



WAVERTON

INVESTMENT MANAGEMENT

WAVERTON REAL ASSETS FUND

FUND FACTSHEET - AS AT 30 JUNE 2019

OBJECTIVES

FUND AIM

The investment objective of Waverton Real Assets Fund is to generate a positive real return through a combination of capital growth and income via investment of up to 100 per cent. of its assets in a diversified portfolio giving exposure to real assets. Real assets include, but are not limited to, real estate, infrastructure, commodities, asset financing, and specialist lending.

INVESTMENT STYLE

The Fund's exposure to Real Assets may be obtained via direct and indirect investments in equities, government and corporate debt securities, structured products, asset-backed securities, deposits, cash, money market instruments, ETFs, exchange traded notes and collective investment schemes.

WHAT ARE REAL ASSETS

"Real Assets" are predominately businesses backed by **physical or tangible assets**, often with inflation linked cash flow streams, designed to provide a real total return over the medium to long term

Within an investment environment characterised by accommodative monetary policy, moderate global growth and uncertain inflationary outlook, an allocation to real assets appears an attractive proposition for investors

We Believe that the Waverton Real Assets Fund will:

- Provide **diversification** to traditional asset classes
- Access a **differentiated** risk premia
- Generate a **positive** real return

Key Characteristics

Long Term Objective

CPI+4%

Projected Yield

3.8%

Expected Volatility

10-12%

PORTFOLIO SUMMARY

ASSET ALLOCATION



Asset	%	Projected Yield (%)
Property	21.8%	4.5%
Infrastructure	21.3%	3.2%
Specialist Lending	21.2%	5.9%
Asset Finance	12.1%	5.6%
Commodity	9.9%	2.4%
Cash	7.6%	0.0%
Hedging	6.0%	0.0%
Total	100.0%	3.8%

TOP 10 HOLDINGS

Invesco Physical Gold ETC	4.6%
Atlas Global Infrastructure £ Hedged	4.3%
GCP Student Living Plc Ord Ip	4.0%
Twelve Capital Cat Bond GBP Hgd Dist	3.5%
Semper Total Return I GBP Hedged Inc	3.3%
Greencoat UK Wind Ord Ip	3.1%
Real Estate Credit Investments Ltd	3.0%
SPDR Morningstar Multi-Asset Global Infrastructure UCITS	2.9%
Channel Islands Property	2.9%
GMO Climate Change Investment A GBP Acc	2.9%
Total	34.6%

PORTFOLIO HOLDINGS

Security	Classification	Currency	% total	Yield*
Infrastructure				
Sequoia Economic Infrastructure Debt	Economic	GBP	2.4%	5.3%
SPDR Morningstar Multi-Asset Global Infrastructure UCITS ETF	Economic	GBP	2.9%	2.3%
3i Infrastructure	Economic	GBP	2.0%	3.1%
Atlas Global Infrastructure £ Hedged	Listed Infrastructure Equity	GBP	4.3%	1.4%
US Solar Fund Plc Ord \$0.01	Renewable	USD	1.5%	0.0%
NextEnergy Solar Fund	Renewable	GBP	0.9%	5.5%
The Renewables Infrastructure Group	Renewable	GBP	2.2%	5.1%
Greencoat UK Wind Ord 1p	Renewable	GBP	3.1%	4.9%
SDCL Energy Efficiency Income Trust Plc Ord 1p	Social	GBP	1.9%	3.0%
Total Infrastructure			21.3%	3.2%
Commodity				
GMO Climate Change Investment A GBP Acc	Climate Change	GBP	2.9%	0.0%
UBS ETF CMCI Composite SF GBP A Acc	Diversified Commodity	GBP	1.1%	0.0%
Pimco Global Advisors MLP Energy Infrastructure £ H Inc	Energy	GBP	1.9%	5.7%
BP Plc Ord US\$0.25	Energy	GBP	1.5%	5.9%
Ishares V Plc Producers Gold UCITS ETF	Gold	GBP	1.5%	0.0%
Rio Tinto Plc Ord 10p (Regd)	Mining	GBP	1.0%	4.7%
Total Commodity			9.9%	2.4%
Property				
Ediston Property Investment Co Plc Ord 1p	Commercial	GBP	1.8%	6.1%
Channel Islands Property	Commercial	GBP	2.9%	5.9%
Target Healthcare Reit Ltd	Healthcare	GBP	1.3%	5.8%
Kempen (Lux) Global Property Fund J GBP Dis	Listed Real Estate Equity	GBP	2.7%	0.0%
LXI REIT Ord	Long Lease	GBP	1.7%	4.6%
Secure Income Reit Plc Ord 10p	Long Lease	GBP	1.6%	3.9%
Supermarket Inc Reit Plc Ord GBP 0.01	Long Lease	GBP	1.8%	5.4%
PRS REIT Ord	Residential	GBP	1.7%	5.2%
Triple Point Social Housing REIT Ord	Social Housing	GBP	1.4%	6.2%
Stenprop Limited	Special Situations	GBP	0.9%	6.1%
GCP Student Living Plc Ord 1p	Student	GBP	4.0%	3.8%
Total Property			21.8%	4.5%
Asset Finance				
Amedeo Air Four Plus Limited (DNA4)	Aircraft	GBP	1.6%	9.0%
GCP Asset Backed Income Ords	Diversified Assets	GBP	2.8%	5.8%
SQN Asset Finance Income Fund Ltd Ord	Diversified Assets	GBP	1.1%	8.0%
Syncona Ltd	Life Science	GBP	1.0%	1.0%
Burford Capital Ltd	Litigation Finance	GBP	1.3%	0.6%
Hipgnosis Songs Fund Ltd	Music Royalties	GBP	1.8%	4.8%
Tufton Oceanic Assets Ltd	Shipping	USD	2.6%	7.1%
Total Asset Finance			12.1%	5.6%
Specialist Lending				
Twelve Capital Cat Bond GBP Hgd Dist	Catastrophe Insurance	GBP	3.5%	0.0%
Semper Total Return I GBP Hedged Inc	Debt Asset Backed	GBP	3.3%	3.3%
TwentyFour Income Fund £ Inc	Debt Asset Backed	GBP	2.3%	5.6%
Fair Oaks Income Ltd.	Debt CLO	USD	2.2%	13.4%
BioPharma	Debt Healthcare	USD	2.0%	6.6%
Starwood European Real Estate Finance Limited	Debt Real Estate	GBP	1.6%	6.4%
Real Estate Credit Investments Ltd	Debt Real Estate	GBP	3.0%	7.0%
VPC Speciality Lending Investments Plc Ord 1p	Special Situations	GBP	1.6%	11.0%
P2P Global Investments Plc	Special Situations	GBP	1.6%	5.7%
Total Specialist Lending			21.2%	5.9%
Hedging				
Invesco Physical Gold ETC	Gold	USD	4.6%	0.0%
Waverton Protection Strategy	WPS	GBP	1.3%	0.0%
Total Hedging			6.0%	0.0%

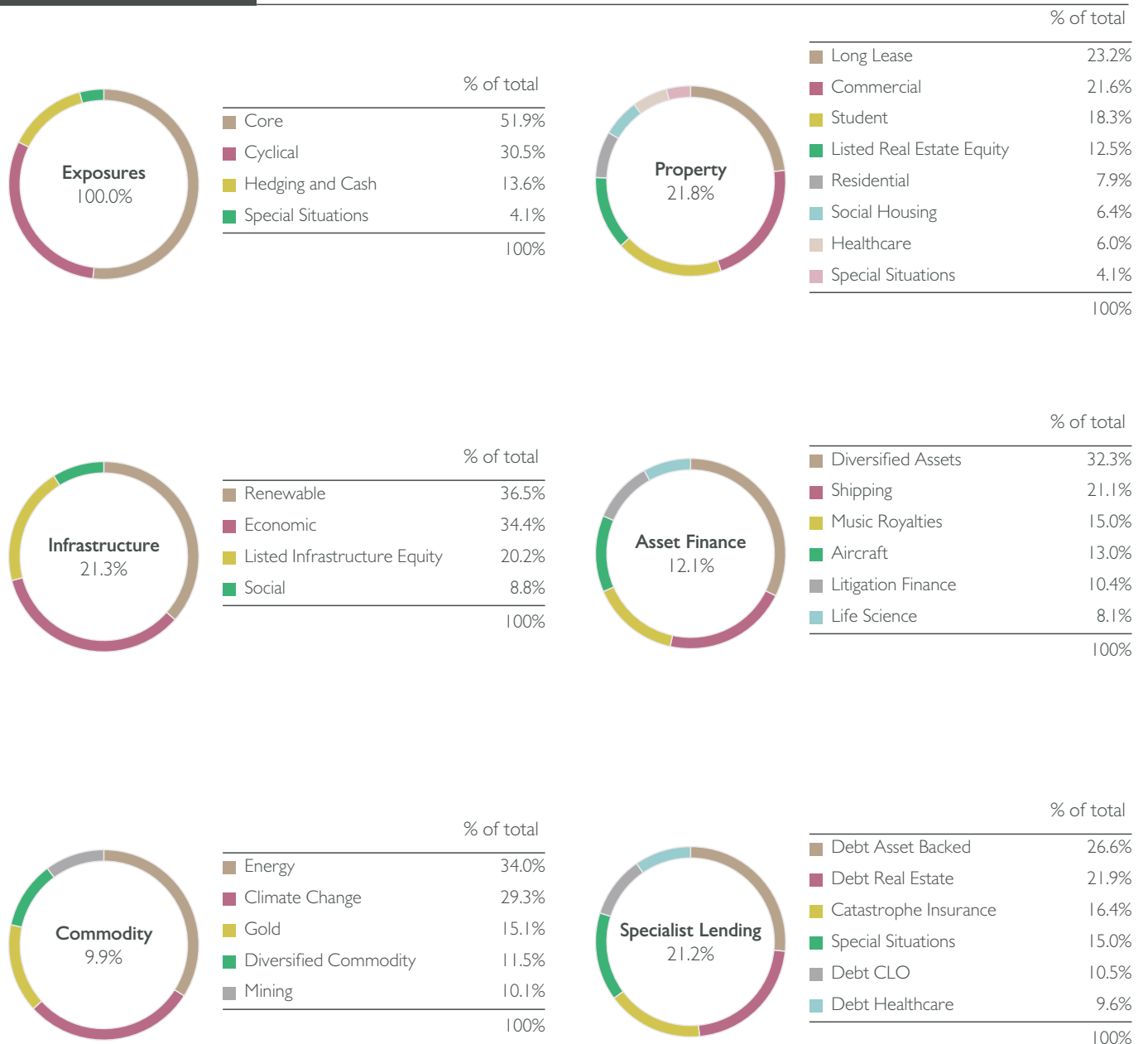
PORTFOLIO HOLDINGS - CONTINUED

Security	Classification	Currency	% total	Yield*
Cash				
Total Cash			7.6%	0.0%
TOTAL PORTFOLIO			100.0%	3.8%

*Figures represent the projected yield of underlying holdings which may rise or fall.

Where currency is referenced as "Other", underlying holdings have multiple currency exposures in the respective region.

ASSET ALLOCATION



QUARTERLY COMMENTARY

The macro backdrop for Q2 was poor, resulting in central banks the world over shifting from hawkish to dovish stance. During the quarter the 10Y US Treasury yield fell from 2.5% to 2.0%, a decline of -20%. Over the same time period, gold was up +10% as interest rate expectations collapsed.

Notwithstanding a volatile quarter for risk assets, the Real Assets Fund generated a positive return of +2.0%, ahead of our CPI+4% objective, and on a volatility of 2.3%. Positive contributions came from a number of Real Asset classes, including Commodities (Gold), Property (GCP Student Living), Infrastructure (TRIG) and Asset Finance (BioPharma Credit).

During June we added to our position in Greencoat UK Wind and Atlas Global Infrastructure, and took advantage of capital raising by Sequoia Economic Infrastructure (Debt) and GCP Asset Backed Income (GABI). In both instances, we met with management, and in the case of GABI we spent a number of hours with the investment team at their offices on a deep dive research trip to evaluate the company's due diligence process, which was extremely insightful and gave us further confidence in the team's ability to manage the company effectively ongoing.

The closed end company holdings with the Fund currently trade on a weighted average premium of 2.12% and the overall portfolio has an expected return of 7.6%. We currently have 44 holdings diversified by exposure, Real Asset class, specific-Real Asset class, geography and currency.

The Fund reached £100m in June, with flows from a broad investor base. We want to take the opportunity to thank you for your continued support.

FUND MANAGER



James Mee - CFA

FUND MANAGER



Luke Hyde-Smith - CFA

FUND DETAILS

FUND FACTS

Launch Date	30th November 2018
Morningstar Sector	GBP Moderate Allocation
Benchmark	CPI + 4%*
Fund Size	£100.6m
No. of Holdings	44
Domicile	Ireland
Sedol	BF5KV17
Bloomberg Code	WAVRPGI
Fund Type	OEIC
Base Currency	GBP
Other Currencies	None
Ex Dividend Dates	Jan 31st, Apr 30th, Jul 31st and Oct 31st

*UK Consumer Price Index plus 4 per cent

FUND INFORMATION

Share class	ISIN	Minimum investment	AMC	INC/ACC	NAV	Historic yield (%)	Ongoing charge (%)
A GBP	IE00BF5KTZ70	1,500 GBP	1.00%	INC	10.15	N/A	1.53%
B GBP	IE00BF5KV063	1,500 GBP	0.75%	INC	10.16	N/A	1.28%
P GBP	IE00BF5KV170	1,500 GBP	0.40%	INC	10.18	N/A	0.93%

Note: The Waverton Real Assets 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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