



WAVERTON
INVESTMENT MANAGEMENT

WAVERTON STERLING BOND FUND A GBP

FUND FACTSHEET - AS AT 31 DECEMBER 2018

OBJECTIVES

FUND AIM

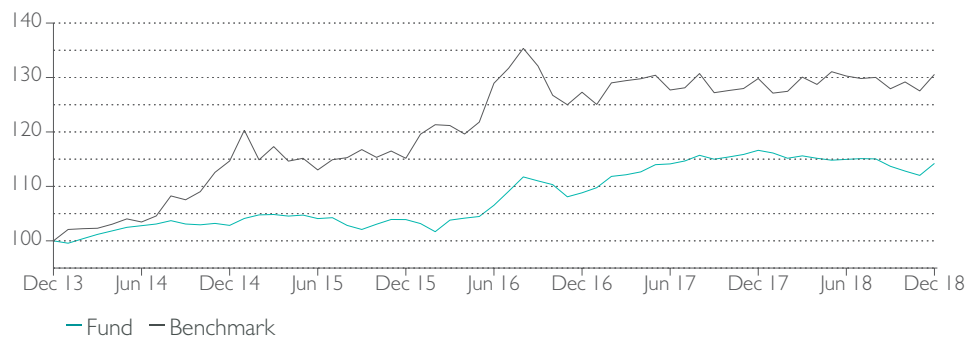
The investment objective of the Waverton Sterling Bond Fund is to achieve capital growth and income through investment in UK and international government and corporate bonds.

INVESTMENT STYLE

The Fund uses some degree of flexibility in its allocation to duration, credit and currency in order to achieve its investment objectives. Investment decisions are fundamentally driven using a combination of quantitative analysis with qualitative judgement calls. Derivative instruments are also utilised to manage risk.

PERFORMANCE

ROLLING PERFORMANCE



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 A 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.

Period	1 Month	3 Months	1 Year	3 Years	5 Years	Inception Jan 10
Portfolio (%)	2.0	0.5	-2.1	9.9	14.2	37.8
Benchmark (%)	2.4	2.1	0.6	13.4	30.6	61.1
Peer Group (%)	0.8	-0.3	-1.9	11.5	24.0	59.9
Quartile	1	2	3	3	4	4

DISCRETE CALENDAR YEAR PERFORMANCE

Period	2018	2017	2016	2015	2014
Fund (%)	-2.1	7.2	4.7	1.0	2.8
Benchmark (%)	0.6	2.0	10.1	0.6	13.9

STANDARDISED PERFORMANCE

Period 1 year to	31/12/2018	31/12/2017	31/12/2016	31/12/2015	31/12/2014
Fund (%)	-2.1	7.2	4.7	1.0	2.8

PORTFOLIO SUMMARY

CREDIT QUALITY		SECTOR		CURRENCY		TOP 10 ISSUERS	
AAA	20.1%	Financial	46.4%	British Pound	92.4%	UK Gilt	16.2%
AA	20.5%	Government	40.0%	Indian Rupee	3.2%	US Treasury Bond	14.0%
A	10.8%	Energy	3.0%	Mexican Peso	2.9%	Barclays Bank	4.8%
BBB	27.6%	Utilities	2.6%	US Dollar	1.2%	US Treasury Inflation	4.3%
BB	6.3%	Consumer, Non-cyclical	1.7%	Euro	0.2%	Lloyds Bank	4.0%
B	0.5%	Industrial	0.6%	Brazilian Real	0.1%	Pershing Square	3.1%
NR	9.8%	Consumer, Cyclical	0.5%	Total	100.0%	Royal Bank of Canada	3.1%
Cash	4.4%	Communications	0.5%			Phoenix Group	3.1%
Total	100.0%	Basic Materials	0.3%			HSBC	2.5%
		Cash	4.4%			Mexican Government	2.4%
		Total	100.0%			Total	57.5%

COMMENTARY

During December the Waverton Sterling Bond Fund rose 2.0%, compared with a rise of 2.4% for the Markit iBoxx Sterling Gilt Index.

Government bond markets rose in December as equity markets and other risk assets sold off sharply. The S&P 500 index fell by almost 15% by Christmas Eve but then rallied to the end of the year. This led to a sharp fall in yields across all Government bond markets, though this occurred mostly in the early part of the month. The UK Gilt curve flattened (having steepened quite significantly during November) but the US Treasury curve actually steepened over the same period. Developed bond markets are normally highly correlated so a large part of the explanation probably lies with the illiquidity and different opening hours in different markets over the festive period.

The macro background remains a complex one with uncertainty surrounding the pace of interest rate rises in the US and the outcome of the Brexit process. During the month, the fund benefitted from its exposure to call options on the US long bond.

In our view this remains the default risk-off asset and so it suited us to own it as a form of portfolio insurance and a hedge against the credit in the portfolio.

FUND MANAGER



Jeff Keen

ANALYST



James Carter

FUND DETAILS

FUND FACTS

Launch Date	11th January 2010
Morningstar Category	Global Flexible Bond - GBP Hedged
Benchmark	Markit iBoxx GBP Gilts TR
Fund Size	£176.0m
No. of Holdings	75
Domicile	Ireland
Sedol	B5BD4F5
Bloomberg Code	JOHBACC ID
Fund Type	OEIC
Base Currency	GBP
Other Currencies	None
Ex Dividend Dates	Jan 31st, Apr 30th, Jul 31st and Oct 31st

RISK STATISTICS

Fund Volatility 3Y (%)	3.8
Duration	9.3
Sharpe Ratio 3Y	0.7
Running Yield (%)	4.2
Yield to Maturity (%)	4.1

FUND INFORMATION

Share class	ISIN	Minimum investment	AMC	INC/ACC	NAV	Historic yield (%)	Ongoing charge (%)
A GBP	IE00B5BD4F58	1,500 GBP	0.75%	INC	9.08	4.17%	0.94%
B GBP	IE00B5BD4N33	1,500 GBP	1.00%	INC	8.81	3.56%	1.19%
P GBP	IE00BGQYPR94	1,500 GBP	0.40%	INC	9.21	3.85%	0.59%

CONTACT DETAILS

MARKETING CONTACT

Jonno Ross
jross@waverton.co.uk
+44 (0)20 7484 7491
www.waverton.co.uk

ADMINISTRATOR

RBC Investor Services
Dublin_TA_Customer_Support@rbc.com

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. The level of income from the investment may fluctuate in value. 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).

Peer Group consists of the following Morningstar Categories: GBP Government / Flexible / Diversified / Corporate / Global Flexible - GBP Hedged Bonds. Sources: Waverton, Morningstar, Bloomberg Composite Ratings.

Issued by Waverton Investment Management Limited. Registered in England No 2042285. Registered Office: 16 Babmaes Street, London, SW1Y 6AH. Authorised and Regulated by the Financial Conduct Authority.