



WAVERTON
INVESTMENT MANAGEMENT

WAVERTON MULTI-ASSET INCOME FUND P GBP
FUND FACTSHEET - AS AT 28 FEBRUARY 2019



OBJECTIVES

FUND AIM

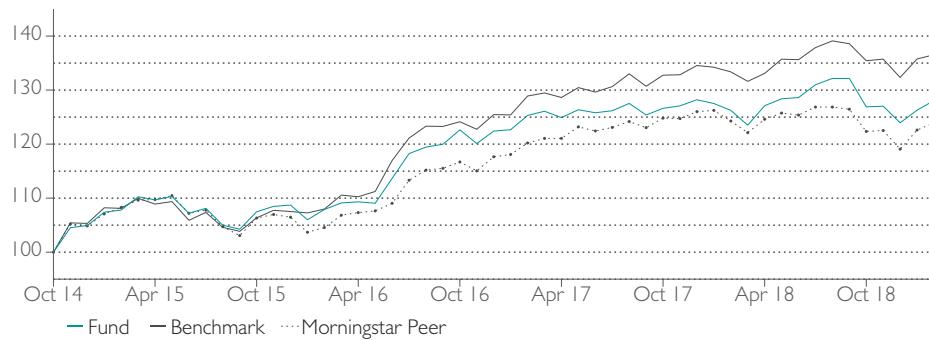
The investment objective of the Waverton Multi-Asset Income Fund is to provide holders with a reasonable level of income and maintain the real value of the capital over the medium to long term. The yield of the Fund may alter as interest rate and market conditions change.

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 (%)	1.4	0.8	3.3	1.4	18.7	28.1
Benchmark (%)	0.6	0.6	3.2	2.4	26.5	36.7
Average Peer Group (%)	1.0	0.9	3.8	-0.1	18.5	24.8
Quartile	1	3	3	1	2	2

DISCRETE CALENDAR YEAR PERFORMANCE

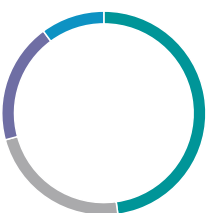
Period	2018	2017	2016	2015
Fund (%)	-3.3	4.7	12.6	3.6
Benchmark (%)	-1.0	6.9	16.7	2.5

STANDARDISED PERFORMANCE

Period 1 year to	28/02/2019	28/02/2018	28/02/2017
Fund (%)	1.4	0.7	16.1

PORTFOLIO SUMMARY

ASSET ALLOCATION



Asset	%	Projected Yield (%)
Equities	47.8%	1.6%
Fixed Income	23.0%	0.9%
Alternatives	19.1%	0.9%
Cash	10.1%	0.0%
Total	100.0%	3.4%

TOP 10 HOLDINGS

US Treasury 2.25% 15/11/2027 \$100/\$100	5.7%
iShares Core S&P 500 UCITS ETF	5.0%
Invesco Physical Gold ETC	4.3%
Waverton Sterling Bond Fund 'A' Inc £	4.3%
Channel Islands Property	3.5%
Morant Wright Nippon Yield Fund 'B' £ Inc	3.4%
UBS ETF MSCI USA Value (USD) A Inc	3.4%
RWC Global Emerging Markets B £	2.8%
Union Pacific Corporation Com US\$2.50	2.5%
Citi Accrual Note W/OF FTSE100 / EUROSTOXX50 6.00%	2.5%
Total	37.4%

COMMENTARY

The fund was up 1.42% in February, extending gains made in January. Our best performing positions included Microsoft, Union Pacific and British American Tobacco, a new holding which we believe to be significantly undervalued due to concerns around menthol cigarettes in the US. Gold and our holding in the 2027 US Treasury were our weakest performers, as "risk-on" became the market mantra.

Our analysis of the global economic backdrop is that the slowdown is real, as reflected in leading indicators and global trade flows. However, policy-makers – and thus markets – are reflexive, and as such, we might expect a loosening of either monetary or fiscal policy, or both. This expectation (which we call "hope value") is what has been baked into risk-assets since the Christmas Eve nadir in equity markets.

The monetary policy data which we track is not indicating a significant pick-up in Chinese money flows, however there have been clear indications from the Politburo that both fiscal and monetary policy will be loosened. This should benefit Asia as a region, and the key European exporting countries, as well as the cyclical materials sector. We would caution, however, that a lot of good news appears to be in the price today, and we question the likelihood of a 2016-style stimulus. We also wonder whether a trade deal will be done; trade hawks have repeatedly noted the structural issues of competing against a state-funded China, and we would question a short-term deficit-reducing deal will be sufficient to draw a line under the whole discussion.

The biggest risk for the fund, as ever, is currency risk; a strong Sterling acts as a drag on overseas holdings, and while we are unhedged (as we are today), we run the risk of a material strengthening in the UK currency. The poor UK economic backdrop combined with a worsening current account position and a Brexit overhang (where our understanding is that UK Inc. has been "stuffing the channel" and thus bringing consumption & investment forward) leads us to question the fundamental value of sterling. Clearly, the short term driver of the currency remains Brexit news-flow, but a more strategic outlook for the country is warranted, and on this basis we are happy to remain unhedged for now.

We take just under 50% equity risk into March, which we believe is an appropriate allocation. We remain overweight Industrials and Energy and underweight Financials and Information Technology.

FUND DETAILS

FUND FACTS

Launch Date	16th October 2014
Morningstar Sector	GBP Moderate Allocation
Benchmark	Waverton Cautious Index*
Fund Size	£43.7m
No. of Holdings	61
Domicile	Ireland
Sedol	BQ1KPQ1
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

FUND INFORMATION

Share class	ISIN	Minimum investment	AMC	INC/ACC	NAV	Historic yield (%)	Ongoing charge (%)
B GBP	IE00BQ1KPP02	1,500 GBP	0.75%	INC	10.52	4.08%	1.36%
P GBP	IE00BQ1KPP19	1,500 GBP	0.40%	INC	10.75	4.07%	1.00%

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

CONTACT DETAILS

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FUND MANAGER



Luke Hyde-Smith - CFA

RISK PROFILE



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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