



WAVERTON
INVESTMENT MANAGEMENT

WAVERTON MULTI-ASSET INCOME FUND P GBP

FUND FACTSHEET - AS AT 31 JANUARY 2019



OBJECTIVES

FUND AIM

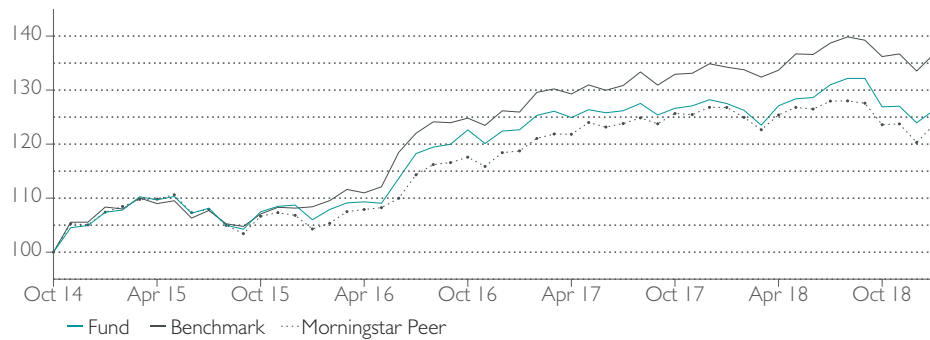
The investment objective of the Waverton Multi-Asset Income Fund is to provide holders with a reasonable level of income and maintain the real value of the capital over the medium to long term. The yield of the Fund may alter as interest rate and market conditions change.

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 (%)	1.9	-0.5	1.9	-1.0	19.1	26.3
Benchmark (%)	2.4	0.4	2.4	1.8	26.1	36.7
Average Peer Group (%)	2.7	0.0	2.7	-2.5	18.4	23.4
Quartile	4	4	4	1	2	2

DISCRETE CALENDAR YEAR PERFORMANCE

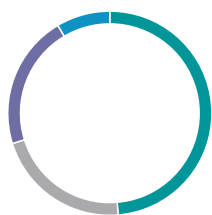
Period	2018	2017	2016	2015
Fund (%)	-3.3	4.7	12.6	3.6
Benchmark (%)	-1.0	6.9	16.7	2.5

STANDARDISED PERFORMANCE

Period 1 year to	31/01/2019	31/01/2018	31/01/2017
Fund (%)	-1.0	4.0	15.7

PORTFOLIO SUMMARY

ASSET ALLOCATION



Asset	%	Projected Yield (%)
Equities	48.7%	1.3%
Fixed Income	21.5%	0.9%
Alternatives	21.3%	1.0%
Cash	8.5%	0.0%
Total	100.0%	3.2%

TOP 10 HOLDINGS

iShares Core S&P 500 UCITS ETF	4.9%
iShares MSCI World UCITS ETF	4.6%
Invesco Physical Gold ETC	4.5%
Waverton Sterling Bond Fund 'A' Inc £	4.4%
US Treasury 2.25% 15/11/2027 \$100/\$100	3.8%
Channel Islands Property	3.5%
Morant Wright Nippon Yield Fund 'B' £ Inc	3.5%
iShares MSCI Far East ex Japan Fund £ UCITS ETF	3.4%
UBS ETF MSCI USA Value (USD) A Inc	3.2%
RWC Global Emerging Markets B £	2.8%
Total	38.6%

COMMENTARY

The fund was up 1.88% in January as risk-assets bounced. All of the fund's equity positions were in positive territory, with industrials in particular driving positive returns – our holding in Union Pacific (a US railroad company) was a strongest contributor. Our sterling hedge was also a positive contributor during the month as sterling appreciated versus the dollar. We added to our US CLO position early in the month where the discount had widened out to levels not seen since 2016, and invested 5% in global equities from cash as we became increasingly confident that the weak technical backdrop for equity markets was abating. For now, risk assets are again climbing the wall of worry.

Our fixed income allocation lost money in January and acted as a drag on performance. This was principally driven by some weakness in safe haven government bond assets as well as strength in sterling – our preferred government bond is the 2027 US Treasury bond. As we have written before, US government bonds offer some relative value versus other developed market government bonds, and we remain of the view that the Fed are likely to err on the side of easier monetary policy for the time being. A weaker dollar is a risk to this position and something we are watching closely. Such weakness would be a boon for other parts for the portfolio however, thus we believe we remain well-hedged against such a risk.

We added to UK assets in January, taking the view that the UK in general has been heavily over-sold and is hence significantly under-owned as a country. We added to UK equities, preferring large-cap names. It is possible that a favourable (that is, non-hard) Brexit outcome could be good for flows into UK assets, most likely to be into the FTSE 100 in the first instance. Contrary to conventional wisdom, we believe we could see the FTSE 100 rise at the same time as sterling, such is the level of under-ownership in UK assets by foreign investors. Perversely, a weaker sterling could also see the FTSE 100 rise, as the translation effect of the currency movement on earnings is positive and those foreign owners that would traditionally be sellers on weaker currency movements are now largely out.

We head into February with just under 50% in equity which we believe is a comfortable level to be running at this time. As ever, we are focused on generating new ideas and to that end are revisiting a couple of themes we played in 2018 with our bottom-up equity teams. We hope to be able to write about this in Q1 this year.

FUND DETAILS

FUND FACTS

Launch Date	16th October 2014
Morningstar Sector	GBP Moderate Allocation
Benchmark	Waverton Cautious Index*
Fund Size	£43.1m
No. of Holdings	53
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	10.38	4.13%	1.23%
P GBP	IE00BQ1KPQ19	1,500 GBP	0.40%	INC	10.6	4.13%	0.88%

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

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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FUND MANAGER



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RISK PROFILE

