

As at the end of August 2016

Key facts

Lead managers: Richard Pemberton/
Paul Philp

Fund size: £45.2m

Ireland inception date: 17/01/2014

ISA/PEP eligible: Yes

SIPP eligible: Yes

UK reporting status: Yes

FCA recognised: Yes

CBoI Authorised: Yes

MAS restricted foreign scheme: No

Other information

Minimum investment:

Initial (or currency equivalent): £5,000

Ongoing (or currency equivalent): £1,000

Domicile: Ireland

Custodian/Trustee: Northern Trust

Yield:** 3.24%

SRRI:** 3

Dealing

Cut-off time: 2pm

Dealing frequency: Daily

Contact Northern Trust (fax):

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Contact us

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Guernsey: +44 1481 733 900

Isle of Man: +44 1624 690 100

**Source: Northern Trust

Investment involves risk. The value of investments and the income from them can go down as well as up and you may not get back the amount originally invested.

Investors should carefully read the Key Investor Information Document (KIID) and Fund Supplement before making a decision to invest.

Past performance is not indicative of future performance.

Important information

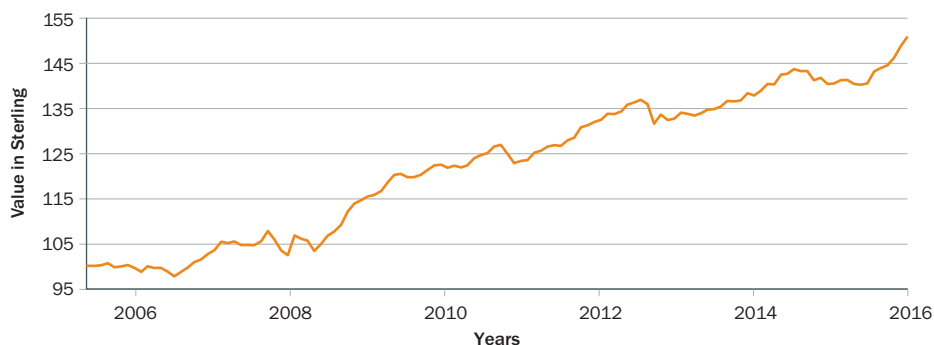
Please read over page

CGWM Select Bond Fund

Investment objectives

To generate positive total returns from a diversified portfolio of bonds and other debt securities and collective investment schemes (CIS), as described below.

Return profile*



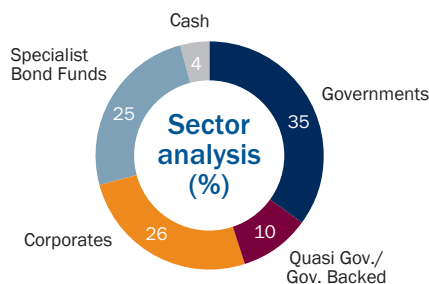
Source: Morningstar & CGWM

Cumulative performance (%)*

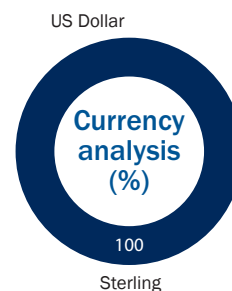
Total return from inception to 31/08/2016 (peer group data from Morningstar, these figures are unaudited)

	1 month	3 months	1 year	3 years	5 years	YTD	Inception
CGWM Fund performance	+1.43	+4.43	+7.52	+14.01	+20.92	+7.52	+50.91
EEFAS 3-7 Yr Gilt Index	+0.25	+2.88	+6.28	+12.57	+16.91	+5.64	+66.08

Sector analysis (%)



Currency analysis (%)



Top 10 holdings (%)

US Treasury TIPS 1.125% 15/01/2021	5.00
Australian Government 4.75% 21/04/2027	4.94
IPIC GMTN Ltd 6.875% 14/03/2026	4.93
Temasek 5.125% 26/07/2040	3.24
Johnson & Johnson 5.5% 06/11/2024	3.10
Society of Lloyd's 4.75% 30/10/2024	3.08
UK Treasury 4.75% 07/12/2030	3.03
Temasek 4.625% 26/07/2022	2.96
Rathbone Ethical Bond Fund Inc	2.93
New Capital UCITS Fund	2.90

Source: CGWM

Ratings breakdown (%)

AAA	27.64
AA	17.65
A	20.60
BBB	4.98
Specialist Funds	25.53
Cash	3.60

Yield/duration (%)

Gross Income Yield	3.91
Bond Weighted YTM	2.71
Bond Weighted Duration	5.55

*The performance data shown represents the actual performance of the Collins Stewart Fixed Interest Fund ("CS Fund") which transferred into the CGWM Bond Fund (the "Fund") on 17/01/2014. From this date, performance and expenses of the Fund will vary from this historical performance. The CS Fund was a cell of The Collins Stewart PCC Ltd which commenced on 25/05/2006 and was managed with comparable parameters and investment process by the same investment team as the Fund. Morningstar agreed to the transfer of the historical data from the CS Fund to the Fund. The performance shown is of the A class of the Fund and is also representative of the A USD Hedged class. Future asset allocation including geographical allocations will depend on prevailing market conditions and sentiment and may be significantly different to the asset allocation of the past. Past performance is not indicative of future performance.

**The Synthetic Risk and Reward Indicator (SRRI) displays the historic volatility of the fund's performance and categorises it accordingly. The values will range from 1 to 7, where 1 will mean lower risk and 7 indicates that the level of risk is relatively high.

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CGWM Select Bond Fund – Manager's commentary

The CGWM Select Bond Fund rose +1.43% in August, which equates to a total year-to-date (YTD) gain of +7.52%. As a comparative, the EFFAS 3-7yr Gilt Index was up +0.25% over the month (+5.64% YTD). August continued to be a strong month for fixed interest securities with the UK 10yr Gilt yield once again making new all-time lows at 0.52% before closing the month at 0.64%, however, risk assets traded sideways with the MSCI World Stock (ex-EM) only gaining +0.14% (+5.46% YTD).

Sterling bonds were the stand out performers amongst global bond markets this month. Helping to fuel returns for this sector was the Bank of England's announcement of a series of quantitative easing measures. The Bank of England eased UK monetary policy, as it sought to provide additional support to the UK economy. Amongst the measures announced was a cut in UK interest rates to 0.25%, and a scheme to purchase £10bn of corporate bonds along with £60bn of UK government bonds. There was also an announcement to provide some assistance to banks that might otherwise find the move in interest rates toward zero squeezing their margins and therefore restrict their capacity to lend. Overall, the package of measures announced was well received by bond markets, which rallied strongly in response.

The announcement that the Bank of England would purchase corporate bonds had a marked effect on the sterling corporate bond market. Bond yields in the sector fell immediately following the announcement, and corporate treasurers sought to take advantage of the increase in demand. Vodafone was one of the first companies to capitalise, raising £1bn through a 40 year bond offering a 3% coupon. According to data from Barclays, £8.6bn of sterling denominated investment grade bonds were issued in August, making it the busiest month so far in 2016 and the busiest month overall since 2009.

Elsewhere, it was a relatively quiet month for bond markets. One area of focus was the annual meeting of central bankers at the Jackson Hole Economic Symposium. In particular, markets were focused on what the Fed Chair, Janet Yellen, would say about future US interest rate policy. While noting that the next move in US interest rates remained data dependent, Yellen stated that the rate hike case had strengthened in recent months. This, and further comments made by other members of the Fed that were viewed as supportive of a US rate hike, helped US Treasury yields to spike higher. However, these yields soon retraced to pre-Jackson Hole levels. By 31st August, the futures market was pricing in a 60% probability of a hike in US interest rates in December 2016. NB. the probability was just 36% on 31st July 2016.

The Fund's headline yield to maturity (YTM) has risen to 2.71%. We have targeted an income delivery of at least 3% for several years now, but this will come under pressure if we continue to see yields fall. The Fund's duration has been reduced and is currently 5.55yrs. The Fund's weighting to the highest quality assets is now 49% (AAA/AA/ Cash). The Fund has GBP, USD and EUR hedged share classes and both distributing and accumulation share classes available for investment.

Sub Funds and share classes

	ISIN	Initial Fee	AMC	Ongoing Charge
CGWM Select Bond Fund				
CGWM Select Bond Fund - A GBP (Accumulation)	IE00BYNFQ459	0%	0.5%	0.93%
CGWM Select Bond Fund - A EUR Hedged (Accumulation)	IE00BYNFQ566	0%	0.5%	0.93%
CGWM Select Bond Fund - A USD Hedged (Accumulation)	IE00BYNFQ673	0%	0.5%	0.93%
CGWM Select Bond Fund - A GBP (Distribution)	IE00BGLP1Z72	0%	0.5%	0.93%
CGWM Select Bond Fund - A EUR Hedged (Distribution)	IE00BGLP2096	0%	0.5%	0.93%
CGWM Select Bond Fund - A USD Hedged (Distribution)	IE00BGLP2104	0%	0.5%	0.93%

AMC = Annual Management Charge