

COMMENTARY

Series 1 units of the Warburton Global Fund returned -5.1% in November 2018. The value of \$1 invested since inception is \$1.53.

Global financial markets were again characterised by heightened volatility in November. Equity indices were higher in North America but lower in Europe and Australia. Government bond prices rose modestly across most major developed markets. The US yield curve continued to flatten, as US Treasury bonds gained in value at both shorter and longer maturities. Commodity prices were mixed. Industrial metal prices rose, precious metal prices were flat, while the oil price had one of its worst ever months on record. The AUD rose significantly versus the USD.

The Warburton Global Fund generated a frustrating loss for the month. We were positioned correctly for an equity market rally with our equities book delivering us a profit of +4.6%. Our fixed income book was essentially flat (-0.4%), our currency book was down -3.2%, and our gold and copper holdings combined for a profit of +1.0%. These trading positions netted for a profit of +2.0%. They were however overwhelmed by a -7.1% loss on our oil holdings caused by a freak -22% fall in the oil price over the month. The diversified profits of our portfolio were unable to offset such an extreme price movement.

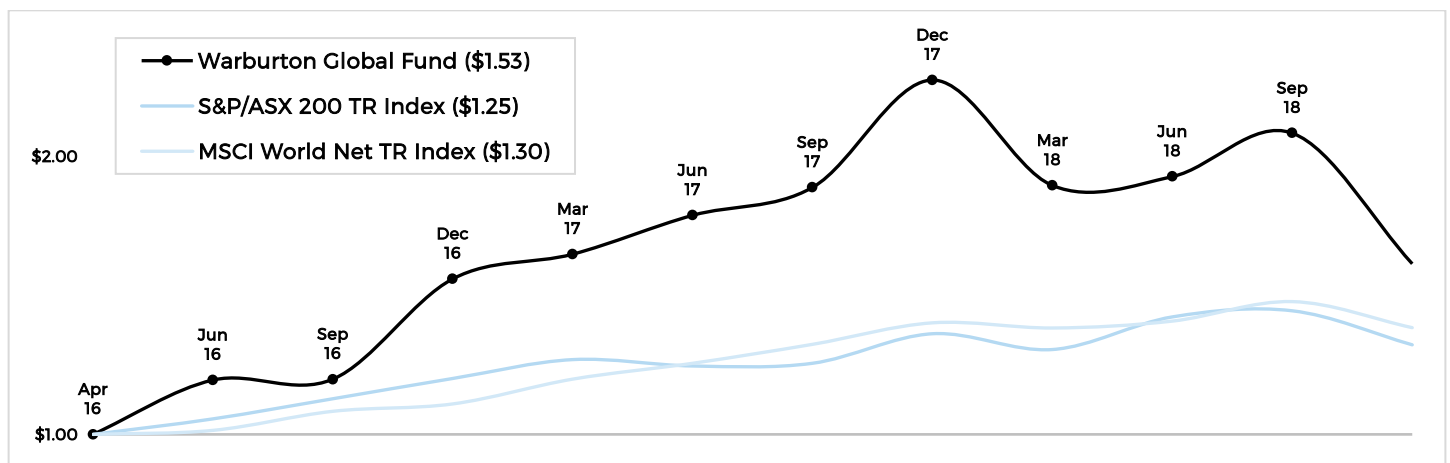
Collapsing yield curves, combined with falling commodity and equity markets has given us reason to believe that the US stock market high from September has marked the top for this market cycle. As such, following the November equity market rally, we sold 90% of our equity holdings. After a +300% rally from the March 2009 low, we will be satisfied if it turns out that we timed our selling within 7% of the cycle high. We think it may be so. Whether such selling discipline was a prudent move, we will see over the next 2 years.

At present, our market positioning is neutral to slightly bearish. We believe the equity market is now in the transition phase from bull market to bear market, with equal risk that it could go higher or lower in the short term. That said, we think that participating in the equity market now, is the equivalent of picking up pennies in front of a steam roller. We do not however have enough conviction yet to go outright bearish. Such conviction would require an inversion of the 2-year and 10-year section of the US yield curve. As it is still a possibility that the equity market will grind higher before the yield curve inverts, we are not getting too bearish this early.

With the markets now being late cycle, with high volatility and no clear direction, we have lowered our overall market exposure. As such, investors should expect single digit returns for the meantime. Our strategy from here is to remain cautious and only to leverage back up when we have the conviction to go outright bearish. The timing and execution of this move is obviously of great importance to us all, and we will continue to keep you updated with our positioning.

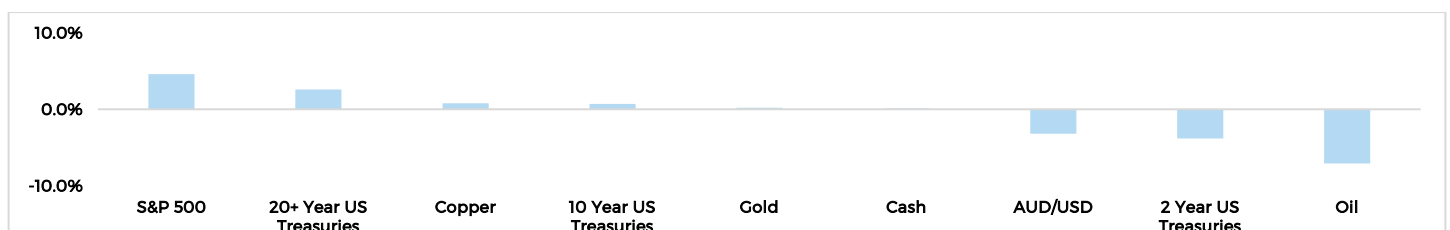
PERFORMANCE

1 Month Return	Annualised Return	Value of \$1 Invested Since Inception
-5.1%	+17.3%	\$1.53



The above graph represents how \$1 invested in the Warburton Global Fund has grown assuming the reinvestment of all distributions. The returns are net of all fees and costs.

MONTHLY PERFORMANCE ATTRIBUTION



RETURNS

%	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYTD
FY19	-1.3	9.8	2.9	-23.9	-5.1								-19.5
FY18	1.0	5.3	0.8	4.5	7.9	15.9	10.6	-29.0	-2.1	1.6	-2.6	3.3	10.1
FY17	7.3	-5.9	-0.8	-11.5	17.6	23.4	0.6	10.5	-4.3	2.8	2.1	5.0	50.8
FY16	-	-	-	-	-	-	-	-	-	0.2	-0.7	15.1	14.5

Inception: 1 April 2016.

STATISTICS

Total Return	53%
Annualised Return	17%
Annualised Volatility	36%
Sharpe Ratio*	0.43
% Positive Months	66%

*Risk-free rate is the AUD 3-month Bank Bill rate.

INFORMATION

Fund Name	Warburton Global Fund
Bloomberg Ticker	WARBURT AU
Inception Date	1 April 2016
Strategy	Global Macro
Structure	Unit Trust
Domicile	Australia
Manager	Warburton Investment Management
Trustee & Administrator	Primary Securities Ltd
Auditor	BDO
Legal	DLA Piper
High Water Mark	Yes
Liquidity	Monthly
Minimum Investment	\$10,000
Wholesale APIR Code	TSG0001AU
Wholesale ISIN Code	AU60TSG00014
Retail APIR Code	PRS9720AU
Retail ISIN Code	AU60PRS97205

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