



WAVERTON

INVESTMENT MANAGEMENT

WAVERTON STERLING BOND FUND A GBP

FUND FACTSHEET - AS AT 30 JUNE 2019

OBJECTIVES

FUND AIM

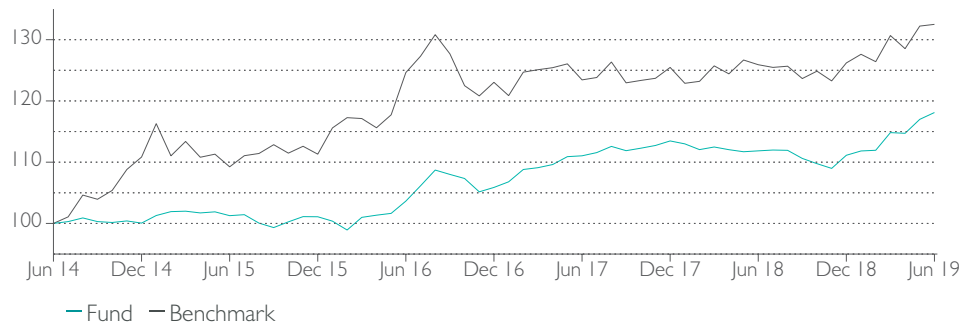
The investment objective of the Waverton Sterling Bond Fund is to achieve capital growth and income through investment in UK and international government and corporate bonds.

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 (%)	1.0	2.9	6.3	5.6	14.0	18.1	46.5
Benchmark (%)	0.2	1.4	5.0	5.2	6.3	32.5	69.2
Peer Group (%)	1.1	2.1	5.9	5.0	10.7	25.7	69.6
Quartile	3	1	2	2	1	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	30/06/2019	30/06/2018	30/06/2017	30/06/2016	30/06/2015
Fund (%)	5.6	0.7	7.1	2.3	1.3

PORTFOLIO SUMMARY

CREDIT QUALITY		SECTOR		CURRENCY		TOP 10 ISSUERS	
AAA	19.0%	Government	42.4%	British Pound	92.6%	UK Gilts	18.6%
AA	22.3%	Financial	38.1%	Indian Rupee	2.9%	US Treasuries	13.3%
A	9.8%	Utilities	2.6%	Mexican Peso	2.7%	US Treasury Inflation	4.2%
BBB	28.1%	Communications	1.7%	Indonesian Rupiah	0.7%	Barclays Bank	3.9%
BB	3.4%	Energy	1.7%	Euro	0.6%	Lloyds Bank	3.8%
B	0.5%	Consumer, Non-cyclical	1.3%	US Dollar	0.5%	Phoenix Group	2.9%
NR	7.3%	Industrial	1.0%	Total	100.0%	Royal Bank of Canada	2.9%
Cash	9.6%	Consumer, Cyclical	0.8%			HSBC	2.3%
Total	100.0%	Other	0.8%			Mexican Government	2.2%
		Cash	9.6%			Pershing Square	2.0%
		Total	100.0%			Total	56.1%

COMMENTARY

During June the Waverton Sterling Bond Fund provided a return of 1.0%, compared with 0.2% for the Markit iBoxx Sterling Gilt Index.

The return for the Gilt Index for the month was modest but even this includes a small duration gain as the yield fell by 0.01%. The index provides a yield to maturity of just 1.28% which is equivalent to around 0.11% per month. Such a low level of return either means that the market's long term inflation forecast is a lot lower than the current UK rate of 2% or that investors are content to earn negative real returns for what is perceived to be a defensive asset. We struggle with either of these options.

While we acknowledge that macro data and confidence amongst investors and consumers alike seems to be falling quite quickly, we fear that markets have extended too far. Bond and interest rate markets appear to be discounting too much of an economic slowdown and risk assets, such as equities and credit, appear to be overly focused on the benefits of further easing whilst ignoring the negative symptoms that cause such a response.

Hedging specific political risks (particularly in the UK) looks to be very difficult. Here we see Brexit and a Labour Government as additional risks which could lead to higher volatility in the months ahead. Without wanting to put too much capital at risk, backing one side of the argument or the other, we remain conservatively positioned but have added some derivatives to help insure more generally against tail risks in duration, credit and currency.

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	£201.0m
No. of Holdings	78
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	7.8
Sharpe Ratio 3Y	1.1
Running Yield (%)	3.5
Yield to Maturity (%)	3.1

FUND INFORMATION

Share class	ISIN	Minimum investment	AMC	INC/ACC	NAV	Historic yield (%)	Ongoing charge (%)
A GBP	IE00B5BD4F58	1,500 GBP	0.75%	INC	9.45	4.09%	0.91%
B GBP	IE00B5BD4N33	1,500 GBP	0.75%	INC	9.21	3.04%	1.12%
P GBP	IE00BGQYPR94	1,500 GBP	0.40%	INC	9.62	3.49%	0.57%

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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