



WAVERTON MULTI-ASSET INCOME FUND P GBP

FUND FACTSHEET - AS AT 30 NOVEMBER 2018

OBJECTIVES

FUND AIM

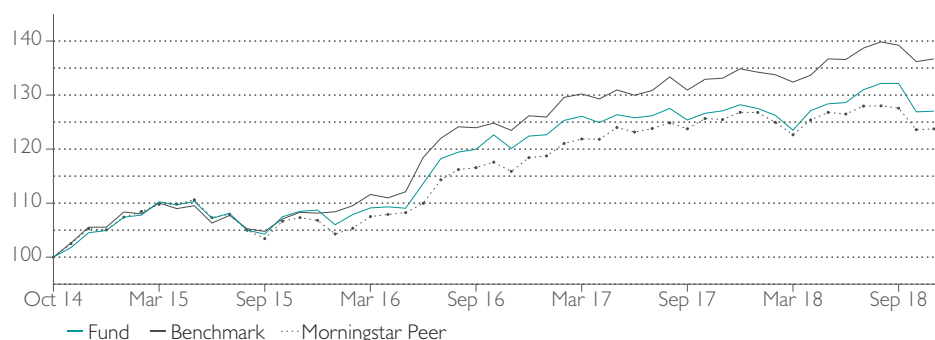
The investment objective of the Waverton Multi-Asset Income Fund is to provide holders with a reasonable level of income and maintain the real value of the capital over the medium to long term. The yield of the Fund may alter as interest rate and market conditions change.

INVESTMENT STYLE

The Fund has a multi-asset structure and invests in a diversified portfolio of equities, alternative assets, government and corporate bonds through direct holdings and third party funds. 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 (%)	0.1	-3.9	-0.9	-0.1	17.1	27.0
Benchmark (%)	0.4	-2.3	1.4	2.7	26.2	36.7
Average Peer Group (%)	0.1	-3.3	-2.4	-1.4	15.2	23.7
Quartile	3	3	1	1	2	2

DISCRETE CALENDAR YEAR PERFORMANCE

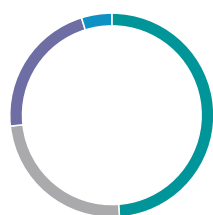
Period	2017	2016	2015
Fund (%)	4.7	12.6	3.6
Benchmark (%)	6.9	16.7	2.5

STANDARDISED PERFORMANCE

Period 1 year to	30/11/2018	30/11/2017	30/11/2016
Fund (%)	-0.1	5.8	10.7

PORTFOLIO SUMMARY

ASSET ALLOCATION



Asset	%	Projected Yield (%)
Equities	48.8%	1.4%
Fixed Income	24.5%	1.1%
Alternatives	21.9%	1.1%
Cash	4.8%	0.0%
Total	100.0%	3.6%

TOP 10 HOLDINGS

Waverton Sterling Bond Fund 'A' Inc £	7.2%
US Treasury 2.25% 15/11/2027 \$100/\$100	3.7%
Morant Wright Nippon Yield Fund 'B' £ Inc	3.6%
Channel Islands Property	3.4%
UBS ETF MSCI USA Value (USD) A Inc	3.4%
iShares MSCI Far East ex Japan Fund £ UCITS ETF	3.3%
iShares MSCI World UCITS ETF	3.3%
iShares S&P 500 UCITS ETF	3.0%
AT&T Inc Com US\$1.00	2.8%
RWC Global Emerging Markets B £	2.7%
Total	36.4%

COMMENTARY

Last month I wrote that the sell-off looked “like a delayed response to the changes in interest rates and expectations thereof”, and have been writing more recently that it seems inconceivable that the Federal Reserve (Fed) will continue to raise rates at its projected pace in the face of a slowing global & domestic economy, slowing inflation and increased asset price volatility. It was therefore interesting to note Chairman Powell’s dovish shift in his speech on Wednesday 28th November. The change in tone precipitated a risk-asset bounce and saw US equities in particular strengthen into the end of the month. A question for investors, then, is: does this mark the apotheosis of the tightening cycle, and if so, what are the implications?

Our own view is that the Fed will continue to tighten given the opportunity, but at a slower pace. Indeed, the rates markets had already priced this into the outlook, expecting 1.5 rate rises in 2019 (versus the Fed’s projection of 4). The implications of a less tight monetary policy could be an elongation of the cycle and the outperformance of ex-US equity markets. In a scenario where global liquidity improves and the dollar weakens (both possible in 2019), we could see Asia and Emerging Markets lead the charge. Interestingly, Chinese policy makers have turned their attention to improving the lot of the private companies, cut taxes on households and, in the last two weeks, apparently begun to pump liquidity into the system once again. The last time China eased significantly was 2016, which saw a very strong reflation trade across asset classes. While we are not expecting anything like the quantum of easing as seen in 2016, the shift in policy could underpin economic growth at least. The Chinese leading indicator looks to have bottomed in recent months and we have slightly increased our weight to the Asia ex Japan region.

During the month, the portfolio suffered from weakness in a holding in CATCo C shares (now fully exited). The position cost the fund 0.68%, entirely negating the decent returns we saw across the rest of the portfolio. Our best performing position (+0.48%) was a currency forward position in GBP/USD which we implemented to hedge against a bad political outcome for Theresa May. At the end of the month we have taken out a 1 month rolling forward position in sterling, taking the view that a lot of bad news is in the price of the currency and even a “not disastrous” outcome in the December 11th Commons vote could see the currency strengthen. It is important to note that this is not an active position but a hedge; the nature of a global portfolio is that we hold a lot of foreign currency risk by virtue of our overseas equity and bond investments – this forward position is there to hedge some of this risk back.

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	£43.8m
No. of Holdings	56
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

RISK PROFILE



*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	10.53	4.18%	1.23%
P GBP	IE00BQ1KQP19	1,500 GBP	0.40%	INC	10.76	4.16%	0.88%

Note: The Multi-Asset Income Fund P share class is only available through Financial Advisors and third party investment platforms

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 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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