

### 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 UK Consumer Price Index (CPI).

### 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 four specialist Waverton funds: Sterling Bond Fund, Strategic Equity Fund, Real Assets Fund and Absolute Return Fund.

### Portfolio facts

Investment manager	Waverton
Total cost*	0.65%
Estimated yield	1.8%
Dealing frequency	Daily
Base currency	Sterling
Launch date	31 December 2011
Minimum investment	None

\*Includes annual management costs (AMC), underlying costs and transaction costs based on UCITS KIID

Source: Waverton, Dec 2023

### Risk ratings




\* for further information please contact Waverton

### Ratings and awards



### Performance

#### SINCE INCEPTION PERFORMANCE



PERIOD PERFORMANCE (%)	Q1 2024	YTD	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION (31.12.11)
Portfolio	4.8	4.8	11.4	13.9	40.8	135.5
CPI*+3.0%	0.8	0.8	5.6	31.4	42.5	107.7

CALENDAR YEAR PERFORMANCE (%)	2023	2022	2021	2020	2019
Portfolio	8.8	-10.3	13.8	12.2	14.6
CPI+3.0%	6.5	13.5	8.4	3.7	4.3

ANNUAL DISCRETE PERFORMANCE (%) - 12 MONTHS TO	31/03/24	31/03/23	31/03/22	31/03/21	31/03/20
Portfolio (%)	11.4	-4.8	7.4	25.4	-1.5

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

Performance is shown net of fees. Fee of 0.5% per annum to 31st March 2014 and 0.4% per annum thereafter.

CPI data is displayed up to 29th February 2024.

### Current Asset Allocation

#### CURRENT ASSET ALLOCATION



#### PORTFOLIO ASSET ALLOCATION

ASSET CLASS RANGES	MINIMUM	MAXIMUM
Cash & fixed income	15%	60%
Equities	40%	80%
Alternatives	0%	30%

ASSET	TACTICAL	STRATEGIC
Sterling Bond	18.9%	20.0%
Strategic Equity	58.6%	60.0%
Absolute Return	7.4%	9.0%
Real Assets	12.6%	9.0%
Cash	2.5%	2.0%
Total	100.0%	100.0%

**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: Morningstar, Waverton.

## Portfolio Holdings

### Equities

The Waverton Strategic 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.

#### COLLECTIVE HOLDINGS

TOP HOLDINGS	REGION	% PORTFOLIO
Cash	Cash	1.0%
Ashoka India Investment Trust Ord 1p	Emerging Market	0.1%
Ashoka India Opportunities Fund 'G' US\$ Acc (Soft Closed)	Emerging Market	0.5%
Dragon Capital Group Vietnam Enterprise Investment US\$	Emerging Market	0.1%
Redwheel Next Generation Emerging Markets Equity I GBP Inc £	Emerging Market	0.1%
Protection Strategy 1 (Luminis)	Hedging	0.2%
Protection Strategy 2 (MS, QSP)	Hedging	0.2%
Prologis, Inc.	North America	0.8%
Total		3.1%

#### REGIONAL



REGION	% PORTFOLIO
North America	36.1%
Japan	7.6%
Asia ex Japan	5.1%
United Kingdom	4.7%
Europe ex UK	2.8%
Cash	1.0%
Emerging Market	0.8%
Hedging	0.4%
Total	58.6%

#### DIRECT EQUITY HOLDINGS

NORTH AMERICA	% PORTFOLIO
Microsoft Corporation Com US\$0.00000625	2.4%
Alphabet Inc US\$0.001 'A'	2.4%
Qualcomm Inc Com US\$0.0001	1.7%
Thermo Fisher Scientific COM US\$1	1.6%
JP Morgan Chase Com US\$1 (US quote)	1.6%
Canadian Pacific Kansas City Limited	1.5%
Advanced Micro Devices	1.3%
Apple Inc Com	1.3%
Amazon.com Inc Com US\$0.01	1.2%
American Express Co Com US\$0.20	1.2%
United Rentals Inc Com US\$0.01	1.1%
HCA Healthcare Inc	1.1%
Synopsys Inc US\$0.01	1.1%
UnitedHealth Group Com US\$0.01	0.9%
Pepsico Inc Cap Stock US\$0.0166	0.9%
IBM Com US\$0.20	0.9%
TE Connectivity Ltd Com CHF1.37	0.9%
Cheniere Energy, Inc	0.8%
Waste Connections Inc Com	0.8%
Linde Plc Com EUR0.001	0.8%
T-Mobile US Inc	0.8%
CME Group Inc Com US\$0.01 'A'	0.7%
Visa Inc Com Stock US\$0.0001	0.7%
American Water Works Company Inc US\$0.01	0.7%
American International Group Inc Com US\$2.50	0.7%
Other (11 Positions)	6.2%
UNITED KINGDOM	% PORTFOLIO
AstraZeneca Plc Ord US\$0.25 (London quote)	1.6%
London Stock Exchange Ord 6.918604p	1.4%

UNITED KINGDOM - CONT.	% PORTFOLIO
Unilever Plc Ord 3.1111p	0.8%
Shell Plc Ord €0.07	0.7%
Anglo American US\$0.54945 (London quote)	0.3%
EUROPE EX UK	% PORTFOLIO
Amadeus IT Group SA €0.01	0.5%
Iberdrola SA €0.75 (ES quote)	0.5%
Siemens AG Regd	0.5%
Inditex €0.03	0.4%
UPM-Kymmene Corporation	0.4%
LVMH Moet Hennessy €0.30	0.4%
Technip Energies €0.01	0.2%
JAPAN	% PORTFOLIO
Hitachi NPV	1.7%
Sumitomo Mitsui Financial Group Inc	1.5%
Asahi Group Holdings	1.4%
Toyota Motor Corporation	1.3%
Shin-Etsu Chemical	0.8%
Keyence Corporation	0.6%
Kobe Bussan Co Ltd	0.4%
ASIA EX JAPAN	% PORTFOLIO
Taiwan Semiconductor Manufacturing ADS Rep 5 Ord TW\$10	1.5%
Tencent Holdings Ltd HK\$0.00002	1.3%
AIA Group Ltd US\$1.00	0.7%
United Overseas Bank Ltd	0.6%
Yum China Holdings Inc. US\$0.01	0.5%
Samsung Electronics Co Ltd KRW 5000	0.5%

## Portfolio holdings cont.

### 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 ISSUERS



TOP 10	%
UK Treasury	10.0%
US Treasury Inflation-linked	1.5%
Goldman Sachs	0.6%
Standard Chartered	0.4%
UK Treasury Bills	0.4%
Societe Generale	0.4%
BNP Paribas	0.4%
Barclays Bank	0.3%
Burford Capital	0.3%
Romania Government	0.3%
<b>Total</b>	<b>14.4%</b>

#### CREDIT



CREDIT RISK	% PORTFOLIO
AAA	1.5%
AA	10.4%
A	1.0%
BBB	3.7%
BB	1.2%
B	0.1%
NR	0.6%
Cash	0.4%
<b>Total</b>	<b>18.9%</b>

#### SECTOR



SECTOR	% PORTFOLIO
Government	12.2%
Financial	3.9%
Industrial	1.0%
Utilities	0.7%
Energy	0.4%
Cash	0.4%
Hedging	0.1%
Communications	0.1%
Basic materials	0.1%
Consumer	0.0%
<b>Total</b>	<b>18.9%</b>

### Alternatives

The portfolio's alternative holdings include both real asset and absolute return strategies.

#### REAL ASSETS

The Waverton Real Assets 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	% PORTFOLIO
3i Infrastructure	Infrastructure	0.5%
Brookfield Infrastructure Partners LP	Infrastructure	0.4%
Sequoia Economic Infrastructure Debt	Infrastructure	0.4%
Greencoat UK Wind Ord 1p	Infrastructure	0.4%
Invesco Physical Gold ETC	Commodity	0.4%
Shell Plc Ord €0.07	Commodity	0.4%
Twelve Capital Cat Bond GBP Hgd Dist	Specialist lending	0.4%
BioPharma	Specialist lending	0.3%
Brookfield Renewable Partners LP (Canadian Listing)	Commodity	0.3%
Tritax EuroBox Plc €0.01	Property	0.3%
Other (75 Positions)		8.7%
<b>Total</b>		<b>12.6%</b>



SECTOR	% PORTFOLIO
Infrastructure	3.8%
Commodity	3.1%
Property	2.7%
Specialist lending	2.2%
Asset finance	0.6%
Cash	0.1%
<b>Total</b>	<b>12.6%</b>

#### ABSOLUTE RETURN

The Absolute Return 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	% PORTFOLIO
MontLake Dunn WMA UCITS Fund £ 'B'	Absolute return strategies	0.5%
CT Real Estate Equity Long/Short Fund C GBP Acc	Structured opportunities	0.5%
Brevan Howard Abs Rt Govt Bd A GBP Acc (HARD CLOSED)	Absolute return strategies	0.4%
MontLake Crabel Gemini £ Founder Fund 'A'	Absolute return strategies	0.4%
WS Lancaster Absolute Return Fund Acc (Institutional)	Absolute return strategies	0.3%
Atlantic House Uncorrelated Strategies Dist £	Absolute return strategies	0.3%
L&G Global Inflation Linked Bond Index 1 Acc	Specialist bonds	0.3%
Equity Carry - MS QSP	Structured opportunities	0.2%
SG Equity US Intraday Trend and STEP Index V2	Structured opportunities	0.2%
SGI Commodity Dynamic Alpha VT6 Index - New	Structured opportunities	0.2%
Other (58 Positions)		4.1%
<b>Total</b>		<b>7.4%</b>



SECTOR	% PORTFOLIO
Specialist bonds	2.7%
Structured opportunities	2.4%
Absolute return strategies	2.0%
Cash	0.2%
Protection	0.0%
<b>Total</b>	<b>7.4%</b>

## Commentary

The first quarter of 2024 was a positive one for the portfolios with returns from 1.9% to 8.8%.

Bond markets stabilised during March after a weak start to the year. Sterling bond markets were relatively strong compared to other developed economy bond markets as investors saw the UK as a weaker economy and relative interest rates declined, especially versus the US. The resilience of the US economy has led to some doubts about the timing and extent of interest rate cuts by the US Federal Reserve, but the UK economy continues to look more vulnerable. This was very much in line with our thoughts this year.

In absolute terms, the strongest regional performance for the Waverton Strategic Equity Fund (WSEF) came from Japan and North America, although on a relative basis it was our Japanese equities which helped to offset weaker relative performance in the other regions. By Sector, Industrials (+20.9%), Consumer Discretionary (+14.4%) and Information Technology (+11.9%) contributed the largest positive performance in absolute terms for WSEF.

We have been adding new ideas in the Industrials sector over the last few months. Industrials as a sector had been somewhat unloved by the market until relatively recently on fears of a construction slowdown and weak PMI data. As a result, we were able to identify a number of high quality (and improving quality) businesses which were trading at attractive valuations.

A positive first quarter for the Waverton Absolute Return Fund, returning 2.1% over the first three months of 2024. This compares with +3.7% for the MSCI UK All Cap, +9.2% for the MSCI ACWI, -1.9% for UK Gilts, -1.7% for Global Bonds and +1.3% for our benchmark 3m UK cash over the quarter to end March 2024.

Over the quarter, the aggregate exposure to absolute return strategies, specialist fixed income and structured opportunities all contributed positively to returns.

The Waverton Real Assets Fund returned -2.6% over the first quarter year. Disappointing at a headline level, but it was January and February where performance was weak, while March saw an improvement in fortunes with a 2.6% gain. Hopefully signalling what may come over the remainder of 2024. In our view, the outlook continues to look attractive for Real Assets and our underlying holdings. We have updated a number of our forward looking returns measures which indicate the Real Assets Fund looks well positioned and able to deliver a double-digit returns profile on a medium term view.

### MPS Portfolios

Mandate	Indicative return:
Equity	CPI + 4.5%
Growth	CPI + 3.5%
Balanced	CPI + 3.0%
Cautious	CPI + 2.5%
Defensive	CPI + 2.0%
Conservative	CPI + 1.5%

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