



WAVERTON
INVESTMENT MANAGEMENT

WAVERTON GLOBAL STRATEGIC BOND FUND A USD

FUND FACTSHEET - AS AT 31 JANUARY 2020

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 J.P. Morgan Cash Index USD 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	3.3	0.7	10.2	13.9	15.8	33.2
Benchmark (%)	0.2	0.5	0.2	2.3	5.6	6.3	7.5
Peer Group (%)	0.4	1.0	0.4	4.3	9.4	7.0	14.0
Quartile	2	1	2	1	1	1	1

DISCRETE CALENDAR YEAR PERFORMANCE

Period	2019	2018	2017	2016	2015
Fund (%)	10.8	-3.9	7.2	1.5	0.6
Benchmark (%)	2.3	2.0	1.1	0.5	0.2

STANDARDISED PERFORMANCE

Period 1 year to	31/01/2020	31/01/2019	31/01/2018	31/01/2017	31/01/2016
Fund (%)	10.2	-4.8	8.5	4.5	-2.7

PORTFOLIO SUMMARY

CREDIT QUALITY		SECTOR		CURRENCY		TOP 10 ISSUERS	
AAA	16.8%	Financial	52.0%	US Dollar	60.8%	US Treasuries	16.4%
AA	5.4%	Government	26.9%	Mexican Peso	7.5%	Lloyds Bank	5.8%
A	10.1%	Industrial	4.7%	Euro	7.3%	Mexican Government	4.8%
BBB	39.6%	Energy	2.7%	Norwegian Krone	5.4%	Barclays Bank	3.9%
BB	12.6%	Consumer, Non-cyclical	2.3%	Swedish Krona	5.3%	Royal Bank of Canada	3.2%
B	1.6%	Utilities	1.9%	Canadian \$	3.9%	Banco Actinver	2.7%
CCC	0.0%	Communications	1.7%	Japanese Yen	3.2%	HSBC	2.5%
NR	8.2%	Other	1.4%	Indian Rupee	2.6%	BNP	2.5%
Cash	5.6%	Consumer, Cyclical	0.9%	Indonesian Rupiah	2.2%	Phoenix Group	2.3%
Total	100.0%	Cash	5.6%	British Pound	1.4%	Aroundtown	2.1%
		Total	100.0%	Brazilian Real	0.4%	Total	46.2%
				Total	100.0%		

COMMENTARY

During January, the Waverton Global Strategic Bond Fund (Class A USD) provided a return of +0.7% while the benchmark (JPM 1 month USD Cash) rose 0.2% and the JPM Broad Global Bond Index rose 1.6%.

In an already soft economic backdrop, fears of the global impact from the Coronavirus led government bond yields lower and credit index spreads wider. Our exposure to US Long Bond call options helped the fund to participate in the significant gains from duration exposure, ending the month with a duration of 4.4 years – the highest level since September 2016. Two thirds of our duration comes from these call options and they have once again proved a successful (and relatively inexpensive) strategy for capturing the upside of government bond rallies.

On a trade weighted basis, the US Dollar appreciated in January, acting as a defensive currency in the soft economic environment. The Fund started the month with 51% in USD but moved up to 61% as we steered away from GBP with investors sobering up to the reality of further Brexit (or more specifically, withdrawal agreement) uncertainty.

Despite our belief that we are in the late stages of the business cycle, we remain invested in credit albeit cautiously. Our overall credit exposure has steadily fallen to 67% over the last 12 months (with an average rating of BBB+) and our sub-investment grade exposure has fallen to 22% from 40% over the same period. By fortuitously avoiding regions most affected by the Coronavirus and yet more strong performance from our legacy financials theme, the Fund managed positive returns in credit during the month.

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	\$128.4m
No. of Holdings	72
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

*Information has been obtained from sources believed to be reliable but J.P. Morgan does not warrant its completeness or accuracy. The Index is used with permission. The Index may not be copied, used, or distributed without J.P. Morgan's prior written approval. Copyright 2019, J.P. Morgan Chase & Co. All rights reserved.

FUND INFORMATION

Share class	ISIN	Minimum investment	AMC	INC/ACC	NAV	Historic yield (%)	Ongoing charge (%)
A USD *	IE00B4T09128	2,500 USD	0.50%	INC	8.326	4.73%	0.75%
A GBP *	IE00B4V37489	1,500 GBP	0.50%	INC	7.805	4.78%	0.75%
I USD	IE00B6Y98M27	2,500 USD	0.75%	INC	9.143	3.80%	1.00%
I EUR ACC	IE00BQ1KPV61	1,500 EUR	0.75%	ACC	10.401	0.00%	0.98%

*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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