



**WAVERTON**  
INVESTMENT MANAGEMENT

# WAVERTON STERLING BOND FUND A GBP

FUND FACTSHEET - AS AT 31 OCTOBER 2018

## OBJECTIVES

### FUND AIM

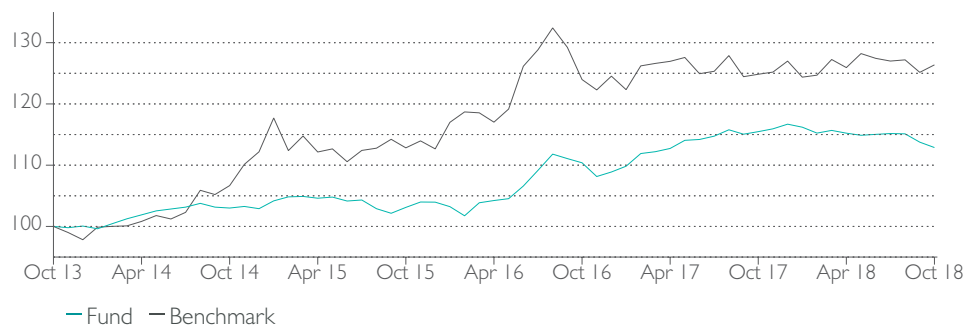
The investment objective of the Waverton Sterling Bond Fund is to achieve capital growth and income through investment in UK and international government and corporate bonds.

### 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	-2.0	-3.3	-2.2	9.5	12.9	36.1
Benchmark (%)	1.0	-0.5	-0.5	1.2	12.0	26.4	59.4
Peer Group (%)	0.2	-0.3	-1.4	-0.3	12.1	22.6	60.2
Quartile	4	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	31/10/2018	31/10/2017	31/10/2016	31/10/2015	31/10/2014
Fund (%)	-2.2	4.6	7.1	0.1	3.0

## PORTFOLIO SUMMARY

CREDIT QUALITY		SECTOR		CURRENCY		TOP 10 ISSUERS	
AAA	19.1%	Financial	49.8%	British Pound	87.7%	UK Gilt	17.9%
AA	22.3%	Government	40.5%	US Dollar	5.3%	US Treasury	12.8%
A	9.9%	Energy	3.1%	Indian Rupee	3.0%	Lloyds Bank	5.5%
BBB	27.5%	Utilities	2.6%	Mexican Peso	2.9%	Barclays Bank	5.0%
BB	8.1%	Consumer, Non-cyclical	1.7%	Brazilian Real	0.8%	US Treasury (inflation)	4.2%
B	0.6%	Consumer, Cyclical	0.6%	Euro	0.3%	Phoenix Group	3.4%
NR	11.3%	Communications	0.5%	<b>Total</b>	<b>100.0%</b>	Pershing Square	3.1%
Cash	1.2%	Cash	1.2%			Royal Bank of Canada	3.0%
<b>Total</b>	<b>100.0%</b>	<b>Total</b>	<b>100.0%</b>			HSBC	2.7%
						Mexico Government	2.4%
						<b>Total</b>	<b>60.0%</b>

## COMMENTARY

During October the Waverton Sterling Bond Fund fell 0.8%, compared with a rise of 1.0% for the Markit iBoxx Sterling Gilt Index.

The performance of the Gilt market during October was heavily influenced by the volatility in the equity markets, though the movements were not straightforward. The Gilt yield rose from 1.75% to 1.90% by the 10th of October, following the trend set by the US Treasury market and inflicting capital losses on holders of longer dated Gilts. At that point however, when equity losses had increased to almost 7%, we saw a flow back into so-called defensive assets such as Gilts and Treasuries which led to a sharp fall in the index yield from 1.90% to 1.67% and a capital gain by month end.

The 'risk-off' shift during the second half of the month led to a modest widening of spreads which was a negative for the fund, though our exposure to credit is around the lowest level it has been since we launched the fund.

Elsewhere we benefited from the election of Bolsonaro as the new president in Brazil but suffered from the weakness of the Mexican Peso following the cancellation of the new airport in Mexico City. Meanwhile the Brexit negotiations rumble on, causing volatility in the level of Sterling. We have benefited from a modest position in US Dollars in recent months and the overall effect of our currency diversification during October was a minor positive.

### 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	£174.9m
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	7.0
Sharpe Ratio 3Y	0.7
Running Yield (%)	4.3
Yield to Maturity (%)	3.9

### FUND INFORMATION

Share class	ISIN	Minimum investment	AMC	INC/ACC	NAV	Historic yield (%)	Ongoing charge (%)
A GBP	IE00B5BD4F58	1,500 GBP	0.75%	INC	8.97	4.23%	0.94%
B GBP	IE00B5BD4N33	1,500 GBP	1.00%	INC	8.71	3.60%	1.19%
P GBP	IE00BGQYPR94	1,500 GBP	0.40%	INC	9.09	3.91%	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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