



WAVERTON
INVESTMENT MANAGEMENT

WAVERTON STERLING BOND FUND A GBP

FUND FACTSHEET - AS AT 31 DECEMBER 2017

OBJECTIVES

FUND AIM

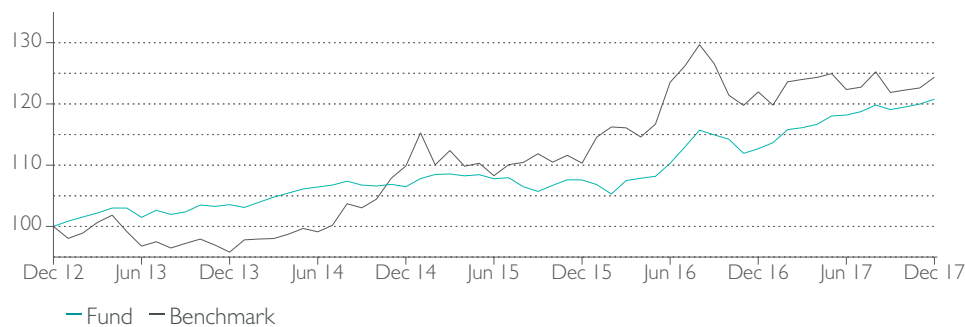
The investment objective of the Waverton Sterling Bond Fund is to achieve capital growth and income through investment in UK and international government and corporate bonds.

INVESTMENT STYLE

The Fund uses some degree of flexibility in its allocation to duration, credit and currency in order to achieve its investment objectives. Investment decisions are fundamentally driven using a combination of quantitative analysis with qualitative judgement calls. Derivative instruments are also utilised to manage risk.

PERFORMANCE

ROLLING PERFORMANCE



Risk Warning: Past performance is no guide to future performance. The value of holdings may fall as well as rise and investors may not get back their initial investment.

Important information: Performance displayed is for the A Share Class. Performance is calculated on a NAV to NAV basis and does not take into account any initial fees. Performance is displayed net of fees and assumes income is reinvested.

Period	1 Month	3 Months	1 Year	3 Years	5 Years	Inception Jan 10
Portfolio (%)	0.7	1.4	7.2	13.4	20.8	40.7
Benchmark (%)	1.4	2.0	2.0	13.2	24.4	60.2
Peer Group (%)	1.2	1.6	4.0	13.9	27.3	62.2
Quartile	3	3	1	3	3	4

DISCRETE CALENDAR YEAR PERFORMANCE

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

STANDARDISED PERFORMANCE

Period 1 year to	31/12/2017	31/12/2016	31/12/2015	31/12/2014	31/12/2013
Fund (%)	7.2	4.7	1.0	2.8	3.6

PORTFOLIO SUMMARY

CREDIT QUALITY

AAA	10.0%
AA	15.8%
A	11.3%
BBB	34.8%
BB	7.9%
B	0.3%
NR	9.3%
Cash	10.6%
Total	100.0%

SECTOR

Financial	52.8%
Government	29.9%
Energy	3.2%
Communications	1.5%
Utilities	1.0%
Consumer, Cyclical	0.7%
Consumer, Non-cyclical	0.3%
Cash	10.6%
Total	100.0%

CURRENCY

British Pound	94.3%
Mexican Peso	3.2%
Indian Rupee	2.0%
US Dollar	0.4%
Euro	0.1%
Total	100.0%

TOP 10 ISSUERS

UK Gilts	15.8%
US Treasury Inflation Bond	5.0%
Barclays Plc	4.4%
US Treasury (Long Dated)	4.0%
Phoenix Group	3.7%
Pershing Square	3.5%
HSBC	3.4%
Petroleos Mexicanos	3.0%
Aqua + Inv (Swiss Re)	2.9%
Standard Chartered	2.6%
Total	48.3%

COMMENTARY

During December the Waverton Sterling Bond Fund returned 0.7%, compared with 1.4% for the Markit iBoxx Sterling Gilt Index.

Over 2017 the fund delivered a positive total return of 7.2% versus 2.0% for the Gilt index, putting it firmly into the top 10% of comparable funds. We achieved this outperformance primarily through our highest conviction theme of owning financials, especially legacy bank capital. This latter category added almost 300 basis points of return.

The rationale for this theme comprises strengthening bank balance sheets, improved asset quality and lower regulatory fines and penalties. Looking forward we do not see any major change in the fundamentals due to the fact that the underlying global economy remains robust and the regulatory framework remains in place. Only in the US is there any prospect of looser bank controls. We remain selective in our credit picking and have tended to avoid those banks with the weakest profitability in the European Periphery.

During the quarter we participated in a number of new issues following stronger inflows which took the fund past the £150m mark. Examples include: PEMEX, IFC, Sainsbury's Bank, TriTax Big Box and Vantiv.

FUND MANAGER



Jeff Keen

ASSISTANT FUND MANAGER



Josh Oakley

FUND DETAILS

FUND FACTS

Launch Date	11th January 2010
Morningstar Category	Global Flexible Bond - GBP Hedged
Benchmark	Markit iBoxx GBP Gilts TR
Fund Size	£155.3m
No. of Holdings	58
Domicile	Ireland
Sedol	B5BD4F5
Bloomberg Code	JOHBACC ID
Fund Type	OEIC
Base Currency	GBP
Other Currencies	None
Ex Dividend Dates	Jan 31st, Apr 30th, Jul 31st and Oct 31st

RISK STATISTICS

Fund Volatility 3Y (%)	3.6
Duration	6.2
Sharpe Ratio 3Y	1.0
Running Yield (%)	4.0
Yield to Maturity (%)	2.7

FUND INFORMATION

Share class	ISIN	Minimum investment	AMC	INC/ACC	NAV	Historic yield (%)	Ongoing charge (%)
A GBP	IE00B5BD4F58	1,500 GBP	0.75%	INC	9.66	4.56%	0.94%
B GBP	IE00B5BD4N33	1,500 GBP	1.00%	INC	9.34	4.56%	1.19%
P GBP	IE00BGQYPR94	1,500 GBP	0.40%	INC	9.73	4.54%	0.59%

CONTACT DETAILS

MARKETING CONTACT

Jonno Ross
jross@waverton.co.uk
+44 (0)20 7484 7491
www.waverton.co.uk

ADMINISTRATOR

RBC Investor Services
Dublin_TA_Customer_Support@rbc.com

Risk Warning: Past performance is no guide to future performance. The value of holdings may fall as well as rise. All financial investments involve an element of risk. The level of income from the investment may fluctuate in value. Currency movements may also affect the value of the investment. If the currency in which the past performance is displayed differs from the currency of the country in which you reside, then you should be aware that due to exchange rate fluctuations the performance shown may increase or decrease if converted into your local currency.

For full details of investment risks please refer to the Prospectus. A copy of the full prospectus and the KIID is available from Waverton Investment Management or Administrator, RBC Investor Services (Ireland). Peer Group consists of the following Morningstar Categories: GBP Government / Flexible / Diversified / Corporate / Global Flexible - GBP Hedged Bonds. Sources: Waverton, Morningstar, Bloomberg Composite Ratings.

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