



WAVERTON
INVESTMENT MANAGEMENT

WAVERTON GLOBAL STRATEGIC BOND FUND A USD

FUND FACTSHEET - AS AT 31 DECEMBER 2017

OBJECTIVES

FUND AIM

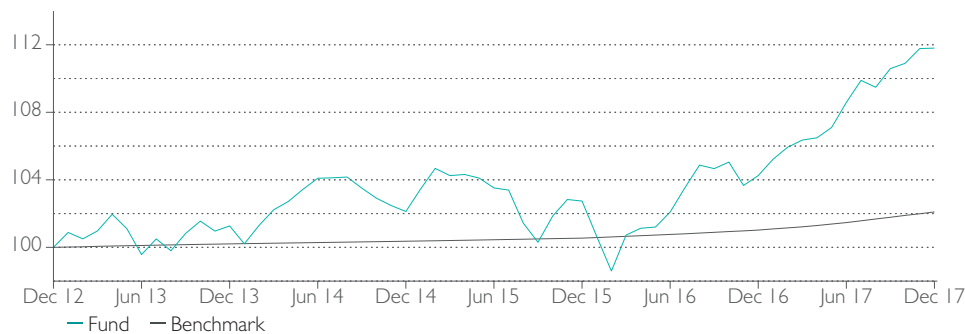
To achieve capital growth and income through investment in UK and international government and corporate bonds. The Fund's performance benchmark is US Cash Indices LIBOR Total Return 1 month.

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.

ROLLING PERFORMANCE

Period	1 Month	3 Months	1 Year	3 Years	5 Years	Inception Jan 10
Portfolio (%)	0.0	1.1	7.2	9.5	11.8	24.3
Benchmark (%)	0.1	0.3	1.1	1.7	2.1	2.9
Peer Group (%)	0.4	1.0	9.5	3.2	0.0	10.4
Quartile	4	2	3	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	31/12/2017	31/12/2016	31/12/2015	31/12/2014	31/12/2013
Fund (%)	7.2	1.5	0.6	0.8	1.3

PORTFOLIO SUMMARY

CREDIT QUALITY		SECTOR		CURRENCY		TOP 10 ISSUERS	
AAA	6.4%	Financial	58.7%	US Dollar	95.6%	Lloyds Bank	6.3%
AA	0.0%	Government	15.8%	Mexican Peso	6.2%	International Finance Corp	5.9%
A	10.5%	Energy	6.3%	Indian Rupee	5.6%	Mexican Government	5.5%
BBB	31.7%	Communications	4.8%	Brazilian Real	2.3%	Rabobank	4.9%
BB	21.2%	Consumer, Non-cyclical	4.0%	Japanese Yen	0.2%	Barclays Bank	4.2%
B	3.0%	Consumer, Cyclical	2.5%	Euro	-9.9%	HSBC	3.8%
CCC	1.5%	Utilities	1.1%	Total	100.0%	Pershing Square	3.2%
NR	18.9%	Cash	6.8%			Phoenix Group	3.0%
Cash	6.8%	Total	100.0%			Royal Bank of Scotland	3.0%
						Bank Of Nova Scotia	2.9%
						Total	42.7%

COMMENTARY

During December the fund rose 0.02% while the benchmark (1 month US LIBOR) rose 0.1% and the Citigroup World Government Bond Index (WGBI) rose 0.2%.

The US Dollar was very weak during 2017 and that was the dominant contribution to the performance in global bond markets. In particular European currencies attracted strong flows as economic growth continued to surprise on the upside, despite the currency strength, which would normally be a downward influence on exports. With the ECB seemingly in no rush to adjust monetary policy, even with inflation edging towards the target level of 2%, it seems likely that the economic recovery, which started properly in 2015, is now set to move into a more expansionary phase. All of this might suggest further Euro strength except for the cost of owning Euros compared to other currencies. For example the hedging cost from US Dollars to Euros is around 2% and with the Federal Reserve now on track to raise rates further in 2018, we expect the cost of owning Euros to increase. For that reason we see more upside risk in the US Dollar, though we may need to see a halt in positive economic surprises in Europe. The first data points in Europe in 2018 continued to be strong. The other potentially positive variables could be a more favourable reaction to Trump's tax cuts or perhaps an infrastructure boost in the US. Forecasting currencies is extremely difficult so our views really drive our thinking for the next few months and we will adjust according to the new data points observed.

The global economy is now in a period of synchronized growth which should help to support profit growth and healthy cashflows for corporates. For that reason, we see decent returns for credit, despite the persistent narrowing of spreads since early 2016. On the other hand we also see upside potential for yields, particularly in Europe which will be a headwind for all bonds, particularly those with duration risk.

So our strategy for 2018 remains the same. We are expecting a slightly firmer US Dollar, higher yields and credit spreads remaining tight. Our priority is to navigate the markets to produce a positive return while keeping risk to a minimum.

FUND MANAGER



Jeff Keen

ASSISTANT FUND MANAGER



Josh Oakley

FUND DETAILS

FUND FACTS

Launch Date	11th January 2010
Morningstar Category	Global Flexible Bond - USD Hedged
Benchmark	BBA Libor 1 month
Fund Size	\$102.8m
No. of Holdings	62
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 (%)	3.5
Duration	-3.0
Sharpe Ratio 3Y	0.7
Running Yield (%)	4.8
Yield to Maturity (%)	4.2

FUND INFORMATION

Share class	ISIN	Minimum investment	AMC	INC/ACC	NAV	Historic yield (%)	Ongoing charge (%)
A USD *	IE00B4T09128	2,500 USD	0.50%	INC	8.672	4.97%	0.71%
A GBP *	IE00B4V37489	1,500 GBP	0.50%	INC	8.422	4.94%	0.71%
I USD	IE00B6Y98M27	2,500 USD	0.75%	INC	9.328	3.96%	0.96%
I EUR ACC	IE00BQ1KP61	1,500 EUR	0.75%	ACC	10.353	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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