

WAVERTON INVESTMENT FUNDS PLC

HALF YEARLY

CONDENSED FINANCIAL STATEMENTS

Unaudited
For the half financial year ended 31 October 2016



WAVERTON
INVESTMENT MANAGEMENT

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

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Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Background of the Company

Waverton Investment Funds Plc (the “Company”) is an open-ended investment company with variable capital, incorporated on 25 March 2004 in Ireland as a public limited company pursuant to the Companies Act 2014 and authorised by the Central Bank of Ireland (the “Central Bank”) as an investment company pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, (as amended) (the “Regulations”).

Except where the context otherwise requires, defined terms shall bear the meaning given to them in the prospectus dated 24 October 2016, which may be amended from time to time (the “Prospectus”).

On 22 June 2016, the Waverton Global Bond Fund has changed its name to Waverton Global Strategic Bond Fund.

On 24 October 2016, the Waverton Global Equity Wealth Creation Fund changed its name to Waverton Global Core Equity Fund. The Waverton Equity Fund also changed its name to Waverton Tactical Equity Fund.

The Company is an umbrella type open-ended investment company with segregated liability between sub-funds. As at 31 October 2016, the Company has nine active sub-funds as follows (individually a “Fund”, collectively the “Funds”):

Sub-Fund	Launched Operations
Waverton Asia Pacific Fund (“Asia Pacific Fund”)	1 November 2005
Waverton Global Equity Fund (“Global Equity Fund”)	1 April 2007
Waverton UK Fund (“UK Fund”)	1 April 2007
Waverton Sterling Bond Fund (“Sterling Bond Fund”)	12 January 2010
Waverton Tactical Equity Fund (“Tactical Equity Fund”)	12 January 2010
Waverton Global Strategic Bond Fund (“Global Strategic Bond Fund”)	12 January 2010
Waverton Global Core Equity Fund (“Global Core Equity Fund”)	6 March 2014
Waverton Alternatives Fund (“Alternatives Fund”)	9 March 2014
Waverton Cautious Income Fund (“Cautious Income Fund”)	6 October 2014

As at 31 October 2016, one or more of the following classes of shares are available in respect of the Funds: Class A Euro, Class A US\$, Class A Stg£, Class B Euro, Class B US\$, Class B US\$ Acc, Class B Stg£, Class B Stg£ Acc, Class P Stg£, Class I Euro Acc, Class I US\$, Class I Stg£, Class A US\$ Institutional, Class B US\$ Institutional, Class M Stg£ and Class Z Stg£ in accordance with Schedule IV of the Prospectus. Further classes of shares may be issued in accordance with the requirements of the Central Bank.

RBC Investor Services Ireland Limited (the “Administrator”) determines the net asset value per share of each class of each Fund on each Dealing Day. The valuation point is 12 noon (Irish time) on each dealing day (except for the last dealing day of each calendar quarter when assets are valued at the close of the regular trading session of the London Stock Exchange and securities traded on the London Stock Exchange will be valued using post-auction prices, or such other time as the directors of the Company may decide and notify to its shareholders).

The most recent Prospectus of the Company is dated 24 October 2016.

Other information

The annual report and audited financial statements and unaudited half-yearly condensed financial statements are available to Shareholders at the registered office of the Company and are sent to shareholders at their registered addresses by post (or where consented to by the relevant shareholder, shall be sent electronically to such shareholder).

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Asia Pacific Fund

Investment Manager's Report

Performance (all figures in GBP)

The Asia Pacific Fund (the "Fund") returned +32.7% over the 6 month financial period, outperforming the MSCI AC Asia ex Japan Index (total return) benchmark* by 0.8% which returned 31.9%. The largest negative contributions came from JD.com (-1.4%), Baidu (-0.6%), Hana MicroElectronics (-0.3%) and FDG Electric (-0.3%). The largest positive contributors to performance were NetEase (+2.4%), Samsung (1.8%) Jasmine Broadband (+1.7%) and Peak Sport (+1.4%).

Review

The period was a good one for the region and the Fund, with the benchmark rising sharply and the Fund outperforming. Since the start of the current manager 18 months ago, the Fund has risen by 17%, outperforming the benchmark by 8.4%. The reasons for the worst performing holdings were: JD.com was targeted by a short seller and had disappointing results, Baidu received negative news flow associated with lack of regulation on its advertising platform, Hana MicroElectronics declined marginally due to weak results and FDG Electric reacted negatively to the news that a prestigious investor (Li Ka-Shing) had sold down his stake. On the positive side NetEase announced expectation beating results, Samsung share price increased after announcing it would return a minimum of 30% of its free cash flow to investors, as did Jasmine Broadband after an investigation concluded, with no adverse findings against the company. Also, the founder and largest shareholder of Peak Sport decided to offer a bid for the company at a significant premium.

Outlook

Sentiment towards Asia has improved significantly over the period in part due to the strong performance, as a result the Fund is positioned more cautiously in mainly non-cyclical names with typically lower risk / return profiles. The Fund's dividend yield and Beta are both at their highest and lowest (respectively) level since inception of the current manager. Current risks possibly impacting the region are the prospect of protectionism as a result of a Trump presidential victory.

W Hanbury
November 2016

*References to benchmarks are for illustrative purposes only. There is no guarantee that the Fund will outperform its benchmark.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Asia Pacific Fund (continued)

Asia Pacific Fund Top 5 Investments as at 31 October 2016 (unaudited)

Shares/Par	Security description	Fair Value USD	% Net Assets
596,388	Vipshop Holdings Ltd.	8,158,588	8.53%
44,466	Baidu Inc.	7,862,033	8.22%
337,252	Korea Electric Power Corp.	7,352,094	7.68%
593,835	CK Hutchison Holdings Ltd.	7,340,570	7.68%
13,779,227	Peak Sport Products Co., Ltd.	4,602,528	4.81%
		35,315,813	36.92%

Asia Pacific Fund Portfolio Analysis as at 31 October 2016 (unaudited)

	Fair Value USD	% Total Assets
Transferable securities and money market instruments admitted to official stock exchanges or traded on a regulated market	94,580,574	95.96%
Cash	1,364,137	1.38%
Other assets	2,617,326	2.66%
Total assets	98,562,037	100.00%

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Asia Pacific Fund (continued)

Portfolio Investments as at 31 October 2016

Shares/Par	Security description	Fair Value	
		USD	% Net Assets
Equity Investment			
Apparel (2016*: 3.57%, \$3,060,556)			
5,500,000	Cosmo Lady China Holdings Co Ltd.	2,241,412	2.34%
13,779,227	Peak Sport Products Co., Ltd.	4,602,528	4.81%
		<u>6,843,940</u>	<u>7.15%</u>
Coal (2016*: 2.66%, \$2,279,736)			
453,910	Coal India Ltd.	2,207,174	2.31%
Commercial Services (2016*: -%, \$-)			
2,850,000	Zhejiang Expressway Co Ltd.	2,988,183	3.12%
Electric (2016*: -%, \$-)			
10,620,064	Cikarang Listrindo Tbk PT	1,163,756	1.22%
337,252	Korea Electric Power Corp.	7,352,094	7.68%
		<u>8,515,850</u>	<u>8.90%</u>
Electronics (2016*: 7.55%, \$6,472,461)			
9,849,200	Asian Pay Television Trust	3,602,330	3.76%
3,850,000	Hana Microelectronics PCL	3,516,990	3.68%
230,000	Venture Corp. Ltd.	1,565,332	1.64%
4,634,547	Wasion Group Holdings Ltd.	2,725,486	2.85%
		<u>11,410,138</u>	<u>11.93%</u>
Environmental Control (2016*: 0.61%, \$521,414)			
1,366,505	Sound Global Ltd.	525,169	0.55%
Holding Companies-Diversified (2016*: 17.76%, \$15,229,869)			
593,835	CK Hutchison Holdings Ltd.	7,340,570	7.68%
556,000	Macquarie Korea Infrastructure Fund	4,281,167	4.48%
		<u>11,621,737</u>	<u>12.16%</u>
Home Furnishings (2016*: -%, \$-)			
1,960,000	Red Star Macalline Group Corp Ltd.	2,100,530	2.20%
Internet (2016*: 25.00%, \$21,429,911)			
44,466	Baidu Inc.	7,862,033	8.22%
596,388	Vipshop Holdings Ltd.	8,158,588	8.53%
		<u>16,020,621</u>	<u>16.75%</u>

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Asia Pacific Fund (continued)

Portfolio Investments as at 31 October 2016 (continued)

Shares/Par	Security description	Fair Value	
		USD	% Net Assets
	Leisure Time (2016*: -%, \$-)		
824,457	Cox & Kings Ltd.	2,801,849	2.93%
	Media (2016*: -%, \$-)		
2,132,000	BEC World PCL	1,241,589	1.30%
	Oil & Gas Services (2016*: 2.85%, \$2,432,290)		
121,281	Reliance Industries Ltd.	3,844,608	4.02%
	Pharmaceuticals (2016*: -%, \$-)		
95,800	Hutchison China MediTech Ltd.	1,143,852	1.20%
	Real Estate (2016*: 0.78%, \$667,743)		
211,863	Cheung Kong Property Holdings Ltd.	1,566,969	1.64%
	Retail (2016*: 6.07%, \$5,205,656)		
21,852,000	China Meidong Auto Holdings Ltd.	2,592,692	2.71%
850,000	Man Wah Holdings Ltd.	560,159	0.59%
2,072,739	Robinsons Retail Holdings Inc.	3,298,078	3.44%
		<u>6,450,929</u>	<u>6.74%</u>
	Semiconductors (2016*: 11.50%, \$9,861,151)		
290,422	Kulicke & Soffa Industries Inc.	3,842,283	4.01%
3,752	Samsung Electronics Co., Ltd. / preference	4,318,770	4.52%
		<u>8,161,053</u>	<u>8.53%</u>
	Software (2016*: -%, \$-)		
6,458,873	Silverlake Axis Ltd.	2,964,483	3.10%
	Technology Hardware & Equipment (2016*: 10.36%, \$8,880,853)		
340,696	VTech Holdings Ltd.	4,171,900	4.36%
	Total Equity Investment (Cost \$94,343,222)	<u>94,580,574</u>	<u>98.89%</u>
	Total financial assets at fair value through profit or loss (Cost \$94,343,222)	<u>94,580,574</u>	<u>98.89%</u>
	Other Assets in Excess of other Liabilities	1,060,183	1.11%
	Net Assets Attributable to Holder of Redeemable Participating Shares	<u>95,640,757</u>	<u>100.00%</u>

*Comparatives as at 30 April 2016.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Global Equity Fund

Investment Manager's Report

Performance

The Global Equity Fund (the "Fund") returned 25.3% over the six months versus the index which rose 22.7%. The Fund outperformed through positive stock selection and portfolio positioning, especially in the consumer discretionary sector, though currency was a negative contributor.

Investment Objective

The objective of the Fund is to provide capital growth through diversified investments in Global equities. While we are aware of the country and sector breakdown of the benchmark index, this does not dictate the construction of the Fund and our asset allocation will tend to differ significantly from the benchmark, reflecting instead our best global ideas at the time. Our disciplined investment process aims to outperform using a stock selection approach to identify stocks that trade at a discount to intrinsic value. The sterling denominated MSCI World Index* is the benchmark comparison against which the performance of the Fund is measured.

Investment Review

The MSCI World Index rose 22.7% over the six months in Sterling terms. The decline in the value of sterling accounted for the majority of this move. This was in large part due to market concern about the economic prospects of the UK in the run-up and aftermath to the referendum on membership of the European Union. In US dollar terms the index was up just 2.3% over the six months, whilst the FTSE 100 was down -6.8% in US dollar terms. This episode clearly demonstrates the advantage of investing on a global rather than domestic basis for UK investors, enabling investors to capture the benefits of international diversification and the protection of purchasing power.

Emerging markets were the best performing area of the market, as they rebounded from an extended period of negative returns. The Japanese and American market also generated strong returns whilst the UK and Continental European markets lagged.

On a sector basis the information technology sector was the best performing sector over the six month period, rising 37.5% in sterling terms. This was driven by a cohort of large stocks which have managed to continue generate organic growth despite their huge revenue bases. Healthcare was the worst performing global sector, rising 14% in sterling terms. The sector lagged as there were some setbacks in the prospects for newly introduced medications with high expectations, and the threat of regulation to control product prices in the industry.

Stocks which contributed positively to performance included:

Bandai Namco Holdings is a Japanese media business which develops and manufactures toy characters and associated cartoons and computer games, share in the company rose 65.1 % over the period. The company is pursuing a strategy to increase the revenues from media content over their traditional toys and arcade businesses. We believe that this strategy will continue to be wealth creating as it should increase cash generation and deliver higher returns on capital.

Taiwan Semiconductor Manufacturing Company (TSMC) which rose 64% during the six month period. The company provides outsourced semiconductor manufacturing and is in the Compounding stage of the Life Cycle. Our investment thesis has identified that management is pursuing an appropriate strategy to create wealth for shareholders. Their dominant market share and focus on profitability provides a margin of safety in what has historically been a very cyclical industry and has created a strong competitive advantage versus peers which they continue to be able to exploit.

Constellation Software is a software holding company which acquires and improves mission-critical software businesses, shares in the company rose 44.4% over the six month period. The company is in the Accelerating part of the Life Cycle, Constellation creates wealth both via organic growth driving higher returns and through acquisitions where new subsidiary owners gain access to Constellation's broad experience of software challenges and best-in-class operational benchmarking.

There were no holdings that meaningfully detracted from performance over the six month period. This was largely due to the weakness in sterling which meant that on a translation basis international holdings virtually all rose in sterling terms.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Global Equity Fund (continued)

Investment Manager's Report (continued)

Outlook

We are concerned about the paucity of genuine organic growth that is being delivered by the corporate sector. We observe that many management teams are overly focused on the short term and a combination of cost cutting and share buybacks to drive growth in earnings per share. We think that this is a poor metric by which to judge economic value creation over the longer term and is limiting the pool of companies that are genuinely wealth creating.

We continue to focus diligently on our strategy of only investing in businesses pursuing wealth creating strategies, which are attractively valued and where there is a margin of safety in our analysis. It is our belief that successful identification of these businesses will generate above market returns with below market risk over the long term for our clients.

W Kenney
November 2016

*References to benchmarks are for illustrative purposes only. There is no guarantee that the Fund will outperform its benchmark.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Global Equity Fund (continued)

Global Equity Fund Top 5 Investments as at 31 October 2016 (unaudited)

Shares/Par	Security description	Fair Value GBP	% Net Assets
32,245	Berkshire Hathaway Inc.	3,834,268	5.32%
142,195	Taiwan Semiconductor Manufacturing Co., Ltd.	3,643,502	5.05%
51,620	Old Dominion Freight Line Inc.	3,176,714	4.41%
47,110	Omnicom Group Inc.	3,099,899	4.30%
41,175	CVS Health Corp.	2,853,592	3.96%
		16,607,975	23.04%

Global Equity Fund Portfolio Analysis as at 31 October 2016 (unaudited)	Fair Value GBP	% Total Assets
Transferable securities and money market instruments admitted to official stock exchanges or traded on a regulated market	69,782,204	96.17%
Cash	2,649,043	3.65%
Other assets	132,211	0.18%
Total assets	72,563,458	100.00%

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Global Equity Fund (continued)

Portfolio Investments as at 31 October 2016

Shares/Par	Security description	Fair Value GBP	% Net Assets
Equity Investment			
Advertising (2016*: -%, £-)			
47,110	Omnicom Group Inc.	3,099,899	4.30%
Aerospace/Defense (2016*: 5.71%, £2,562,987)			
24,170	Raytheon Co.	2,721,877	3.77%
28,220	Safran SA	1,590,072	2.21%
		<hr/>	<hr/>
		4,311,949	5.98%
Auto Manufacturers (2016*: 3.03%, £1,358,882)			
32,900	Toyota Motor Corp.	1,564,956	2.17%
Auto Parts & Equipment (2016*: 2.21%, £991,826)			
20,275	Lear Corp.	2,050,977	2.84%
Banks (2016*: 6.23%, £2,795,868)			
187,225	Svenska Handelsbanken AB	2,106,945	2.92%
68,495	Wells Fargo & Corp.	2,597,317	3.60%
		<hr/>	<hr/>
		4,704,262	6.52%
Building Materials (2016*: 3.00%, £1,346,131)			
97,210	CRH Plc	2,570,232	3.56%
Commercial Services (2016*: -%, £-)			
30,200	Deluxe Corp.	1,523,254	2.11%
Computers (2016*: 7.24%, £3,246,253)			
16,540	Apple, Inc.	1,547,741	2.15%
33,070	Bechtle AG	2,843,665	3.94%
78,700	Convergys Corp.	1,893,963	2.63%
		<hr/>	<hr/>
		6,285,369	8.72%
Electrical Components & Equipment (2016*: 2.01%, £899,174)			
29,963	Legrand SA	1,387,987	1.92%
Engineering & Construction (2016*: -%, £-)			
95,000	Maeda Road Construction Co Ltd.	1,445,057	2.00%

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Global Equity Fund (continued)

Portfolio Investments as at 31 October 2016 (continued)

Shares/Par	Security description	Fair Value	
		GBP	% Net Assets
Forest Products & Paper (2016*: 3.67%, £1,643,980)			
40,710	International Paper Co.	1,510,835	2.10%
Household Products/Wares (2016*: 2.69%, £1,204,820)			
13,305	Henkel AG & Co KGaA	1,399,167	1.94%
Insurance (2016*: 9.93%, £4,451,599)			
66,120	Admiral Group Plc	1,266,859	1.76%
27,550	Aon Plc	2,516,476	3.49%
32,245	Berkshire Hathaway Inc.	3,834,268	5.32%
		<u>7,617,603</u>	<u>10.57%</u>
Internet (2016*: 1.84%, £826,977)			
2,165	Amazon.com Inc.	1,409,253	1.95%
40,600	CDW Corp.	1,502,402	2.09%
		<u>2,911,655</u>	<u>4.04%</u>
Oil & Gas Services (2016*: 3.76%, £1,686,717)			
59,600	Suncor Energy Inc.	1,477,755	2.05%
66,550	Woodside Petroleum Ltd.	1,179,297	1.64%
		<u>2,657,052</u>	<u>3.69%</u>
Pharmaceuticals (2016*: 5.38%, £2,412,261)			
21,930	Bayer AG	1,783,546	2.47%
17,595	Eli Lilly & Co.	1,070,767	1.48%
18,840	Novartis AG	1,099,663	1.53%
8,175	Roche Holding AG	1,541,967	2.14%
		<u>5,495,943</u>	<u>7.62%</u>
Retail (2016*: 10.42%, £4,674,319)			
15,875	Casey's General Stores Inc.	1,478,317	2.05%
41,175	CVS Health Corp.	2,853,592	3.96%
		<u>4,331,909</u>	<u>6.01%</u>
Semiconductors (2016*: 3.25%, £1,458,815)			
142,195	Taiwan Semiconductor Manufacturing Co., Ltd.	3,643,502	5.05%
Software (2016*: 5.34%, £2,393,597)			
6,310	Constellation Software Inc./Canada	2,417,742	3.35%
80,800	IT Holdings Corp.	1,484,612	2.06%
		<u>3,902,354</u>	<u>5.41%</u>

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Global Equity Fund (continued)

Portfolio Investments as at 31 October 2016 (continued)

Shares/Par	Security description	Fair Value	
		GBP	% Net Assets
	Toys/Games/Hobbies (2016*: 2.07%, £928,384)		
78,550	Bandai Namco Holdings Inc.	1,933,995	2.68%
	Transportation (2016*: 7.23%, £3,242,348)		
51,620	Old Dominion Freight Line Inc.	3,176,714	4.41%
31,067	Union Pacific Corp.	2,257,533	3.13%
		<u>5,434,247</u>	<u>7.54%</u>
	Total Equity Investment (Cost £55,977,973)	<u>69,782,204</u>	<u>96.77%</u>
	Total financial assets at fair value through profit or loss (Cost £55,977,973)	<u>69,782,204</u>	<u>96.77%</u>
	Other Assets in Excess of other Liabilities	2,332,329	3.23%
	Net Assets Attributable to Holder of Redeemable Participating Shares	<u><u>72,114,533</u></u>	<u><u>100.00%</u></u>

*Comparatives as at 30 April 2016.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

UK Fund

Investment Manager's Report

Performance

The UK Fund (the "Fund") rose by 5.7% over the year compared to the FTSE All-Share Index (total return)* which rose by 12.2%. The majority of this 5.8% underperformance has come from industry allocation (-3.9%), with a smaller amount coming from stock selection (-1.2%) and the remainder (-0.7%) came from our cash position which averaged 4.9% over the year.

Until the Brexit vote the Fund was largely in line with the index and following the vote to leave the Fund underperformed considerably. The UK team were not expecting the vote to go the way it did and therefore had considerable exposure to UK domestic names and mid-caps – an area where we think we are normally able to add value by stock picking. These names were universally hit regardless of how good the fundamentals of the underlying business was. In the following three months we did not make drastic changes in the Fund and the performance narrowed significantly to the point where we were in line with the index for the year. Unfortunately the month of October saw a considerable rally in the Oil & Gas and Resource sectors where we are underweight and this means that at the year end strike point the relative performance is poor.

Review

The objective of the Fund is to achieve long-term capital growth and income through diversified investment in UK equities. Whilst we remain conscious of sector weightings this does not dictate our investment approach and the focus remains on identifying companies with good long term growth prospects and attractive return profiles. Whilst we continue to adhere to this methodology it has considerably hampered our performance over this year. Our underweight to Oil & Gas cost the Fund over 1% and the underweight to Basic Materials had the same result. We do have positions in what we think are the best quality names in these sectors (Royal Dutch Shell and Rio Tinto) and we also added a more speculative position in Tullow Oil to try and minimise the negative effect of being underweight.

The other biggest detractor of performance was stock selection within Consumer Staples. This cost the Fund 2.2% and is really to do with our exposure to UK based stocks during Brexit. This includes Dixons Carphone, Dunelm and Greene King. Other UK names that detracted from performance include British Land and Lloyds Bank. Some stock specific issues also negatively impacted performance. Our holding in Inmarsat has struggled as fears of competition and pricing pressure in the satellite industry have increased. We remain confident in the story and think that the payoff for many years of capex is still to come. Poundland and Entertainment One were also negative contributors and we have exited both of these positions and reinvested in other ideas.

Although we were not well placed going in to the Brexit vote we did make some positive changes in the aftermath. We sold the holding of British Land and bought some Persimmon which was a positive trade. We also added a holding in Dairy Crest at a reasonable price. We have since bought a holding in Land Securities which we think is now at an attractive discount when you take currency into account.

Our best performers over the year were Melrose Industries, ARM, CRH and RPC. Melrose undertook an acquisition of Nortek, a US industrial business. As they have with previous acquisitions management came to the market for capital which shareholders were more than happy to provide. Shares have performed well on the news of the possible improvements this pseudo-private equity company can make at Nortek. ARM was subject to an acquisition by Softbank which was highly publicised and came in at a premium of over 70% relative to the price that we paid for it. CRH and RPC are both quality industrial companies that have performed well due to their niche positions in markets.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

UK Fund (continued)

Investment Manager's Report (continued)

Outlook

The outlook for the UK remains challenging. The dichotomy in the UK stock market between domestic plays and international earners continues to be a challenge as the swings in currency have substantial influences on performance. We are also cognisant of the potential for a slowdown in the UK consumer and the impact this will have on retailers for example. It remains our view that we should look for interesting stock specific ideas and not chase trends or try to hug the index too closely. Although there will be periods of underperformance we think that looking for quality companies remains the best methodology.

A Buchan
November 2016

*References to benchmarks are for illustrative purposes only. There is no guarantee that the Fund will outperform its benchmark.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

UK Fund (continued)

UK Fund Top 5 Investments as at 31 October 2016 (unaudited)

<u>Shares/Par</u>	<u>Security description</u>	<u>Fair Value GBP</u>	<u>% Net Assets</u>
606,658	Melrose Industries Plc	1,023,735	4.14%
47,000	Royal Dutch Shell Plc	993,815	4.01%
310,000	GKN Plc	989,210	4.00%
19,400	Shire Plc	902,003	3.65%
240,000	BT Group Plc	901,800	3.65%
		4,810,563	19.45%

UK Fund Portfolio Analysis as at 31 October 2016 (unaudited)

<u></u>	<u>Fair Value GBP</u>	<u>% Total Assets</u>
Transferable securities and money market instruments admitted to official stock exchanges or traded on a regulated market	24,173,295	96.22%
Cash	874,371	3.48%
Other assets	77,946	0.30%
Total assets	25,125,612	100.00%

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

UK Fund (continued)

Portfolio Investments as at 31 October 2016

Shares/Par	Security description	Fair Value GBP	% Net Assets
	Equity Investment		
	Advertising (2016*: 3.31%, £730,510)		
45,800	WPP Plc	814,324	3.30%
	Aerospace/Defense (2016*: -%, £-)		
27,000	Ultra Electronics Holdings Plc	500,850	2.03%
	Agriculture (2016*: -%, £-)		
17,100	British American Tobacco Plc	802,161	3.25%
	Auto Parts & Equipment (2016*: 3.41%, £752,220)		
310,000	GKN Plc	989,210	4.00%
	Building Materials (2016*: 3.28%, £724,890)		
31,500	CRH Plc	832,860	3.37%
	Commercial Services (2016*: 3.78%, £833,360)		
65,500	Babcock International Group Plc	653,035	2.64%
	Computers (2016*: 2.12%, £467,871)		
140,777	NCC Group Plc	266,772	1.08%
94,457	Sophos Group Plc	218,007	0.88%
		<hr/>	<hr/>
		484,779	1.96%
	Distribution/Wholesale (2016*: 4.59%, £1,013,525)		
15,000	Wolseley Plc	637,050	2.58%
	Diversified Financial Services (2016*: 4.06%, £896,680)		
95,500	IG Group Holdings Plc	787,875	3.19%
	Food (2016*: -%, £-)		
98,500	Dairy Crest Group Plc	600,358	2.43%
	Food Service (2016*: -%, £-)		
34,000	Compass Group Plc	502,860	2.04%
	Forest Products & Paper (2016*: 3.46%, £762,600)		
200,000	DS Smith Plc	797,400	3.23%
	Home Builders (2016*: -%, £-)		
30,000	Persimmon Plc	508,200	2.06%

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

UK Fund (continued)

Portfolio Investments as at 31 October 2016 (continued)

Shares/Par	Security description	Fair Value GBP	% Net Assets
Household Products/Wares (2016*: 3.01%, £665,400)			
11,700	Reckitt Benckiser Group Plc	855,504	3.46%
Industrial Machinery (2016*: 0.79%, £174,204)			
606,658	Melrose Industries Plc	1,023,735	4.14%
Insurance (2016*: 11.15%, £2,459,713)			
44,000	Admiral Group Plc	843,040	3.41%
150,000	Aviva Plc	664,200	2.69%
65,500	Prudential Plc	874,098	3.54%
		<u>2,381,338</u>	<u>9.64%</u>
Internet (2016*: 2.26%, £499,708)			
5,000	Asos Plc	262,500	1.06%
130,370	Just Eat Plc	732,028	2.96%
		<u>994,528</u>	<u>4.02%</u>
Mining (2016*: 2.19%, £483,105)			
21,000	Rio Tinto Plc	596,190	2.41%
Miscellaneous Manufacturer (2016*: -, £-)			
33,000	Hill & Smith Holdings Plc	331,320	1.34%
Oil & Gas (2016*: 6.27%, £1,384,820)			
9,000	DCC Plc	599,850	2.43%
47,000	Royal Dutch Shell Plc	993,815	4.01%
205,000	Tullow Oil Plc	542,635	2.20%
		<u>2,136,300</u>	<u>8.64%</u>
Packaging & Containers (2016*: 2.93%, £647,352)			
88,800	RPC Group Plc	841,824	3.41%
Pharmaceuticals (2016*: 4.53%, £999,800)			
19,400	Shire Plc	902,003	3.65%
Retail (2016*: 9.63%, £2,125,206)			
272,000	Dixons Carphone Plc	855,984	3.46%
108,000	Dunelm Group Plc	817,020	3.31%
115,000	Greene King Plc	840,650	3.40%
		<u>2,513,654</u>	<u>10.17%</u>

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

UK Fund (continued)

Portfolio Investments as at 31 October 2016 (continued)

Shares/Par	Security description	Fair Value GBP	% Net Assets
	Software (2016*: 0.58%, £128,720)		
8,000	AVEVA Group Plc	147,200	0.60%
	Telecommunication (2016*: 11.12%, £2,454,450)		
240,000	BT Group Plc	901,800	3.65%
110,000	Inmarsat Plc	771,650	3.12%
385,000	Vodafone Group Plc	865,287	3.50%
		<u>2,538,737</u>	<u>10.27%</u>
	Total Equity Investment (Cost £21,269,248)	<u>24,173,295</u>	<u>97.83%</u>
	Total financial assets at fair value through profit or loss (Cost £21,269,248)	<u>24,173,295</u>	<u>97.83%</u>
	Other Assets in Excess of other Liabilities	535,397	2.17%
	Net Assets Attributable to Holder of Redeemable Participating Shares	<u>24,708,692</u>	<u>100.00%</u>

*Comparatives as at 30 April 2016.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Sterling Bond Fund

Investment Manager's Report

Performance

The Sterling Bond Fund (the "Fund") returned 5.9% in the six months to end October whilst the FTSE Gilts All Stocks Index* was up 5.7%.

Review

The Gilt index performed very strongly after the Brexit vote on 23 June 2016 with the 10 year benchmark yield reaching a low point of 0.52% on 12 August 2016. From that point onwards however, as economic data turned out to be much stronger than most economists' forecasts, yields moved higher. Having recovered in the first quarter of 2016, the Oil price maintained its level and investors became slightly more positive about the prospects for the commodity complex, providing further upward pressure on medium dated yields. Credit markets have recovered well from the sell-off in Q1, so with falling Gilt yields and tighter spreads, long dated corporate bonds provided very strong returns. Sterling sold off sharply after the Brexit vote and moved to a low in early October.

Outlook

The global economy continues to exhibit a modest pace of growth but is underpinned by exceptional levels of monetary accommodation by the Bank of Japan and the European Central Bank. Real yields remain at multi decade lows and do not appear to offer any value at all in anything but a long drawn out disinflationary or deflationary scenario. In our view, even modest levels of inflation, in line with the Central Bank targets, would cause a significant re-pricing of yields. Therefore our duration stance remains conservative. We have however guided investors that the Fund will retain duration of no less than 50% of the benchmark duration. Duration has been the dominant factor which has driven returns for both Government bonds and corporate bonds during 2016 so our focus has been on holdings where the credit fundamentals are more important than sensitivity to yield levels.

J Keen
November 2016

*References to benchmarks are for illustrative purposes only. There is no guarantee that the Fund will outperform its benchmark.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Sterling Bond Fund (continued)

Sterling Bond Fund Top 5 Investments by issuer as at 31 October 2016 (unaudited)

Shares/Par	Security description	Fair Value GBP	% Net Assets
10,200,000	United States Treasury	9,551,629	7.41%
5,387,500	United Kingdom Gilt	6,951,330	5.39%
5,108,000	Barclays Bank Plc	6,362,614	4.93%
6,882,000	Pershing Square Holdings Ltd.	5,697,339	4.42%
6,000,000	Aquarius & Investments Plc for Swiss Reinsurance Co., Ltd.	5,301,075	4.11%
		33,863,987	26.26%

Sterling Bond Fund Portfolio Analysis as at 31 October 2016 (unaudited)	Fair Value GBP	% Total Assets
Transferable securities and money market instruments admitted to official stock exchanges or traded on a regulated market	116,971,571	87.98%
Financial derivative instruments dealt in on a regulated market	68,766	0.05%
Cash	13,530,444	10.18%
Other assets	2,378,048	1.79%
Total assets	132,948,829	100.00%

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Sterling Bond Fund (continued)

Portfolio Investments as at 31 October 2016

Shares/Par	Security description	Fair Value GBP	% Net Assets
Corporate Bonds			
Auto Manufacturers (2016*: 2.31%, £2,831,565)			
600,000	Jaguar Land Rover Automotive Plc, 5.00%, due 15/02/22	649,584	0.50%
Auto Parts & Equipment (2016*: 2.01%, £2,460,838)			
2,176,000	GKN Holdings Plc, 6.75%, due 28/10/19	2,482,403	1.92%
Banks (2016*: 16.95%, £20,734,010)			
1,000,000	Bank of Scotland Capital Funding LP, 7.75% / perpetual	1,140,000	0.88%
2,500,000	Barclays Bank Plc, 10.00%, due 21/05/21	3,153,600	2.44%
2,608,000	Barclays Bank Plc, 14.00% / perpetual	3,209,014	2.49%
1,598,000	Goldman Sachs Group Inc., 5.50%, due 12/10/21	1,794,874	1.39%
2,025,000	HBOS Capital Funding LP, 6.46% / perpetual	2,154,600	1.67%
2,000,000	HBOS Sterling Finance Jersey LP, 7.88% / perpetual	2,633,340	2.04%
1,700,000	HSBC Bank Plc, 1.19% / perpetual	972,573	0.75%
6,350,000	HSBC Bank Plc, 1.50%, due 30/09/49	3,634,837	2.82%
1,000,000	Lloyds Bank Plc, 7.63%, due 22/04/25	1,272,530	0.99%
3,700,000	Royal Bank of Scotland Group Plc, 7.65% / perpetual	3,599,918	2.80%
1,300,000	Standard Chartered Plc, 5.13%, due 06/06/34	1,223,950	0.95%
		<hr/>	
		24,789,236	19.22%
Commercial Services (2016*: 0.95%, £1,163,745)			
1,100,000	A2D Funding Plc, 4.75%, due 18/10/22	1,202,531	0.93%
Diversified Financial Services (2016*: 14.37%, £17,602,275)			
1,000,000	Burford Capital Plc, 6.13%, due 26/10/24	1,061,420	0.82%
1,593,500	Burford Capital Plc, 6.50%, due 19/08/22	1,692,409	1.31%
1,000,000	ICAP Plc, 5.50%, due 31/07/18	1,052,670	0.82%
1,125,000	Intermediate Capital Group Plc, 6.25%, due 19/09/20	1,180,114	0.92%
1,000,000	Paragon Group of Cos Plc, 6.13%, due 30/01/22	1,034,760	0.80%
6,882,000	Pershing Square Holdings Ltd., 5.50%, due 15/07/22	5,697,339	4.42%
2,170,000	Provident Financial Plc, 7.00%, due 04/10/17	2,262,221	1.75%
1,242,000	Tesco Personal Finance Plc, 5.00%, due 21/11/20	1,305,069	1.01%
430,000	Tesco Personal Finance Plc, 5.20%, due 24/08/18	442,160	0.34%
		<hr/>	
		15,728,162	12.19%
Energy (2016*: 1.25%, £1,533,911)			
1,350,000	Petroleos Mexicanos, 8.25%, due 02/06/22	1,628,410	1.26%

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Sterling Bond Fund (continued)

Portfolio Investments as at 31 October 2016 (continued)

Shares/Par	Security description	Fair Value GBP	% Net Assets
Insurance (2016*: 8.06%, £9,854,745)			
1,500,000	Admiral Group Plc, 5.50%, due 25/07/24	1,548,570	1.20%
600,000	Aviva Plc, 6.13% / perpetual	631,548	0.49%
3,100,000	Liverpool Victoria Friendly Society Ltd., 6.50%, due 22/05/43	2,978,914	2.31%
1,810,000	PGH Capital Ltd., 5.75%, due 07/07/21	1,961,144	1.52%
2,950,000	PGH Capital Ltd., 6.63%, due 18/12/25	3,073,310	2.38%
		<hr/>	
		10,193,486	7.90%
Real Estate (2016*: 6.89%, £8,440,054)			
750,000	Bruntwood Ltd., 6.00%, due 24/07/20	788,535	0.61%
1,200,000	CLS Holdings Plc, 5.50%, due 31/12/19	1,256,004	0.98%
3,700,000	Grainger Plc, 5.00%, due 16/12/20	4,055,496	3.14%
1,000,000	Helical Bar Jersey Ltd., 4.00%, due 17/06/19	940,370	0.73%
1,300,000	Helical Bar Plc, 6.00%, due 24/06/20	1,364,350	1.06%
1,124,800	UNITE Group Plc, 6.12%, due 12/06/20	1,226,493	0.95%
		<hr/>	
		9,631,248	7.47%
Real Estate Investment Trust (2016*: 1.95%, £2,389,798)			
1,144,000	Primary Health Properties Plc, 5.38%, due 23/07/19	1,185,653	0.92%
1,150,000	Workspace Group Plc, 6.00%, due 09/10/19	1,229,430	0.95%
		<hr/>	
		2,415,083	1.87%
Retail (2016*: 1.65%, £2,014,740)			
2,000,000	Debenhams Plc, 5.25%, due 15/07/21	2,003,200	1.55%
Savings & Loans (2016*: 0.81%, £990,000)			
1,100,000	Skipton Building Society, 6.75%, due 30/05/22	1,082,284	0.84%
3,000,000	Nationwide Building Society, 6.88% / perpetual	2,952,930	2.29%
		<hr/>	
		4,035,214	3.13%
Telecommunication (2016*: 0.79%, £969,136)			
25,000,000	America Movil SAB de CV, 7.13%, due 09/12/24	1,102,960	0.85%
		<hr/>	
	Total Corporate Bonds (Cost £72,546,899)	75,861,517	58.79%
Government Obligation			
Government Bonds (2016*: 2.75%, £3,364,570)			
800,000	Mexican Bonos, 6.50%, due 10/06/21	3,576,309	2.77%
6,000,000	United States Treasury Inflation Indexed Bonds, 1.00%, due 15/02/46	5,336,724	4.14%
4,200,000	United States Treasury Note/Bond ,3.63%, due 15/02/44	4,214,905	3.27%
		<hr/>	
		13,127,938	10.18%

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Sterling Bond Fund (continued)

Portfolio Investments as at 31 October 2016 (continued)

Shares/Par	Security description	Fair Value GBP	% Net Assets
Sovereign (2016*: 10.32%, £12,629,916)			
5,387,500	United Kingdom Gilt, 3.25%, due 22/01/44	6,951,330	5.39%
3,200,000	Saudi Government International Bond, 2.38%, due 26/10/21 EMTN	2,630,390	2.04%
		<u>9,581,720</u>	<u>7.43%</u>
	Total Government Obligation (Cost £22,087,214)	<u>22,709,658</u>	<u>17.61%</u>
Floating Rate Note			
Banks (2016*: 10.54%, £12,901,446)			
4,400,000	Cooperatieve Rabobank UA, 11.00% / perpetual	4,365,151	3.39%
2,500,000	Lloyds Banking Group Plc, 6.66% / perpetual	2,292,929	1.78%
4,300,000	Standard Chartered Plc, 6.41% / perpetual	3,410,550	2.64%
2,500,000	UBS AG/Jersey, 7.25%, due 22/02/22	2,091,091	1.62%
		<u>12,159,721</u>	<u>9.43%</u>
	Diversified Financial Services (2016*: 1.19%, £1,462,350)		
1,000,000	SG Issuer SA, 4.43%, due 10/07/20	939,600	0.73%
	Insurance (2016*: 3.65%, £4,463,348)		
6,000,000	Aquarius & Investments Plc for Swiss Reinsurance Co., Ltd., 8.25% / perpetual	5,301,075	4.11%
	Total Floating Rate Note (Cost £14,799,820)	<u>18,400,396</u>	<u>14.27%</u>
	Total financial assets at fair value through profit or loss (Cost £109,433,933)	<u>116,971,571</u>	<u>90.67%</u>

Unrealised Depreciation on Forward Currency Contracts (2016*: -, £-)

Counterparty	Currency Purchased	Principal Amount	Currency Sold	Principal Amount	Current Fair Value	Settlement Date	Unrealised Depreciation	% Net assets
The Bank Of New York London	GBP	36,028,980	USD	(46,000,000)	43,744,226	06/01/2017	(1,859,129)	(1.43%)
The Bank Of New York London	GBP	2,852,807	USD	(3,500,000)	3,463,707	06/01/2017	(29,912)	(0.03%)
							<u>(1,889,041)</u>	<u>(1.46%)</u>

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Sterling Bond Fund (continued)

Portfolio Investments as at 31 October 2016 (continued)

Unrealised Appreciation on Option Contracts (2016*: 0.02%, £26,729)

Quantity	Counterparty	Contract Size	Security Description	Expiry Date	Unrealised Appreciation	% Net Assets
100	Royal Bank of Canada	1,000	Call US Long Bond	25/11/2016	3,863	-
180	Royal Bank of Canada	1,000	Call US Long Bond	23/12/2016	64,903	0.05%
					<u>68,766</u>	<u>0.05%</u>
Other Assets in Excess of other Liabilities					13,858,309	10.74%
Net Assets Attributable to Holder of Redeemable Participating Shares					<u>129,009,605</u>	<u>100.00%</u>

*Comparatives as at 30 April 2016.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Tactical Equity Fund

Investment Manager's Report

Performance

The Tactical Equity Fund (the "Fund") rose by 18.21%, Sterling A Class, over the 6 month period to 31 October 2016, whilst the FTSE All World Total Return Index rose by 23.97%.

Review

Brexit was clearly the big story for markets. Sterling weakness in the aftermath provided a tailwind for our global approach and justified our decision to remove most of the hedges in advance.

There have been two new additions to the UK. The Lindsell Train UK Equity and Evenlode UK Income Funds have been added with the intention of increasing the exposure to 'quality' as a style. Long term investors in our portfolios will remember that we have previously done very well from holding Lindsell Train but had to part company with it when we cut exposure to the UK. It is a fund that has a focussed approach and concentrates on quality companies with enduring brands. Evenlode has a similar style overlay but with an income bias that we think will be beneficial if interest rates continue to remain low.

Pershing Square was the best performer in the US portfolio – we shall make no further comment on that holding, enough has been written in the past. Of the passive factor funds that we own for which there has been minimum volatility, overall performance lagged somewhat. However this was more than made up for by the stellar returns from Lyrical, the active value managers that have previously struggled. The US market, over the quarter, has perfectly highlighted the benefits of a diversified style approach. The danger of market timing due to the different factors that drive markets is as high as it has ever been so having a foot in each camp is eminently sensible.

In Europe the active funds had mixed fortunes. Schroders and Reyl Asset Management performed well beating indices but Argonaut continued its run of poor form. The last year has been a very difficult one for Barry Norris's fund. We are by nature, patient investors and are prepared to put up with periods of underperformance as it is often the case that a manager's particular style just happens to be out of favour. However the results are showing no signs of improvement and there has also been some corporate activity that concerns us. This holding is under review.

The best performing markets in the period were to be found predominantly in the east with Asia, Emerging Markets and Japan setting the pace. The active funds that we hold in these regions have been good to us over the years. The minimum holding period for the funds currently held is three years and all are top quartile since inception of each of the positions.

Away from markets the end of the period saw a huge reorganisation in advance of the switch to a core/satellite approach. We switched c.£86m into our new Global Core Equity Fund and renamed this vehicle the Tactical Equity Fund. This vehicle will now be used to overlay our equity geographic, style and currency biases and, as such, will bear little resemblance to the underlying index.

Outlook

Markets have been particularly strong of late and, in many regions, been posting new highs. This would seem to suggest a great deal of confidence in the outlook for improving economic growth. However there is also a lot of doom and gloom from strategists and economists suggesting exactly the opposite. We feel that the truth lies somewhere in the middle. A muddle through scenario seems most likely to us and in this environment equities should be able to post reasonable yet unexciting returns.

J Bellamy
November 2016

*References to benchmarks are for illustrative purposes only. There is no guarantee that the Fund will outperform its benchmark.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Tactical Equity Fund (continued)

Tactical Equity Fund Top 5 Investments as at 31 October 2016 (unaudited)

Shares/Par	Security description	Fair Value GBP	% Net Assets
4,217,871	Hermes Asia Ex-Japan Equity Fund	8,808,393	14.67%
4,964,617	Thesis Unit Trust Management - TM Sanditon UK Fund	4,835,041	8.06%
45,488	Source JPX-Nikkei 400 UCITS ETF	4,683,444	7.80%
34,596	Prusik Asian Equity Income Fund	4,440,952	7.40%
2,651,779	MI Somerset Emerging Markets Dividend Growth Fund	4,235,952	7.06%
		27,003,782	44.99%

Tactical Equity Fund Portfolio Analysis as at 31 October 2016 (unaudited)

	Fair Value GBP	% Total Assets
Transferable securities and money market instruments admitted to official stock exchanges or traded on a regulated market	3,391,494	5.59%
Investment Funds	38,948,104	64.21%
Exchange Traded Funds	9,600,751	15.83%
Cash	8,500,953	14.01%
Other assets	219,954	0.36%
Total assets	60,661,256	100.00%

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Tactical Equity Fund (continued)

Portfolio Investments as at 31 October 2016

Shares/Par	Security description	Fair Value GBP	% Net Assets
Investment Fund			
Equity Fund (2016*: 78.84%, £97,787,801)			
889,082	CF Lindsell Train UK Equity Fund	2,246,710	3.74%
4,217,871	Hermes Asia Ex-Japan Equity Fund ¹	8,808,393	14.67%
315,496	iShares Core FTSE 100 UCITS ETF ¹	2,171,874	3.62%
32,742	iShares Russell 1000 Growth ETF	2,745,433	4.57%
2,651,779	MI Somerset Emerging Markets Dividend Growth Fund	4,235,952	7.06%
34,596	Prusik Asian Equity Income Fund	4,440,952	7.40%
28,565	RAM Lux Systematic Funds - Emerging Markets Equities	3,723,679	6.20%
8,919	RAM Lux Systematic Funds - European Equities	3,110,281	5.18%
1,688,369	Schroder European Alpha Income Fund	3,233,227	5.39%
45,488	Source JPX-Nikkei 400 UCITS ETF	4,683,444	7.80%
1,154,261	TB Wise Evenlode Income Fund	2,239,035	3.73%
4,964,617	Thesis Unit Trust Management - TM Sanditon UK Fund	4,835,041	8.06%
250,000	Waverton Investment Funds Plc - Global Equity Wealth Creation – Class A US\$ Institutional ¹	2,074,834	3.46%
		<hr/>	<hr/>
		48,548,855	80.88%
		<hr/>	<hr/>
	Total Investment Fund (Cost £38,575,289)	48,548,855	80.88%
		<hr/>	<hr/>
Warrants			
Diversified Financial Service (2016*: 2.03%, £2,522,944)			
3,704	Goldman Sachs International, 0.00% / perpetual	3,391,494	5.65%
		<hr/>	<hr/>
	Total Warrants (Cost £3,684,325)	3,391,494	5.65%
		<hr/>	<hr/>
	Total financial assets at fair value through profit or loss (Cost £42,259,614)	51,940,349	86.53%
		<hr/>	<hr/>
	Other Assets in Excess of other Liabilities	8,084,139	13.47%
		<hr/>	<hr/>
	Net Assets Attributable to Holder of Redeemable Participating Shares	60,024,488	100.00%

*Comparatives as at 30 April 2016.

¹See Note 17 for further details.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Global Strategic Bond Fund

Investment Manager's Report

Performance

The Global Strategic Bond Fund (the "Fund") returned 3.9% in the six months to end October, US LIBOR edged up 0.2% and the Citigroup Government Bond Index* was down 1.1%.

Review

Government bond yields continued to trend lower during 2016 following the sluggish pace of growth in the US at the turn of the year and as the European Central Bank expanded its Quantitative Easing (QE) programme. Investors were also nervous ahead of the Brexit vote in June. Yields reached a low point in August, following the Bank of England's cut in rates and reinstatement of QE but as economic data came in better than expected and the Oil price maintained its gains, investors started to focus once more on the prospects for a pick-up in global inflation and the likelihood of a further interest rate hike by the Federal Reserve in December. The Citigroup World Government Bond Index yield to maturity increased from 0.58% in July to 0.82% by the end of October. However, with G7 core inflation at 1.6% (end September), the real yield on offer remains well into negative territory, a poor return for investors, in our view.

Credit markets have recovered strongly from the sell-off that took place early in the year. Outside of the Oil sector, defaults have remained very low and despite high levels of issuance, yields and spreads have fallen, generating good returns, especially in long dated issues.

Outlook

We continue to take a conservative duration stance in the expectation that the global economy will continue to grow at a modest pace, leading to a gradual normalisation of interest rate policy, especially in the US where the trends in employment suggest the Federal Reserve will need to shift its stance from the current very accommodative level. Therefore our focus is on finding credit exposure where the return is driven by the company fundamentals and less by the sensitivity to the general level of yields. In currencies we remain largely biased towards our base currency, US Dollars. Some emerging market currencies have recovered well, leading to a much more optimistic tone but we remain largely passive on this so far, preferring to see more evidence of a stronger global economy.

J Keen
November 2016

*References to benchmarks are for illustrative purposes only. There is no guarantee that the Fund will outperform its benchmark.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Global Strategic Bond Fund (continued)

Global Strategic Bond Fund Top 5 Investments by issuer as at 31 October 2016 (unaudited)

Shares/Par	Security description	Fair Value USD	% Net Assets
12,600,000	United States Treasury	13,573,789	15.48%
4,925,000	Lloyds Banking Group Plc	6,321,607	7.20%
750,000	Mexican Bonos	4,068,108	4.64%
3,000,000	Royal Bank of Scotland Group Plc	3,425,530	3.91%
2,250,000	Barclays Bank Plc	3,398,655	3.87%
		30,787,689	35.10%

Global Strategic Bond Fund Portfolio Analysis as at 31 October 2016 (unaudited)

	Fair Value USD	% Total Assets
Transferable securities and money market instruments admitted to official stock exchanges or traded on a regulated market	82,551,377	92.31%
Financial derivative instruments dealt in on a regulated market	391,226	0.44%
OTC financial derivative instruments	1,747,682	1.95%
Cash	3,348,817	3.76%
Other assets	1,381,367	1.54%
Total assets	89,420,469	100.00%

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Global Strategic Bond Fund (continued)

Portfolio Investments as at 31 October 2016

Shares/Par	Security description	Fair Value	
		USD	% Net Assets
Corporate Bonds			
Auto Manufacturers (2016*: 1.41%, \$1,203,837)			
800,000	Jaguar Land Rover Automotive Plc, 5.00%, due 15/02/22	1,050,896	1.20%
Banks (2016*: 21.25%, \$18,189,581)			
1,050,000	Barclays Bank Plc, 10.00%, due 21/05/21	1,607,096	1.83%
1,200,000	Barclays Bank Plc, 14.00% / perpetual	1,791,559	2.04%
1,000,000	Dresdner Funding Trust I, 8.15%, due 30/06/31	1,183,750	1.35%
1,424,000	Goldman Sachs Group Inc., 5.50%, due 12/10/21	1,940,675	2.21%
880,000	HSBC Bank Plc, 1.50%, due 30/09/49	611,195	0.70%
3,425,000	Lloyds Bank Plc, 12.00% / perpetual	4,659,712	5.31%
2,000,000	Royal Bank of Canada/London, 3.95%, due 20/04/17 EMTN	1,996,000	2.27%
2,000,000	Royal Bank of Scotland Group Plc, 6.99% / perpetual	2,245,000	2.56%
1,000,000	Royal Bank of Scotland Group Plc, 7.65% / perpetual	1,180,530	1.35%
600,000	Standard Chartered Plc, 5.13%, due 06/06/34	685,421	0.78%
2,500,000	UBS AG/Jersey, 7.25%, due 22/02/22	2,537,225	2.89%
		20,438,163	23.29%
Commercial Services (2016*: 1.53%, \$1,314,220)			
850,000	A2D Funding Plc, 4.75%, due 18/10/22	1,127,479	1.29%
1,000,000	Lake Bridge International Plc, 8.00%, due 23/07/20	1,154,745	1.32%
		2,282,224	2.61%
Diversified Financial Services (2016*: 12.83%, \$10,985,027)			
500,000	Burford Capital Plc, 6.13%, due 26/10/24	643,937	0.73%
795,000	Burford Capital Plc, 6.50%, due 19/08/22	1,024,486	1.17%
525,000	Intermediate Capital Group Plc, 6.25%, due 19/09/20	668,215	0.76%
500,000	Paragon Group of Cos Plc, 6.13%, due 30/01/22	627,763	0.72%
3,100,000	Pershing Square Holdings Ltd., 5.50%, due 15/07/22	3,113,903	3.54%
1,145,000	Provident Financial Plc, 7.00%, due 04/10/17	1,448,327	1.65%
1,304,600	Tesco Personal Finance Plc, 5.00%, due 21/11/20	1,663,317	1.90%
		9,189,948	10.47%
Energy (2016*: 0.93%, \$796,455)			
750,000	Petroleos Mexicanos, 6.00%, due 05/03/20	810,330	0.92%
Healthcare-Products (2016*: -, \$-)			
500,000	IDH Finance Plc, 6.25%, due 15/08/22	592,879	0.68%
500,000	IDH Finance Plc, 6.41%, due 15/08/22	597,750	0.68%
		1,190,629	1.36%

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Global Strategic Bond Fund (continued)

Portfolio Investments as at 31 October 2016 (continued)

Shares/Par	Security description	Fair Value	
		USD	% Net Assets
Insurance (2016*: 6.58%, \$5,632,256)			
600,000	Admiral Group Plc, 5.50%, due 25/07/24	751,583	0.86%
900,000	Liverpool Victoria Friendly Society Ltd., 6.50%, due 22/05/43	1,049,360	1.20%
724,000	PGH Capital Ltd., 5.75%, due 07/07/21	951,821	1.08%
976,000	PGH Capital Ltd., 6.63%, due 18/12/25	1,233,730	1.41%
		<u>3,986,494</u>	<u>4.55%</u>
Oil & Gas (2016*: 1.16%, \$996,326)			
600,000	Petroleos Mexicanos, 8.25%, due 02/06/22	878,147	1.00%
Real Estate (2016*: 6.30%, \$5,393,103)			
209,500	Bruntwood Ltd., 6.00%, due 24/07/20	267,257	0.30%
300,000	CLS Holdings Plc, 5.50%, due 31/12/19	380,993	0.43%
1,700,000	Grainger Plc, 5.00%, due 16/12/20	2,260,877	2.58%
700,000	Helical Bar Jersey Ltd., 4.00%, due 17/06/19	798,698	0.91%
611,700	Helical Bar Plc, 6.00%, due 24/06/20	778,945	0.89%
700,000	UNITE Group Plc, 6.12%, due 12/06/20	926,134	1.06%
		<u>5,412,904</u>	<u>6.17%</u>
Real Estate Investment Trusts (2016*: 0.89%, \$764,085)			
150,000	Primary Health Properties Plc, 5.38%, due 23/07/19	188,629	0.21%
350,000	Workspace Group Plc, 6.00%, due 09/10/19	454,004	0.52%
		<u>642,633</u>	<u>0.73%</u>
Retail (2016*: 0.86%, \$736,110)			
500,000	Debenhams Plc, 5.25%, due 15/07/21	607,645	0.69%
Savings & Loans (2016*: 0.77%, \$657,652)			
500,000	Skipton Building Society, 6.75%, due 30/05/22	596,904	0.68%
1,500,000	Nationwide Building Society, 6.88% / perpetual	1,791,468	2.04%
		<u>2,388,372</u>	<u>2.72%</u>
Telecommunication (2016*: 1.00%, \$849,807)			
15,000,000	America Movil SAB de CV, 7.13%, due 09/12/24	802,966	0.92%
	Total Corporate Bonds (Cost \$57,617,242)	<u>49,681,351</u>	<u>56.63%</u>

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Global Strategic Bond Fund (continued)

Portfolio Investments as at 31 October 2016 (continued)

Shares/Par	Security description	Fair Value		
		USD	% Net Assets	
Government Obligation				
Government Bonds (2016*: 22.96%, \$19,659,078)				
750,000	Mexican Bonos, 6.50%, due 10/06/21	4,068,108	4.64%	
1,800,000	Saudi Government International Bond, 2.38%, due 26/10/21 EMTN	1,795,266	2.05%	
400,000	Svensk Exportkredit AB, 1.13%, due 28/08/19	397,440	0.45%	
5,000,000	United States Treasury Bill, 0.00%, due 29/12/16	4,997,945	5.70%	
4,900,000	United States Treasury Inflation Indexed Bonds, 1.00%, due 15/02/46	5,288,173	6.03%	
2,700,000	United States Treasury Note/Bond ,3.63%, due 15/02/44	3,287,671	3.75%	
		19,834,603	22.62%	
Total Government Obligation (Cost \$21,580,133)		19,834,603	22.62%	
Floating Rate Note				
Banks (2016*: 7.41%, \$6,340,348)				
2,600,000	Cooperatieve Rabobank UA, 11.00% / perpetual	3,129,724	3.57%	
3,600,000	HSBC Bank Plc, 1.19% / perpetual	2,498,976	2.85%	
2,000,000	Standard Chartered Plc, 6.41% / perpetual	1,924,740	2.19%	
		7,553,440	8.61%	
Diversified Financial Services (2016*: 1.62%, \$1,386,331)				
1,000,000	SG Issuer SA, 4.43%, due 10/07/20	1,140,063	1.30%	
Insurance (2016*: 3.18%, \$2,717,900)				
2,500,000	Aquarius & Investments Plc for Swiss Reinsurance Co., Ltd., 8.25% / perpetual	2,680,025	3.05%	
Total Floating Rate Note (Cost \$12,165,330)		11,373,528	12.96%	
Preferred Shares				
Banks (2016*: -%, \$-)				
1,500,000	Lloyds Banking Group Plc, 6.66% / preference	1,661,895	1.89%	
Total Preferred Shares (Cost \$1,646,250)		1,661,895	1.89%	
Total financial assets at fair value through profit or loss (Cost \$93,008,955)		82,551,377	94.10%	
Unrealised Appreciation on Futures Contracts (2016*: 0.00%, \$-)				
Contract	Security Description	Expiry Date	Unrealised Appreciation	
Size			USD	% Net Assets
(50)	10Y Treasury Notes USA 20/12/2016	20/12/16	16,406	0.02
(15)	Euro Bund 08/12/2016	08/12/16	28,000	0.03
(2)	Japanese Government Bonds Future 10Y 13/12/2016	13/12/16	5,509	0.01
(3)	Long Gilt Sterling Futures 28/12/2016	28/12/16	296,155	0.33
			346,070	0.39

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Global Strategic Bond Fund (continued)

Portfolio Investments as at 31 October 2016 (continued)

Unrealised Appreciation on Forward Currency Contracts (2016*: 0.02%, \$20,889)

Counterparty	Currency Purchased	Principal Amount	Currency Sold	Principal Amount	Current Fair Value	Settlement Date	Unrealised Appreciation USD	% Net Assets
RBC IS Bank Luxembourg*	USD	1,329,791	GBP	(1,087,097)	1,095,937	31/10/2016	10,726	0.01%
RBC IS Bank Luxembourg*	EUR	91,897	USD	(100,112)	100,405	30/11/2016	292	-
The Bank Of New York, London	USD	4,038,077	EUR	(3,600,000)	3,691,291	06/01/2017	99,653	0.11%
The Bank Of New York, London	USD	31,918,750	GBP	(25,000,000)	26,289,184	06/01/2017	1,564,232	1.79%
The Bank Of New York, London	USD	1,932,505	JPY	(200,000,000)	203,052,058	06/01/2017	28,991	0.03%
The Bank Of New York, London	USD	1,857,695	GBP	(1,500,000)	1,530,050	06/01/2017	36,461	0.04%
The Bank Of New York, London	USD	832,947	GBP	(680,000)	686,039	06/01/2017	7,327	0.01%
							<u>1,747,682</u>	<u>1.99%</u>

Unrealised Depreciation on Forward Currency Contracts (2016*: (1.58%), \$(1,353,154))

Counterparty	Currency Purchased	Principal Amount	Currency Sold	Principal Amount	Current Fair Value	Settlement Date	Unrealised Depreciation USD	% Net Assets
RBC IS Bank Luxembourg*	EUR	91,897	USD	(103,492)	100,322	31/10/2016	(3,170)	-
RBC IS Bank Luxembourg*	GBP	1,087,097	USD	(1,406,240)	1,319,065	31/10/2016	(87,175)	(0.10%)
RBC IS Bank Luxembourg*	USD	99,979	EUR	(91,897)	91,582	31/10/2016	(343)	-
RBC IS Bank Luxembourg*	GBP	1,087,097	USD	(1,330,685)	1,319,306	30/11/2016	(11,379)	(0.02%)
							<u>(102,067)</u>	<u>(0.12%)</u>

*These forward currency contracts were held for capital hedging purposes.

Unrealised Appreciation on Option Contracts (2016*: 0.06%, \$46,875)

Quantity	Counterparty	Contract Size	Security Description	Expiry Date	Unrealised Appreciation USD	% Net Assets
30	Royal Bank of Canada	1,000	Call US Long Bond	25/11/2016	1,406	-
100	Royal Bank of Canada	1,000	Call US Long Bond	23/12/2016	43,750	0.05%
					<u>45,156</u>	<u>0.05%</u>

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Global Strategic Bond Fund (continued)

Portfolio Investments as at 31 October 2016 (continued)

	Fair Value	
	USD	% Net Assets
Other Assets in Excess of other Liabilities	3,150,977	3.59%
Net Assets Attributable to Holder of Redeemable Participating Shares	<u>87,739,195</u>	<u>100.00%</u>

*Comparatives as at 30 April 2016.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Global Core Equity Fund

Investment Manager's Report

Performance

The Global Core Equity Fund (the "Fund") rose 2.21% on a net basis over the six months versus the index which rose 2.25%. The Fund benefited from marginal positive stock selection attribution.

Investment Objective

The objective of the Fund is to provide capital growth through highly diversified investments in Global equities. The Fund has exposure to each sector on the basis of where the managers believe superior wealth creating strategies are being pursued by corporate management. The MSCI World Index* is the benchmark against which the performance of the Fund is measured.

Investment Review

The MSCI World Index rose 2.25% over the six months in US dollar terms. There was significant volatility over the six month period in the currency market. As an example, sterling fell 16.4% versus the US dollar over the six months. This was in large part due to market concern about the economic prospects of the UK in the run-up and aftermath of the referendum on membership of the European Union. This episode clearly demonstrates the advantage of investing on a global rather than domestic basis for UK investors, enabling investors to capture the benefits of international diversification and the protection of their purchasing power.

Emerging market equities were the best performing area of the market, as they rebounded from an extended period of negative returns. Brazil was the stand out performer rising 30.6% in US dollar terms over the period as the stock market and the currency both rallied. The Japanese and American market also generated positive returns while the UK and Continental European markets lagged the index.

On a sector basis the information technology sector was the best performing sector over the six month period, rising 37.5% in sterling terms. This was driven by a cohort of large stocks which have managed to continue to generate organic growth despite their huge revenue bases. Healthcare was the worst performing global sector, rising 14% in sterling terms. The sector lagged as there were some setbacks in the prospects for newly introduced medications with high expectations and the threat of regulation to control product prices in the industry.

Outlook

The Fund is focused on identifying wealth creating companies and diversifying the exposure across sectors and geographies. It is our belief that successful identification of these businesses will generate above market returns with below market risk over the long term for our clients.

W Kenney
November 2016

*References to benchmarks are for illustrative purposes only. There is no guarantee that the Fund will outperform its benchmark.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Global Core Equity Fund (continued)

Global Core Equity Fund Top 5 Investments as at 31 October 2016 (unaudited)

Shares/Par	Security description	Fair Value USD	% Net Assets
24,032	Apple, Inc.	2,728,593	2.36%
28,094	Exxon Mobil Corp.	2,340,230	2.02%
34,936	Microsoft Corp.	2,093,365	1.81%
2,222	Amazon.com Inc.	1,754,936	1.52%
24,842	JPMorgan Chase & Co.	1,720,557	1.49%
		10,637,681	9.20%

Global Core Equity Fund Portfolio Analysis as at 31 October 2016 (unaudited)	Fair Value USD	% Total Assets
Transferable securities and money market instruments admitted to official stock exchanges or traded on a regulated market	114,783,058	90.98%
Cash	11,307,409	8.96%
Other assets	80,127	0.06%
Total assets	126,170,594	100.00%

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Global Core Equity Fund (continued)

Portfolio Investments as at 31 October 2016

Shares/Par	Security description	Fair Value	
		USD	% Net Assets
Equity Investment			
Basic Materials (2016*: 3.37%, \$383,775)			
10,801	BASF SE	948,654	0.82%
46,688	BHP Billiton Plc	699,330	0.59%
10,963	International Paper Co.	493,664	0.43%
83,320	Northern Star Resources Ltd.	260,888	0.23%
14,580	Southern Copper Corp.	413,926	0.36%
21,057	Steel Dynamics Inc.	578,225	0.50%
955	Syngenta AG	380,059	0.33%
		<hr/>	
		3,774,746	3.26%
Building Materials (2016*: 0.64%, \$72,996)			
16,715	CRH Plc	536,233	0.46%
Chemicals (2016*: 0.83%, \$93,922)			
25,600	Kansai Paint Co., Ltd.	549,084	0.47%
6,900	Nitto Denko Corp.	479,903	0.42%
		<hr/>	
		1,028,987	0.89%
Communications (2016*: 10.21%, \$1,156,897)			
1,335	Alphabet Inc.	1,080,629	0.93%
1,395	Alphabet Inc.	1,094,308	0.95%
2,222	Amazon.com Inc.	1,754,936	1.52%
12,510	CDW Corp/DE	561,699	0.49%
16,281	CenturyLink Inc.	432,586	0.37%
27,856	Cisco Systems Inc.	854,622	0.74%
18,000	Comcast Corp.	1,112,580	0.96%
20,995	Deutsche Telekom AG	340,564	0.29%
4,601	Facebook Inc.	602,777	0.52%
12,400	KDDI Corp.	375,622	0.32%
84,654	Koninklijke KPN NV	274,453	0.24%
7,286	Omnicom Group Inc.	581,714	0.50%
398	Priceline Group Inc.	586,740	0.51%
5,480	Rogers Communications Inc.	220,978	0.19%
112,800	Singapore Telecommunications Ltd.	313,872	0.27%
106,810	Spark New Zealand Ltd.	270,712	0.23%
21,470	Telefonica SA	217,024	0.19%
10,093	Time Warner Inc.	897,167	0.78%
25,032	Verizon Communications Inc.	1,204,039	1.04%
		<hr/>	
		12,777,022	11.04%

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Global Core Equity Fund (continued)

Portfolio Investments as at 31 October 2016 (continued)

Shares/Par	Security description	Fair Value	
		USD	% Net Assets
Consumer, Cyclical (2016*: 11.07%, \$1,253,089)			
4,169	adidas AG	680,585	0.59%
801	AutoZone Inc.	593,998	0.51%
10,300	Bandai Namco Holdings Inc.	307,704	0.27%
4,249	Bayerische Motoren Werke AG	369,062	0.32%
11,880	Berkeley Group Holdings Plc	339,752	0.29%
7,350	BorgWarner Inc.	263,424	0.23%
16,010	Bunzl Plc	427,172	0.37%
4,566	Casey's General Stores Inc.	515,912	0.45%
5,441	Costco Wholesale Corp.	804,615	0.70%
6,488	CVS Health Corp.	545,576	0.47%
8,125	Foot Locker Inc.	542,425	0.47%
6,925	Home Depot Inc	845,058	0.73%
13,920	Industria de Diseno Textil SA	483,887	0.42%
23,700	ITOCHU Corp.	298,966	0.26%
5,100	Lawson Inc.	386,103	0.33%
3,730	Lear Corp.	457,820	0.40%
6,290	Nokian Renkaat OYJ	209,693	0.18%
8,540	PACCAR Inc.	468,931	0.41%
2,390	Paddy Power Betfair Plc	245,477	0.21%
2,500	Pandora A/S	325,051	0.28%
7,691	Texas Roadhouse Inc.	311,562	0.27%
10,033	TJX Cos Inc.	739,833	0.64%
23,516	Toyota Motor Corp.	1,357,238	1.17%
9,993	VF Corp.	541,521	0.47%
		<hr/>	
		12,061,365	10.44%
Consumer, Non-cyclical (2016*: 24.39%, \$2,764,938)			
22,630	Abcam Plc	238,748	0.21%
2,257	Allergan Plc	471,690	0.41%
2,744	Amgen Inc.	387,316	0.33%
8,818	Bayer AG	870,166	0.75%
1,767	Biogen Inc.	495,060	0.43%
5,768	Bright Horizons Family Solutions Inc.	385,764	0.33%
7,795	Cantel Medical Corp.	555,160	0.48%
18,854	Church & Dwight Co., Inc.	909,705	0.79%
8,461	Colgate-Palmolive Co.	603,692	0.52%
5,982	Colruyt SA	319,674	0.28%
11,500	CYBERDYNE Inc.	171,940	0.15%
7,548	Danaher Corp.	592,895	0.51%
7,050	Deluxe Corp.	431,460	0.37%
11,580	DH Corp.	150,170	0.13%

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Global Core Equity Fund (continued)

Portfolio Investments as at 31 October 2016 (continued)

Shares/Par	Security description	Fair Value	
		USD	% Net Assets
Consumer, Non-cyclical (2016*: 24.39%, \$2,764,938) (continued)			
18,899	Diageo Plc	499,668	0.43%
9,041	Eli Lilly & Co.	667,587	0.58%
6,388	Express Scripts Holding Co.	430,423	0.37%
5,478	Fresenius SE & Co KGaA	402,918	0.35%
9,308	Gilead Sciences Inc.	685,069	0.59%
22,285	Grifols SA	437,995	0.38%
5,595	HCA Holdings Inc.	428,185	0.37%
3,144	Henry Schein Inc.	469,085	0.41%
13,090	Imperial Brands Plc	628,083	0.54%
11,085	Johnson & Johnson	1,285,749	1.11%
4,500	Medtronic Plc	369,090	0.32%
10,293	Mylan NV	375,592	0.32%
22,649	Nestle SA	1,634,793	1.41%
12,974	Novartis AG	918,837	0.79%
15,270	Novo Nordisk A/S	542,067	0.47%
13,400	Park24 Co., Ltd.	412,406	0.36%
4,299	Pernod Ricard SA	508,464	0.44%
8,231	Reckitt Benckiser Group Plc	730,255	0.63%
11,940	Reynolds American Inc.	657,655	0.57%
4,384	Roche Holding AG	1,003,330	0.87%
6,328	S&P Global Inc.	771,130	0.67%
29,200	Santen Pharmaceutical Co., Ltd.	425,206	0.37%
6,643	Shire Plc	374,763	0.32%
4,141	Sodexo SA	478,024	0.41%
11,805	Sysco Corp.	567,939	0.49%
6,600	Takeda Pharmaceutical Co., Ltd.	294,594	0.25%
5,190	Thermo Fisher Scientific Inc.	763,138	0.66%
8,060	Tyson Foods Inc.	570,970	0.49%
6,486	UnitedHealth Group Inc.	916,472	0.79%
17,310	Wesfarmers Ltd.	538,067	0.47%
3,046	WEX Inc.	332,258	0.29%
5,340	Zimmer Biomet Holdings Inc.	562,783	0.49%
		26,266,035	22.70%
Energy (2016*: 6.72%, \$761,731)			
15,600	Canadian Natural Resources Ltd.	495,903	0.43%
28,094	Exxon Mobil Corp.	2,340,230	2.02%
12,830	Fugro NV	227,585	0.20%
5,050	Helmerich & Payne Inc.	318,655	0.28%
12,210	Inter Pipeline Ltd.	253,527	0.22%
22,770	Kinder Morgan Inc	464,963	0.40%

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Global Core Equity Fund (continued)

Portfolio Investments as at 31 October 2016 (continued)

Shares/Par	Security description	Fair Value	
		USD	% Net Assets
Energy (2016*: 6.72%, \$761,731) (continued)			
7,915	Newfield Exploration Co.	321,270	0.28%
8,251	Occidental Petroleum Corp.	601,745	0.52%
9,180	OMV AG	284,694	0.25%
47,819	Royal Dutch Shell Plc	1,226,857	1.06%
6,755	Schlumberger Ltd.	528,376	0.46%
13,760	Suncor Energy Inc.	413,962	0.36%
15,690	Woodside Petroleum Ltd.	337,353	0.29%
		7,815,120	6.77%
Financial (2016*: 17.30%, \$1,959,421)			
14,130	Admiral Group Plc	328,491	0.28%
3,609	Affiliated Managers Group Inc.	478,878	0.41%
5,480	Aflac Inc.	377,298	0.33%
6,985	American Express Corp.	463,944	0.40%
14,590	AmTrust Financial Services Inc.	384,738	0.33%
5,560	Aon Plc	616,215	0.53%
61,770	Aviva Plc	331,872	0.29%
24,559	AXA SA	550,515	0.48%
40,020	Banco Santander SA	195,582	0.17%
17,460	Bank of America Corp.	288,090	0.25%
9,240	Bank of Nova Scotia	497,809	0.43%
7,921	Berkshire Hathaway Inc.	1,142,842	0.99%
10,970	Credit Agricole SA	117,737	0.10%
2,100	Daito Trust Construction Co., Ltd.	350,482	0.30%
31,400	DBS Group Holdings Ltd.	336,879	0.29%
7,290	Franklin Resources Inc.	245,236	0.21%
3,230	Goldman Sachs Group Inc.	575,747	0.50%
16,060	Great-West Lifeco Inc.	403,571	0.35%
181,000	Hang Lung Properties Ltd.	399,626	0.35%
66,221	HSBC Holdings Plc	495,112	0.43%
73,120	Intesa Sanpaolo SpA	168,256	0.15%
100	Japan Logistics Fund Inc.	216,006	0.19%
2,380	Jones Lang LaSalle Inc.	230,503	0.20%
24,842	JPMorgan Chase & Co.	1,720,557	1.49%
3,040	KBC Groep NV	184,208	0.16%
398,377	Lloyds Banking Group Plc	276,778	0.24%
14,321	London Stock Exchange Group Plc	488,276	0.42%
11,300	MS&AD Insurance Group Holdings Inc.	335,109	0.29%
10,000	National Australia Bank Ltd.	212,282	0.18%
5,875	Primerica Inc.	321,362	0.28%
14,235	Progressive Corp	448,545	0.39%

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Global Core Equity Fund (continued)

Portfolio Investments as at 31 October 2016 (continued)

Shares/Par	Security description	Fair Value	
		USD	% Net Assets
Financial (2016*: 17.30%, \$1,959,421) (continued)			
8,165	Sampo Oyj	373,184	0.32%
3,440	Societe Generale SA	133,532	0.12%
5,450	State Street Corp.	382,644	0.33%
14,100	Sumitomo Mitsui Financial Group Inc.	488,996	0.42%
10,100	Suruga Bank Ltd.	245,988	0.21%
33,093	Svenska Handelsbanken AB	451,868	0.39%
16,272	Toronto-Dominion Bank	739,592	0.64%
19,530	UBS Group AG	274,860	0.24%
12,040	Visa Inc.	993,541	0.86%
36,256	Wells Fargo & Corp.	1,668,139	1.44%
36,533	Westpac Banking Corp.	842,004	0.73%
		<hr/>	
		19,776,894	17.11%
Industrial (2016*: 9.23%, \$1,049,478)			
6,350	AGCO Corp.	324,358	0.28%
8,321	AMETEK Inc.	367,039	0.32%
13,710	Boskalis Westminster	439,696	0.38%
23,609	Corning Inc.	535,924	0.46%
7,900	DSV A/S	381,882	0.33%
4,000	East Japan Railway Corp.	351,650	0.30%
3,634	Fortive Corp.	185,443	0.16%
23,020	Gentex Corp.	389,268	0.34%
6,368	Honeywell International Inc.	698,506	0.60%
3,231	Krones AG	327,337	0.28%
8,215	Legrand SA	461,737	0.40%
27,000	Maeda Road Construction Co Ltd.	498,323	0.43%
25,700	MISUMI Group Inc.	467,739	0.40%
7,401	Old Dominion Freight Line Inc.	552,633	0.48%
10,100	Omron Corp.	386,155	0.33%
5,536	Raytheon Co.	756,439	0.65%
7,630	Renishaw Plc	238,853	0.21%
3,000	Rinnai Corp.	287,818	0.25%
3,199	Roper Technologies Inc.	554,419	0.48%
7,705	Safran SA	526,767	0.46%
1,600	SMC Corp/Japan	463,396	0.40%
3,164	Snap-on Inc.	487,541	0.42%
15,390	Ultra Electronics Holdings Plc	346,392	0.30%
10,123	Union Pacific Corp.	892,545	0.77%
		<hr/>	
		10,921,860	9.43%

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Global Core Equity Fund (continued)

Portfolio Investments as at 31 October 2016 (continued)

Shares/Par	Security description	Fair Value	
		USD	% Net Assets
Mining (2016*: 0.11%, \$13,003)			
22,860	Orica Ltd.	277,474	0.24%
Miscellaneous Manufacturing (2016*: 1.25%, \$141,471)			
35,644	General Electric Co.	1,037,240	0.90%
46,900	Konica Minolta Inc.	419,215	0.36%
		<u>1,456,455</u>	<u>1.26%</u>
Real Estate Investment Trust (2016*: 2.19%, \$248,652)			
4,746	American Tower Corp.	556,326	0.48%
3,310	AvalonBay Communities Inc.	566,573	0.49%
127,940	GPT Group	449,099	0.39%
56,500	Link REIT	402,216	0.35%
83,530	Westfield Corp.	562,355	0.49%
		<u>2,536,569</u>	<u>2.20%</u>
Technology (2016*: 8.58%, \$968,211)			
5,596	ANSYS Inc.	511,139	0.44%
24,032	Apple, Inc.	2,728,593	2.36%
3,120	Bechtel AG	325,526	0.28%
1,217	Constellation Software Inc./Canada	565,793	0.49%
18,433	Convergys Corp.	538,244	0.47%
20,700	IT Holdings Corp.	461,486	0.40%
5,096	Jack Henry & Associates Inc.	412,827	0.36%
7,158	KLA-Tencor Corp.	537,494	0.46%
34,936	Microsoft Corp.	2,093,365	1.81%
34,490	ON Semiconductor Corp.	402,498	0.35%
23,379	Oracle Corp.	898,221	0.78%
6,578	Skyworks Solutions Inc.	505,914	0.44%
30,400	Taiwan Semiconductor Manufacturing Co., Ltd.	945,136	0.82%
		<u>10,926,236</u>	<u>9.46%</u>
Utilities (2016*: 3.01%, \$340,977)			
239,960	A2A SpA	325,068	0.28%
27,030	AES Corp./VA	318,143	0.28%
22,439	CenterPoint Energy Inc.	511,609	0.44%
35,000	CLP Holdings Ltd.	354,557	0.31%
9,633	Edison International	707,833	0.61%
6,518	Entergy Corp.	480,181	0.42%
27,130	National Grid Plc	350,414	0.30%

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Global Core Equity Fund (continued)

Portfolio Investments as at 31 October 2016 (continued)

Shares/Par	Security description	Fair Value	
		USD	% Net Assets
	Utilities (2016*: 3.01%, \$340,977) (continued)		
13,357	Public Service Enterprise Group Inc.	562,063	0.49%
16,900	Red Electrica Corp SA	350,605	0.30%
		<u>3,960,473</u>	<u>3.43%</u>
	Total Equity Investment (Cost \$115,699,480)	<u>114,115,469</u>	<u>98.69%</u>
	Preferred Shares		
	Consumer, Non-cyclical (2016*: 0.60%, \$68,475)		
5,232	Henkel AG & Co KGaA	667,589	0.58%
	Total Preferred Shares (Cost \$663,641)	<u>667,589</u>	<u>0.58%</u>
	Total financial assets at fair value through profit or loss (Cost \$116,363,121)	<u>114,783,058</u>	<u>99.27%</u>
	Other Assets in Excess of other Liabilities	849,638	0.73%
	Net Assets Attributable to Holder of Redeemable Participating Shares	<u>115,632,696</u>	<u>100.00%</u>

*Comparatives as at 30 April 2016.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Alternatives Fund

Investment Manager's Report

Performance

The Alternatives Fund (the "Fund") performed steadily over the six months to 31 October 2016 and managed to avoid the volatility we saw in equity markets following the result of the EU referendum. The Alternatives Fund Sterling P share class performance rose by 2.19% during the financial period, whilst the BBA Libor 1 Month* benchmark rose by 0.20%.

Review

With Mark Carney announcing a cut in interest rates in the immediate aftermath of the Brexit vote it is not surprising that the strongest returns came from our asset backed, higher yielding vehicles. Within aircraft leasing, Amedeo Air Four Plus and Doric Nimrod performed well as did our closed ended property fund, GCP Student Living. Our infrastructure funds also continued to perform well, most notably GCP Infrastructure and 3i Infrastructure. Our infrastructure stocks have performed very strongly over the first ten months of the year and now stand on premiums in the high teens. Whilst this is below their recent highs, these premiums are still high by historical standards. However, with the funds still yielding 4% - 4.5% we think these premiums are justified when you look at the yields available on cash and bonds.

The returns from our hedge funds were much more subdued although that was to be expected after we rebalanced the Fund away from the more directional long short funds in favour of a much more market neutral approach in the second quarter. Because these funds typically target fairly modest uncorrelated returns, we generally tend to hedge out any non-sterling exposure as adverse currency movements can quickly turn a positive return into a negative one. As a result, these funds received little of the benefit of sterling's weakness post Brexit.

In terms of activity, we took a new position in the Old Mutual UK Specialist Equity Fund. The Fund is a newly launched UCITS version of a very successful Cayman UK mid and small cap long short equity fund. Whilst the Fund is technically long short, the manager tends to run a very low net exposure which has averaged 5.6% since the launch of the Cayman vehicle in 2003. Over the last three years, the Cayman fund has annualised at 8.7% with a negative correlation to the FTSE 250 index.

Other than a small addition to our gold weighting there was no other activity of note.

T Satchell
November 2016

*References to benchmarks are for illustrative purposes only. There is no guarantee that the Fund will outperform its benchmark.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Alternatives Fund (continued)

Alternatives Fund Top 5 Investments as at 31 October 2016 (unaudited)

Shares/Par	Security description	Fair Value GBP	% Net Assets
16,665	Phileas L/S Europe	1,982,468	7.65%
3,350,000	Jupiter Absolute Return Fund/United Kingdom	1,956,735	7.56%
180,000	Old Mutual UK Specialist Equity Fund	1,932,048	7.46%
1,171,566	GCP Student Living Plc	1,722,202	6.65%
1,432	JL Equity Market Neutral	1,646,199	6.35%
		9,239,652	35.67%

Alternatives Fund Portfolio Analysis as at 31 October 2016 (unaudited)

	Fair Value GBP	% Total Assets
Transferable securities and money market instruments admitted to official stock exchanges or traded on a regulated market	1,007,421	3.86%
Investment Funds	22,245,639	85.30%
Cash	2,625,109	10.06%
Other assets	203,785	0.78%
Total assets	26,081,954	100.00%

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Alternatives Fund (continued)

Portfolio Investments as at 31 October 2016

Shares/Par	Security description	Fair Value	
		GBP	% Net Assets
Equity Investment			
Diversified Financial Services (2016*: 3.08%, £707,000)			
400,000	Amedeo Air Four Plus Ltd.	415,000	1.60%
	Total Equity Investment (Cost £400,000)	415,000	1.60%
Investment Fund			
Alternative Investment (2016*: 25.90%, £5,937,063)			
1,432	JL Equity Market Neutral	1,646,199	6.35%
12,767	MontLake UCITS Platform Plc - Dunn WMA Institutional UCITS Fund	1,640,748	6.33%
180,000	Old Mutual UK Specialist Equity Fund	1,932,048	7.46%
15,000	Spinnaker Emerging Markets Macro Fund	1,568,850	6.05%
		6,787,845	26.19%
Asset Allocation Fund (2016*: 20.29%, £4,652,093)			
410,000	CF Odey Absolute Return Fund	1,194,248	4.61%
1,241,000	JPM Global Macro Opportunities Fund	1,628,192	6.28%
3,350,000	Jupiter Absolute Return Fund/United Kingdom	1,956,735	7.56%
8,970	Odey Investments Plc - Odey Odyssey Fund	1,089,429	4.20%
		5,868,604	22.65%
Closed-end Funds (2016*: 9.86%, £2,258,478)			
218,671	3i Infrastructure Plc	418,755	1.62%
300,000	Blue Capital Global Reinsurance Fund Ltd.	244,777	0.94%
250,000	Catco Reinsurance Opportunities Fund Ltd.	259,612	1.00%
393,192	GCP Infrastructure Investments Ltd.	505,645	1.95%
282,725	HICL Infrastructure Co., Ltd.	482,329	1.86%
317,172	International Public Partnerships Ltd.	505,255	1.95%
329,101	Starwood European Real Estate Finance Ltd.	350,493	1.35%
		2,766,866	10.67%
Commodity Fund (2016*: -%, £-)			
9,519	Source Physical Gold P-ETC	977,789	3.77%
Equity Fund (2016*: 19.02%, £4,359,139)			
16,665	Phileas L/S Europe	1,982,468	7.65%
9,590	Verrazzano Sicav - European Long-Short	1,012,865	3.91%
		2,995,333	11.56%
Property Funds (2016*: 5.19%, £1,190,250)			
1,150,000	Channel Islands Property Fund Ltd.	1,127,000	4.35%

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Alternatives Fund (continued)

Portfolio Investments as at 31 October 2016 (continued)

Shares/Par	Security description	Fair Value	
		GBP	% Net Assets
	Real Estate Investment Trust (2016*: 6.98%, £1,599,188)		
1,171,566	GCP Student Living Plc	1,722,202	6.65%
	Total Investment Fund (Cost £21,462,418)	<u>22,245,639</u>	<u>85.84%</u>
	Preferred Shares		
	Diversified Financial Services (2016*: 4.10%, £938,600)		
278,132	Doric Nimrod Air Two Ltd.	592,421	2.29%
	Total Preferred Shares (Cost £645,529)	<u>592,421</u>	<u>2.29%</u>
	Total financial assets at fair value through profit or loss (Cost £22,507,947)	<u>23,253,060</u>	<u>89.73%</u>
	Other Assets in Excess of other Liabilities	2,660,055	10.27%
	Net Assets Attributable to Holder of Redeemable Participating Shares	<u>25,913,115</u>	<u>100.00%</u>

*Comparatives as at 30 April 2016.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Cautious Income Fund

Investment Manager's Report

Performance

The Cautious Income Fund (the "Fund") gained 12.2% net of P-Class fees (12.56% gross) over the 6 month period to 31 October 2016, ahead of the Cautious Index benchmark¹² which rose by 12.46%. The Fund also outperformed the ARC Balanced index (+6.91%) and its prorated absolute return CPI+3.5% benchmark (+2.48%). (All performance in GBP terms, from Factset).

Review

Q2 and Q3 were volatile across all asset classes, particularly through the late-June Brexit period. The Fund's c.50% allocation to foreign currencies benefitted investors in the immediate aftermath of Brexit, and again in early October, as Sterling weakened materially in the midst of a serious bout of political uncertainty.

In May and early June the Fund outperformed both equities and gilts while markets were broadly flat in GBP terms on a comparatively low volatility. The vote to leave the EU on 23 June 2016 led to a significant bounce in risk-assets in GBP-terms, of which the Fund captured c.50%, partly from a 50% allocation to equities and foreign currency, and partly due to a use of cash to invest in the UK equity market the morning of the 24 June 2016, per Asset Allocation Committee guidance.

Within equities, the Fund has been in-line to underweight both Japan and Europe ex UK from Q1, and continued to run the position as at the 31 October 2016. The underweight paid for an overweight in Emerging Markets and Asia ex Japan. In GBP-terms, an overweight to Asia ex Japan and Emerging Markets proved to be good allocation decisions, however Japan has performed well over the period, principally due to currency strength. The thesis for being underweight Japan remains relevant today (exhaustion of Abenomics and market questions surrounding monetary policy efficacy), however the defensive qualities of the Japanese Yen draw attention and we are considering the risk of being underweight more closely. An underweight European equity position has been a good call on a relative basis.

Within fixed income, the Fund is invested in government bonds (UK Gilts) and direct credit, mainly in the short end of the duration spectrum, as well as in infrastructure and property debt (via close-end investment trusts) and the Sterling Bond Fund. Where investing in direct bonds, we work closely with the fixed income team in doing the credit analysis. The volatility of the Fund's underlying fixed income positions was considerably lower than the Gilt benchmark over the period.

Alternatives proved resilient during the period, and we continue to hold them for their diversification potential, both in terms of capital returns and protection and for their alternative income sources. The Fund holds c.2.5% in hedging as at the end of October, including the Waverton Protection Strategy a holding in an S&P 500 futures put. Gold also has a presence, and the Fund benefits from Low Volatility, broadly market neutral, strategies in bouts of risk-off.

Outlook

Despite considerable negative press – be it political or economic in nature – it is our belief that the most likely outcome is that we "muddle through". The UK economy will likely perform moderately for the foreseeable future (save an inflationary spike affecting real incomes and investment), as will the US. Japan and Europe are both question marks, however while policy makers remain focused on the economy there is a certain underpinning of economic growth. Emerging Markets continue to outgrow Developed Markets, a trend we expect to continue over the long term, although they are subject to some volatility as a result of USD strength. China remains the left-tail risk, in our view.

Of course there are systemic risks to the global economy and markets (Chinese debt and fixed income illiquidity, for example), however pinpointing exactly when a "risk-off" period will occur is near impossible. As such, we have employed hedging strategies within the Fund, as well as holding cash in order to provide liquidity to markets where others are fearful.

¹ FTSE All-World Index (total return) (45%), FTSE Actuaries UK Gilts Series (total return) (35%) and GBP 1 month Libor (20%)

² References to benchmarks are for illustrative purposes only. There is no guarantee that the Fund will outperform its benchmark.

Waverton Investment Funds Plc

Half-Yearly Report Financial Statements (Unaudited)

Cautious Income Fund (continued)

Investment Manager's Report (continued)

Outlook (continued)

The focus of the Fund is three-fold: 1) to provide a consistent and sustainable income, 2) to protect investors from material downside risks and 3) to grow capital in-line with inflation. We have done so over the period, and continue to focus on these outcomes looking forward.

T Satchell
November 2016

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Cautious Income Fund (continued)

Cautious Income Fund Top 5 Investments as at 31 October 2016 (unaudited)

Shares/Par	Security description	Fair Value USD	% Net Assets
82,426	PowerShares S&P 500 High Dividend Low Volatility UCITS ETF	1,956,506	7.56%
116,860	Waverton Investment Funds Plc – Sterling Bond Fund – Class A GBP	1,117,532	4.31%
16,922	WisdomTree Total Dividend Fund ETF	1,064,119	4.11%
714,322	GCP Student Living Plc	1,050,053	4.05%
15,393	Vanguard Dividend Appreciation ETF	1,044,215	4.03%
		6,232,425	24.06%

Cautious Income Fund Portfolio Analysis as at 31 October 2016 (unaudited)

	Fair Value USD	% Total Assets
Transferable securities and money market instruments admitted to official stock exchanges or traded on a regulated market	3,402,512	12.96%
Financial derivative instruments dealt in on a regulated market	76,441	0.29%
Investment Funds	15,095,103	57.49%
Exchange Traded Funds	6,139,742	23.39%
Cash	1,310,207	4.99%
Other assets	231,427	0.88%
Total assets	26,255,432	100.00%

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Cautious Income Fund (continued)

Portfolio Investments as at 31 October 2016

Shares/Par	Security description	Fair Value	
		GBP	% Net Assets
Corporate Bonds			
Computers (2016*: -%, £-)			
237,000	Apple Inc., 3.05%, due 31/07/29	253,621	0.98%
Diversified Financial Service (2016*: 3.14%, £596,550)			
375,000	Burford Capital Plc, 6.13%, due 26/10/24	398,033	1.54%
336,000	Pershing Square Holdings Ltd., 5.50%, due 15/07/22	278,161	1.07%
		676,194	2.61%
Real Estate (2016*: -%, £-)			
200,000	Helical Bar Jersey Ltd., 4.00%, due 17/06/19	188,074	0.73%
Savings&Loans (2016*: 1.03%, £196,500)			
330,000	Nationwide Building Society, 6.88% / perpetual	324,822	1.25%
	Total Corporate Bonds (Cost £1,326,855)	1,442,711	5.57%
Floating Rate Bonds			
Financial (2016*: 1.58%, £299,648)			
320,000	SGA Societe Generale Acceptance NV, 0.00%, due 10/02/20	313,152	1.21%
Savings&Loans (2016*: 1.87%, £355,288)			
355,000	Nationwide Building Society, 1.07%, due 25/04/19	356,945	1.38%
	Total Floating Rate Bonds (Cost £658,890)	670,097	2.59%
Government Obligation			
Government Bonds (2016*: 4.28%, £813,755)			
320,000	Saudi Government International Bond, 2.38%, due 26/10/21 EMTN	263,039	1.02%
499,172	United Kingdom Gilt, 2.75%, due 07/09/24	564,224	2.18%
226,413	United Kingdom Gilt, 3.25%, due 22/01/44	292,134	1.13%
		1,119,397	4.33%
	Total Government Obligation (Cost £1,049,345)	1,119,397	4.33%
Investment Funds			
Alternative Investment (2016*: 2.35%, £445,802)			
6,625	MontLake UCITS Platform Plc - Dunn WMA Institutional UCITS Fund	534,957	2.07%
Asset Allocation Fund (2016*: 5.67%, £1,079,363)			
772,975	Aviva Investors - Multi-Strategy Target Income Fund	764,163	2.95%
285,606	JPM Global Macro Opportunities Fund	371,288	1.43%
		1,135,451	4.38%

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Cautious Income Fund (continued)

Portfolio Investments as at 31 October 2016 (continued)

Shares/Par	Security description	Fair Value	
		GBP	% Net Assets
Closed-end Funds (2016*: 5.05%, £960,824)			
175,832	3i Infrastructure Plc	336,718	1.30%
147,679	Blue Capital Global Reinsurance Fund Ltd.	120,495	0.47%
120,000	Catco Reinsurance Opportunities Fund Ltd.	124,614	0.48%
626,471	Funding Circle SME Income Fund Ltd.	635,868	2.46%
727,321	GCP Infrastructure Investments Ltd.	935,335	3.61%
306,518	HICL Infrastructure Co., Ltd.	522,920	2.02%
305,744	International Public Partnerships Ltd.	487,050	1.88%
295,445	Sequoia Economic Infrastructure Income Fund Ltd.	324,990	1.25%
228,250	Starwood European Real Estate Finance Ltd.	243,086	0.94%
		3,731,076	14.41%
Commodity Fund (2016*: 0.55%, £103,847)			
1,792	Source Physical Gold P-ETC	184,074	0.71%
Debt Fund (2016*: 5.69%, £1,082,124)			
116,860	Waverton Investment Funds Plc - Sterling Bond Fund – Class A GBP ¹	1,117,532	4.31%
Equity Fund (2016*: 38.72%, £7,360,092)			
628,991	Artemis Global Income Fund	588,987	2.27%
43,699	BlackRock Global Funds - European Equity Income Fund	495,751	1.91%
130,288	CF Morant Wright Nippon Yield Fund	439,996	1.70%
52,713	Guinness Asset Management Funds Plc - Global Equity Income Fund	891,730	3.44%
26,667	iShares MSCI World UCITS ETF DIST ¹	791,428	3.06%
487,273	MI Somerset Emerging Markets Dividend Growth Fund	660,157	2.55%
65,141	Pimco Funds Global Investors Series Plc - Mlp & Energy Infrastructure Fund	382,248	1.48%
13,604	PowerShares FTSE Emerging Markets High Dividend Low Volatility UCITS ETF	309,049	1.19%
82,426	PowerShares S&P 500 High Dividend Low Volatility UCITS ETF	1,956,506	7.56%
4,891	Prusik Asian Equity Income Fund	627,808	2.42%
6,078	RWC Funds - Global Enhanced Dividend Fund	632,787	2.44%
1,299,966	Schroder Asian Income Maximiser Fund	756,450	2.92%
289,701	Schroder European Alpha Income Fund	554,777	2.14%
3,629	SOURCE FINANCIAL S&P US SECTOR	404,458	1.56%
3,748	Source JPX-Nikkei 400 UCITS ETF	385,894	1.49%
272,844	TB Wise Evenlode Income Fund	529,263	2.04%
15,393	Vanguard Dividend Appreciation ETF	1,044,215	4.03%
16,922	WisdomTree Total Dividend Fund ETF	1,064,119	4.11%
		12,515,623	48.31%

¹See Note 17 for further details

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Cautious Income Fund (continued)

Portfolio Investments as at 31 October 2016 (continued)

Shares/Par	Security description	Fair Value	
		GBP	% Net Assets
Private Equity (2016*: -%, £-)			
73,480	Real Estate Credit Investments Ltd.	121,609	0.47%
112,598	Real Estate Credit Investments Ltd., 8.00% / preference	116,257	0.45%
		<u>237,866</u>	<u>0.92%</u>
Real Estate Fund (2016*: 4.27%, £811,750)			
486,000	Channel Islands Property Fund Ltd.	476,280	1.84%
Real Estate Investment Trust (2016*: 4.56%, £866,505)			
257,732	AEW UK REIT Plc	251,933	0.97%
714,322	GCP Student Living Plc	1,050,053	4.05%
		<u>1,301,986</u>	<u>5.02%</u>
	Total Investment Funds (Cost £18,769,772)	<u>21,234,845</u>	<u>81.97%</u>
Warrants			
Diversified Financial Service (2016*: 0.98%, £185,628)			
186	Goldman Sachs International, 0.00% / perpetual	170,307	0.66%
	Total Warrants (Cost £185,627)	<u>170,307</u>	<u>0.66%</u>
	Total financial assets at fair value through profit or loss (Cost £21,990,489)	<u>24,637,357</u>	<u>95.12%</u>

Unrealised Appreciation on Option Contracts (2016*: 0.00%, £-)

Quantity	Counterparty	Contract Size	Security Description	Expiry Date	Unrealised Appreciation	
					GBP	% Net Assets
53	Royal Bank of Canada	50	Put S&P 500 Emini Index	16/06/2017	76,441	0.30%
	Other Assets in Excess of other Liabilities				1,186,422	4.58%
	Net Assets Attributable to Holder of Redeemable Participating Shares				<u>25,900,220</u>	<u>100.00%</u>

*Comparatives as at 30 April 2016.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 31 October 2016

	Notes	Asia Pacific Fund		Global Equity Fund		UK Fund	
		31 October 2016	30 April 2016	31 October 2016	30 April 2016	31 October 2016	30 April 2016
		USD	USD	GBP	GBP	GBP	GBP
Current Assets:							
Financial assets at fair value through profit or loss, at cost		94,343,222	89,022,161	55,977,973	37,240,923	21,269,248	18,807,725
Financial assets at fair value through profit or loss, at fair value	11	94,580,574	84,028,241	69,782,204	42,317,852	24,173,295	21,026,569
Cash	8	1,364,137	2,265,959	2,649,043	786,525	874,371	1,097,981
Dividends and interest receivable		98,915	83,128	124,467	80,412	74,548	132,211
Receivable from investments sold		1,569,285	529,993	-	1,909,079	-	-
Unrealised appreciation on futures contracts	11	-	-	-	-	-	-
Unrealised appreciation on options contracts	11	-	-	-	-	-	-
Unrealised appreciation on forward currency contracts	11	-	37,012	-	-	-	-
Receivable from subscriptions due		933,888	-	-	-	-	32,150
Receivable from investment manager	3	-	-	-	-	-	-
Other assets		15,238	10,527	7,744	6,089	3,398	3,036
Total Assets		98,562,037	86,954,860	72,563,458	45,099,957	25,125,612	22,291,947
Liabilities (amounts falling due within one financial year):							
Financial liabilities at fair value through profit or loss, at cost		-	-	-	-	-	-
Financial liabilities at fair value through profit or loss, at fair value	11	-	-	-	-	-	-
Bank overdraft		2,807	5,607	1,651	2,238	-	51
Distributions payable		791,608	645,944	106,465	101,721	286,435	144,576
Payable for investments purchased		1,646,196	381,885	-	-	-	-
Unrealised depreciation on futures contracts	11	-	-	-	-	-	-
Unrealised depreciation on forward currency contracts	11	-	38,234	-	-	-	-
Payable for redemptions due		108,915	23,720	60,785	70,555	-	9,061
Accrued expenses:							
Investment management fee	3	296,685	66,669	229,044	36,654	81,807	17,941
Administration fee	3	35,192	33,972	33,399	24,783	24,878	19,991
Depositary and trustee fees	3	14,185	16,570	7,644	6,223	4,063	4,421
Transfer agency fee		2,295	2,731	869	944	869	934
Directors fees	4	4,791	1,368	3,663	522	1,154	248
Audit fee		8,951	14,345	-	3,453	987	5,254
Other liabilities		9,655	11,266	5,405	7,520	16,727	17,140
Total Liabilities (excluding net assets attributable to holders of redeemable shares)		2,921,280	1,242,311	448,925	254,613	416,920	219,617
Net Assets attributable to holders of redeemable shares		95,640,757	85,712,549	72,114,533	44,845,344	24,708,692	22,072,330

The Condensed Statement of Financial Position is continued on pages 55 to 57.
The accompanying notes form an integral part of these condensed financial statements.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

CONDENSED STATEMENT OF FINANCIAL POSITION (continued)

As at 31 October 2016

	Notes	European Fund ¹		Sterling Bond Fund		Tactical Equity Fund	
		31 October 2016	30 April 2016	31 October 2016	30 April 2016	31 October 2016	30 April 2016
		EUR	EUR	GBP	GBP	GBP	GBP
Current Assets:							
Financial assets at fair value through profit or loss, at cost		-	-	109,433,933	105,504,238	42,259,614	118,090,727
Financial assets at fair value through profit or loss, at fair value	11	-	-	116,971,571	105,806,447	51,940,349	121,514,751
Cash	8	-	96,591	13,530,444	14,757,967	8,500,953	2,526,737
Dividends and interest receivable		-	-	2,174,091	2,769,011	106,964	189,455
Receivable from investments sold		-	-	-	713,714	-	-
Unrealised appreciation on futures contracts	11	-	-	-	-	-	-
Unrealised appreciation on options contracts	11	-	-	68,766	26,729	-	-
Unrealised appreciation on forward currency contracts	11	-	-	-	932,461	-	-
Receivable from subscriptions due		-	-	186,673	563,505	78,307	480,632
Receivable from investment manager	3	-	-	-	-	-	-
Other assets		-	-	17,284	10,205	34,683	19,355
Total Assets		-	96,591	132,948,829	125,580,039	60,661,256	124,730,930
Liabilities (amounts falling due within one financial year):							
Financial liabilities at fair value through profit or loss, at cost		-	-	-	-	-	-
Financial liabilities at fair value through profit or loss, at fair value	11	-	-	-	-	-	-
Bank overdraft		-	-	-	10,023	-	-
Distributions payable		-	-	1,610,667	1,525,490	177,276	372,699
Payable for investments purchased		-	-	-	1,410,040	-	-
Unrealised depreciation on futures contracts	11	-	-	-	-	-	-
Unrealised depreciation on forward currency contracts	11	-	-	1,889,041	-	-	-
Payable for redemptions due		-	-	31,991	80,727	27,295	171,826
Accrued expenses:							
Investment management fee	3	-	-	298,109	68,585	336,602	75,725
Administration fee	3	-	-	70,167	36,180	65,806	34,855
Depositary and trustee fees	3	-	-	15,483	19,743	13,859	14,376
Transfer agency fee		-	-	1,303	1,402	1,303	1,402
Directors fees	4	-	-	5,626	1,060	6,394	1,301
Audit fee		-	-	985	5,252	1,102	5,369
Other liabilities		-	96,591	15,852	21,267	7,131	8,039
Total Liabilities (excluding net assets attributable to holders of redeemable shares)		-	96,591	3,939,224	3,179,769	636,768	685,592
Net Assets attributable to holders of redeemable shares		-	-	129,009,605	122,400,270	60,024,488	124,045,338

¹On 30 June 2015, the European Fund was merged with the Odey European Focus Fund and thereafter it ceased to be a sub-fund of the Company.

The Condensed Statement of Financial Position is continued on pages 56 to 57.

The accompanying notes form an integral part of these condensed financial statements.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

CONDENSED STATEMENT OF FINANCIAL POSITION (continued)

As at 31 October 2016

	Notes	Global Strategic Bond Fund		Global Core Equity Fund		Alternatives Fund	
		31 October 2016 USD	30 April 2016 USD	31 October 2016 USD	30 April 2016 USD	31 October 2016 GBP	30 April 2016 GBP
Current Assets:							
Financial assets at fair value through profit or loss, at cost		93,008,955	83,282,737	116,363,121	11,360,156	22,507,947	21,405,742
Financial assets at fair value through profit or loss, at fair value	11	82,551,377	77,622,116	114,783,058	11,310,010	23,253,060	21,641,811
Cash	8	3,348,817	9,597,597	11,307,409	99,983	2,625,109	1,299,383
Dividends and interest receivable		1,301,200	1,790,935	20,407	21,047	38,783	41,247
Receivable from investments sold		-	39,915	-	-	-	-
Unrealised appreciation on futures contracts	11	346,070	-	-	-	-	-
Unrealised appreciation on options contracts	11	45,156	46,875	-	-	-	-
Unrealised appreciation on forward currency contracts	11	1,747,682	20,889	-	-	-	-
Receivable from subscriptions due		51,960	17,042	-	-	158,373	50,132
Receivable from investment manager	3	-	-	51,899	25,914	-	-
Other assets		28,207	24,717	7,821	7,682	6,629	5,446
Total Assets		89,420,469	89,160,086	126,170,594	11,464,636	26,081,954	23,038,019
Liabilities (amounts falling due within one financial year):							
Financial liabilities at fair value through profit or loss, at cost		-	-	-	-	-	-
Financial liabilities at fair value through profit or loss, at fair value	11	-	-	-	-	-	-
Bank overdraft		346,578	-	167	2,811	-	-
Distributions payable		895,993	1,051,437	100,374	66,034	82,686	57,371
Payable for investments purchased		-	1,030,351	10,257,701	-	-	-
Unrealised depreciation on futures contracts	11	-	-	-	-	-	-
Unrealised depreciation on forward currency contracts	11	102,067	1,353,154	-	-	-	-
Payable for redemptions due	11	73,610	-	48,634	-	19,090	18,977
Accrued expenses:							
Investment management fee	3	160,964	38,345	6,451	-	34,184	7,678
Performance fee		6,633	-	-	-	-	-
Administration fee	3	55,886	42,417	22,161	22,830	23,803	18,711
Depositary and trustee fees	3	10,572	12,977	4,127	4,767	3,041	3,191
Transfer agency fee		2,295	2,742	573	692	869	942
Directors fees	4	4,113	989	593	131	1,208	311
Audit fee		642	6,036	8,523	13,918	-	4,058
Other liabilities		21,921	24,432	88,594	19,477	3,958	5,412
Total Liabilities (excluding net assets attributable to holders of redeemable shares)		1,681,274	3,562,880	10,537,898	130,660	168,839	116,651
Net Assets attributable to holders of redeemable shares		87,739,195	85,597,206	115,632,696	11,333,976	25,913,115	22,921,368

The Condensed Statement of Financial Position is continued on page 57.

The accompanying notes form an integral part of these condensed financial statements.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

CONDENSED STATEMENT OF FINANCIAL POSITION (continued)

As at 31 October 2016

	Notes	Cautious Income Fund		Total Company	
		31 October 2016 GBP	30 April 2016 GBP	31 October 2016 EUR	30 April 2016 EUR
Current Assets:					
Financial assets at fair value through profit or loss, at cost		21,990,489	16,226,551	582,166,057	568,048,641
Financial assets at fair value through profit or loss, at fair value	11	24,637,357	16,368,493	609,288,469	569,706,597
Cash	8	1,310,207	2,503,965	47,455,288	40,055,178
Dividends and interest receivable		134,353	76,011	4,250,447	5,880,017
Receivable from investments sold		-	-	1,437,599	3,863,629
Unrealised appreciation on futures contracts	11	-	-	317,030	-
Unrealised appreciation on options contracts	11	76,441	-	202,769	75,411
Unrealised appreciation on forward currency contracts	11	-	-	1,601,026	1,246,619
Receivable from subscriptions due		60,272	354,072	1,440,687	1,913,572
Receivable from investment manager	3	31,905	26,480	83,007	56,698
Other assets		4,897	3,830	129,923	99,174
Total Assets		26,255,432	19,332,851	666,206,245	622,896,895
Liabilities (amounts falling due within one financial year):					
Financial liabilities at fair value through profit or loss, at cost		-	-	-	-
Financial liabilities at fair value through profit or loss, at fair value	11	-	-	-	-
Bank overdraft		-	-	322,055	23,176
Distributions payable		237,751	281,965	4,418,195	4,732,712
Payable for investments purchased		-	-	10,904,989	3,047,508
Unrealised depreciation on futures contracts	11	-	-	-	-
Unrealised depreciation on forward currency contracts	11	-	-	2,193,234	1,220,944
Payable for redemptions due	11	3,193	-	369,993	471,133
Accrued expenses:					
Investment management fee	3	84,622	9,551	1,608,236	369,325
Performance fee		-	-	6,076	-
Administration fee	3	20,587	18,397	368,993	283,169
Depositary and trustee fees	3	3,347	3,283	79,188	95,818
Transfer agency fee		869	934	11,490	13,820
Directors fees	4	1,507	610	30,433	7,380
Audit fee		-	3,781	20,013	64,937
Other liabilities		3,336	4,429	168,340	226,835
Total Liabilities (excluding net assets attributable to holders of redeemable shares)		355,212	322,950	20,501,235	10,556,757
Net Assets attributable to holders of redeemable shares		25,900,220	19,009,901	645,705,010	612,340,138

The accompanying notes form an integral part of these condensed financial statements.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the half financial year ended 31 October 2016

	Note	Asia Pacific Fund		Global Equity Fund		UK Fund	
		for the half financial year ended 31 October	for the half financial year ended 31 October	for the half financial year ended 31 October	for the half financial year ended 31 October	for the half financial year ended 31 October	for the half financial year ended 31 October
		2016 USD	2015 USD	2016 GBP	2015 GBP	2016 GBP	2015 GBP
Investment Income:							
Dividend income		1,361,041	5,018,093	608,919	647,258	436,070	443,897
Withholding tax		(28,582)	(33,446)	(111,115)	(130,081)	(298)	(3,502)
Interest income		96	-	26	-	5	-
Margin interest income		-	-	-	-	-	-
Other income		10	(3,745)	-	-	-	-
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	13	8,370,898	(15,727,403)	14,686,152	(5,148,775)	1,384,329	(527,094)
Total Income		9,703,463	(10,746,501)	15,183,982	(4,631,598)	1,820,106	(86,699)
Expenses:							
Investment management fee	3	434,753	470,470	306,130	290,426	119,565	126,171
Performance fee	3	-	-	-	-	-	-
Administration fee	3	19,281	35,261	14,029	19,466	13,978	9,142
Depositary & trustee fee	3	45,693	65,265	13,307	11,966	4,655	5,535
Transfer agency fee		12,802	26,980	9,317	12,928	4,610	10,844
Directors fee	4	6,299	4,933	4,681	2,980	1,660	1,264
Audit fee	5	5,335	3,433	3,980	2,580	3,980	3,997
Legal fees		8,608	9,276	6,397	5,374	2,268	2,281
Transaction costs		92,165	608,384	29,998	37,922	24,469	74,791
Other expenses		24,185	24,300	15,948	12,826	7,531	7,159
Total Expenses		649,121	1,248,302	403,787	396,468	182,716	241,184
Investment manager subsidy	3	-	-	-	-	-	-
Total Net Expenses		649,121	1,248,302	403,787	396,468	182,716	241,184
Net Investment Gain/(Loss)		9,054,342	(11,994,803)	14,780,195	(5,028,066)	1,637,390	(327,883)
Finance Costs:							
Dividends to holders of redeemable shares	16	(791,608)	(4,351,215)	(106,465)	(158,630)	(286,435)	(274,001)
Net Increase/(Decrease) in Net Assets Attributable to Holders of Redeemable Shares Resulting from Operations		8,262,734	(16,346,018)	14,673,730	(5,186,696)	1,350,955	(601,884)

Gains and losses arise solely from continuing operations. There were no gains or losses other than those reflected above.

The Condensed Statement of Comprehensive Income is continued on pages 59 to 61.

The accompanying notes form an integral part of these condensed financial statements.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (continued)

For the half financial year ended 31 October 2016

	Note	European Fund ¹		Sterling Bond Fund		Tactical Equity Fund	
		for the half financial year ended 31 October 2016 EUR	for the period to 30 June 2015 EUR	for the half financial year ended 31 October 2016 GBP	for the half financial year ended 31 October 2015 GBP	for the half financial year ended 31 October 2016 GBP	for the half financial year ended 31 October 2015 GBP
Investment Income:							
Dividend income		-	13,210,278	-	-	785,852	508,395
Withholding tax		-	(1,787,050)	(7,880)	(129,946)	(62,121)	(7,769)
Interest income		-	-	3,219,729	3,691,122	314,214	529,463
Margin interest income		-	-	-	1,457	-	-
Other income		-	109	-	(9)	-	-
Net (loss)/gain on financial assets and liabilities at fair value through profit or loss	13	-	(31,520,428)	4,381,051	(4,837,074)	23,549,677	(9,049,002)
Total Income		-	(20,097,091)	7,592,900	(1,274,450)	24,587,622	(8,018,913)
Expenses:							
Investment management fee	3	-	2,733,602	446,190	499,895	495,779	504,603
Performance fee	3	-	-	-	-	-	-
Administration fee	3	-	133,162	14,718	41,380	14,707	39,834
Depositary & trustee fee	3	-	202,151	24,579	22,977	22,605	28,648
Transfer agency fee		-	51,774	18,137	23,800	14,773	24,891
Directors fee	4	-	11,347	8,703	6,697	9,290	6,744
Audit fee	5	-	6,684	3,980	6,437	3,980	6,438
Legal fees		-	29,303	11,894	11,249	12,696	12,583
Transaction costs		-	3,129,757	-	-	117,361	142,917
Other expenses		-	312,318	45,297	13,478	41,568	15,529
Total Expenses		-	6,610,098	573,498	625,913	732,759	782,187
Investment manager subsidy	3	-	-	1,036	-	-	-
Total Net Expenses		-	6,610,098	572,462	625,913	732,759	782,187
Net Investment (Loss)/Gain		-	(26,707,189)	7,020,438	(1,900,363)	23,854,863	(8,801,100)
Finance Costs:							
Dividends to holders of redeemable shares	16	-	-	(3,190,925)	(3,575,682)	(177,269)	(391,309)
Net (Decrease)/Increase in Net Assets Attributable to Holders of Redeemable Shares Resulting from Operations		-	(26,707,189)	3,829,513	(5,476,045)	23,677,594	(9,192,409)

¹On 30 June 2015, the European Fund was merged with the Odey European Focus Fund and thereafter it ceased to be a sub-fund of the Company.

Gains and losses arise solely from continuing operations. There were no gains or losses other than those reflected above.

The Condensed Statement of Comprehensive Income is continued on pages 60 to 61.

The accompanying notes form an integral part of these condensed financial statements.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (continued)

For the half financial year ended 31 October 2016

	Note	Global Strategic Bond Fund		Global Core Equity Fund		Alternatives Fund	
		for the half financial year ended 31 October 2016 USD	for the half financial year ended 31 October 2015 USD	for the half financial year ended 31 October 2016 USD	for the half financial year ended 31 October 2015 USD	for the half financial year ended 31 October 2016 GBP	for the half financial year ended 31 October 2015 GBP
Investment Income:							
Dividend income		-	-	148,355	126,063	177,268	136,164
Withholding tax		-	(111,062)	(27,509)	(25,797)	(6,654)	-
Interest income		1,929,068	2,743,092	51	-	5	-
Margin interest income		-	944	-	-	-	-
Other income		-	49	-	48,354	38,188	2,506
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	13	1,452,787	(4,555,512)	(1,643,244)	(586,390)	359,524	(232,480)
Total Income		3,381,855	(1,922,489)	(1,522,347)	(437,770)	568,331	(93,810)
Expenses:							
Investment management fee	3	242,456	278,434	6,451	-	50,737	46,392
Performance fee	3	6,633	-	-	-	-	-
Administration fee	3	19,278	36,847	17,941	16,419	13,946	9,251
Depository & trustee fee	3	18,334	20,040	10,526	16,202	4,781	6,155
Transfer agency fee		11,933	21,342	2,175	6,469	7,766	11,491
Directors fee	4	6,036	5,100	848	565	1,684	1,227
Audit fee	5	5,335	4,479	5,335	11,317	3,980	2,588
Legal fees		8,249	9,446	1,159	1,098	2,302	2,352
Transaction costs		-	-	55,369	2,276	4,214	-
Other expenses		28,710	26,380	3,091	9,807	8,525	5,816
Total Expenses		346,964	402,068	102,895	64,153	97,935	85,272
Investment manager subsidy	3	-	-	25,985	-	-	-
Total Net Expenses		346,964	402,068	76,910	64,153	97,935	85,272
Net Investment Gain/(Loss)		3,034,891	(2,324,557)	(1,599,257)	(501,923)	470,396	(179,082)
Finance Costs:							
Dividends to holders of redeemable shares	16	(1,821,970)	(2,436,231)	(100,374)	(86,650)	(82,686)	(53,650)
Net Increase/(Decrease) in Net Assets Attributable to Holders of Redeemable Shares Resulting from		1,212,921	(4,760,788)	(1,699,631)	(588,573)	387,710	(232,732)

Gains and losses arise solely from continuing operations. There were no gains or losses other than those reflected above.

The Condensed Statement of Comprehensive Income is continued on page 61.

The accompanying notes form an integral part of these condensed financial statements.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (continued)

For the half financial year ended 31 October 2016

		Cautious Income Fund		Total Company	
	Note	for the half financial year ended 31 October 2016 GBP	for the half financial year ended 31 October 2015 GBP	for the half financial year ended 31 October 2016 EUR	for the half financial year ended 31 October 2015 EUR
Investment Income:					
Dividend income		375,314	206,606	4,210,463	20,568,039
Withholding tax		(10,116)	(4,152)	(287,993)	(2,324,254)
Interest income		55,654	23,058	6,033,454	8,384,328
Margin interest income		-	-	-	2,881
Other income		-	11,388	45,831	59,844
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss	13	2,366,510	(309,744)	62,904,478	(78,369,023)
Total Income		2,787,362	(72,844)	72,906,233	(51,678,185)
Expenses:					
Investment management fee	3	75,071	33,130	2,403,757	5,498,279
Performance fee	3	-	-	5,935	-
Administration fee	3	13,942	3,940	152,931	384,362
Depositary & trustee fee	3	6,905	6,037	158,899	407,120
Transfer agency fee		5,784	6,053	96,537	226,535
Directors fee	4	1,582	991	44,913	48,618
Audit fee	5	3,980	4,285	42,975	60,700
Legal fees		2,162	5,621	61,380	102,118
Transaction costs		8,739	8,757	361,648	4,050,215
Other expenses		5,791	2,391	199,676	446,615
Total Expenses		123,956	71,205	3,528,651	11,224,562
Investment manager subsidy	3	8,603	-	34,816	-
Total Net Expenses		115,353	71,205	3,493,835	11,224,562
Net Investment Gain/(Loss)		2,672,009	(144,049)	69,412,398	(62,902,747)
Finance Costs:					
Dividends to holders of redeemable shares	16	(439,157)	(236,990)	(7,567,516)	(12,745,034)
Net Increase/(Decrease) in Net Assets Attributable to Holders of Redeemable Shares Resulting from		2,232,852	(381,039)	61,844,882	(75,647,781)

Gains and losses arise solely from continuing operations. There were no gains or losses other than those reflected above.

The accompanying notes form an integral part of these condensed financial statements.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES

For the half financial year ended 31 October 2016

	Note	Asia Pacific Fund		Global Equity Fund		UK Fund	
		for the half financial year ended 31 October 2016 USD	for the half financial year ended 31 October 2015 USD	for the half financial year ended 31 October 2016 GBP	for the half financial year ended 31 October 2015 GBP	for the half financial year ended 31 October 2016 GBP	for the half financial year ended 31 October 2015 GBP
Net Increase/(Decrease) in Net Assets Attributable to Holders of Redeemable Shares Resulting from Operations		8,262,734	(16,346,018)	14,673,730	(5,186,696)	1,350,955	(601,884)
Capital Share Transactions of Redeemable Shares:							
Proceeds from shares issued	2	3,422,354	10,093,671	27,968,795	2,099,807	2,048,960	821,633
Payments for shares redeemed	2	(1,756,880)	(3,432,929)	(15,373,336)	(6,501,453)	(763,553)	(1,373,587)
Net Increase/(Decrease) from Capital Share Transactions of Redeemable Shares		1,665,474	6,660,742	12,595,459	(4,401,646)	1,285,407	(551,954)
Net Increase/(Decrease) in Net Assets Attributable to Holders of Redeemable Shares		9,928,208	(9,685,276)	27,269,189	(9,588,342)	2,636,362	(1,153,838)
Net Assets Attributable to Holders of Redeemable Shares:							
At beginning of half financial year		85,712,549	100,893,382	44,845,344	62,057,365	22,072,330	25,729,587
Notional exchange gain on aggregation of Fund		-	-	-	-	-	-
At end of half financial year		95,640,757	91,208,106	72,114,533	52,469,023	24,708,692	24,575,749

The Condensed Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares are continued on pages 63 to 65.

The accompanying notes form an integral part of these condensed financial statements.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES (continued)

For the half financial year ended 31 October 2016

	Note	European Fund ¹		Sterling Bond Fund		Tactical Equity Fund	
		for the half financial year ended 31 October 2016 EUR	for the period to 30 June 2015 EUR	for the half financial year ended 31 October 2016 GBP	for the half financial year ended 31 October 2015 GBP	for the half financial year ended 31 October 2016 GBP	for the half financial year ended 31 October 2015 GBP
Net (Decrease)/Increase in Net Assets Attributable to Holders of Redeemable Shares Resulting from Operations		-	(26,707,189)	3,829,513	(5,476,045)	23,677,594	(9,192,409)
Capital Share Transactions of Redeemable Shares:							
Proceeds from shares issued	2	-	15,257,350	14,608,825	10,450,070	103,014,521	17,163,008
Payments for shares redeemed	2	-	(1,602,414,123)	(11,829,003)	(7,909,651)	(190,712,965)	(8,092,138)
Net (Decrease)/Increase from Capital Share Transactions of Redeemable Shares		-	(1,587,156,773)	2,779,822	2,540,419	(87,698,444)	9,070,870
Net (Decrease)/Increase in Net Assets Attributable to Holders of Redeemable Shares		-	(1,613,863,962)	6,609,335	(2,935,626)	(64,020,850)	(121,539)
Net Assets Attributable to Holders of Redeemable Shares:							
At beginning of half financial year		-	1,613,863,962	122,400,270	136,718,340	124,045,338	129,374,212
Notional exchange gain on aggregation of Fund		-	-	-	-	-	-
At end of half financial year		-	-	129,009,605	133,782,714	60,024,488	129,252,673

¹On 30 June 2015, the European Fund was merged with the Odey European Focus Fund and thereafter it ceased to be a sub-fund of the Company. The Condensed Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares are continued on pages 64 to 65. The accompanying notes form an integral part of these condensed financial statements.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES (continued) For the half financial year ended 31 October 2016

	Note	Global Strategic Bond Fund		Global Core Equity Fund		Alternatives Fund	
		for the half financial year ended 31 October 2016 USD	for the half financial year ended 31 October 2015 USD	for the half financial year ended 31 October 2016 USD	for the half financial year ended 31 October 2015 USD	for the half financial year ended 31 October 2016 GBP	for the half financial year ended 31 October 2015 GBP
Net Increase/(Decrease) in Net Assets Attributable to Holders of Redeemable Shares Resulting from Operations		1,212,921	(4,760,788)	(1,699,631)	(588,573)	387,710	(232,732)
Capital Share Transactions of Redeemable Shares:							
Proceeds from shares issued	2	4,903,855	6,329,961	106,328,683	753,242	5,398,800	4,038,966
Payments for shares redeemed	2	(3,974,787)	(10,793,845)	(330,332)	(269,899)	(2,794,763)	(2,038,310)
Net Increase/(Decrease) from Capital Share Transactions of Redeemable Shares		929,068	(4,463,884)	105,998,351	483,343	2,604,037	2,000,656
Net Increase/(Decrease) in Net Assets Attributable to Holders of Redeemable Shares		2,141,989	(9,224,672)	104,298,720	(105,230)	2,991,747	1,767,924
Net Assets Attributable to Holders of Redeemable Shares:							
At beginning of half financial year		85,597,206	100,076,906	11,333,976	10,886,855	22,921,368	20,748,609
Notional exchange gain on aggregation of Fund		-	-	-	-	-	-
At end of half financial year		87,739,195	90,852,234	115,632,696	10,781,625	25,913,115	22,516,533

The Condensed Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares are continued on page 65.

The accompanying notes form an integral part of these condensed financial statements.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES (continued) For the half financial year ended 31 October 2016

	Note	Cautious Income Fund		Total Company	
		for the half financial year ended 31 October 2016 GBP	for the half financial year ended 31 October 2015 GBP	for the half financial year ended 31 October 2016 EUR	for the half financial year ended 31 October 2015 EUR
Net Increase/(Decrease) in Net Assets Attributable to Holders of Redeemable Shares Resulting from Operations		2,232,852	(381,039)	61,844,882	(75,647,781)
Capital Share Transactions of Redeemable Shares:					
Proceeds from shares issued	2	6,186,874	1,637,491	293,647,991	84,668,610
Payments for shares redeemed	2	(1,529,407)	(74,540)	(273,009,175)	(1,654,638,304)
Net Increase/(Decrease) from Capital Share Transactions of Redeemable Shares		4,657,467	1,562,951	20,638,816	(1,569,969,694)
Net Increase/(Decrease) in Net Assets Attributable to Holders of Redeemable Shares		6,890,319	1,181,912	82,483,698	(1,645,617,475)
Net Assets Attributable to Holders of Redeemable Shares:					
At beginning of half financial year		19,009,901	10,158,702	612,340,138	2,333,477,069
Notional exchange gain on aggregation of Fund		-	-	(49,118,826)	47,961,297
At end of half financial year		25,900,220	11,340,614	645,705,010	735,820,891

The accompanying notes form an integral part of these condensed financial statements.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Notes to the Condensed Financial Statements

1. ACCOUNTING POLICIES

BASIS OF PRESENTATION OF CONDENSED FINANCIAL STATEMENTS

The Company's financial statements for the financial period ended 31 October 2016 have been prepared in compliance with FRS 104 Interim Financial Reporting ("FRS 104") applicable in the UK and Republic of Ireland and Irish Statute comprising the Companies Act 2014, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) ("UCITS Regulations") and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2015 ("Central Bank UCITS Regulations").

The Company has not applied the full disclosure requirements of FRS 102 as according to FRS 104, issued by the Financial Reporting Council, disclosures demanded by Financial Reporting Standards are generally not required for semi-annual reports.

SIGNIFICANT ACCOUNTING POLICIES

The same accounting policies and estimation techniques are followed in these condensed half yearly financial statements as were applied in the preparation of the Company's financial statements for the financial year ended 30 April 2016.

2. SHARE CAPITAL

AUTHORISED

The Directors are authorised to issue up to 500 billion Shares of no par value.

SUBSCRIBER SHARES

There are currently two Subscriber Shares in issue to the value of EUR 2. The Subscriber Shares do not form part of the net asset value of the Company and are thus disclosed in the condensed financial statements by way of this note only.

Each of the Shares entitles the holder to attend and vote at meetings of the Company and of the Fund represented by those Shares. No Class of Shares confers on the holder thereof any preferential or pre-emptive rights or any rights to participate in the profits and dividends of any other Class of Shares or any voting rights in relation to matters relating solely to any other Class of Shares.

Any resolution to alter the Class rights of the Shares requires the approval of three quarters of the holders of the Shares represented or present and voting at a general meeting duly convened in accordance with the Articles of Association.

The Articles of Association of the Company empower the Directors to issue fractional Shares in the Company. Fractional Shares may be issued and shall not carry any voting rights at general meetings of the Company or of any Fund or Class and the net asset value of any fractional Share is the net asset value per Share adjusted in proportion to the fraction.

The Subscriber Shares entitle the Shareholders holding them to attend and vote at all meetings of the Company, but do not entitle the holders to participate in the dividends or net assets of any Fund or of the Company.

CAPITAL SHARE TRANSACTIONS OF REDEEMABLE SHARES

The Company issues redeemable shares which can be put back to the Company at any time for cash equal to a proportionate share of the net asset value per share of the relevant Fund. This redeemable share is carried at the redemption amount that is payable at the Condensed Statement of Financial Position date if the holder exercises the right to put the share back to the Company at that date.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Notes to the Condensed Financial Statements (continued)

2. SHARE CAPITAL (continued)

CAPITAL SHARE TRANSACTIONS OF REDEEMABLE SHARES (continued)

For the half financial year ended 31 October 2016

	Class A US\$ Shares	Class A Euro Shares	Class A Stg£ Shares	Class M Stg£ Shares	
Asia Pacific Fund					
At beginning of the half financial year	847,354	645	2,323,487	239,080	
Issued	41,126	4	81,775	5,342	
Redeemed	(16,918)	-	(47,710)	-	
At end of half financial year	871,562	649	2,357,552	244,422	
	Class A Stg£ Shares	Class A US\$ Shares	Class B Stg£* Shares	Class B US\$* Shares	
Global Equity Fund					
At beginning of the half financial year	3,138,522	82,253	-	-	
Issued	27,174	66,387	129,200	3,348,095	
Redeemed	(86,744)	(22,099)	(85,830)	(1,490,876)	
At end of half financial year	3,078,952	126,541	43,370	1,857,219	
	Class A Stg£ Shares	Class B Stg£** Shares			
UK Fund					
At beginning of the half financial year	1,737,907	4,167			
Issued	150,876	-			
Redeemed	(52,379)	(4,167)			
At end of half financial year	1,836,404	-			
	Class A Stg£ Shares	Class B Stg£ Shares	Class P Stg£ Shares		
Sterling Bond Fund					
At beginning of the half financial year	11,939,658	2,977	1,335,572		
Issued	1,278,746	52	235,109		
Redeemed	(1,128,192)	-	(118,731)		
At end of half financial year	12,090,212	3,029	1,451,950		
	Class A Stg£ Shares	Class B Stg£ Shares	Class P Stg£ Shares	Class A1*** Shares	Class B1*** Shares
Tactical Equity Fund					
At beginning of the half financial year	4,269,933	1,545,514	3,864,683	-	-
Issued	255,985	379,541	567,116	2,314,110	1,032,543
Redeemed	(2,946,511)	(1,236,578)	(2,730,572)	(2,314,110)	(1,032,543)
At end of half financial year	1,579,407	688,477	1,701,227	-	-
	Class P1*** Shares				
Tactical Equity Fund					
At beginning of the half financial year	-				
Issued	2,349,261				
Redeemed	(2,349,261)				
At end of half financial year	-				

* Launched on 4 July 2016.

** Terminated on 16 June 2016.

*** Launched on 24 October 2016 and terminated on 25 October 2016. Class A1, Class B1 and Class P1 of the Tactical Equity Fund are only open to investment from Shareholders converting shares from Class A, B and P respectively.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Notes to the Condensed Financial Statements (continued)

2. SHARE CAPITAL (continued)

CAPITAL SHARE TRANSACTIONS OF REDEEMABLE SHARES (continued)

For the half financial year ended 31 October 2016 (continued)

	Class A Stg£ Shares	Class A US\$ Shares	Class I Euro Shares	Class I US\$ Shares
Global Strategic Bond Fund				
At beginning of the half financial year	143,277	7,617,311	10646	2,234,084
Issued	243	398,481	-	164,200
Redeemed	(15,000)	(270,073)	(1,410)	(162,906)
At end of half financial year	<u>128,520</u>	<u>7,745,719</u>	<u>9,236</u>	<u>2,235,378</u>

	Class A US\$ Institutional Shares	Class A Stg£* Shares	Class B Stg£* Shares	Class P Stg£* Shares
Global Core Equity Fund				
At beginning of the half financial year	1,145,761	-	-	-
Issued	32,355	3,954,815	1,742,932	2,967,117
Redeemed	(27,600)	-	-	(4,053)
At end of half financial year	<u>1,150,516</u>	<u>3,954,815</u>	<u>1,742,932</u>	<u>2,963,064</u>

	Class A Stg£ Shares	Class P Stg£ Shares
Alternatives Fund		
At beginning of the half financial year	72,857	2,188,493
Issued	874	521,339
Redeemed	-	(270,737)
At end of half financial year	<u>73,731</u>	<u>2,439,095</u>

	Class B Stg£ Shares	Class P Stg£ Shares
Cautious Income Fund		
At beginning of the half financial year	1,402,398	494,674
Issued	417,653	168,157
Redeemed	(72,612)	(69,445)
At end of half financial year	<u>1,747,439</u>	<u>593,386</u>

* Launched on 26 October 2016.

For the half financial year ended 31 October 2015

	Class A US\$ Shares	Class A Euro Shares	Class A Stg£ Shares	Class M Stg£ Shares
Asia Pacific Fund				
At beginning of the half financial year	841,558	616	2,273,695	179,487
Issued	95,870	-	199,334	80,292
Redeemed	(46,249)	(1)	(72,885)	(20,699)
At end of half financial year	<u>891,179</u>	<u>615</u>	<u>2,400,144</u>	<u>239,080</u>

	Class A Stg£ Shares	Class A US\$ Shares
Global Equity Fund		
At beginning of the half financial year	4,111,886	77,390
Issued	140,030	9,100
Redeemed	(466,536)	(2,400)
At end of half financial year	<u>3,785,380</u>	<u>84,090</u>

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Notes to the Condensed Financial Statements (continued)

2. SHARE CAPITAL (continued)

CAPITAL SHARE TRANSACTIONS OF REDEEMABLE SHARES (continued)

For the half financial year ended 31 October 2015 (continued)

UK Fund	Class A Stg£ Shares	Class A US\$ Shares		
At beginning of the half financial year	1,901,747	11,193		
Issued	61,685	20		
Redeemed	(94,623)	(6,928)		
At end of half financial year	<u>1,868,809</u>	<u>4,285</u>		
European Fund	Class A Euro Shares	Class A Stg£ Shares	Class B Euro Shares	Class A Euro Acc Shares
At beginning of the half financial year	38,833,857	27,214,424	3,243,116	8,906,268
Issued	413,539	77,634	268,138	42,063
Redeemed	(39,247,396)	(27,292,058)	(3,511,254)	(8,948,331)
At end of half financial year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sterling Bond Fund	Class A Stg£ Shares	Class B Stg£ Shares	Class P Stg£ Shares	
At beginning of the half financial year	12,929,590	2,838	1,076,442	
Issued	875,903	97	197,992	
Redeemed	(773,898)	-	(47,562)	
At end of half financial year	<u>13,031,595</u>	<u>2,935</u>	<u>1,226,872</u>	
Tactical Equity Fund	Class A Stg£ Shares	Class B Stg£ Shares	Class P Stg£ Shares	
At beginning of the half financial year	4,456,227	1,433,370	3,182,662	
Issued	335,200	333,190	631,547	
Redeemed	(351,234)	(108,378)	(119,573)	
At end of half financial year	<u>4,440,193</u>	<u>1,658,182</u>	<u>3,694,636</u>	
Global Strategic Bond Fund	Class A Stg£ Shares	Class A US\$ Shares	Class I Euro Shares	Class I US\$ Shares
At beginning of the half financial year	115,000	8,251,264	-	2,405,367
Issued	27,900	395,370	104,599	125,015
Redeemed	-	(1,054,750)	(1,900)	(158,219)
At end of half financial year	<u>142,900</u>	<u>7,591,884</u>	<u>102,699</u>	<u>2,372,163</u>
Global Core Equity Fund	Class A US\$ Institutional Shares			
At beginning of the half financial year	1,037,894			
Issued	73,287			
Redeemed	(28,710)			
At end of half financial year	<u>1,082,471</u>			

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Notes to the Condensed Financial Statements (continued)

2. SHARE CAPITAL (continued)

CAPITAL SHARE TRANSACTIONS OF REDEEMABLE SHARES (continued)

For the half financial year ended 31 October 2016 (continued)

	Class A Stg£ Shares	Class P Stg£ Shares
Alternatives Fund		
At beginning of the half financial year	48,120	1,947,097
Issued	23,200	365,368
Redeemed	-	(195,925)
At end of half financial year	<u>71,320</u>	<u>2,116,540</u>

	Class B Stg£ Shares	Class P Stg£ Shares
Cautious Income Fund		
At beginning of the half financial year	632,193	330,744
Issued	123,545	36,763
Redeemed	(4,122)	(3,181)
At end of half financial year	<u>751,616</u>	<u>364,326</u>

3. SIGNIFICANT AGREEMENTS AND RELATED PARTY TRANSACTIONS

INVESTMENT MANAGEMENT FEES

The Company has entered into an investment management agreement with Waverton Investment Management Limited, (the "Investment Manager"), pursuant to which the Investment Manager manages the Company's investments on a discretionary basis. The Investment Manager is a company incorporated under the laws of England and Wales and regulated by the Financial Conduct Authority ("FCA"). The Investment Manager is entitled to receive an investment management fee from the Company.

This fee is calculated and accrued on each Dealing Day and paid quarterly in arrears from the Net asset value of each Class of the respective Funds at the following rates. There are no investment management fees applicable for the Class A Institutional, Class M or Class Z share classes.

Under the Investment Management Agreement, the Company will pay to the Investment Manager a fee at the aggregate annual rate by each Fund as follows:

For the half financial year ended 31 October 2016	Class A	Class A	Class B	Class B	Class I	Class M	Class P	Class Z
	Class A	Institutional	Class B	Institutional				
Asia Pacific Fund	1.00%	-	1.50%	-	-	-	-	-
Global Equity Fund	1.00%	-	0.50%	-	-	-	-	-
UK Fund	1.00%	-	1.50%	-	-	-	-	-
Sterling Bond Fund	0.75%	-	1.00%	-	-	-	0.40%	-
Tactical Equity Fund	1.00%	-	0.75%	-	-	-	0.40%	-
Global Strategic Bond Fund	0.50%	-	1.00%	-	0.75%	-	-	-
Global Core Equity Fund	1.00%	-	0.75%	0.40%	-	-	0.40%	-
Alternatives Fund	1.00%	-	0.75%	-	-	-	0.40%	-
Cautious Income Fund	-	-	0.75%	-	-	-	0.40%	-

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Notes to the Condensed Financial Statements (continued)

3. SIGNIFICANT AGREEMENTS AND RELATED PARTY TRANSACTIONS (CONTINUED)

INVESTMENT MANAGEMENT FEES (CONTINUED)

For the half financial year ended 31 October 2015	Class A	Class B Class B Institutional	Class B	Class I	Class P
Asia Pacific Fund	1.00%	1.50%	-	-	-
Global Equity Fund	1.00%	1.50%	-	-	-
UK Fund	1.00%	1.50%	-	-	-
European Fund ¹	1.00%	1.50%	-	-	-
Sterling Bond Fund	0.75%	1.25%	-	-	0.40%
Tactical Equity Fund	1.00%	0.75%	-	-	0.40%
Global Strategic Bond Fund	0.50%	1.00%	-	0.75%	-
Global Core Equity Fund	-	-	0.40%	-	-
Alternatives Fund	1.00%	0.75%	-	-	0.40%
Cautious Income Fund	-	0.75%	-	-	0.40%

¹On 30 June 2015, the European Fund was merged with the Odey European Focus Fund and thereafter it ceased to be a sub-fund of the Company.

In addition, the Investment Manager is entitled to be reimbursed its reasonable vouched out-of-pocket expenses. Each Fund bears pro rata its share of such out-of-pocket expenses.

Details of fees waived by the Investment Manager during the financial periods ended 31 October 2016 and 31 October 2015 are included in the Condensed Statement of Comprehensive Income.

Expense Cap for Global Core Equity Fund and Cautious Income Fund

The Investment Manager has voluntarily agreed to cap the total annual fees and expenses (excluding the Investment Management Fee (if any) for the Class A US\$ Institutional Shares, Class B US\$ Institutional Shares, Class A Stg£ Shares, Class B Stg£ Shares, Class P Stg£ Shares and Class Z Stg£ Shares of Global Core Equity Fund and for the Class B Stg£ and P Stg£ Shares of Cautious Income Fund) as follows:

Global Core Equity Fund	Expense Cap
Class A US\$ Institutional Shares	0.25% of Net Asset Value
Class B US\$ Institutional Shares	0.25% of Net Asset Value
Class A Stg£ Shares	0.25% of Net Asset Value
Class B Stg£ Shares	0.25% of Net Asset Value
Class P Stg£ Shares	0.25% of Net Asset Value
Class Z Stg£ Shares	0.25% of Net Asset Value
Cautious Income Fund	0.25% of Net Asset Value
Class B Stg£ Shares	0.40% of Net Asset Value
Class P Stg£ Shares	0.40% of Net Asset Value

This expense cap covers all costs and expenses connected with the operating activities of the Funds, including administration, registration, transfer agency, depositary and trustee fees, and other operating expenses. The expense cap does not cover: the Investment Management Fee for the Class A US\$ Institutional Shares, Class B US\$ Institutional Shares, Class A Stg£ Shares, Class B Stg£ Shares and Class P Stg£ Shares of Global Core Equity Fund or for the Class B Stg£ and P Stg£ Shares of Cautious Income Fund; such non-recurring and extraordinary or exceptional costs and expenses (if any) as may arise from time to time; withholding taxes that may be deducted from interest; stamp duties or other documentary transfer taxes, or similar duties; and investment expenses arising with respect to the purchase or sale of securities by the Funds. The Investment Manager will absorb (directly or by way of a refund to the Funds) any difference that may arise between the actual cost of operations of the Funds and the relevant expense cap.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Notes to the Condensed Financial Statements (continued)

3. SIGNIFICANT AGREEMENTS AND RELATED PARTY TRANSACTIONS (continued)

PERFORMANCE FEE

The Investment Manager may receive a performance fee based on its investment management performance during a performance period ("Performance period"). A Performance period shall: (i) in the case of the first Performance period, commence upon the close of the Initial Offer Period and end on the next succeeding Quarter Day (as hereinafter defined); and (ii) thereafter shall commence on the day immediately following such Quarter Day and shall end on the next succeeding Quarter Day. A Quarter Day shall be 31 March, 30 June, 30 September or 31 December in any financial year.

In the case of the Class A Stg£, Class A US\$ and Class B US\$ Shares in Global Strategic Bond Fund, a performance fee is payable to the Investment Manager when: (i) the increase in the net asset value per Share of the relevant Class of a Fund (as denominated in the Functional Currency of the Fund to which the Class relates) over a Performance Period is greater than the increase in the Benchmark for that Fund over the same Performance Period; or (ii) when the decrease in the net asset value per Share of the relevant Class of a Fund (as denominated in the Functional Currency of the Fund to which the Class relates) over a Performance Period is less than the decrease in the Benchmark for that Fund over the same Performance Period. The performance fee shall be 10% in respect of Global Strategic Bond Fund of the amount by which the net asset value per Share before the deduction of performance fees exceeds the Benchmark as aforesaid as at the end of a Performance Period, multiplied by the number of Shares in issue in that Class at the end of the Performance period.

The performance fee is calculated by measuring the increase or decrease of the net asset value per Share as denominated in the Functional Currency of the relevant Fund against the performance of the relevant Benchmark. The Benchmark shall always be denominated in the Functional Currency of the relevant Fund. As the Sterling denominated Class A of the Global Strategic Bond Fund is intended to be fully hedged, the performance fee for this Class will be calculated using the net asset value per Share in Sterling.

The performance fee is calculated and accrued on each Dealing Day and paid quarterly in arrears at the end of a Performance Period. When calculating the performance fee payable, the net asset value is adjusted, as appropriate, for subscriptions, redemptions, dividends paid and any accruals of performance fee and by the amount, if any, by which the net asset value underperformed the Benchmark in any preceding Performance Period. Any dividends which are to be added back in order to determine the performance fee will be added back as a per Share amount based on the number of Shares in issue when the dividends were paid.

Where a performance fee is payable it is based on the net asset value of a Class as at the end of each period. As a result a performance fee may be paid in respect of unrealised gains, which may subsequently never be realised. Furthermore, because the performance fee is payable on the performance of a Fund relative to a Benchmark (outperformance), a performance fee may be payable in circumstances where the net asset value of a Fund has declined. On the other hand a prior relative underperformance must be recouped before a performance fee shall again be payable.

The performance fee calculation is verified by the Depository of the Company. Performance fee worked examples are available from the Administrator and the Investment Manager upon request.

The performance fee applicable to each Fund is set out in that Fund's prospectus. Currently, the Global Strategic Bond Fund is the only Fund that is entitled to a performance fee.

A performance fee of USD 6,633 was paid during the half financial period ended 31 October 2016 (31 October 2015: USD nil) for the Global Strategic Bond Fund of which USD 6,633 was outstanding as at 31 October 2016 (31 October 2015: USD nil).

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Notes to the Condensed Financial Statements (continued)

3. SIGNIFICANT AGREEMENTS AND RELATED PARTY TRANSACTIONS (continued)

ADMINISTRATOR FEES

RBC Investor Services Ireland Limited (the “Administrator”), is entitled to a fee payable out of the assets of each Fund in relation to the provision of its services as fund accountant, administrator and transfer agent, accruing daily and payable monthly in arrears at the end of each calendar month at a rate of up to 2 basis points of the net asset value of each of the Funds, subject to a minimum annual fee for each Fund, exclusive of out-of-pocket expenses, of EUR 34,500 (which is based on two share classes) per Fund. The Funds shall also be subject to transaction charges, which shall not exceed normal commercial rates. The Administrator shall also be entitled to certain other fees for registrar and transfer agency, financial statements production and other services and to reimbursement of all reasonable out-of-pocket expenses incurred out of the assets of the Fund in respect of which such expenses were incurred.

Administration and fund accounting services fees payable to the Administrator as at 31 October 2016 and 30 April 2016 and expenses incurred during the financial periods ended 31 October 2016 and 31 October 2015 are shown on the Condensed Statement of Financial Position and Condensed Statement of Comprehensive Income, respectively.

DEPOSITARY FEES

RBC Investor Services Bank S.A., Dublin Branch (the “Depositary”) shall be entitled to a depositary oversight fee payable out of the assets of each Fund accruing daily and payable monthly in arrears at the end of each calendar month at an annual rate of up to 0.02% of the net asset value of each Fund, subject to a minimum annual fee for each Fund, exclusive of transaction charges and out-of-pocket expenses, of EUR 8,000.

Safekeeping fees based on the market value of the assets of each Fund may also be charged which shall vary from 1 basis point of the Net Asset Value to 72 basis points of the Net Asset Value depending on the country in which the security is traded and held. Each Fund shall also be subject to transaction charges, which shall not exceed normal commercial rates. The Depositary shall also be entitled to reimbursement of out-of-pocket expenses incurred by the Depositary, or any sub-custodian, out of the assets of the Fund in respect of which such expenses were incurred.

Depositary fees payable to the Depositary as at 31 October 2016 and 30 April 2016 and expenses incurred during the financial periods ended 31 October 2016 and 31 October 2015 are shown on the Condensed Statement of Financial Position and Condensed Statement of Comprehensive Income, respectively.

4. DIRECTOR’S REMUNERATION

The total Director Remuneration in any one financial year shall not exceed EUR 135,000. In addition all of the Directors are entitled to be reimbursed by the Company for reasonable out of pocket expenses. Fees payable to the Directors as at 31 October 2016 and 30 April 2016 and fees charged during the financial periods ended 31 October 2016 and 31 October 2015 are shown on the Condensed Statement of Financial Position and Condensed Statement of Comprehensive Income, respectively. Marc Gedult was not paid fees for the financial period ended 31 October 2016.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Notes to the Condensed Financial Statements (continued)

5. AUDITORS' REMUNERATION

Fees and expenses paid to our statutory auditors, Grant Thornton, in respect of the financial periods are as follows:

	31 October 2016	31 October 2015
	EUR	EUR
Audit	42,975	40,406
Other assurance services	-	-
Tax advisory services	-	-
Other non-audit services	-	-
	<u>42,975</u>	<u>40,406</u>

6. TAXATION

Under current law and practice the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. On that basis, it is not chargeable to Irish tax on its income or gains. However, Irish tax may arise on the occurrence of a chargeable event.

A chargeable event includes any distribution payments to shareholders or any encashment, redemption, cancellation or transfer of shares and the holding of shares at the end of each eight year period beginning with the acquisition of such shares.

No Irish tax will arise on the Company in respect of chargeable events in respect of:

- a. A shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, are held by the Company; or the Company has been authorised by the Irish Revenue to make gross payments in the absence of appropriate declarations; and
- b. certain exempted Irish tax resident shareholders who have provided the Company with the necessary signed statutory declarations; and

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its shareholders.

7. SOFT COMMISSION ARRANGEMENTS

The Investment Manager may effect transactions with or through the agency of another person with whom the Investment Manager or an entity affiliated to the Investment Manager has arrangements under which that person will, from time to time, provide to or procure for the Investment Manager and/or an affiliated party goods, services or other benefits such as research and advisory services, specialised computer hardware or software.

No direct payment may be made for such goods or services but the Investment Manager may undertake to place business with that person provided that person has agreed to provide best execution with respect to such business and the services provided must be of a type which assists in the provision of investment services to the Company. During the financial periods ended 31 October 2016 and 31 October 2015 there were no soft commission transactions.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Notes to the Condensed Financial Statements (continued)

8. CASH

Cash balances are held with HSBC, Citibank, and RBC Investor Services Bank S.A., Dublin Branch.

9. EXCHANGE RATES

The Functional Currency of the European Fund is EUR. The Functional Currency of the Global Equity Fund, the UK Fund, the Sterling Bond Fund, the Tactical Equity Fund, the Alternatives Fund, and the Cautious Income Fund is GBP. The Functional Currency of the Asia Pacific Fund, the Global Strategic Bond Fund and the Global Core Equity Fund is the USD.

The following exchange rates at 31 October 2016 have been used to translate assets and liabilities in currencies other than EUR, GBP and USD:

	AUD	BRL	CAD	CHF	CNY	DKK	EUR	GBP	HKD	IDR	INR
USD:	1.3190	3.1663	1.3379	0.9940	6.7802	6.8143	0.9161	0.8242	7.7540	13,049.7194	66.7958
EUR:	1.4398	3.4563	1.4605	1.0851	7.4012	7.4385	1.0000	0.8997	8.4643	14,245.0737	72.9143
GBP:	1.6004	3.8418	1.6233	1.2061	8.2267	8.2681	1.1115	1.0000	9.4084	15,833.8771	81.0467

	JPY	KRW	MXN	NOK	NZD	PHP	SEK	SGD	THB	TWD	USD
USD:	105.2750	1,144.1648	18.8214	8.2717	1.4007	48.5178	9.0300	1.3944	35.0300	31.6366	1.0000
EUR:	114.9182	1,248.9703	20.5454	9.0294	1.5290	52.9620	9.8571	1.5221	38.2387	34.5345	1.0916
GBP:	127.7354	1,388.2723	22.8370	10.0365	1.6995	58.8691	10.9565	1.6919	42.5036	38.3862	1.2134

The following exchange rates at 30 April 2016 have been used to translate assets and liabilities in currencies other than EUR, GBP and USD:

	AUD	BRL	CAD	CHF	CNY	DKK	EUR	GBP	HKD	IDR	INR
USD:	1.3092	3.4872	1.2502	0.9624	6.4871	6.5322	0.8775	0.6843	7.7575	13,185.6540	66.3350
EUR:	1.4920	3.9740	1.4247	1.0968	7.3927	7.4441	1.0000	0.7798	8.8404	15,026.3713	75.5954
GBP:	1.9134	5.0964	1.8271	1.4065	9.4805	9.5465	1.2824	1.0000	11.3372	19,270.1741	96.9453

	JPY	KRW	MXN	NOK	NZD	PHP	SEK	SGD	THB	TWD	USD
USD:	107.0100	1,140.2509	17.1662	8.0871	1.4317	46.9197	8.0472	1.3422	34.9199	32.2810	1.0000
EUR:	121.9486	1,299.4299	19.5626	9.2160	1.6316	53.4697	9.1706	1.5296	39.7947	36.7874	1.1396
GBP:	156.3898	1,666.4196	25.0875	11.8189	2.0924	68.5708	11.7606	1.9616	51.0336	47.1770	1.4615

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Notes to the Condensed Financial Statements (continued)

10. FINANCIAL DERIVATIVE INSTRUMENTS AND EFFICIENT PORTFOLIO MANAGEMENT

A Fund may employ financial derivative instruments for protection against exchange risks (including foreign exchange transactions which alter the currency characteristics of transferable securities held by the relevant Fund) and to alter the currency exposure characteristics of transferable securities in accordance with the conditions and limits set down by the Central Bank of Ireland. Forward currency contracts may, at the Company's sole discretion, be used to hedge some or all of the exchange risk/currency exposure arising as a result of the fluctuation between the currency in which the net asset value per Share is computed, and the currencies in which a Fund's investments are denominated.

In addition, each Fund may also purchase foreign currency forwards or other contracts in order to switch the underlying currency exposure of assets within the Fund's portfolio into alternative currencies, whereby the characteristics of the assets are tailored to seek to provide the desired balance between risk and return in keeping with the strategy pursued by the relevant Fund. Accordingly, the Fund may take material positions in currencies other than currencies of denomination of the underlying assets of the Fund.

Details of open forward currency contracts, futures and options held as at 31 October 2016 are shown in the Portfolios of Investments.

Notional Exchange gains or losses due to the presentation of these condensed financial statements in EUR are included in the Condensed Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares.

Subject to the conditions and within the limits from time to time laid down by the Central Bank, and except as otherwise stated in the investment objective and policies of a Fund, the Investment Manager may employ, for certain Funds, investment techniques and instruments such as futures, options, forward foreign currency contracts and other derivatives for investment and/or efficient portfolio management ("EPM") purposes. Furthermore, new techniques and instruments may be developed which may be suitable for use by a Fund in the future, and a Fund may employ such techniques and instruments subject to the prior approval of, and any restrictions imposed by, the Central Bank of Ireland.

For UCITS which have invested in financial derivative instruments ("FDI") and/or engaged in efficient portfolio management techniques, new disclosures are required under UCITS Regulations. The Investment Manager of the Funds has identified all financial derivative instruments which are forward currency contracts, options and futures, for which the counterparty is RBC for futures and options and BNY Mellon and RBC for forwards.

During the financial half year, futures, options and forward foreign currency transactions were entered into for the purpose of efficient portfolio management in order to hedge currency and market exposure and/or for investment purposes. The notional amounts are detailed in the Portfolio of Investments.

The relevant Funds may have entered into currency forwards and other foreign currency derivative transactions for the purposes of limiting the foreign currency exposure arising out of the non-base currency denomination of the investments of the Fund or the currency exposure arising between the Functional Currency and the currency of denomination of each Class of shares. In addition, certain Funds may also have purchased foreign currency forwards or other contracts in order to switch the underlying currency exposure of assets within the relevant Fund's portfolio into alternative currencies, whereby the characteristics of the assets are tailored to seek to provide the desired balance between risk and return in keeping with the strategy pursued by the relevant Fund.

The relevant Funds may have entered into futures contracts to take long or short positions in, or to increase or reduce the relevant Fund's exposure to, an underlying security, currency, market or index. For example, purchased futures may serve as a long hedge of the investments of the relevant Funds and sold futures may have served as limited short hedge equities of the investments of the relevant Funds. Futures may also be used, for example, to equitise cash balances, both pending investment of a cash flow and with respect to fixed cash targets.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Notes to the Condensed Financial Statements (continued)

10. FINANCIAL DERIVATIVE INSTRUMENTS AND EFFICIENT PORTFOLIO MANAGEMENT (continued)

The relevant Funds may have purchased and sold put and call options. Call options may be purchased by certain Funds: (i) to provide exposure to increases in the market (e.g., with respect to temporary cash positions); and (ii) to hedge against an increase in the price of securities or other investments that a Fund intends to purchase. Put options may have been purchased by the relevant Funds to (i) hedge against a decrease in the market generally; and (ii) hedge against the price of securities or other investments held by certain Funds. The purpose behind a Fund writing covered call options is typically to seek enhanced returns and when in the opinion of the Investment Manager the exercise price together with the option premium received (unless the written calls are repurchased) would represent an acceptable sale price for some or all of the holding. Put options, covered by cash, may be written when in the opinion of the Investment Manager the exercise price less the option premium received (unless the written puts are repurchased) would represent an acceptable purchase price for a holding.

The Funds did not engage in the efficient portfolio management techniques of repurchase, reverse repurchase and stock lending arrangements.

Details of all open transactions at the half financial year end are disclosed in the Portfolio of Investments.

11. FINANCIAL INSTRUMENTS DISCLOSURE

In accordance with FRS 102 (“Financial Instruments: Disclosure”), this note details the way in which the Company identifies and manages risks associated with the use of financial instruments.

The Company’s activities involve identification, analysis, evaluation and acceptance of risk or a combination of risks. The most significant types of risk to the Funds are market risk, currency risk, credit risk and liquidity risk. The Company’s risk management policies are designed to identify and analyse these risks, set risk limits and controls and to monitor these continuously by means of a reliable and up to date risk monitoring system.

Based on the nature and magnitude of the risks that are being entered into, rules are established for the type and frequency of ongoing risk monitoring. Monitoring of the ex-ante risk of a Fund is conducted in accordance to the Fund’s risk assessment which details the Fund’s strategy and objectives.

Market Risk

FRS 102 identifies that this risk comprises of three types of risk; market price risk, currency risk and interest rate risk. The risk monitoring system and stress testing are used to monitor these risks.

The Investment Manager is responsible on a day-to-day basis for measuring and monitoring market risk arising from all sources, including derivatives, counterparties, and general market movements. This control is documented in a daily VaR and commitment report which is distributed to the Fund manager and the compliance team of the Investment Manager. The Investment Manager is responsible for managing that risk.

Market Price Risk

This is the potential for change in the market value of instruments due to adverse movements in equity, bond, commodity, currency and other market prices, indices or rates or changes in the anticipated or calculated volatility of these movements. Also pricing/valuation risk has been identified as the risk that the valuation/price of a specific transaction may not be accurate. The majority of the Funds’ financial assets at fair value through profit and loss consist of listed investments.

Each portfolio manager of a Fund is responsible for the investment decisions relating to his Fund and uses appropriate investment experience, research and the daily VaR report to assist in the decision making process. The composition of each Fund is reviewed by the Board of Directors on a quarterly basis.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Notes to the Condensed Financial Statements (continued)

11. FINANCIAL INSTRUMENTS DISCLOSURE (continued)

Market Price Risk (continued)

By way of a monthly clinic, the Head of Funds at the Investment Manager, plus two Fund managers review the underlying investments of a specific Fund. Each Fund is reviewed by this weekly clinic at least once every five weeks. The Risk and Compliance Committee of the Investment Manager, which comprises a senior member of each department of the Investment Manager reviews each Fund and its risk using the VaR analysis at monthly meetings.

Global exposure

Global exposure is calculated using Value at Risk (“VaR”). The Funds apply a VaR methodology to assess the market risk positions held and to estimate the potential economic loss based upon a number of parameters and assumptions for various changes in market conditions. VaR is a method used in measuring financial risk by estimating the potential negative change in a Fund not to be exceeded given a certain confidence level and over a specified time horizon.

The Funds use a Monte Carlo simulation to calculate VaR and uses a “Full Valuation Methodology” to theoretically value every security that forms part of a Fund. Each security is broken down and tested against three broad risk factors and a variance-covariance matrix is constructed to carry out the simulations. These risk factors are Interest Rates, Market Indices and Exchange Rates. A figure is calculated based on both a one day and two week movement and VaR is calculated as 1 day and then scaled to a 1 month VaR. The two week movement is used to assess potential losses in periods of sustained downside volatility.

Objectives and limitations of the VaR Methodology

The Funds use simulation models to assess possible changes in the market value of each Fund based on historical data. The default time horizon for the historical simulation model is 500 days (2 years), although this can be amended to 1 year if deemed appropriate. The VaR models are designed to measure market risk in a normal market environment. The models assume that any changes occurring in the risk factors affecting the normal market environment will follow a lognormal distribution. The distribution is calculated by using exponentially weighted historical data. The use of VaR has limitations because it is based on historical correlations and volatilities in market prices and assumes that future price movements will follow a statistical distribution.

Due to the fact that VaR relies significantly on historical data to provide information and may not clearly predict the future changes and modifications of the risk factors, the probability of large market moves may be underestimated if changes in risk factors fail to align with the normal distribution assumption. VaR may also be under or overestimated due to assumptions placed on risk factors and the relationship between such factors for specific instruments. Even though positions may change throughout the day, the VaR only represents the risk of a Fund at the close of each business day and it does not account for any losses that may occur beyond the 99% confidence level.

In practice, the actual trading results will differ from the VaR calculation and, in particular the calculation does not provide a meaningful indication of profits and losses in stressed market conditions. Stress tests are carried out on a number of predefined scenarios that form part of a separate calculation. To determine the reliability of the VaR model, actual outcomes are monitored regularly to test validity of the assumptions and the parameters used in the VaR calculation.

Other Price Risk

Other price risk is managed by monitoring the schedule of investments and the Investment Manager’s legal and compliance team monitoring program which incorporates a review of the investment restrictions.

Currency Risk

Currency risk is defined by FRS 102 as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises on financial instruments that are denominated in a currency other than the Functional Currency in which they are measured. The Funds have exposures to currencies other than their Functional Currency and their main investment area. This risk is considered to be normal market exposure and consistent with the benchmark which is set for each Fund.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Notes to the Condensed Financial Statements (continued)

11. FINANCIAL INSTRUMENTS DISCLOSURE (continued)

Currency Risk (continued)

The Investment Manager has the ability within their investment powers to hedge any significant exposure to one particular currency that may result from the bottom-up stock selection process. This was exercised on the Asia Pacific Fund, Sterling Bond Fund and the Global Strategic Bond Fund during the half financial year ended 31 October 2016.

The Global Strategic Bond Fund also utilises share class hedging to reduce the exposure of the GBP share class to fluctuations in the Functional Currency of the Fund which is USD. Forward currency contracts held as at 31 October 2016 are included in the Portfolios of Investments.

The ongoing risk relating to FX rate fluctuations is reviewed by the Investment Manager's Legal and Compliance Committee, in line with the underlying investments.

Interest Rate Risk

This risk is defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The value of investments in interest bearing securities may be subject to price volatility due to changes in interest rates. An increase in interest rates will generally reduce the value of debt securities that are issued and outstanding, while a decline in interest rates will generally increase the value of debt securities that are issued and outstanding.

The magnitude of these price fluctuations will be greater when the maturity of the outstanding securities is longer. Changes in the value of securities held by a Fund due to interest rates change may cause the net asset value per Share of the Fund to go up or down because of the effect of changing interest rates on the value of the Fund's portfolio of debt securities. The Investment Manager monitors the exposure within the Funds on an ongoing basis whilst observing the investments objectives of the Funds.

Credit Risk

This is the risk of loss arising if a counterparty fails to perform its obligations subsequent to the provision of credit facilities (either on or off balance sheet). The Company will be exposed to a credit risk on parties with whom it trades and will also bear the risk of settlement default. The Company seeks to minimise concentrations of credit risk by undertaking transactions with a large number of counterparties on recognised and reputable exchanges. The Investment Manager monitors the credit risk of the issuing of shares in the Funds. All brokers used are approved for trading purposes by the Investment Manager's Legal and Compliance Committee.

The Cautious Income Fund, Sterling Bond Fund and the Global Strategic Bond Fund hold a number of options and futures which are held with RBC. Forwards are held with BNY Mellon. As at 31 October 2016, RBC Investor Services Bank S.A. is rated as AA- and BNY Mellon is rated as A per S&P. The counterparties are approved for trading purposes by the Investment Manager's Legal and Compliance Committee.

As at 31 October 2016 cash balances were held with Citibank, HSBC and RBC Investor Services Bank S.A.. As at 30 April 2016 cash balances were held with Bank of America Merrill Lynch, Citibank and RBC Investor Services Bank S.A..

Liquidity Risk

The assets of the Funds comprise of mainly readily realisable securities, which can generally be sold within 1 week. Liquidity is assessed by taking the average number of trading days of each position in each Fund, assuming that each position accounts for at least 25% of the daily trading volume. The main liability of the Funds tends to be outstanding payables on the purchase of investments and the redemption of any Shares that investors wish to sell. All financial liabilities are due to mature within one financial year. The Investment Manager monitors the volume and turnover of the portfolio for liquidity purposes.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Notes to the Condensed Financial Statements (continued)

11. FINANCIAL INSTRUMENTS DISCLOSURE (continued)

ASSOCIATED RISK FOR DERIVATIVE INSTRUMENTS

The Company may use derivative instruments traded on an organised exchange and/or on over-the-counter markets for investment purposes and/or efficient portfolio management in accordance with the investment objective and the policy of the Fund. The use of these strategies involves certain special risks, including but not limited to: (i) dependence on the ability to predict movements in the prices of securities being hedged and movement in interest rates; (ii) imperfect correlation between the hedging instruments and the securities or market sectors being hedged; (iii) the possible absence of a liquid market for any particular instrument; (iv) possible impediments to effective portfolio management or the ability to meet repurchase requests or other short-term obligations because of the percentage of a Fund's assets segregated to cover its obligations; (v) the risk of counterparty default delaying or impeding the recovery of a Fund's assets; (vi) the fact that skills needed to use these instruments are different from those needed to select the Fund's securities; and (vii) the potential loss arising from the use of FDI or EPM may not be predictable and may even exceed the margin or other collateral paid. A Fund's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations and these strategies may be used only in accordance with the investment objectives of the Fund.

Derivative instruments are only utilised within the Company for the purposes of reducing risk either by hedging exposure or reducing volatility. Derivative exposures are monitored on a daily basis by the Investment Manager's Legal and Compliance Committee. Details of derivative contracts held by the Company as at 31 October 2016 are included in the Portfolio of Investments.

FAIR VALUE ESTIMATION

The Funds utilise various methods to value investments measured at fair value on a recurring and non recurring basis.

The Financial Reporting Council has recently issued an amendment to FRS 102 fair value hierarchy disclosures ("FRED 62") which aligns with IFRS 13 Fair Value Measurement effective for accounting periods beginning on or after 01 January 2017 with early application permitted. The Company has elected to apply the amendment for these condensed financial statements.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement (lowest being level 3).

Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Fund. Unobservable inputs reflect the Company's assumptions, made in good faith, about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The determination of what constitutes "observable" requires significant judgment by the Company. The Company considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The categorisation of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Company's perceived risk of that instrument.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Company's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Company uses prices and inputs that are current as of the measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Notes to the Condensed Financial Statements (continued)

11. FINANCIAL INSTRUMENTS, DISCLOSURE (continued)

FAIR VALUE ESTIMATION (continued)

The three levels of inputs are defined as follows:

Level 1 - The unadjusted quoted price in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1);

Level 2 - Inputs other than quoted prices included within level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly (level 2); and

Level 3 - Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The following tables summarise the inputs used to value the Funds' financial instruments measured at fair value on a recurring and non-recurring basis as at 31 October 2016:

	Level 1	Level 2	Level 3	Total
Asia Pacific Fund	USD	USD	USD	USD
Equities	94,580,574	-	-	94,580,574
Total Investments	94,580,574	-	-	94,580,574
Global Equity Fund	GBP	GBP	GBP	GBP
Equities	69,782,204	-	-	69,782,204
Total Investments	69,782,204	-	-	69,782,204
UK Fund	GBP	GBP	GBP	GBP
Equities	24,173,295	-	-	24,173,295
Total Investments	24,173,295	-	-	24,173,295
Sterling Bond Fund	GBP	GBP	GBP	GBP
Bonds	16,502,959	100,468,612	-	116,971,571
Forwards	-	(1,889,041)	-	(1,889,041)
Options	-	68,766	-	68,766
Total Investments	16,502,959	98,648,337	-	115,151,296
Tactical Equity Fund	GBP	GBP	GBP	GBP
Investment Funds	-	38,948,104	-	38,948,104
Exchange Traded Funds	9,600,751	-	-	9,600,751
Warrants	-	3,391,494	-	3,391,494
Total Investments	9,600,751	42,339,598	-	51,940,349
Global Strategic Bond Fund	USD	USD	USD	USD
Equities	-	1,661,895	-	1,661,895
Bonds	13,573,789	67,315,693	-	80,889,482
Forwards	-	1,645,615	-	1,645,615
Futures	346,070	-	-	346,070
Options	-	45,156	-	45,156
Total Investments	13,919,859	70,668,359	-	84,588,218
Global Core Equity Fund	USD	USD	USD	USD
Equities	114,115,469	667,589	-	114,783,058
Total Investments	114,115,469	667,589	-	114,783,058

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Notes to the Condensed Financial Statements (continued)

11. FINANCIAL INSTRUMENTS, DISCLOSURE (continued)

FAIR VALUE ESTIMATION (continued)

	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
Alternatives Fund				
Equities	415,000	592,421	-	1,007,421
Investment Funds	1,722,202	19,545,648	-	21,267,850
Exchange Traded Funds	977,789	-	-	977,789
Total Investments	3,114,991	20,138,069	-	23,253,060
Cautious Income Fund				
Bonds	1,119,397	2,112,808	-	3,232,205
Investment Funds	1,301,987	13,793,116	-	15,095,103
Exchange Traded Funds	6,139,742	-	-	6,139,742
Warrants	-	170,307	-	170,307
Options	-	76,441	-	76,441
Total Investments	8,561,126	16,152,672	-	24,713,798

The following tables summarise the inputs used to value the Funds' financial instruments measured at fair value on a recurring and non-recurring basis as at 30 April 2016:

	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
Asia Pacific Fund				
Equities	84,028,241	-	-	84,028,241
Forwards	-	(1,222)	-	(1,222)
Total Investments	84,028,241	(1,222)	-	84,027,019
Global Equity Fund				
Equities	42,317,852	-	-	42,317,852
Other Financial Instruments	-	-	-	-
Total Investments	42,317,852	-	-	42,317,852
UK Fund				
Equities	21,026,569	-	-	21,026,569
Other Financial Instruments	-	-	-	-
Total Investments	21,026,569	-	-	21,026,569
Sterling Bond Fund				
Bonds	12,629,916	93,176,531	-	105,806,447
Forwards	-	932,461	-	932,461
Options	-	26,729	-	26,729
Total Investments	12,629,916	94,135,721	-	106,765,637
Tactical Equity Fund				
Bonds	-	21,204,006	-	21,204,006
Investment Funds	-	66,504,244	-	66,504,244
Exchange Traded Funds	31,283,557	-	-	31,283,557
Warrants	-	2,522,944	-	2,522,944
Total Investments	31,283,557	90,231,194	-	121,514,751
Global Strategic Bond Fund				
Bonds	15,049,250	62,572,866	-	77,622,116
Forwards	-	(1,332,265)	-	(1,332,265)
Options	-	46,875	-	46,875
Total Investments	15,049,250	61,287,476	-	76,336,726

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Notes to the Condensed Financial Statements (continued)

11. FINANCIAL INSTRUMENTS, DISCLOSURE (continued)

FAIR VALUE ESTIMATION (continued)

	Level 1	Level 2	Level 3	Total
Global Core Equity Fund	USD	USD	USD	USD
Equities	11,241,535	68,475	-	11,310,010
Total Investments	11,241,535	68,475	-	11,310,010
Alternatives Fund	USD	USD	USD	USD
Equities	707,000	938,600	-	1,645,600
Investment Funds	-	19,996,211	-	19,996,211
Total Investments	707,000	20,934,811	-	21,641,811
Cautious Income Fund	GBP	GBP	GBP	GBP
Bonds	813,755	1,447,986	-	2,261,741
Investment Funds	-	10,386,320	-	10,386,320
Exchange Traded Funds	3,534,804	-	-	3,534,804
Warrants	-	185,628	-	185,628
Total Investments	4,348,559	12,019,934	-	16,368,493

There were no significant transfers between Level 1 and Level 2 for investments held during the financial period/year ended 31 October 2016 and 30 April 2016.

12. NET ASSET COMPARISON

In accordance with the provisions of the Prospectus, financial assets at fair value through profit or loss are valued at the latest mid-market quotation on its regulated market as at the Valuation Point for the purpose of calculating the net asset value. Financial assets at fair value through profit or loss for condensed financial statement purposes have been valued based on the latest bid prices. The difference between the valuation methodology of the condensed financial statements, as required by FRS 102, and the policy in the Prospectus, results in there being differences which are detailed in the table below.

As at 31 October 2016

	Asia Pacific Fund USD	Global Equity Fund GBP	UK Fund GBP
Net Assets Attributable to Holders of Redeemable Shares			
Valuation in accordance with Prospectus (mid market price)	95,312,261	72,592,128	24,761,790
Adjustment to the value at latest bid price	328,496	(477,595)	(53,098)
Net Asset Value in accordance with FRS 102	<u>95,640,757</u>	<u>72,114,533</u>	<u>24,708,692</u>
	Sterling Bond Fund GBP	Tactical Equity Fund GBP	Global Strategic Bond Fund USD
Net Assets Attributable to Holders of Redeemable Shares			
Valuation in accordance with Prospectus (mid market price)	129,573,640	60,081,928	88,114,655
Adjustment to the value at latest bid price	(564,035)	(57,440)	(375,460)
Net Asset Value in accordance with FRS 102	<u>129,009,605</u>	<u>60,024,488</u>	<u>87,739,195</u>

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Notes to the Condensed Financial Statements (continued)

12. NET ASSET COMPARISON (continued)

As at 31 October 2016 (continued)

	Global Core Equity Fund USD	Alternative Fund GBP	Cautious Income Fund GBP
Net Assets Attributable to Holders of Redeemable Shares			
Valuation in accordance with Prospectus (mid market price)	116,284,130	25,982,586	25,926,967
Adjustment to the value at latest bid price	(651,434)	(69,471)	(26,747)
Net Asset Value in accordance with FRS 102	115,632,696	25,913,115	25,900,220

As at 30 April 2016

	Asia Pacific Fund USD	Global Equity Fund GBP	UK Fund GBP
Net Assets Attributable to Holders of Redeemable Shares			
Valuation in accordance with Prospectus (mid market price)	85,751,973	45,149,758	22,193,368
Adjustment to the value at latest bid price	(39,424)	(304,414)	(121,038)
Net Asset Value in accordance with FRS 102	85,712,549	44,845,344	22,072,330

	Sterling Bond Fund GBP	Tactical Equity Fund GBP	Global Strategic Bond Fund USD
Net Assets Attributable to Holders of Redeemable Shares			
Valuation in accordance with Prospectus (mid market price)	122,979,703	125,255,577	86,011,554
Adjustment to the value at latest bid price	(579,433)	(1,210,239)	(414,348)
Net Asset Value in accordance with FRS 102	122,400,270	124,045,338	85,597,206

	Global Core Equity Fund USD	Alternative Fund GBP	Cautious Income Fund GBP
Net Assets Attributable to Holders of Redeemable Shares			
Valuation in accordance with Prospectus (mid market price)	11,386,594	22,950,093	19,095,201
Adjustment to the value at latest bid price	(52,618)	(28,725)	(85,300)
Net Asset Value in accordance with FRS 102	11,333,976	22,921,368	19,009,901

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Notes to the Condensed Financial Statements (continued)

12. NET ASSET COMPARISON (continued)

For the purpose of disclosure of the Net Assets and the net asset value per Share, these condensed financial statements disclose the dealing net assets and net asset value per Share at which Shareholders of redeemable participating Shares can subscribe and redeem. This is based on the valuations per the Prospectus.

Published	31 October 2016		30 April 2016		30 April 2015	
	Net Assets	NAV Per Share	Net Assets	NAV Per Share	Net Assets	NAV Per Share
Asia Pacific Fund						
Class A US\$	16,625,187	USD19.08	14,794,374	USD17.46	17,888,073	USD21.26
Class A Euro	15,102	EUR21.30	13,725	EUR18.68	15,902	EUR23.10
Class A Stg£	74,794,543	GBP26.15	67,473,054	GBP19.87	80,122,141	GBP22.85
Class M Stg£	3,877,429	GBP13.07	3,470,820	GBP9.93	3,173,603	GBP11.46
Global Equity Fund						
Class A US\$	2,235,914	USD21.44	1,161,940	USD20.65	1,156,323	USD23.05
Class A Stg£	53,976,334	GBP17.53	43,987,818	GBP14.02	60,971,423	GBP14.83
Class B US\$*	15,886,373	USD10.38	-	-	-	-
Class B Stg£*	493,507	GBP11.38	-	-	-	-
UK Fund						
Class A Stg£	24,761,790	GBP13.48	22,140,363	GBP12.74	25,634,245	GBP13.48
Class B Stg£***	-	-	53,005	GBP12.72	150,995	GBP13.49
European Fund						
Class A Euro	-	-	-	-	723,363,115	EUR18.63
Class A Stg£	-	-	-	-	729,670,396	GBP19.45
Class B Euro	-	-	-	-	59,822,281	EUR18.45
Class A Euro Acc	-	-	-	-	103,523,010	EUR11.62
Sterling Bond Fund						
Class A Stg£	115,613,793	GBP9.56	110,564,435	GBP9.26	126,570,000	GBP9.79
Class B Stg£	28,088	GBP9.27	26,798	GBP9.00	27,148	GBP9.56
Class P Stg£	13,931,759	GBP9.60	12,388,470	GBP9.28	10,542,776	GBP9.79
Tactical Equity Fund						
Class A Stg£	27,001,808	GBP17.10	61,875,986	GBP14.49	70,704,987	GBP15.87
Class B Stg£	11,626,872	GBP16.89	22,105,081	GBP14.30	22,450,184	GBP15.66
Class P Stg£	21,453,248	GBP12.61	41,274,510	GBP10.68	37,211,249	GBP11.69
Global Strategic Bond Fund						
Class A US\$	66,353,882	USD8.57	64,211,057	USD8.43	75,641,667	USD9.17
Class A Stg£	1,312,136	GBP8.41	1,744,112	GBP8.33	1,606,412	GBP9.06
Class I Euro	100,211	EUR9.94	117,277	EUR9.67	-	-
Class I US\$	20,348,426	USD9.10	19,939,108	USD8.93	23,123,660	USD9.61
Global Core Equity Fund						
Class A US\$	11,580,576	USD10.07	11,386,594	USD9.94	10,915,611	USD10.52
Class A Stg£***	47,810,115	GBP9.96	-	-	-	-
Class B Stg£***	21,070,901	GBP9.96	-	-	-	-
Class P Stg£***	35,822,538	GBP9.96	-	-	-	-

* Launched on 4 July 2016.

** Terminated on 16 June 2016.

*** Launched on 26 October 2016.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Notes to the Condensed Financial Statements (continued)

12. NET ASSET COMPARISON (continued)

Published	31 October 2016		30 April 2016		30 April 2015	
	Net Assets	NAV Per Share	Net Assets	NAV Per Share	Net Assets	NAV Per Share
Alternatives Fund						
Class A Stg£	756,782	GBP10.26	734,047	GBP10.08	499,081	GBP10.37
Class P Stg£	25,225,804	GBP10.34	22,216,046	GBP10.15	20,328,840	GBP10.44
Cautious Income Fund						
Class B Stg£	19,288,903	GBP11.04	14,073,177	GBP10.04	6,715,300	GBP10.62
Class P Stg£	6,638,064	GBP11.19	5,022,024	GBP10.15	3,520,099	GBP10.64

13. NET GAIN/(LOSS) ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 31 October 2016

	Asia Pacific Fund USD	Global Equity Fund GBP	UK Fund GBP
Net realised gains on sale of investments	3,232,829	5,947,848	685,100
Net change in unrealised gains on investments	5,276,125	8,737,963	699,043
Net realised losses on forward foreign exchange contracts	(50,368)	(13,760)	-
Net change in unrealised gains on forward foreign exchange contracts	1,222	-	-
Net currency (losses)/gains	(88,910)	14,101	186
	8,370,898	14,686,152	1,384,329
	European Fund EUR	Sterling Bond Fund GBP	Tactical Equity Fund GBP
Net realised gains on sale of investments	-	2,794,976	16,737,610
Net change in unrealised gains on investments	-	7,235,429	6,289,660
Net realised (losses)/gains on forward foreign exchange contracts	-	(3,614,401)	726,366
Net change in unrealised losses on forward foreign exchange contracts	-	(2,821,502)	-
Net realised losses on futures contracts	-	(188,212)	-
Net change in unrealised losses on options	-	(86,217)	-
Net currency gains/(losses)	-	1,060,978	(203,959)
	-	4,381,051	23,549,677
	Global Strategic Bond Fund USD	Global Core Equity Fund USD	Alternative Fund GBP
Net realised losses on sale of investments	(241,179)	(190,437)	(130,035)
Net change in unrealised (losses)/gains on investments	(4,796,957)	(1,475,488)	511,996
Net realised gains on forward foreign exchange contracts	4,186,287	136	-
Net change in unrealised gains on forward foreign exchange contracts	2,977,880	-	-
Net realised losses on futures contracts	(313,126)	-	-
Net change in unrealised gains on futures contracts	346,070	-	-
Net change in unrealised gains on options	81,719	-	-
Net currency (losses)/gains	(787,907)	22,545	(22,437)
	1,452,787	(1,643,244)	359,524

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Notes to the Condensed Financial Statements (continued)

13. NET GAIN/ (LOSS) ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

	Cautious Income Fund GBP			
Net realised losses on sale of investments	(130,073)			
Net change in unrealised gains on investments	2,511,448			
Net change in unrealised losses on options	(18,579)			
Net currency gains	3,714			
	2,366,510			
As at 31 October 2015				
	Asia Pacific Fund USD	Global Equity Fund GBP		UK Fund GBP
Net realised gains on sale of investments	1,550,696	2,645,622		387,802
Net change in unrealised losses on investments	(14,966,504)	(7,681,563)		(915,095)
Net realised losses/gains on forward foreign exchange contracts	(1,636,806)	9,590		-
Net change in unrealised (losses) on forward foreign exchange contracts	(610,290)	(124,136)		-
Net currency (losses)/gains	(64,499)	1,712		199
	(15,727,403)	(5,148,775)		(527,094)
	European Fund EUR	Sterling Bond Fund GBP		Tactical Equity Fund GBP
Net realised gains on sale of investments	25,447,920	774,613		1,906,818
Net change in unrealised losses on investments	(63,501,987)	(3,761,770)		(11,260,837)
Net realised gains on forward foreign exchange contracts	7,910,925	626,347		230,414
Net change in unrealised (losses)/gains on forward foreign exchange contracts	(1,143,885)	(1,341,839)		37,490
Net realised losses on futures contracts	-	(773,133)		-
Net realised losses on options contracts	-	(2,955)		-
Net change in unrealised losses on futures contracts	-	(178,855)		-
Net currency (losses)/gains	(233,401)	(179,482)		37,113
	(31,520,428)	(4,837,074)		(9,049,002)
	Global Strategic Bond Fund USD	Global Core Equity Fund USD		Alternative Fund GBP
Net realised gains/(losses) on sale of investments	631,441	(12,787)		44,201
Net change in unrealised losses on investments	(3,255,927)	(464,427)		(281,481)
Net realised losses on forward foreign exchange contracts	(3,097,165)	(27,109)		-
Net change in unrealised gains/(losses) on forward foreign exchange contracts	1,658,010	(79,907)		4,813
Net realised losses on futures contracts	(628,146)	-		-
Net realised losses on options contracts	(2,313)	-		-
Net change in unrealised losses on futures contracts	(12,150)	-		-
Net realised losses on swaps	(111)	-		-
Net currency gains/(losses)	150,849	(2,160)		(13)
	(4,555,512)	(586,390)		(232,480)

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Notes to the Condensed Financial Statements (continued)

13. NET GAIN/(LOSS) ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

	Cautious Income Fund GBP
Net realised gains on sale of investments	18,873
Net change in unrealised losses on investments	(349,192)
Net change in unrealised gains on forward foreign exchange contracts	18,113
Net currency gains	2,462
	<u><u>(309,744)</u></u>

14. CROSS PORTFOLIO INVESTMENT

When a Fund holds an investment in another Fund within the Company, this must be eliminated from the combined Company totals. This does not affect the NAV per share of any of the individual Funds. As at 31 October 2016, various Funds of the Company had invested in other Funds, as outlined below. The fair value as at 31 October 2016 was EUR 3,548,422.

Tactical Equity Fund had invested 3.46% (30 April 2016 : 1.37%) of its assets in Global Core Equity Fund. Cautious Income Fund had invested 4.31% (30 April 2016 : 5.69%) of its assets in Sterling Bond Fund.

15. UMBRELLA STRUCTURE OF THE COMPANY AND CROSS-LIABILITY RISK

Each Fund will be responsible for paying its fees and expenses regardless of the level of its profitability. The Company is an umbrella Fund with segregated liability between Funds. The adoption of segregated liability ensures that the liabilities incurred on behalf of a Fund will generally be discharged solely out of the assets of that Fund and there can generally be no recourse to the other Funds to satisfy those liabilities, notwithstanding the foregoing, there can be no assurance that, should an action be brought against the Company in the courts of another jurisdiction that the segregated nature of the Funds would necessarily be upheld.

16. DISTRIBUTIONS

The following distributions were made during the half financial year ended 31 October 2016:

	Asia Pacific Fund USD	Global Equity Fund GBP	UK Fund GBP	Sterling Bond Fund GBP	Tactical Equity Fund GBP
Dividends to holder of redeemable shares					
Class A Euro	123	-	-	-	-
Class A Stg£	606,999	102,230	286,435	2,852,778	47,488
Class A US\$	134,373	4,235	-	-	-
Class B Stg£	-	-	-	711	33,599
Class M Stg£	50,113	-	-	-	-
Class P Stg£	-	-	-	337,436	96,182
	<u><u>791,608</u></u>	<u><u>106,465</u></u>	<u><u>286,435</u></u>	<u><u>3,190,925</u></u>	<u><u>177,269</u></u>

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Notes to the Condensed Financial Statements (continued)

16. DISTRIBUTIONS (continued)

	Global Strategic Bond Fund USD	Global Core Equity Fund USD	Alternatives Fund USD	Cautious Income Fund GBP
Dividends to holder of redeemable shares				
Class A Stg£	32,085	-	232	-
Class A US\$	1,438,818	100,374	-	-
Class B Stg£	-	-	-	322,125
Class I US\$ distribution	351,067	-	-	-
Class P Stg£	-	-	82,454	117,032
	1,821,970	100,374	82,686	439,157

The following distributions were made during the half financial year ended 31 October 2015:

	Asia Pacific Fund USD	Global Equity Fund GBP	UK Fund GBP	European Fund EUR	Sterling Bond Fund GBP
Dividends to holders of redeemable shares					
Class A Euro	645	-	-	-	-
Class A Stg£	3,348,017	155,477	273,386	-	3,273,946
Class A US\$	802,894	3,153	-	-	-
Class B Euro	-	-	-	-	-
Class B Stg£	-	-	615	-	707
Class M Stg£	-	-	-	-	-
Class P Stg£	199,659	-	-	-	301,029
	4,351,215	158,630	274,001	-	3,575,682

	Tactical Equity Fund GBP	Global Strategic Bond Fund USD	Global Core Equity Fund USD	Alternatives Fund USD	Cautious Income Fund GBP
Dividends to holders of redeemable shares					
Class A Stg£	123,908	51,792	-	-	-
Class A US\$	-	1,904,812	86,650	-	-
Class B Stg£	74,675	-	-	-	157,653
Class I US\$ distribution	-	479,627	-	-	-
Class P Stg£	192,726	-	-	53,650	79,337
	391,309	2,436,231	86,650	53,650	236,990

17. DIRECTORS' & RELATED PARTIES INTERESTS

In the opinion of the Directors, the Investment Manager is a related party under FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Fees payable to the Investment Manager as at 31 October 2016 and 30 April 2016 and expenses incurred during the half financial year ended 31 October 2016 and 31 October 2015 are shown on the Condensed Statement of Financial Position and the Condensed Statement of Comprehensive Income, respectively.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Notes to the Condensed Financial Statements (continued)

17. DIRECTORS' & RELATED PARTIES INTERESTS (continued)

Amounts receivable from the Investment Manager, are detailed in the Condensed Statement of Financial Position on pages 54 to 57.

John McClintock is a director of Guinness Global Equity Income Fund which the Cautious Income Fund invests in. Tactical Equity Fund had invested in the Guinness Global Equity Income Fund. However this investment was sold during the financial period. The investment in the Guinness Global Innovators fund was also sold during the financial period.

John McClintock is also a director of Morant Wright Funds Ireland plc. Morant Wright Sakura Fund is a sub-fund of Morant Wright Funds Ireland plc. Tactical Equity Fund had invested in the Morant Wright Sakura Fund. However this investment was sold during the financial period.

Paul McNaughton is a director of Hermes Asia Ex-Japan Fund and iShares Core FTSE 100 UCITS ETF, which the Tactical Equity Fund holds. However the investment by this fund in SIG – Lyrical Fund H, for which Paul is also a director, was also sold during the financial period.

Cautious Income Fund invests in iShares MSCI World UCITS ETF DIST, for which Paul McNaughton is a director.

Paul McNaughton is also a director of Bridge Consulting, who provide Corporate Governance & MLRO services to the Company. Consulting fees incurred during the half financial year ended 31 October 2016 were EUR 10,199 and consulting fees payable as at 31 October 2016 are EUR 26,181.

Peter Troughton is also a director of the Investment Manager.

Marc Geduldt is Head of Operations of the Investment Manager.

The following Directors and related parties held shares in the Company as at 31 October 2016 and 30 April 2016:

	Class	31 October 2016 Shares	30 April 2016 Shares
Asia Pacific Fund			
Global Core Equity Fund			
Peter Troughton	A US\$	9,000	5,000
Global Equity Fund			
Peter Troughton	B Stg£	16,150	-

18. CONNECTED PARTIES

In accordance with the Section 78(4) of the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (“Central Bank’s UCITS Regulations”), any transaction carried out with the Company by the Investment Manager or the Depositary and the delegates or sub-delegates of the Investment Manager or Depositary (excluding any non-group company sub-custodians appointed by the Depositary) and any associated or group company of the Investment Manager, Depositary, delegate or sub-delegate (“connected persons”) during the financial period were required to be conducted at arm’s length. Such transactions were required to be in the best interests of the shareholders of the Company.

The Board of Directors of the Company are satisfied that: (i) there are arrangements (evidenced by written procedures) in place to ensure that the obligations set out above are applied to all transactions with connected parties; and (ii) all transactions with connected parties entered into during the financial period complied with these obligations.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Notes to the Condensed Financial Statements (continued)

19. SIGNIFICANT EVENTS DURING THE HALF FINANCIAL YEAR

On 31 May 2016, Royal Bank of Canada were appointed as derivatives clearer, replacing Bank of America Merrill Lynch.

On 4 July 2016, Waverton Global Equity Select Fund, a sub-fund of Waverton Global Investment Funds plc, merged into the Global Equity Fund, a sub-fund of the Company.

On 22 June 2016, the Global Bond Fund has changed its name to Global Strategic Bond Fund and a revised prospectus was noted by the Central Bank of Ireland.

On 16 September 2016, the Company distributed a shareholder circular entitled “Global Equity Wealth Creation Fund – Notification of Change of Name of the Fund” notifying Shareholders of the Fund that the name of the Fund will change to “Global Core Equity Fund” to better reflect the investment objective and policies of the Fund.

On 16 September 2016, the Company also distributed a shareholder circular entitled “Equity Fund – Notification of Change of Name of the Fund, Change of Investment Policy of the Fund and Voluntary Share Scheme Reconstruction” to notify Shareholders of:

- (i) a change in name of the Fund to “Tactical Equity Fund” to better reflect the investment objective and policies of the Fund;
- (ii) an extraordinary general meeting (“EGM”) to consider, and vote on, a proposed material amendment to the investment policy of the Fund to also provide that the Fund may invest to a significant degree in securities of issuers established in emerging market countries;
- (iii) proposed other changes of a non-material nature to the investment policy of the Fund to allow the Fund to invest up to 20 percent of its net asset value in any one collective investment scheme; and
- (iv) a proposed voluntary share scheme of reconstruction to allow Shareholders in the Fund to reallocate part of their investment in the Fund to the Global Equity Wealth Creation Fund.

The proposal under (ii) above was put to Shareholders at an extraordinary general meeting of the Fund on 11 October 2016. All proposals were passed and so on 24 October 2016, the Company issued a prospectus of the Company to reflect all changes set out above.

20. SIGNIFICANT EVENTS POST HALF FINANCIAL YEAR END

There were no significant events that occurred after the half financial year end which require disclosure in these condensed financial statements.

21. COMPARATIVE INFORMATION

Certain comparative information in the notes has been restated in order to conform with the current financial period’s presentation.

22. APPROVAL OF CONDENSED FINANCIAL STATEMENTS

The condensed financial statements were approved by the Directors on 8 December 2016.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Statements of Changes in Composition of Portfolio (unaudited)

Asia Pacific Fund

Major Purchases for the half financial year ended 31 October 2016	Shares or Principal Amount	Cost USD
Korea Electric Power Corp.	337,252	8,165,569
Peak Sport Products Co., Ltd.	11,100,000	3,432,151
Vipshop Holdings Ltd.	225,440	2,891,705
Silverlake Axis Ltd.	6,458,873	2,758,851
Zhejiang Expressway Co Ltd.	2,850,000	2,677,392
Cox & Kings Ltd.	824,457	2,505,020
Kulicke & Soffa Industries Inc.	221,888	2,475,932
Macquarie Korea Infrastructure Fund	311,000	2,469,107
JD.com Inc.	111,580	2,445,747
Cosmo Lady China Holdings Co Ltd.	5,500,000	2,292,821
Red Star Macalline Group Corp Ltd.	1,960,000	2,051,277
Shenzhen Expressway Co Ltd.	1,880,000	1,793,294
Jardine Cycle & Carriage Ltd.	73,000	1,762,105
Cheung Kong Property Holdings Ltd.	275,495	1,758,198
Lenovo Group Ltd.	2,559,143	1,540,839
Venture Corp. Ltd.	230,000	1,536,100
CK Hutchison Holdings Ltd.	124,803	1,418,895
Samsung Electronics Co., Ltd. / preference	1,250	1,372,156
Wasion Group Holdings Ltd.	2,550,000	1,359,879
Baidu Inc.	7,244	1,318,727
Reliance Industries Ltd.	44,426	1,297,931
BEC World PCL	2,132,000	1,256,650
Cikarang Listrindo Tbk PT	10,620,064	1,232,881
FDG Electric Vehicles Ltd.	20,844,670	1,219,753
Bank Pembangunan Daerah Jawa Barat Dan Banten Tbk PT	13,500,000	1,156,052
Hutchison China MediTech Ltd.	95,800	1,112,755
Hana Microelectronics PCL	1,300,000	1,091,754

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Statements of Changes in Composition of Portfolio (unaudited)

Asia Pacific Fund (continued)

Major Sales for the half financial year ended 31 October 2016	Shares or Principal Amount	Proceeds USD
NetEase Inc.	30,097	6,228,963
JD.com Inc.	259,380	5,306,947
Samsung Electronics Co., Ltd. / preference	4,435	5,276,041
Jasmine Broadband Internet Infrastructure Fund	13,218,151	4,370,153
Largan Precision Co., Ltd.	46,477	4,272,493
Jardine Cycle & Carriage Ltd.	127,640	3,877,542
Kulicke & Soffa Industries Inc.	260,000	3,050,625
Peak Sport Products Co., Ltd.	8,363,644	2,787,063
Hutchison Port Holdings Trust	5,641,400	2,472,009
Shenzhen Expressway Co Ltd.	1,880,000	1,958,240
Bank Pembangunan Daerah Jawa Barat Dan Banten Tbk PT	13,500,000	1,745,784
Bangkok Dusit Medical Services PCL	2,586,398	1,729,547
FDG Electric Vehicles Ltd.	33,020,344	1,702,493
Lenovo Group Ltd.	2,559,143	1,685,180
Vipshop Holdings Ltd.	106,987	1,549,203
China Construction Bank Corp.	1,992,663	1,308,600
Shun Tak Holdings Ltd.	3,800,000	1,305,603
Bank of China Ltd.	3,087,109	1,272,499
Agricultural Bank of China Ltd.	3,436,401	1,254,927
Industrial & Commercial Bank of China Ltd.	2,322,721	1,241,252
WPG Holdings Ltd.	973,916	1,125,929

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Statements of Changes in Composition of Portfolio (unaudited)

Global Equity Fund

Major Purchases for the half financial year ended 31 October 2016	Shares or Principal Amount	Cost GBP
Omnicom Group Inc.	56,760	3,392,400
Aon Plc	33,200	2,733,273
Deluxe Corp.	36,400	1,945,492
Bayer AG	26,430	1,856,161
Taiwan Semiconductor Manufacturing Co., Ltd.	80,900	1,623,220
Maeda Road Construction Co Ltd.	114,000	1,555,472
Berkshire Hathaway Inc.	13,445	1,465,117
CVS Health Corp.	19,805	1,437,529
Wells Fargo & Corp.	38,590	1,386,694
Amazon.com Inc.	2,605	1,313,903
Raytheon Co.	11,320	1,158,240
Bechtle AG	14,530	1,155,363
Apple, Inc.	14,600	1,129,656
CRH Plc	49,329	1,120,021
Admiral Group Plc	53,320	1,089,328
Casey's General Stores Inc.	10,850	1,073,894
Old Dominion Freight Line Inc.	21,600	980,429
Lear Corp.	11,825	958,102
Union Pacific Corp.	13,850	909,470
Roche Holding AG	4,250	834,651
Constellation Software Inc./Canada	2,760	803,023
Henkel AG & Co KGaA	8,300	772,154
Toyota Motor Corp.	20,500	767,636
Svenska Handelsbanken AB	83,530	756,373
Henry Schein Inc.	5,350	711,884
Bandai Namco Holdings Inc.	32,550	643,437
Convergys Corp.	33,900	637,842
Safran SA	12,150	620,100
IT Holdings Corp.	32,100	566,051
International Paper Co.	17,690	564,237
Suncor Energy Inc.	25,700	535,971
CDW Corp/DE	17,500	527,884
Avnet, Inc.	17,180	523,792
Legrand SA	12,920	504,746
Novartis AG	8,055	500,861
Eli Lilly & Co.	7,925	469,703
VF Corp.	9,840	455,379
Woodside Petroleum Ltd.	28,700	430,533

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Statements of Changes in Composition of Portfolio (unaudited)

Global Equity Fund (continued)

Major Sales for the half financial year ended 31 October 2016	Shares or Principal Amount	Proceeds GBP
Admiral Group Plc	90,800	1,941,536
Avnet, Inc.	63,906	1,918,591
Henry Schein Inc.	14,850	1,902,780
Casey's General Stores Inc.	15,750	1,567,424
VF Corp.	26,285	1,251,684
Texas Roadhouse Inc.	37,050	1,243,647
Toyota Motor Corp.	25,200	1,177,675
Nihon Kohden Corp.	60,100	1,168,102
Henkel AG & Co KGaA	10,475	1,114,342
International Paper Co.	32,480	1,013,620
Berkshire Hathaway Inc.	6,600	775,118
Taiwan Semiconductor Manufacturing Co., Ltd.	29,120	731,383
Omnicom Group Inc.	9,650	635,144
Old Dominion Freight Line Inc.	10,600	603,981
Bechtle AG	6,780	601,746
CVS Health Corp.	8,450	599,626
Raytheon Co.	4,950	554,467
CRH Plc	19,900	534,775
Wells Fargo & Corp.	14,050	514,000
Aon Plc	5,650	508,536
Union Pacific Corp.	6,350	499,859
Constellation Software Inc./Canada	1,300	474,703
Svenska Handelsbanken AB	38,350	420,082
Convergys Corp.	16,100	392,708
Bandai Namco Holdings Inc.	16,100	391,234
Lear Corp.	4,150	381,126
Bayer AG	4,500	361,961
IT Holdings Corp.	16,500	358,222
Safran SA	5,780	331,223
Deluxe Corp.	6,200	330,363
Apple, Inc.	3,400	325,060
Roche Holding AG	1,675	322,408
CDW Corp/DE	8,300	299,118
Amazon.com Inc.	440	292,804
Suncor Energy Inc.	12,200	288,576
Legrand SA	6,140	284,101
Maeda Road Construction Co Ltd.	19,000	272,231

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Statements of Changes in Composition of Portfolio (unaudited)

UK Fund

Major Purchases for the half financial year ended 31 October 2016	Shares or Principal Amount	Cost GBP
British American Tobacco Plc	17,100	712,925
Dairy Crest Group Plc	98,500	536,583
Melrose Industries Plc	559,992	531,992
Ultra Electronics Holdings Plc	27,000	522,397
Compass Group Plc	34,000	508,230
Tullow Oil Plc	205,000	471,929
Persimmon Plc	30,000	431,747
Greene King Plc	50,000	414,410
Hill & Smith Holdings Plc	33,000	381,159
Shire Plc	7,050	363,036
Dixons Carphone Plc	79,000	318,533
Inmarsat Plc	32,000	248,586
Asos Plc	5,000	248,347
Lloyds Banking Group Plc	330,000	233,983
Dunelm Group Plc	20,500	178,423
British Land Co Plc	23,000	174,868
BT Group Plc	40,000	170,528
GKN Plc	40,000	128,975
Reckitt Benckiser Group Plc	1,700	122,931
NCC Group Plc	20,000	66,503

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Statements of Changes in Composition of Portfolio (unaudited)

UK Fund (continued)

Major Sales for the half financial year ended 31 October 2016	Shares or Principal Amount	Proceeds GBP
ARM Holdings Plc	72,000	1,221,770
Lloyds Banking Group Plc	1,680,000	952,276
British Land Co Plc	123,000	729,998
SABMiller Plc	12,500	545,547
BTG Plc	70,000	438,021
Inchcape Plc	65,000	433,331
Babcock International Group Plc	22,500	228,041
IG Group Holdings Plc	20,500	165,512
CRH Plc	5,000	133,059
Admiral Group Plc	6,000	114,609
Shire Plc	1,400	56,849

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Statements of Changes in Composition of Portfolio (unaudited)

Sterling Bond Fund

Major Purchases for the half financial year ended 31 October 2016	Shares or Principal Amount	Cost GBP
United States Treasury Inflation Indexed Bonds, 1.00%, due 15/02/46	6,000,000	5,159,491
United States Treasury Note/Bond ,3.63%, due 15/02/44	4,200,000	4,085,901
HSBC Bank Plc, 1.50%, due 30/09/49	6,350,000	3,651,055
Nationwide Building Society, 6.88% / perpetual	3,000,000	2,988,678
Standard Chartered Plc, 6.41% / perpetual	4,300,000	2,825,596
Saudi Government International Bond, 2.38%, due 26/10/21 EMTN	3,200,000	2,612,762
Lloyds Bank Plc, 7.63%, due 22/04/25	1,000,000	1,365,125
HSBC Bank Plc, 1.19% / perpetual	1,700,000	967,543
Helical Bar Jersey Ltd., 4.00%, due 17/06/19	1,000,000	960,552
PGH Capital Ltd., 6.63%, due 18/12/25	500,000	552,509

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Statements of Changes in Composition of Portfolio (unaudited)

Sterling Bond Fund (continued)

Major Sales for the half financial year ended 31 October 2016	Shares or Principal Amount	Proceeds GBP
United Kingdom Gilt, 3.25%, due 22/01/44	5,387,500	7,752,743
Standard Chartered Plc, 6.41% / perpetual	4,300,000	2,825,596
Jaguar Land Rover Automotive Plc, 5.00%, due 15/02/22	2,150,000	2,398,621
Close Brothers Finance Plc, 3.88%, due 27/06/21	2,000,000	2,160,094
UBS AG/Jersey, 7.25%, due 22/02/22	2,500,000	2,028,145
Standard Chartered Plc, 5.13%, due 06/06/34	1,700,000	1,681,791
Rabobank Capital Funding Trust III, 5.25%, due 29/12/49	2,000,000	1,664,537
Lloyds Banking Group Plc, 6.66% / perpetual	1,500,000	1,274,328
PGH Capital Ltd., 5.75%, due 07/07/21	500,000	555,497
Morgan Stanley & Co International Plc, 0.00%, due 17/06/16	500,000	513,600
International Personal Finance Plc, 6.13%, due 08/05/20	509,000	501,524
London Stock Exchange Group Plc, 4.75%, due 02/11/21	392,000	445,792
Paragon Group of Cos Plc, 6.00%, due 28/08/24	275,000	293,389

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Statements of Changes in Composition of Portfolio (unaudited)

Tactical Equity Fund

Major Purchases for the half financial year ended 31 October 2016	Shares or Principal Amount	Cost GBP
iShares MSCI World UCITS ETF DIST	502,078	14,145,838
HSBC MSCI WORLD UCITS ETF	835,000	11,168,735
iShares S&P 500 UCITS ETF DIST	616,957	10,304,126
iShares Core FTSE 100 UCITS ETF	1,301,657	8,019,251
HSBC EURO STOXX 50 UCITS ETF	275,198	6,672,455
iShares MSCI Europe ex-UK UCITS ETF	264,287	5,683,425
Vanguard Dividend Appreciation ETF	82,001	5,016,962
Schroder European Alpha Income Fund	1,688,369	2,868,092
RAM Lux Systematic Funds - European Equities	8,919	2,753,992
WisdomTree Total Dividend Fund ETF	49,821	2,662,692
TB Wise Evenlode Income Fund	1,154,261	2,254,733
CF Lindsell Train UK Equity Fund	889,082	2,213,459
Thesis Unit Trust Management - TM Sanditon UK Fund	1,809,045	1,810,854
iShares Russell 1000 Growth ETF	19,212	1,527,060
Goldman Sachs International, 0.00% / perpetual	1,176	1,161,381
iShares Edge S&P 500 Minimum Volatility UCITS ETF	29,942	880,447

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Statements of Changes in Composition of Portfolio (unaudited)

Tactical Equity Fund (continued)

Major Sales for the half financial year ended 31 October 2016	Shares or Principal Amount	Proceeds GBP
iShares MSCI World UCITS ETF DIST	502,078	14,794,408
HSBC MSCI WORLD UCITS ETF	835,000	11,530,794
Odey Investment Funds Plc - Odey Allegra Developed Markets Fund	69,395	10,898,368
iShares S&P 500 UCITS ETF DIST	616,957	10,787,002
HSBC EURO STOXX 50 UCITS ETF	378,036	9,900,767
iShares Edge S&P 500 Minimum Volatility UCITS ETF	264,364	9,111,840
Vanguard Dividend Appreciation ETF	126,463	8,547,945
iShares Russell 1000 Growth ETF	100,471	8,516,527
Source JPX-Nikkei 400 UCITS ETF	78,898	7,702,454
FP Argonaut Funds - FP Argonaut European Alpha Fund	5,121,310	7,646,324
SIG - Lyrical Fund	885,523	7,033,437
iShares MSCI Europe ex-UK UCITS ETF	264,287	6,557,767
iShares Core FTSE 100 UCITS ETF	986,161	6,531,337
SGA Societe Generale Acceptance NV, 0.00%, due 10/02/20	6,680,000	6,392,092
WisdomTree Total Dividend Fund ETF	98,704	6,198,527
Edinburgh Partners Opportunities Fund Plc - European Opportunities Fund Plc	3,495,443	6,022,878
Morgan Stanley, 0.00%, due 02/11/18	6,467,000	5,780,100
Deutsche Bank AG/London, 0.00%, due 08/02/21	7,497,750	5,551,869
Guinness Global Innovators Fund	401,193	5,240,182
Guinness Asset Management Funds Plc - Global Equity Income Fund	292,536	4,706,144
Credit Suisse AG/London, 0.00%, due 08/04/19	6,000,000	4,144,800
Pershing Square Holdings Ltd.	361,253	3,912,243
Morant Wright Sakura Fund	436,053	3,637,774

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Statements of Changes in Composition of Portfolio (unaudited)

Global Strategic Bond Fund

Major Purchases for the half financial year ended 31 October 2016	Shares or Principal Amount	Cost USD
United States Treasury Bill, 0.00%, due 29/12/16	5,000,000	4,993,068
Lloyds Bank Plc, 12.00% / perpetual	2,000,000	2,822,667
UBS AG/Jersey, 7.25%, due 22/02/22	2,500,000	2,661,128
United States Treasury Inflation Indexed Bonds, 1.00%, due 15/02/46	2,400,000	2,659,368
Royal Bank of Canada/Toronto, 6.50%, due 09/03/17 EMTN	2,000,000	2,000,000
Royal Bank of Canada/London, 6.75%, due 15/12/16 EMTN	2,000,000	2,000,000
Royal Bank of Canada/London, 3.95%, due 20/04/17 EMTN	2,000,000	2,000,000
Nationwide Building Society, 6.88% / perpetual	1,500,000	1,849,469
Saudi Government International Bond, 2.38%, due 26/10/21 EMTN	1,800,000	1,798,740
Lloyds Banking Group Plc, 6.66% / preference	1,500,000	1,672,046
Lake Bridge International Plc, 8.00%, due 23/07/20	1,000,000	1,278,876
Dresdner Funding Trust I, 8.15%, due 30/06/31	1,000,000	1,203,628
Helical Bar Jersey Ltd., 4.00%, due 17/06/19	700,000	817,857
HSBC Bank Plc, 1.19% / perpetual	1,100,000	767,609
Lloyds Banking Group Plc, 6.27% / perpetual	700,000	686,466
IDH Finance Plc, 6.25%, due 15/08/22	500,000	654,768
IDH Finance Plc, 6.41%, due 15/08/22	500,000	653,316
HSBC Bank Plc, 1.50%, due 30/09/49	880,000	611,600
Svensk Exportkredit AB, 1.13%, due 28/08/19	400,000	398,980
PGH Capital Ltd., 6.63%, due 18/12/25	276,000	388,032

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Statements of Changes in Composition of Portfolio (unaudited)

Global Strategic Bond Fund (continued)

Major Sales for the half financial year ended 31 October 2016	Shares or Principal Amount	Proceeds USD
United States Treasury Bill, 0.00%, due 23/06/16	5,000,000	4,999,868
United States Treasury Note/Bond ,3.63%, due 15/02/44	3,500,000	4,422,114
Lloyds Banking Group Plc, 6.27% / perpetual	2,000,000	2,060,262
Lloyds Bank Plc, 7.63%, due 22/04/25	1,000,000	1,791,181
Royal Bank of Canada/Toronto, 6.50%, due09/03/17 EMTN	2,000,000	1,783,600
Royal Bank of Canada/London, 6.75%, due 15/12/16 EMTN	2,000,000	1,774,800
Bank of Scotland Plc, 9.38%, due 15/05/21	620,000	1,079,832
Rabobank Capital Funding Trust III, 5.25%, due 29/12/49	1,000,000	1,000,000
Legal & General Group Plc, 5.50%, due 27/06/64	750,000	981,583
International Personal Finance Plc, 6.13%, due 08/05/20	500,000	655,799
Standard Chartered Plc, 5.13%, due 06/06/34	500,000	651,447
PGH Capital Ltd., 5.75%, due 07/07/21	276,000	390,131
Paragon Group of Cos Plc, 6.00%, due 28/08/24	125,000	175,520

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Statements of Changes in Composition of Portfolio (unaudited)

Global Core Equity Fund

Major Purchases for the half financial year ended 31 October 2016	Shares or Principal Amount	Cost USD
Apple, Inc.	21,650	2,548,396
Exxon Mobil Corp.	25,510	2,218,183
Microsoft Corp.	31,310	1,910,865
Amazon.com Inc.	2,000	1,677,018
JPMorgan Chase & Co.	22,340	1,539,325
Nestle SA	20,450	1,489,813
Wells Fargo & Corp.	32,610	1,485,149
Toyota Motor Corp.	21,200	1,225,862
Royal Dutch Shell Plc	43,360	1,160,066
Johnson & Johnson	10,010	1,137,805
Verizon Communications Inc.	22,620	1,091,055
Comcast Corp.	16,561	1,075,358
Berkshire Hathaway Inc.	7,130	1,026,021
Alphabet Inc.	1,260	1,025,031
Alphabet Inc.	1,200	1,003,389
Visa Inc.	12,040	998,351
General Electric Co.	32,160	930,532
Roche Holding AG	3,950	914,563
Home Depot Inc	6,925	885,312
Taiwan Semiconductor Manufacturing Co., Ltd.	28,150	882,035

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Statements of Changes in Composition of Portfolio (unaudited)

Global Core Equity Fund (continued)

Major Sales for the half financial year ended 31 October 2016	Shares or Principal Amount	Proceeds USD
L'Oreal SA	489	90,212
Nihon Kohden Corp.	2,200	64,091
Continental Resources Inc.	1,420	58,814
Chubb Ltd.	446	56,021
Halliburton Co.	1,297	55,592
Whirlpool Corp.	309	55,171
Avnet, Inc.	1,357	53,164
AIA Group Ltd.	8,200	52,437
MetLife Inc.	1,267	52,152
ARM Holdings Plc	2,210	49,657
Marsh & McLennan Cos Inc.	741	47,899
EI du Pont de Nemours & Co.	688	46,931
Cummins Inc.	350	44,011
Valero Energy Corp.	861	42,512
Panera Bread Co.	192	40,572
Zurich Insurance Group AG	164	39,106
Jacobs Engineering Group Inc.	740	37,690
Texas Roadhouse Inc.	850	37,347
Systemx Corp.	500	36,205
Toronto-Dominion Bank	800	35,880
Vivendi SA	2,076	35,766
American Express Corp.	522	34,278
Kohl's Corp.	953	34,117
Ushio Inc.	3,100	34,053
Swiss Re AG	370	31,050
E.ON SE	3,100	31,032
Fortum OYJ	1,830	28,915
Baxter International Inc.	660	28,654
PostNL NV	6,870	27,374
Nintendo Co Ltd.	830	27,102
Entertainment One Ltd.	10,449	24,216
Industrial Alliance Insurance & Financial Services Inc.	670	23,339
Centrica Plc	7,410	21,544
Baxalta Inc.	660	21,153
Miraca Holdings Inc.	500	21,066
Enbridge Inc.	520	20,914
Credit Suisse Group AG	1,522	20,688
GoldCorp. Inc.	1,260	20,402
National Oilwell Varco Inc.	640	20,127
LinkedIn Corp.	93	17,848
Park24 Co., Ltd.	500	17,247
Woodside Petroleum Ltd.	850	16,624

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Statements of Changes in Composition of Portfolio (unaudited)

Alternatives Fund

Major Purchases for the half financial year ended 31 October 2016	Shares or Principal Amount	Cost GBP
Phileas L/S Europe	16,665	1,981,135
Jupiter Absolute Return Fund/United Kingdom	3,350,000	1,918,210
Old Mutual UK Specialist Equity Fund	180,000	1,823,783
Source Physical Gold P-ETC	9,519	943,694
Odey Investments Plc - Odey Odyssey Fund	2,850	358,237
Starwood European Real Estate Finance Ltd.	329,101	339,140
GCP Infrastructure Investments Ltd.	236,500	284,132
HICL Infrastructure Co., Ltd.	154,000	256,908
International Public Partnerships Ltd.	163,000	241,462
Catco Reinsurance Opportunities Fund Ltd.	250,000	231,609
Blue Capital Global Reinsurance Fund Ltd.	300,000	222,625
3i Infrastructure Plc	101,940	168,201

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Statements of Changes in Composition of Portfolio (unaudited)

Alternatives Fund (continued)

Major Sales for the half financial year ended 31 October 2016	Shares or Principal Amount	Proceeds GBP
Goldman Sachs Structured Investments SICAV-GS Equity Risk Premia Long/Short Port	256,555	1,960,990
Keynes Dynamic Beta Strategy Fund	15,000	1,446,300
Alpha UCITS SICAV - Silvaris Global Equity Fund	1,516	1,301,069
Lyxor Dimension IRL Plc - Lyxor/Tiedemann Arbitrage Strategy Fund	10,169	1,015,599
Standard Life Investment Co - Global Absolute Return Strategies Fund	1,203,000	972,626
FP Argonaut Absolute Return Fund	505,615	929,725
Doric Nimrod Air Three Ltd. / preference	307,600	324,758
Amedeo Air Four Plus Ltd.	300,000	304,788

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Statements of Changes in Composition of Portfolio (unaudited)

Cautious Income Fund

Major Purchases for the half financial year ended 31 October 2016	Shares or Principal Amount	Cost USD
iShares MSCI World UCITS ETF DIST	58,908	1,649,228
iShares Core FTSE 100 UCITS ETF	136,717	835,471
Guinness Asset Management Funds Plc - Global Equity Income Fund	52,713	797,809
Aviva Investors - Multi-Strategy Target Income Fund	772,975	769,960
Funding Circle SME Income Fund Ltd.	626,471	617,581
Prusik Asian Equity Income Fund	4,891	483,431
SOURCE FINANCIAL S&P US SECTOR	3,629	379,182
Pimco Funds Global Investors Series Plc - Mlp & Energy Infrastructure Fund	65,141	367,776
Source JPX-Nikkei 400 UCITS ETF	3,748	349,338
3i Infrastructure Plc	175,832	306,968
PowerShares FTSE Emerging Markets High Dividend Low Volatility UCITS ETF	13,604	287,073
Saudi Government International Bond, 2.38%, due 26/10/21 EMTN	320,000	261,276
AEW UK REIT Plc	257,732	250,000
Apple Inc., 3.05%, due 31/07/29	237,000	244,738
RWC Funds - Global Enhanced Dividend Fund	2,360	244,225
Starwood European Real Estate Finance Ltd.	228,250	239,888
Source Physical Gold P-ETC	2,393	236,651
BlackRock Global Funds - European Equity Income Fund	19,791	207,630
TB Wise Evenlode Income Fund	103,191	199,809
Schroder European Alpha Income Fund	112,807	199,556
PowerShares S&P 500 High Dividend Low Volatility UCITS ETF	10,056	194,805
Helical Bar Jersey Ltd., 4.00%, due 17/06/19	200,000	192,110
MI Somerset Emerging Markets Dividend Growth Fund	94,071	116,984
Real Estate Credit Investments Ltd., 8.00% / preference	112,598	116,539
Nationwide Building Society, 6.88% / perpetual	122,000	116,133
GCP Infrastructure Investments Ltd.	96,389	115,349
Real Estate Credit Investments Ltd.	73,480	113,755
Catco Reinsurance Opportunities Fund Ltd.	120,000	111,172
Blue Capital Global Reinsurance Fund Ltd.	147,679	109,590
GCP Student Living Plc	79,520	105,304
HICL Infrastructure Co., Ltd.	63,368	103,180

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Statements of Changes in Composition of Portfolio (unaudited)

Cautious Income Fund (continued)

Major Sales for the half financial year ended 31 October 2016	Shares or Principal Amount	Proceeds USD
iShares Core FTSE 100 UCITS ETF	136,717	900,738
iShares MSCI World UCITS ETF DIST	32,241	872,853
Aviva Investors Sicav - Multi-Strategy Target Income Fund	10,518	771,288
P2P Global Investments Plc/Fund	50,139	409,123
FP Argonaut Funds - FP Argonaut European Enhanced Income Fund	312,281	399,970
Source JPX-Nikkei 400 UCITS ETF USD Hedged	36,884	343,844
Liontrust European Enhanced Income Fund	193,630	216,091
Schroder Asian Income Maximiser Fund	437,954	210,349
Source Physical Gold P-ETC	1,798	173,691
Martin Currie Asia Unconstrained Trust Plc	46,068	122,755

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Additional Information (unaudited)

Tactical Equity Fund

The following table summarises the fees paid by the underlying investment Funds held by the Tactical Equity Fund during the half financial year as stated in the prospectus or applicable information held by the relevant Fund.

Security Description	Management fee	Performance fee
CF Lindsell Train UK Equity Fund	0.65%	-
Hermes Asia Ex-Japan Equity Fund	0.75%	-
iShares Core FTSE 100 UCITS ETF	0.07%	-
iShares Russell 1000 Growth ETF	0.20%	-
MI Somerset Emerging Markets Dividend Growth Fund	1.00%	-
Prusik Asian Equity Income Fund	1.00%	10.00%
RAM Lux Systematic Funds - Emerging Markets Equities	0.80%	15.00%
RAM Lux Systematic Funds - European Equities	0.80%	-
Schroder European Alpha Income Fund	0.75%	-
Source JPX-Nikkei 400 UCITS ETF	0.20%	-
TB Wise Evenlode Income Fund	0.95%	-
Thesis Unit Trust Management - TM Sanditon UK Fund	0.65%	-
Waverton Investment Funds Plc - Global Equity Wealth Creation – Class AUSD Institutional	-	-

• The boards of directors of the above mentioned underlying Funds may elect to reduce, increase, waive or calculate differently these fees with respect to certain shareholders.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Additional Information (unaudited)

Alternatives Fund

The following table summarises the fees paid by the underlying investment Funds held by the Alternatives Fund during the half financial year as stated in the prospectus or applicable information held by the relevant Fund.

Security Description	Management fee	Performance fee
3i Infrastructure Plc	1.50%	20.00%
Blue Capital Global Reinsurance Fund Ltd.	1.25%	-
Catco Reinsurance Opportunities Fund Ltd.	1.50%	10.00%
CF Odey Absolute Return Fund	0.75%	20.00%
Channel Islands Property Fund Ltd.	0.60%	20.00%
GCP Infrastructure Investments Ltd.	1.00%	-
HICL Infrastructure Co., Ltd.	0.80%	-
International Public Partnerships Ltd.	1.20%	-
JL Equity Market Neutral	1.00%	20.00%
JPM Global Macro Opportunities Fund	0.60%	-
Jupiter Absolute Return Fund/United Kingdom	0.63%	-
MontLake UCITS Platform Plc - Dunn WMA Institutional UCITS Fund	0.20%	20.00%
Odey Investments Plc - Odey Odyssey Fund	0.75%	20.00%
Old Mutual UK Specialist Equity Fund	0.75%	-
Phileas L/S Europe	1.20%	-
Source Physical Gold P-ETC	0.29%	-
Spinnaker Emerging Markets Macro Fund	0.75%	10.00%
Starwood European Real Estate Finance Ltd.	0.75%	-
Verrazzano Sicav - European Long-Short	1.25%	20.00%

- The boards of directors of the above mentioned underlying Funds may elect to reduce, increase, waive or calculate differently these fees with respect to certain shareholders.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Additional Information (unaudited)

Cautious Income Fund

The following table summarises the fees paid by the underlying investment Funds held by the Cautious Income Fund during the half financial year as stated in the prospectus or applicable information held by the relevant Fund.

Security Description	Management fee	Performance fee
3i Infrastructure Plc	1.50%	-
Artemis Global Income Fund	0.75%	-
Aviva Investors - Multi-Strategy Target Income Fund	0.75%	-
BlackRock Global Funds - European Equity Income fund	0.75%	-
CF Morant Wright Nippon Yield Fund	1.20%	-
Channel Islands Property Fund Ltd.	0.60%	20.00%
Funding Circle SME Income Fund Ltd.	-	-
GCP Infrastructure Investments Ltd.	0.90%	-
Guinness Asset Management Funds Plc - Global Equity Income Fund	0.25%	-
HICL Infrastructure Co., Ltd.	0.80%	-
International Public Partnerships Ltd.	1.20%	-
iShares MSCI World UCITS ETF DIST	0.50%	-
JPM Global Macro Opportunities Fund	0.60%	-
MI Somerset Emerging Markets Dividend Growth Fund	1.00%	-
MontLake UCITS Platform Plc - Dunn WMA Institutional UCITS Fund	0.20%	20.00%
Pimco Funds Global Investors Series Plc - Mlp & Energy Infrastructure Fund	2.50%	-
PowerShares FTSE Emerging Markets High Dividend Low Volatility UCITS ETF	0.49%	-
PowerShares S&P 500 High Dividend Low Volatility UCITS ETF	0.30%	-
Prusik Asian Equity Income Fund	1.00%	-
Real Estate Credit Investments Ltd.	1.25%	-
Real Estate Credit Investments Ltd., 8.00%, due 31/12/17	-	-
RWC Funds - Global Enhanced Dividend Fund	0.79%	-
Schroder Asian Income Maximiser Fund	0.75%	-
Schroder European Alpha Income Fund	0.75%	-
Sequoia Economic Infrastructure Income Fund Ltd.	*	-
SOURCE FINANCIAL S&P US SECTOR	0.30%	-
Source JPX-Nikkei 400 UCITS ETF	0.20%	-
Source Physical Gold P-ETC	0.29%	-
Starwood European Real Estate Finance Ltd.	0.75%	-
TB Wise Evenlode Income Fund	0.95%	-
Vanguard Dividend Appreciation ETF	0.75%	-
Waverton Investment Funds Plc - Sterling Bond Fund – Class A GBP	0.75%	-
WisdomTree Total Dividend Fund ETF	0.28%	-

• The boards of directors of the above mentioned underlying Funds may elect to reduce, increase, waive or calculate differently these fees with respect to certain shareholders.

* 0% on cash, 0.5% bonds, 0.9% other investments then take 25% in shares lock up for 3 years.

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Directors and Other Information

BOARD OF DIRECTORS

Mr. John McClintock* (Irish)
Mr. Eanna McHugh* (Irish)
Mr. Paul McNaughton* (Irish)
Mr. Peter Troughton (British)
Mr. Marc Geduldts (British)

REGISTERED OFFICE

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Ireland

*Independent

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Ireland

DEPOSITARY

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COMPANY SECRETARY

Bradwell Limited
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Dublin 2

REPRESENTATIVE AND PAYING AGENT IN SWITZERLAND

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Switzerland

Waverton Investment Funds Plc

Half-Yearly Financial Statements (Unaudited)

Appendix 1 (unaudited)

REMUNERATION POLICY

In line with the requirements of the UCITS Regulations, the Company adopted a remuneration policy (the “Remuneration Policy”) which is consistent with the principles outlined in the European Securities and Markets Authority (“ESMA”) Guidelines on sound remuneration policies under the UCITS Directive and AIFMD (the “Remuneration Guidelines”).

The Directors not affiliated with the Investment Manager (the “Independent Directors) receive a fixed annual fee which is competitive and based on the individual Director’s powers, tasks, expertise and responsibilities. Directors that are employees of the Investment Manager or an affiliate are not paid any fees for their services as Director. The Company shall also pay to Bridge Consulting a fixed fee for the provision of the designated persons to the Company.

Quantitative remuneration disclosures as required by paragraphs (a) and (b) of Regulation 89(3A) of the UCITS Regulations will be included with the financial statements for the year ending April 2017. The disclosures required by paragraphs (c) and (d) of Regulation 24(B) of the UCITS Regulations will also be made at this time following the first annual review of the Remuneration Policy.

In accordance with Regulation 89(3A)(e) of the UCITS Regulations, it is confirmed that no material changes have been made to the Remuneration Policy since its adoption on 8 March 2016.