



WAVERTON
INVESTMENT MANAGEMENT

WAVERTON GLOBAL STRATEGIC BOND FUND A USD

FUND FACTSHEET - AS AT 31 OCTOBER 2018

OBJECTIVES

FUND AIM

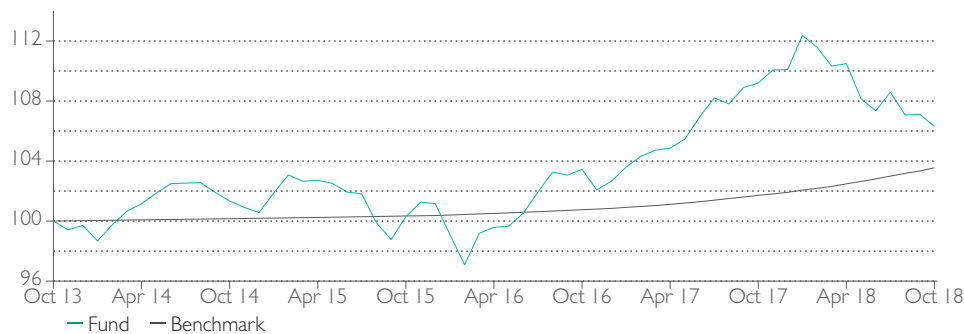
To achieve capital growth and income through investment in UK and international government and corporate bonds. The Fund's performance benchmark is US Cash Indices LIBOR Total Return 1 month.

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	-2.1	-3.4	-2.6	6.0	6.3	20.1
Benchmark (%)	0.2	0.5	1.6	1.8	3.2	3.6	4.5
Peer Group (%)	-1.9	-2.8	-5.4	-3.9	2.0	-5.2	4.9
Quartile	1	2	1	2	1	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	31/10/2018	31/10/2017	31/10/2016	31/10/2015	31/10/2014
Fund (%)	-2.6	5.6	3.1	-1.0	1.3

PORTFOLIO SUMMARY

CREDIT QUALITY		SECTOR		CURRENCY		TOP 10 ISSUERS	
AAA	6.8%	Financial	60.4%	US Dollar	93.0%	Lloyds Bank	5.4%
AA	6.4%	Government	13.7%	Mexican Peso	5.8%	Mexico Government	5.2%
A	12.1%	Energy	6.6%	Indian Rupee	4.5%	Barclays Bank	4.5%
BBB	29.1%	Utilities	4.6%	Swedish Krona	3.0%	Royal Bank of Canada	3.7%
BB	17.3%	Consumer, Non-cyclical	3.7%	Norwegian Krone	3.0%	US Treasury	3.4%
B	4.3%	Consumer, Cyclical	2.9%	Brazilian Real	2.0%	Phoenix Group	3.3%
CCC	0.9%	Communications	2.6%	British Pound	0.8%	Pershing Square	3.0%
NR	18.8%	Basic Materials	0.8%	Indonesian Rupiah	0.4%	Royal Bank of Scotland	2.9%
Cash	4.4%	Industrial	0.4%	Japanese Yen	0.1%	HSBC	2.8%
Total	100.0%	Cash	4.4%	Euro	-12.6%	American International	2.5%
		Total	100.0%	Total	100.0%	Total	36.6%

COMMENTARY

During October the fund (Class A USD) lost 0.73% while the benchmark (JPM 1 month USD Cash) rose 0.21% and the JPM Broad Global Bond Index fell 1.07%.

It was another weak month for global bond indices due to the underperformance of the Euro versus the US Dollar, down 2.5% over the month. Perhaps surprisingly (during an equity market sell off) the level of yields also rose slightly too leading to duration losses on top of currency losses. The fund was relatively insulated from these two headwinds due to its very short duration stance and its short position in the Euro. However, credit issues suffered slightly during the month as risk assets sold off, leading to a negative return for the fund.

One theme which we continued to build was our exposure to is the Oil sector and Oil sensitive quasi sovereigns, particularly in the Middle East. These holdings now account for 12% of NAV.

Elsewhere we benefited from the election of Bolsonaro as the new president in Brazil with a number of our holdings recovering strongly from weakness over the last few months. Unfortunately the Mexico Peso weakened following the cancellation of the new airport in Mexico City. Meanwhile the Brexit negotiations rumble on, causing volatility in the level of Sterling. We have benefited from a short position in Sterling for most of this year but at these levels decided that we should move to a neutral stance given the difficulty in judging whether there will be a successful conclusion to negotiations or not.

The portfolio now has a yield to maturity of 5.4% and in addition we are also picking up hedging gains as we hedge currencies back to US Dollars. The portfolio now looks full of value which we anticipate will come through over the next year or two.

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	\$106.0m
No. of Holdings	70
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 (%)	3.8
Duration	1.9
Sharpe Ratio 3Y	0.2
Running Yield (%)	5.1
Yield to Maturity (%)	5.4

FUND INFORMATION

Share class	ISIN	Minimum investment	AMC	INC/ACC	NAV	Historic yield (%)	Ongoing charge (%)
A USD *	IE00B4T09128	2,500 USD	0.50%	INC	8.66	5.07%	0.71%
A GBP *	IE00B4V37489	1,500 GBP	0.50%	INC	7.98	5.10%	0.71%
I USD	IE00B6Y98M27	2,500 USD	0.75%	INC	9.77	0.00%	0.96%
I EUR ACC	IE00BQ1KPV61	1,500 EUR	0.75%	ACC	8.69	5.12%	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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