



WAVERTON
INVESTMENT MANAGEMENT

WAVERTON STERLING BOND FUND A GBP

FUND FACTSHEET - AS AT 28 FEBRUARY 2018

OBJECTIVES

FUND AIM

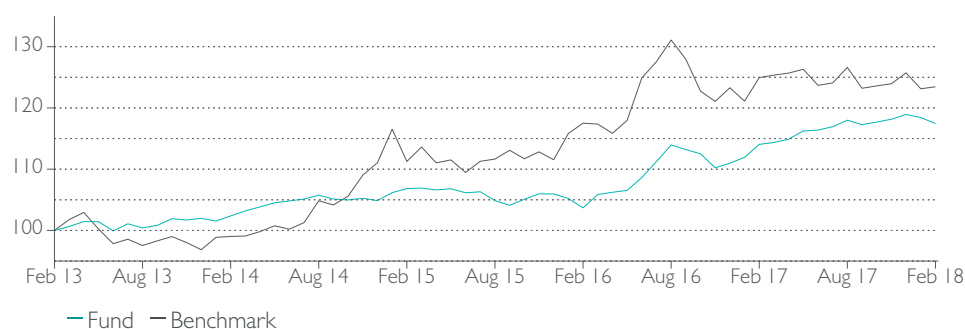
The investment objective of the Waverton Sterling Bond Fund is to achieve capital growth and income through investment in UK and international government and corporate bonds.

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	YTD	1 Year	3 Years	5 Years	Inception Jan 10
Portfolio (%)	-0.8	-0.6	-1.2	3.0	9.9	17.4	39.0
Benchmark (%)	0.3	-0.4	-1.8	-1.2	11.0	23.5	57.3
Peer Group (%)	-0.8	-0.3	-1.5	1.1	10.5	25.4	59.8
Quartile	2	3	2	1	3	4	4

DISCRETE CALENDAR YEAR PERFORMANCE

Period	2017	2016	2015	2014	2013
Fund (%)	7.2	4.7	1.0	2.8	3.6
Benchmark (%)	2.0	10.1	0.6	13.9	-3.9

STANDARDISED PERFORMANCE

Period 1 year to	28/02/2018	28/02/2017	29/02/2016	28/02/2015	28/02/2014
Fund (%)	3.0	10.0	-2.9	4.4	2.4

PORTFOLIO SUMMARY

CREDIT QUALITY		SECTOR		CURRENCY		TOP 10 ISSUERS	
AAA	13.8%	Financial	49.9%	British Pound	89.3%	UK Gilts	15.3%
AA	17.1%	Government	33.2%	US Dollar	5.0%	Lloyds Bank	6.3%
A	11.3%	Energy	3.2%	Mexican Peso	3.3%	US Treasury Inflation	4.6%
BBB	30.6%	Communications	1.5%	Indian Rupee	1.9%	Barclays Bank	4.2%
BB	7.0%	Consumer, Cyclical	1.2%	Euro	0.5%	Phoenix Group	3.6%
B	0.6%	Utilities	1.0%	Total	100.0%	HSBC	3.5%
NR	9.9%	Consumer, Non-cyclical	0.3%			Pershing Square	3.3%
Cash	9.7%	Cash	9.7%			Petroleos Mexicanos	3.0%
Total	100.0%	Total	100.0%			Aqua + Inv (Swiss Re)	2.7%
						Mexican Government	2.5%
						Total	49.0%

COMMENTARY

During February the Waverton Sterling Bond Fund fell 0.8%, compared with a rise of 0.3% for the Markit iBoxx Sterling Gilt Index.

The very high levels of volatility we saw early in February in the equity markets did not lead to the normal positive movement in Government bond markets. In fact, equities and bonds were highly correlated during the first half of the month while markets fretted about inflation risks and the reaction of central banks. The Bank of England reinforced this by delivering a somewhat hawkish tone in its press conference on 8th February despite following the FTSE 100 Index being some 8% below its January peak. The Gilt index reached a high of 1.84% on 15th February but then rallied back to 1.71% by the month end.

The fund gave back some relative performance during the month as some credit issues were subject to profit taking, spreads rising from the tight levels set at the end of January. However, this was partially offset by currency gains in US Dollars and Mexican Peso as Sterling weakened.

Brexit news-flow keeps the volatility in both Sterling and the Gilt market quite high in the short term. The Gilt index ended the month 6.3% below its August 2016 peak which means this is already one of the longest recovery periods over the last 40 years. However the fund has managed to provide outperformance, less drawdown and much lower volatility during this challenging period.

FUND MANAGER



Jeff Keen

FUND DETAILS

FUND FACTS

Launch Date	11th January 2010
Morningstar Category	Global Flexible Bond - GBP Hedged
Benchmark	Markit iBoxx GBP Gilts TR
Fund Size	£156.3m
No. of Holdings	59
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 (%)	3.7
Duration	6.7
Sharpe Ratio 3Y	0.8
Running Yield (%)	3.9
Yield to Maturity (%)	2.9

FUND INFORMATION

Share class	ISIN	Minimum investment	AMC	INC/ACC	NAV	Historic yield (%)	Ongoing charge (%)
A GBP	IE00B5BD4F58	1,500 GBP	0.75%	INC	9.44	4.44%	0.94%
B GBP	IE00B5BD4N33	1,500 GBP	1.00%	INC	9.12	4.44%	1.19%
P GBP	IE00BGQYPR94	1,500 GBP	0.40%	INC	9.51	4.44%	0.59%

CONTACT DETAILS

MARKETING CONTACT

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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. 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.

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