



**WAVERTON**  
INVESTMENT MANAGEMENT

# WAVERTON STERLING BOND FUND A GBP

FUND FACTSHEET - AS AT 30 NOVEMBER 2018

## OBJECTIVES

### FUND AIM

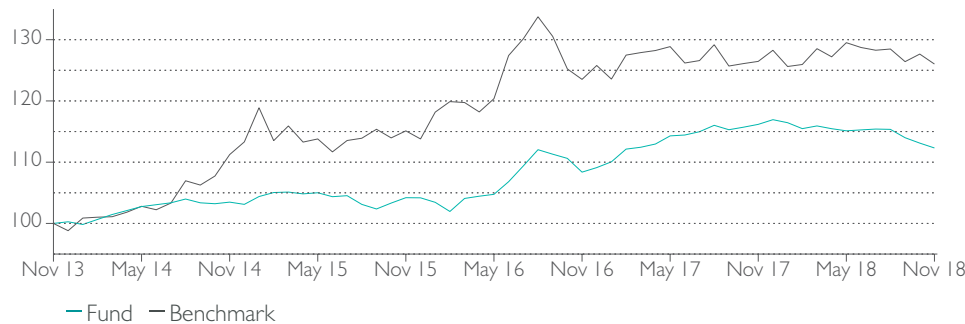
The investment objective of the Waverton Sterling Bond Fund is to achieve capital growth and income through investment in UK and international government and corporate bonds.

### 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 (%)	-0.7	-2.6	-3.9	-3.3	7.8	12.3	35.2
Benchmark (%)	-1.3	-1.9	-1.8	-0.3	9.5	26.0	57.4
Peer Group (%)	-1.3	-1.8	-2.7	-1.5	9.5	22.0	58.2
Quartile	1	4	4	4	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	30/11/2018	30/11/2017	30/11/2016	30/11/2015	30/11/2014
Fund (%)	-3.3	7.2	4.0	0.7	3.5

## PORTFOLIO SUMMARY

CREDIT QUALITY		SECTOR		CURRENCY		TOP 10 ISSUERS	
AAA	19.6%	Financial	47.5%	British Pound	92.6%	UK Gilts	15.9%
AA	20.4%	Government	39.6%	Indian Rupee	3.2%	US Treasury long dated	13.7%
A	11.1%	Energy	3.0%	Mexican Peso	2.9%	Barclays Bank	4.9%
BBB	26.2%	Utilities	2.6%	US Dollar	0.7%	US Treasury Inflation	4.3%
BB	8.6%	Consumer, Non-cyclical	1.7%	Euro	0.4%	Lloyds Bank	4.2%
B	0.6%	Industrial	0.6%	Brazilian Real	0.2%	Phoenix Group	3.3%
NR	9.9%	Consumer, Cyclical	0.6%	<b>Total</b>	<b>100.0%</b>	Pershing Square	3.2%
Cash	3.6%	Communications	0.5%			Royal Bank of Canada	3.1%
<b>Total</b>	<b>100.0%</b>	Basic Materials	0.3%			HSBC	2.6%
		Cash	3.6%			Mexican Government	2.4%
		<b>Total</b>	<b>100.0%</b>			<b>Total</b>	<b>57.6%</b>

During November the Waverton Sterling Bond Fund fell 0.7%, compared with a fall of 1.3% for the Markit iBoxx Sterling Gilt Index.

The performance of the Gilt market during November was heavily influenced by the performance of the long end where yields moved higher at the end of the month, creating steepness in the curve. To illustrate this, the 10 year Gilt yield dropped by 7bp to 1.36% but the index was still negative over the month. Clearly Brexit negotiations have been creating volatility in both directions but this shift at month end might have something to do with risks of a change in Government. The Labour Party has pledged to boost infrastructure and renationalize utilities via funding from long dated Gilts but it is extremely difficult to know how much of a risk this really is. We have managed the fund conservatively from a duration point of view (at least 50% of index duration). Our approach has been to deploy a barbell strategy of relatively short dated corporate bonds and long dated Government bonds but with a healthy allocation to the US Treasury market where we think the valuation looks much more favourable. During the month our credit exposure performed relatively well during a period of widening spreads.

## 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	£174.2m
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 (%)	3.6
Duration	9.5
Sharpe Ratio 3Y	0.6
Running Yield (%)	4.3
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	8.9	4.26%	0.94%
B GBP	IE00B5BD4N33	1,500 GBP	1.00%	INC	8.64	3.63%	1.19%
P GBP	IE00BGQYPR94	1,500 GBP	0.40%	INC	9.03	3.93%	0.59%

## CONTACT DETAILS

## MARKETING CONTACT

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## ADMINISTRATOR

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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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