



WAVERTON
INVESTMENT MANAGEMENT

WAVERTON GLOBAL STRATEGIC BOND FUND A USD

FUND FACTSHEET - AS AT 31 MARCH 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 (%)	-1.1	0.2	0.2	5.3	7.5	11.0	24.6
Benchmark (%)	0.1	0.4	0.4	1.3	2.1	2.4	3.3
Peer Group (%)	0.6	1.2	1.2	8.8	8.6	3.5	12.3
Quartile	4	4	4	3	3	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	31/03/2018	31/03/2017	31/03/2016	31/03/2015	31/03/2014
Fund (%)	5.3	5.6	-3.4	2.0	1.2

PORTFOLIO SUMMARY

CREDIT QUALITY		SECTOR		CURRENCY		TOP 10 ISSUERS	
AAA	12.6%	Financial	55.4%	US Dollar	104.5%	US Treasury Long Dated	6.6%
AA	1.9%	Government	23.2%	Mexican Peso	6.9%	Mexican Government	6.2%
A	13.0%	Energy	6.4%	Indian Rupee	5.6%	Lloyds Bank	6.1%
BBB	25.5%	Consumer, Non-cyclical	3.8%	Brazilian Real	2.4%	International Finance Corp	5.8%
BB	16.5%	Consumer, Cyclical	3.2%	Japanese Yen	0.1%	Barclays Bank	3.6%
B	4.8%	Communications	2.8%	British Pound	-7.9%	HSBC	3.4%
CCC	3.7%	Utilities	1.1%	Euro	-11.6%	Pershing Square	3.1%
NR	17.9%	Cash	4.1%	Total	100.0%	Phoenix Group	3.1%
Cash	4.1%	Total	100.0%			RBS	3.0%
Total	100.0%					Bank Of Nova Scotia	3.0%
						Total	43.9%

COMMENTARY

During March the fund fell 1.1% while the benchmark (1 month US LIBOR) rose 0.1% and the Citigroup World Government Bond Index (WGBI) rose 1.5%.

As we have commented many times in recent months, the performance of the global bond indices has been mostly driven by the weakness of the US Dollar. Our reluctance to jump on the weak Dollar bandwagon has been a lost opportunity but we continue to believe that the large interest rate differential between US Dollars and Euros, especially as European economic momentum loses steam, will lead to Dollar outperformance during 2018.

There was a general rally in Government bonds worldwide in March driven by (i) a slight slowdown in economic momentum in Europe (ii) further lack of meaningful evidence of higher inflation and (iii) concerns about an escalation in global trade tensions. Meanwhile the US economy continued to produce relatively strong economic data, supporting the case that the Federal Reserve will proceed on its tightening path for US interest rates. Wage data however continues to move sideways and shows little sign of escalation despite unemployment falling to levels which signify 'full employment'.

Credit was a negative during March as we saw some resistance to buying new highly priced issues. The credit cycle has been very strong since Draghi's "whatever it takes" speech in 2012 and although underlying corporate fundamentals appear to be strong, it does seem appropriate for some credit spreads to consolidate at current levels. Any material weakness however may present buying opportunities. We remain highly selective.

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	\$102.6m
No. of Holdings	59
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 (%)	3.7
Duration	0.3
Sharpe Ratio 3Y	0.4
Running Yield (%)	4.9
Yield to Maturity (%)	4.6

FUND INFORMATION

Share class	ISIN	Minimum investment	AMC	INC/ACC	NAV	Historic yield (%)	Ongoing charge (%)
A USD *	IE00B4T09128	2,500 USD	0.50%	INC	8.581	5.02%	0.71%
A GBP *	IE00B4V37489	1,500 GBP	0.50%	INC	8.307	5.14%	0.71%
I USD	IE00B6Y98M27	2,500 USD	0.75%	INC	9.252	3.98%	0.96%
I EUR ACC	IE00BQ1KPV61	1,500 EUR	0.75%	ACC	10.305	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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