



WAVERTON
INVESTMENT MANAGEMENT

WAVERTON GLOBAL STRATEGIC BOND FUND A USD

FUND FACTSHEET - AS AT 31 JULY 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 (%)	1.2	-1.7	-1.4	0.4	6.7	9.7	22.7
Benchmark (%)	0.2	0.5	1.1	1.6	2.7	3.0	4.0
Peer Group (%)	0.3	-2.4	-2.8	-1.6	4.7	-0.1	7.8
Quartile	1	2	1	1	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	31/07/2018	31/07/2017	31/07/2016	31/07/2015	31/07/2014
Fund (%)	0.4	6.1	0.1	-0.7	3.6

PORTFOLIO SUMMARY

CREDIT QUALITY		SECTOR		CURRENCY		TOP 10 ISSUERS	
AAA	3.9%	Financial	61.1%	US Dollar	97.1%	Mexican Government	6.1%
AA	4.9%	Government	12.2%	Mexican Peso	6.9%	Lloyds Bank	6.0%
A	12.9%	Energy	5.6%	Indian Rupee	5.2%	Barclays Bank	5.1%
BBB	31.1%	Consumer, Cyclical	3.2%	Brazilian Real	4.0%	Phoenix Group	3.8%
BB	16.0%	Consumer, Non-cyclical	3.1%	Indonesian Rupiah	0.5%	Pershing Square	3.2%
B	4.3%	Utilities	3.0%	Japanese Yen	0.1%	HSBC	3.1%
CCC	3.4%	Communications	2.9%	British Pound	-5.3%	Bank of Nova Scotia	3.0%
NR	15.1%	Industrial	0.5%	Euro	-8.5%	Royal Bank of Scotland	3.0%
Cash	8.4%	Cash	8.4%	Total	100.0%	American International	2.8%
Total	100.0%	Total	100.0%			Nokia Of America	2.1%
						Total	38.2%

COMMENTARY

During July the fund (Class A USD) rose 1.2% while the benchmark (JPM 1 month USD Cash) rose 0.2% and the JPM Broad Global Bond Index fell 0.5%.

The fund outperformed during July due to three factors; (1) a modest recovery in credit, (2) our negative duration stance and (3) a recovery in some emerging market currencies:

Credit spreads have been widening since February. The key drivers have been some negative flows out of the asset class by retail investors and perhaps the anticipation of the European Central Bank's cessation of purchases of corporate bonds under its QE program.

The second driver of performance was our negative duration, which contributed some positive performance as yields rose. In particular in Japan, the central bank relaxed the band within which it will keep the Government bond yields. This led to higher yields, especially at longer durations where we have a small put exposure that increased in value significantly.

Thirdly, we saw a significant recovery in some currencies. The Mexican Peso rallied by 6.8% versus the US Dollar over the month.

The fund has an overall duration which is slightly less than zero (our limit is -3). This is made up of positive duration in the US (where real yields are positive at the long end of the yield curve) and negative in Europe and Japan, where we expect extraordinary monetary policy to start unwinding very soon.

FUND MANAGER



Jeff Keen

ANALYST



James Carter

FUND DETAILS

FUND FACTS

Launch Date	11th January 2010
Morningstar Category	Global Flexible Bond
Benchmark	JPM Cash 1 Month
Fund Size	\$99.3m
No. of Holdings	60
Domicile	Ireland
Sedol	B4T0912
Bloomberg Code	VVGBDAU 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 (%)	4.1
Duration	-1.3
Sharpe Ratio 3Y	0.8
Running Yield (%)	4.9
Yield to Maturity (%)	5.0

FUND INFORMATION

Share class	ISIN	Minimum investment	AMC	INC/ACC	NAV	Historic yield (%)	Ongoing charge (%)
A USD *	IE00B4T09128	2,500 USD	0.50%	INC	8.248	5.08%	0.71%
A GBP *	IE00B4V37489	1,500 GBP	0.50%	INC	7.934	5.09%	0.71%
I USD	IE00B6Y98M27	2,500 USD	0.75%	INC	8.931	3.99%	0.96%
I EUR ACC	IE00BQ1KPV61	1,500 EUR	0.75%	ACC	10.030	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

MARKETING CONTACT

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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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