



WAVERTON

INVESTMENT MANAGEMENT

WAVERTON MPS ON PLATFORM BALANCED PORTFOLIO

FUND FACTSHEET - AS AT 31ST DECEMBER 2020

OBJECTIVES

PORTFOLIO OBJECTIVE

The Waverton Balanced Portfolio is intended for investors with a medium attitude to risk and a minimum time horizon of 6 years. The portfolio seeks a longer-term return of 3.0% above inflation measured by the Consumer Price Index (CPI).

PORTFOLIO TYPE	INDICATIVE RETURN: CPI+	Expected Risk
Growth	3.5%	High
Balanced	3.0%	Medium
Cautious	2.5%	Low
Defensive	2.0%	
Conservative	1.5%	

PORTFOLIO OVERVIEW

The portfolio seeks to provide a diversified interest in a variety of asset classes and the realistic prospect of capital growth and income over the longer term within acceptable risk parameters. Importantly, we expect little correlation between equities, bonds and selected alternative asset classes so the portfolio should provide some degree of protection during periods of equity market weakness.

The portfolio is invested through a mix of five specialist Waverton funds: Sterling Bond Fund, Global Core Equity Fund, Tactical Equity Fund, Absolute Return Fund and the Real Assets Fund.

THIRD PARTY RISK PROFILES



PERFORMANCE

PERFORMANCE (NET OF FEES) TO 31ST DECEMBER 2020

Period	Q4 2020	YTD	2019	2018	2017	2016	2015	Since Inception (31.12.11)
Portfolio (%)	6.4	12.1	14.6	-4.9	9.4	10.1	2.6	102.1
CPI+ Indicative Return* (%)	0.6	3.4	4.3	5.4	6.2	5.1	4.2	57.0

STANDARDISED PERFORMANCE

Period 1 year to	31/12/2020	31/12/2019	31/12/2018	31/12/2017	31/12/2016
Portfolio (%)	12.1	14.6	-4.9	9.4	10.1

Performance displayed is the Waverton Balanced Portfolio available through third party platforms. The portfolio is invested through a mix of five Waverton Funds: Sterling Bond, Global Core Equity, Tactical Equity, Absolute Return and Real Assets. The Waverton Global Core Equity Fund was introduced in Q4 '16 and the Waverton Real Assets Fund in Q1 '19. Performance is shown net of fees. Fee of 0.5% per annum to 31st March 2014 and 0.4% per annum thereafter.

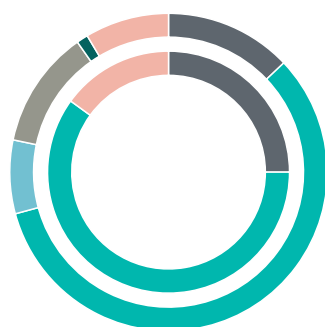
*The CPI+ Indicative Return was CPI+4.0% until 31st December 2016 and CPI+3.0% thereafter to reflect our current return expectations.

Risk Warning: Past performance is no guarantee of future results and the value of such investments and their strategies may fall as well as rise, you may not get back your initial investment, capital security is not guaranteed.

Source: Waverton, Bloomberg, & Morningstar.

ASSET ALLOCATION

CURRENT ASSET ALLOCATION



Asset	Strategic Weight (Inner)	Tactical (Outer)
Fixed Income	25.0%	12.9%
Equities	60.0%	57.8%
Absolute Return	0.0%	7.5%
Real Assets	0.0%	12.0%
Hedging	0.0%	1.2%
Cash	15.0%	8.6%

PORTFOLIO ASSET ALLOCATION

Asset Class Ranges	Minimum	Maximum
Cash & Fixed Income	15%	60%
Equities	40%	80%
Alternatives	0%	30%

Please see overleaf for a detailed breakdown of the holdings within each asset class.

FIXED INCOME

The Waverton Sterling Bond Fund's objective is to achieve capital growth and income through direct investment in UK and International government and corporate bonds.



Top 10 Positions	% Fund	% Portfolio
US Long TIP	7.9%	1.1%
UK Gilts	6.4%	0.9%
US Long Treasury	6.3%	0.9%
KFW	3.0%	0.4%
Lloyds Bank	2.5%	0.4%
Barclays Bank	2.5%	0.4%
Thames Water	2.1%	0.3%
Electricite de France	2.0%	0.3%
International Finance	2.0%	0.3%
Phoenix Group	1.9%	0.3%
	36.6%	5.2%



Credit Risk	% Fund	% Portfolio
AAA	24.9%	3.6%
AA	8.9%	1.3%
A	7.6%	1.1%
BBB	37.5%	5.4%
BB	9.1%	1.3%
B	1.2%	0.2%
NR	1.7%	0.2%
Cash	9.1%	1.3%
	100%	14.3%



Sector	% Fund	% Portfolio
Government	33.2%	4.7%
Financial	27.2%	3.9%
Utilities	10.3%	1.5%
Communications	7.3%	1.0%
Industrial	6.4%	0.9%
Energy	2.4%	0.3%
Consumer	1.7%	0.2%
Basic Materials	1.3%	0.2%
Technology	0.6%	0.1%
Hedging	0.5%	0.1%
Cash	9.1%	1.3%
	100%	14.3%

EQUITIES

The Portfolio's equity holdings are divided between Core Equities (typically 60% of the holdings) and Tactical Equities (typically 40% of the holdings).

CORE EQUITIES

The Waverton Global Core Equity Fund is a diversified portfolio of approximately 200 global developed market equities. The Fund takes no regional or sector biases so the asset allocation will always closely reflect that of global equity markets. Investment is through directly held equities.

NORTH AMERICAN	% of Fund	% of Balanced Portfolio	UK	% of Fund	% of Balanced Portfolio	CONTINENTAL EUROPEAN	% of Fund	% of Balanced Portfolio
Apple Inc Com	3.8%	1.1%	Anglo American	0.5%	0.2%	Nestle	0.9%	0.3%
Microsoft Corporation	3.0%	0.9%	CRH	0.4%	0.1%	Roche Holdings	0.7%	0.2%
Amazon.com	2.6%	0.8%	Tate & Lyle	0.4%	0.1%	UPM-Kymmene	0.6%	0.2%
JP Morgan Chase	1.4%	0.4%	BHP Group	0.4%	0.1%	LVMH Moet	0.6%	0.2%
Visa Inc Com Stock	1.1%	0.3%	National Grid	0.4%	0.1%	Hennessy	0.6%	0.2%
Exxon Mobil Corporation	1.1%	0.3%	London Stock Exchange	0.3%	0.1%	Safran	0.5%	0.2%
Verizon Communications	1.0%	0.3%	Berkeley Group Holdings	0.3%	0.1%	BNP Paribas	0.5%	0.2%
Alphabet Inc	1.0%	0.3%	Ocado Group	0.3%	0.1%	Arkema	0.5%	0.2%
Johnson & Johnson	1.0%	0.3%	BP Plc	0.3%	0.1%	Bechtle AG	0.5%	0.2%
Other (90 Positions)	41.2%	12.4%	Other (8 Positions)	1.0%	0.3%	Novartis AG	0.5%	0.2%
						Other (27 Positions)	7.9%	2.4%

JAPANESE	% of Fund	% of Balanced Portfolio
Toyota Motor Corporation	0.8%	0.2%
Daiichi Sankyo	0.6%	0.2%
Nifco Inc	0.5%	0.2%
Omron Corp	0.5%	0.2%
Itochu Corporation	0.5%	0.2%
NOF Corp	0.4%	0.1%
Hoya Corp NPV	0.4%	0.1%
Otsuka Corp	0.4%	0.1%
SMC Corp	0.4%	0.1%
Other (11 Positions)	2.7%	0.8%

ASIA PACIFIC EX JAPAN	% of Fund	% of Balanced Portfolio
Taiwan Semiconductor Manufacturing	1.7%	0.5%
Samsung Electronics	1.2%	0.4%
Tencent Holdings	0.7%	0.2%
Alibaba Group Holdings	0.7%	0.2%
Coles Group	0.5%	0.2%
Shandong Weigao Group Medical	0.4%	0.1%
Haier Smart Home	0.4%	0.1%
Posco KRW5000	0.4%	0.1%
Reliance Industries	0.4%	0.1%
Other (35 Positions)	8.3%	0.7%

EQUITIES CONTINUED

TACTICAL EQUITIES

The Waverton Tactical Equity Fund provides exposure to the Waverton direct equity stock selection process, best in class third party funds and exposure to our proprietary Protection Strategy.

TOP HOLDINGS	Region	% of Fund	% of Balanced Portfolio
RWC Global Emerging Markets Fund	Emerging Market	5.0%	1.6%
Ashoka India Opportunities Fund	Emerging Market	4.9%	1.5%
Fidelity China Special Situations	Asia Pacific ex Japan	3.9%	1.2%
Protection Strategy (Luminis)	Hedging	3.0%	0.9%
Linde Plc €0.001	Continental European	2.4%	0.8%
Novo Nordisk AS DKK0.2 Series B	Continental European	2.2%	0.7%
Asahi Group Holdings	Japanese	2.1%	0.7%
Diageo Plc Ord 28.94p	UK	2.1%	0.7%
American Express Co Com US\$0.20	North American	2.1%	0.7%
TT Environmental Solutions Fund	Global	2.0%	0.6%
Novartis AG CHF0.50 (Regd)	Continental European	2.0%	0.6%
Taiwan Semiconductor Manufacturing	Asia Pacific ex Japan	2.0%	0.6%
Melrose Industries Plc Ord 6.85714p	UK	2.0%	0.6%
Premier Miton European Opportunities Fund	Continental European	2.0%	0.6%
Baillie Gifford Global Discovery	Global	2.0%	0.6%
RELX Plc Ord 14.44p	UK	2.0%	0.6%
Tesco Plc Ord 5p	UK	2.0%	0.6%
Other (35 Positions)		48.6%	15.3%
Total		92.3%	29.0%

ALTERNATIVES

The Portfolio's alternative holdings include both Absolute Return and Real Asset Strategies.

ABSOLUTE RETURN

The Fund seeks to generate a positive return over a rolling 12 month period by investing in a diverse range of vehicles within specialist fixed income, structured opportunities and absolute return strategies.

TOP HOLDINGS	Sector	% of Fund	% of Balanced Portfolio
BMO Real Estate Equity Long/Short Fund	Abs Ret Strat	8.2%	0.6%
Alpine Merger Arbitrage Fund	Abs Ret Strat	7.2%	0.6%
DCI Market Neutral Credit Fund	Abs Ret Strat	7.0%	0.6%
Vontobel - TwentyFour Absolute Return Credit Fund	Abs Ret Strat	6.5%	0.5%
MontLake Crabel Gemini £ Founder Fund	Abs Ret Strat	6.2%	0.5%
Blackrock (Lux) SA Emg Cos Abs Rtn Fund	Abs Ret Strat	6.2%	0.5%
JP Morgan Global Macro Opportunities	Abs Ret Strat	3.5%	0.3%
GS ESG Long/Short Note	Structured Opps	3.4%	0.3%
MontLake Dunn WMA UCITS Fund	Abs Ret Strat	3.4%	0.3%
S&P Commodity Dynamic Alpha VT6 Index	Abs Ret Strat	3.2%	0.3%
Other (48 Positions)		45.2%	3.6%
Total		100.0%	7.9%

REAL ASSETS

The Waverton Real Asset Fund provides exposure to a diverse range of strategies all gaining access to various Real Asset classes and their respective income streams.

TOP HOLDINGS	Sector	% of Fund	% of Balanced Portfolio
Atlas Global Infrastructure	Infrastructure	4.5%	0.6%
B&I Global Real Estate Securities	Property	4.0%	0.5%
3i Infrastructure	Infrastructure	3.6%	0.5%
Brookfield Renewable Partners LP	Commodity	3.4%	0.4%
Tritax Big Box REIT	Property	3.4%	0.4%
Urban Logistics REIT	Property	3.3%	0.4%
Invesco Physical Gold ETC	Commodity	3.2%	0.4%
GCP Student Living	Property	3.2%	0.4%
Sequoia Economic Infrastructure Debt	Infrastructure	3.2%	0.4%
GCP Asset Backed Income	Asset Finance	3.1%	0.4%
Other (34 Positions)		65.1%	8.2%
Total		100.0%	12.6%

REGIONAL ALLOCATION

The chart below shows the overall equity regional allocation for the combined Core and Tactical Equity holdings.



Region	% Fund	% Portfolio
UK	9.1%	6.4%
North American	45.0%	25.7%
Continental European	13.4%	8.3%
Asia Pacific ex Japan	12.5%	7.3%
Japanese	7.1%	4.4%
Emerging Market	5.5%	3.9%
Global	2.3%	1.8%
Hedging	1.2%	1.0%
Cash	3.8%	2.8%
Total	100%	61.6%

ABSOLUTE RETURN



Sector	% Fund	% Portfolio
Abs Ret Strat	60.3%	4.8%
Specialist Bonds	25.1%	2.0%
Structured Opps	9.4%	0.7%
Cash	5.2%	0.4%
Total	100%	7.9%

REAL ASSETS



Sector	% Fund	% Portfolio
Property	34.8%	4.4%
Infrastructure	21.0%	2.6%
Specialist Lending	18.3%	2.3%
Commodity	14.1%	1.8%
Asset Finance	7.1%	0.9%
Cash	3.7%	0.5%
Hedging	1.0%	0.1%
Total	100%	12.6%

COMMENTARY

We are very pleased with the returns that we have generated in 2020 and see them as "proof of concept" of our particular style of investing. The core portfolios rose by between 3.9% and 7.5% in the fourth quarter which pushed the gains for the year to between 8.9%, for Defensive mandates and 13.5% for Growth. These annual returns compare extremely favourably to our peer group and represent relative out-performance of between 4.4% and 8.7%.

The ability to dynamically hedge in our portfolios has added huge value this year and the fixed income managers made, and continue to make, full use of this. As a result, our fixed income component was able to outperform UK Govt Bonds with volatility of around half of that of the Gilt index. Most notably, we avoided the drawdown in March seen by most of our peers as they suffered the effects of spread duration – the combination of long duration and widening spreads.

Within equities we had a good year, if you exclude the Protection Strategy. If you include it, it was better still. In broad terms our equities, excluding cash and protection, outperformed the MSCI AC World Index. Geographic allocation was a bit of a headwind as we were underweight the US market which, driven by a handful of Tech giants, again led the way. However stock selection was positive and more than offset this. Some stand out names in absolute terms being TSMC, Driehaus US Micro Cap, Apple & Fidelity China Special Situations all rising north of 65%. However the top contributor to relative performance was the Protection Strategy which added 4.5% relative to the MSCI AC World.

Real Assets finished the year strongly. The sustained recovery from the extreme volatility seen in the early part of the year has been pleasing. Whilst share prices remained volatile the underlying NAV, earnings and income from the majority of our holdings were remarkably stable over the course of the year. This was rewarded with discounts narrowing considerably having widened dramatically in March.

Over the course of 2020 the Absolute Return Fund continued to display the desired low risk profile ending 2020 with a positive return of 0.7% with an annualised volatility of just 2.7%. It is pleasing to note the fund has now delivered 2.5% since the strategy change in Feb 2019 and managed to navigate one of the steepest bear markets in history and subsequent recoveries while continuing to meet stated objectives.

As ever we are positioned to participate well should markets continue to push on but, being aware of the growing risks, we are grateful for our ability to hedge.

FUND DETAILS

Investment Manager	Waverton Investment Mgmt
Annual Management Charge (AMC)	0.4%
Ongoing Charge* (Inc. AMC & Transaction charges)	0.77%
Dealing Frequency	Daily
Base Currency	Sterling
Launch Date	31st December 2011
Minimum Investment	None

* Source: P Share Class European MIFID Template (EMT) Sept 2020

CONTACT DETAILS

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