoxx and Nikkei 225 leading the way and Emerging Markets, Asia ex Japan and the S&P 500 lagging. Sterling corporate bonds generated c.0% total return versus the -1% of the gilt market. Sterling weakened against its major crosses from mid-April. During the month the fund performed well, generating 2.9% total return. On the 30th April the fund went ex-dividend a 1.4% dividend which will be paid at the end of June.

Within the fund our Energy and Financials equity positions were the strongest performers, with Asia & Emerging Markets, Insurance and our short EUR (long USD) position all contributing meaningfully to performance. BCAI (which we have written about in some detail in previous factsheets) was the second-biggest contributor to overall performance, second only to the short EUR trade. The main detractors to performance during the month were our USD/GBP hedge and the Waverton Protection Strategy (as is to be expected in rising markets).

In terms of positioning we come into May having let the USD/GBP hedge roll off and hence are as tactically long USD as we have been in a year. We are happy to hold this for now however we remain structural bears of the dollar and so will look to reinstate the hedge when sentiment changes. Aside from the cable position we are essentially neutral major currency crosses, although we do also have a tactical short EUR position which we initiated on the 17th April on a 3m forward basis due to short term relative economic strength shifting and extended market positioning in the Euro.

We prefer equities (55% weight) to bonds (19%) and have been incrementally reducing our exposure to Alternatives (19%), principally by halving our holding in GCP Student Living and allocating to equity risk and by selling 3IN into strength. Regionally we prefer EM and Asia ex Japan given our long term view on the dollar, and express the preference through our equity allocation. Turning to sectors we remain long Financials, IT and have been adding to Energy on a global basis.

FUND MANAGER



James Mee

FUND MANAGER



Luke Hyde-Smith

FUND DETAILS

FUND FACTS

Launch Date	16th October 2014
Morningstar Sector	GBP Moderate Allocation
Benchmark	Waverton Cautious Index*
Fund Size	£40.8m
No. of Holdings	42
Domicile	Ireland
Sedol	BQ1KQP1
Bloomberg Code	WAVCIPG ID
Fund Type	OEIC
Base Currency	GBP
Other Currencies	None
Ex Dividend Dates	Jan 31st, Apr 30th, Jul 31st and Oct 31st

*Waverton Cautious Index: 45% MSCI AC World Index, 17.5% Iboxx Sterling Gilts Index, 17.5% Iboxx Sterling Corporate Index, 20% GBP LIBOR 1 Month

RISK PROFILE



FUND INFORMATION

Share class	ISIN	Minimum investment	AMC	INC/ACC	NAV	Historic yield (%)	Ongoing charge (%)
B GBP	IE00BQ1KPP02	1,500 GBP	0.75%	INC	10.74	4.08%	1.57%
P GBP	IE00BQ1KQP19	1,500 GBP	0.40%	INC	10.95	4.07%	1.22%

Note: The Cautious Income Fund P share class is only available through Financial Advisers

CONTACT DETAILS

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Risk Warning: Past performance is no guide to future performance. The value of holdings may fall as well as rise. All financial investments involve an element of risk. Clients should note that yields on investments may fall or rise dependent on the performance of the underlying investment and more specifically the performance of financial markets. As such, no warranty can be given that the expressed yields will consistently attain such levels over any given period. 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. A copy of the full prospectus and the KIID is available from Waverton Investment Management or Administrator, RBC Investor Services (Ireland).

Sources: Waverton, Morningstar.

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