



WAVERTON
INVESTMENT MANAGEMENT

WAVERTON GLOBAL STRATEGIC BOND FUND A USD

FUND FACTSHEET - AS AT 28 FEBRUARY 2018

OBJECTIVES

FUND AIM

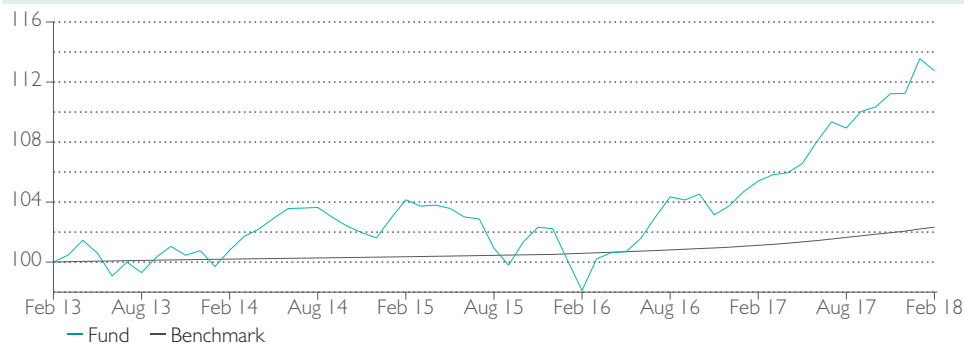
To achieve capital growth and income through investment in UK and international government and corporate bonds. The Fund's performance benchmark is US Cash Indices LIBOR Total Return 1 month.

INVESTMENT STYLE

The Fund has a highly flexible approach to duration, credit and currency. Fund duration can be reduced to a minimum of -3. In addition the Fund can take short currency positions up to a combined maximum of 20%. Investment decisions are fundamentally driven using a combination of quantitative analysis with qualitative judgement calls. Derivative instruments are also utilised to manage risk.

PERFORMANCE

ROLLING PERFORMANCE



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

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

Performance is displayed net of fees and assumes income is reinvested.

Period	1 Month	3 Months	YTD	1 Year	3 Years	5 Years	Inception Jan 10
Portfolio (%)	-0.7	1.4	1.4	7.0	8.3	12.8	26.0
Benchmark (%)	0.1	0.4	0.3	1.2	2.0	2.3	3.1
Peer Group (%)	-1.7	1.0	0.6	8.5	5.7	2.2	11.5
Quartile	1	2	1	2	2	1	1

DISCRETE CALENDAR YEAR PERFORMANCE

Period	2017	2016	2015	2014	2013
Fund (%)	7.2	1.5	0.6	0.8	1.3
Benchmark (%)	1.1	0.5	0.2	0.2	0.2

STANDARDISED PERFORMANCE

Period 1 year to	28/02/2018	28/02/2017	29/02/2016	28/02/2015	28/02/2014
Fund (%)	7.0	7.4	-5.8	3.3	0.8

PORTFOLIO SUMMARY

CREDIT QUALITY		SECTOR		CURRENCY		TOP 10 ISSUERS	
AAA	12.3%	Financial	56.9%	US Dollar	103.0%	US Treasury long Dated	6.3%
AA	1.9%	Government	22.1%	Mexican Peso	6.5%	Lloyds Bank	6.3%
A	12.2%	Energy	6.2%	Indian Rupee	5.5%	Mexican Government	5.8%
BBB	25.4%	Consumer, Non-cyclical	3.9%	Brazilian Real	2.3%	International Finance Corp	5.8%
BB	16.7%	Consumer, Cyclical	3.2%	Japanese Yen	0.1%	Barclays Bank	3.7%
B	4.7%	Communications	2.8%	British Pound	-6.2%	HSBC	3.5%
CCC	3.6%	Utilities	1.1%	Euro	-11.2%	Pershing Square	3.1%
NR	19.4%	Cash	3.8%	Total	100.0%	Phoenix Group	3.1%
Cash	3.8%	Total	100.0%			Royal Bank Scotland	3.1%
						Burford Capital Plc	3.0%
						Total	43.7%

COMMENTARY

During February the Fund fell 0.7% while the benchmark (1 month US LIBOR) rose 0.1% and the Citigroup World Government Bond Index (WGBI) fell 1.7%.

The very high levels of volatility we saw early in February in the equity markets did not lead to the normal positive movement in Government bond markets. In fact, equities and bonds were highly correlated during the first half of the month while markets fretted about inflation risks and the reaction of central banks.

Whilst the fund gave back some gains in credit issues, as there was a slight shift to safety, it was a relative winner from the US Dollar's recovery. Our duration positioning however was challenged in that we had been running a negative duration stance in January. But as volatility in equities picked up, we neutralised that position in case the selling of equities gained momentum. In that instance we would expect Government bond markets to become safe havens for global investors.

It does seem however that even though equity markets remained weak and volatile, investors' main concern is that central banks might speed up tapering of extraordinarily loose monetary policy, leading to higher yields and lower bond prices. This underlines our key concern about the bond asset class in general – it is not a good portfolio hedge for equities at this point of the cycle and starting from these very low levels of yield. Therefore we still expect yields to resume their upward move during the course of this year and will be looking for an opportunity to reinstate the negative duration stance.

FUND MANAGER



Jeff Keen

FUND DETAILS

FUND FACTS

Launch Date	11th January 2010
Morningstar Category	Global Flexible Bond - USD Hedged
Benchmark	BBA Libor 1 month
Fund Size	\$103.6m
No. of Holdings	61
Domicile	Ireland
Sedol	B4T0912
Bloomberg Code	WVGBDAU ID
Fund Type	OEIC
Base Currency	USD
Other Currencies	GBP, EUR
Ex Dividend Dates	Jan 31st, Apr 30th, Jul 31st and Oct 31st

RISK STATISTICS

Fund Volatility 3Y (%)	3.6
Duration	0.5
Sharpe Ratio 3Y	0.6
Running Yield (%)	4.8
Yield to Maturity (%)	4.5

FUND INFORMATION

Share class	ISIN	Minimum investment	AMC	INC/ACC	NAV	Historic yield (%)	Ongoing charge (%)
A USD *	IE00B4T09128	2,500 USD	0.50%	INC	8.679	4.96%	0.71%
A GBP *	IE00B4V37489	1,500 GBP	0.50%	INC	8.417	5.07%	0.71%
I USD	IE00B6Y98M27	2,500 USD	0.75%	INC	9.37	3.93%	0.96%
I EUR ACC	IE00BQ1KPV61	1,500 EUR	0.75%	ACC	10.46	0.00%	0.95%

*Performance fee for A Class only. 10% on outperformance of benchmark with high watermark. Any underperformance is carried forward.

CONTACT DETAILS

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

For full details of investment risks please refer to the Prospectus. *Performance fee for A Classes only. 10% on outperformance of benchmark with high watermark. Any underperformance carried forward. 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: Global Bond; Global Bond – USD/CHF/EUR/GBP biased.

Sources: Waverton, Morningstar, Bloomberg Composite Ratings.

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