



WAVERTON
INVESTMENT MANAGEMENT

WAVERTON CAUTIOUS INCOME FUND P GBP

FUND FACTSHEET - AS AT 31 OCTOBER 2017

OBJECTIVES

FUND AIM

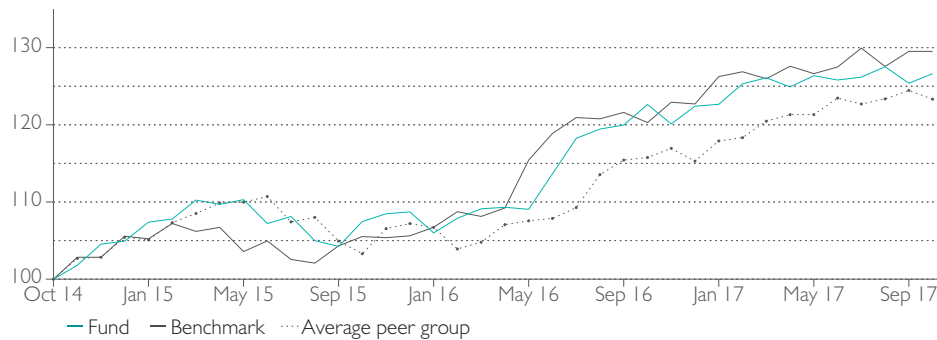
The investment objective of the Waverton Cautious Income Fund is to provide holders with a reasonable level of income and maintain the real value of the capital over the medium to long term. The yield of the Fund may alter as interest rate and market conditions change.

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 (%)	1.0	0.4	3.4	3.3	24.4	26.6
Benchmark (%)	1.5	1.6	5.4	6.5	29.5	32.9
Average Peer Group (%)	1.5	1.5	6.1	6.8	22.5	25.6
Quartile	4	4	4	4	2	2

DISCRETE CALENDAR YEAR PERFORMANCE

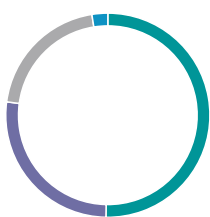
Period	31/12/2016	31/12/2015
Fund (%)	12.6	3.6
Benchmark (%)	16.7	2.5

STANDARDISED PERFORMANCE

Period 1 year to	31/10/2017	31/10/2016
Fund (%)	3.3	14.1

PORTFOLIO SUMMARY

ASSET ALLOCATION



Asset	%	Projected Yield (%)
Equities	50.3%	1.3%
Alternatives	26.8%	1.2%
Fixed Interest	20.4%	1.0%
Cash	2.5%	0.0%
Total	100.0%	3.5%

TOP 10 HOLDINGS

Morant Wright Nippon Yield Fund 'B' £ Inc	8.1%
Waverton Sterling Bond Fund 'A' Inc £	6.9%
Somerset Emerging Markets Dividend Growth A Fund Inc	5.9%
Schroder European Alpha Income Z Inc	5.7%
HICL Infrastructure Ord 0.01p	4.6%
GCP Student Living Plc Ord 1p	4.5%
Channel Islands Property	4.5%
3i Infrastructure Ord	3.9%
Microsoft Corporation Com US\$0.0000125	3.3%
Guinness Global Equity Income Fund 'Z'	3.1%
Total	50.5%

COMMENTARY

The fund was up c.1% in October, ahead of Gilts and picking up c.50% of equity market returns in GBP terms. During the month, Japan saw strong returns while Europe ex UK paused for breath. Asia and Emerging Markets continued to lead on a year-to-date basis. During the month we added to our Japan position following Abe's positive election result. We also added to our global financials position and sold the remainder of our 30Y US Treasury position, as we continue to see signs of the global deflation story playing out. We sold our small position in Samsung Electronic on concerns about supply conditions in the NAND and DRAM memory market, most likely to play out in 2018.

Early in the month we bought GCP Asset Backed Income (GABI). The company lends against assets principally located in the UK, pays a cash-flow-covered dividend of 6p (growing to 6.1p) and has grown NAV 2% annually. Since IPO in November 2015, the investment company has generated over 15% total return. GABI came to the market to raise money via a C-Share, which put pressure on the ordinary shares. We were able to take advantage of this and pick the position up at a c.5% premium to NAV. The position has appreciated following the raise and we expect two 1.5p dividends in the next 6 months. The company is in our Alternatives bucket, offering a differentiated return to our infrastructure and property positions.

Within Equity, we have sold both of our ETF positions in the US and reallocated the money to a basket of direct equity positions. The individual names are selected from our in-house US equity team's Best Ideas list, which in turn is generated following a process of quantitative screening and qualitative analysis, including country and company visits. The names are diversified by sector and principally large cap in size. The switch into direct equity was made first and foremost for performance reasons; we have a strong feeling that the tide has turned in the active vs. passive debate, which has been supported by a collapse in intra-market correlations. An additional benefit to investors is a reduction in costs by c.5 basis points.

We are constantly looking for ways to improve returns to our investors, and we believe the move to direct equity gives us more control over portfolio positioning, while reducing costs to the investor, ultimately improving performance over the long term.

FUND DETAILS

FUND FACTS

Launch Date	16th October 2014
Morningstar Sector	GBP Moderate Allocation
Benchmark	Waverton Cautious Index
Fund Size	£37.6m
No. of Holdings	43
Domicile	Ireland
Sedol	BQ1KPO1
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

DISTRIBUTION TECHNOLOGY RISK PROFILE



FUND MANAGER



James Mee

FUND MANAGER



John Bellamy

FUND INFORMATION

Share class	ISIN	Minimum investment	AMC	INC/ACC	NAV	Historic yield (%)	Ongoing charge (%)
B GBP	IE00BQ1KPP02	1,500 GBP	0.75%	INC	10.99	3.40%	1.61%
P GBP	IE00BQ1KPO19	1,500 GBP	0.40%	INC	11.17	3.40%	1.27%

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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