



WAVERTON
INVESTMENT MANAGEMENT

WAVERTON GLOBAL STRATEGIC BOND FUND A USD

FUND FACTSHEET - AS AT 30 JUNE 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	-2.7	-2.5	0.4	5.3	9.5	21.2
Benchmark (%)	0.2	0.5	0.9	1.5	2.5	2.9	3.8
Peer Group (%)	-0.5	-4.2	-3.1	0.2	4.2	1.4	7.6
Quartile	3	1	2	3	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	30/06/2018	30/06/2017	30/06/2016	30/06/2015	30/06/2014
Fund (%)	0.4	6.4	-1.4	-0.5	4.5

PORTFOLIO SUMMARY

CREDIT QUALITY		SECTOR		CURRENCY		TOP 10 ISSUERS	
AAA	5.0%	Financial	61.5%	US Dollar	96.8%	Lloyds Bank	6.1%
AA	4.0%	Government	12.6%	Mexican Peso	6.5%	Mexican Government	5.8%
A	12.2%	Energy	6.6%	Indian Rupee	5.2%	Barclays Bank	5.2%
BBB	33.9%	Consumer, Non-cyclical	4.1%	Brazilian Real	3.7%	Phoenix Group	3.8%
BB	14.6%	Consumer, Cyclical	3.2%	British Pound	-2.4%	Pershing Square	3.3%
B	5.8%	Communications	2.9%	Euro	-9.8%	HSBC	3.1%
CCC	3.3%	Utilities	2.8%	Total	100.0%	Royal Bank of Scotland	3.0%
NR	14.9%	Cash	6.3%			Bank of Nova Scotia	3.0%
Cash	6.3%	Total	100.0%			American International	2.8%
Total	100.0%					Burford Capital	2.4%
						Total	38.5%

COMMENTARY

During June the fund (Class A USD) fell 0.7% while the benchmark (JPM 1 month USD Cash) rose 0.2% and the JPM Broad Global Bond Index fell 0.3%.

The US Dollar continued to strengthen during June, putting downward pressure on emerging market assets, especially those countries with weak reserves and high reliance on US Dollar funding. The Chinese Renminbi also weakened somewhat, causing Asian currencies to be weaker too. Fears of an 'Italexit' seemed to calm as ministers in the new Italian Government back-tracked on some of their earlier provocative language on leaving the Euro. This helped the Euro to stabilize. Sterling, however, remains under a cloud of uncertainty surrounding the Brexit negotiations, though the Bank of England look more likely to increase the Base rate at the August meeting.

Credit remained a difficult asset class with outflows from mutual funds causing some indigestion in the new issue market which appears to be well supplied.

The weakness in emerging markets is creating some value opportunities. Our approach here is cautious but given our positive view on the Oil price we think there are some interesting USD issues from high quality issuers in the Middle East which provide attractive yields for low risk.

The fund has an overall duration which is close to zero, though 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 - USD Hedged
Benchmark	JPM Cash 1 month
Fund Size	\$97.0m
No. of Holdings	63
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 (%)	3.9
Duration	0.2
Sharpe Ratio 3Y	0.8
Running Yield (%)	5.0
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	8.254	5.30%	0.71%
A GBP *	IE00B4V37489	1,500 GBP	0.50%	INC	7.954	5.28%	0.71%
I USD	IE00B6Y98M27	2,500 USD	0.75%	INC	8.917	4.21%	0.96%
I EUR ACC	IE00BQ1KPV61	1,500 EUR	0.75%	ACC	9.949	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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