

# Strategic Opportunities

August 31, 2018

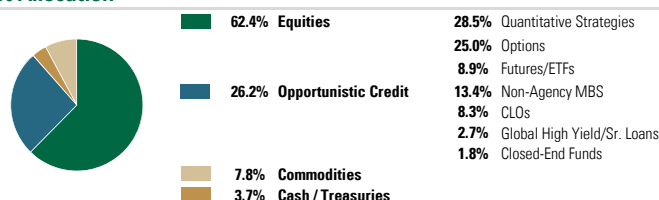
## Objective

The Strategic Opportunities portfolio seeks long-term capital appreciation.

## Strategy

Strategic Opportunities pursues investment opportunities that have an attractive risk/reward profile and often arise from dislocations throughout the global capital markets. Investments are made across asset classes that include, but are not limited to: global equities, corporate bonds (such as investment grade, high yield, and convertibles), government bonds, commodities, currencies, derivatives, and other asset classes (such as futures, forwards, swaps, and options). The manager believes that implementation, risk sizing, and portfolio construction are crucial to delivering attractive asymmetric risk/return characteristics across the entire portfolio.

## Asset Allocation<sup>1</sup>



## Sub-Adviser

28.5%	Quantitative Strategies	BlackRock Financial Management, Inc. (BLK) BLK and Bessemer Investment Management LLC Muzinich & Co., Inc.
25.0%	Options	
8.9%	Futures/ETFs	
13.4%	Non-Agency MBS	
8.3%	CLOs	
2.7%	Global High Yield/Sr. Loans	
1.8%	Closed-End Funds	

## Highlights

- The portfolio team continues to believe that while the economy is late in the business cycle, the end of the cycle remains well off. Such an environment is typically supportive of equities and commodities, while bond yields tend to rise as inflation slowly begins to rise from low levels.
- The team continues to find value in residential mortgage-backed securities (RMBS) and collateralized loan obligations (CLOs). Both asset classes are primarily floating rate, which will benefit relative to Treasuries in a rising-rate environment.
- The team has added to its position in a basket of commodities including Brent Crude oil and base metals (copper, aluminum, zinc, and gold).
- As volatility remains low, the team is getting more of its equity exposure through call options, which allow for upside participation in a rising market, but limits the downside to premium spent in a falling market.

<sup>1</sup>ETFs: Exchange-traded funds. Non-Agency MBS: Non-agency mortgage-backed securities. CLOs: Collateralized Loan Obligations.

<sup>2</sup>The MSCI ACWI Investable Market Index ("ACWI IMI") captures large-, mid-, and small-cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. With over 8,900 constituents, the index covers approximately 99% of the global equity investment opportunity set. The blended Benchmark is the ACWI IMI (60%) and the ICE Bank of America Merrill Lynch 1-10 Year AAA-A U.S. Corporate & Government Index (Net) ("ICE BoA Index") (40%). The ICE BoA Index is an unmanaged, market-weighted index that includes investment-grade U.S. Treasury, U.S. agency, and corporate bonds with maturities greater than one year, but less than 10 years.

<sup>3</sup>Other includes long positions in the Argentine Peso, Australian Dollar, Brazilian Real, Chilean Peso, Chinese Renminbi, Colombian Peso, Czech Koruna, Danish Krone, Egyptian Pound, Hungarian Forint, Indian Rupee, Indonesian Rupiah, Israeli Shekel, Malaysian Ringgit, Mexican Peso, Moroccan Dirham, New Zealand Dollar, Norwegian Krone, Peruvian New Sol, Philippine Peso, Polish Zloty, Qatari Rial, Russian Ruble, Singapore Dollar, South African Rand, Sri Lankan Rupee, Swiss Franc, Swedish Krona, Taiwan Dollar, Thai Baht, Turkish Lira, and UAE Dirham. Short positions include the Chinese Yuan.

Allocation weighting is based on delta-adjusted notional exposure. This exposure measures the first order price sensitivity of an option to changes in the price of the underlying security.

Standard Deviation is a measure of dispersion of a set of data from its mean. Beta represents the systematic risk of a portfolio and measures its sensitivity to a benchmark.

Data and holdings reflect the Old Westbury Strategic Opportunities Fund as of August 31, 2018. The Fund should be considered only in the context of a broadly diversified portfolio. Distributed by Foreside Funds Distributors LLC. Source: ICE Data Services, FactSet, Standard & Poor's, MSCI; Bessemer Investment Management LLC, a member of the Bessemer Trust group of companies.

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The value of an investment in the Fund will fluctuate, which means that an investor could lose the principal amount invested. Investing in emerging and foreign markets may involve additional risks such as economic and political instability, market illiquidity, and currency volatility. Investing in derivatives, REITs, and non-U.S. companies involves significant risks, and losses may occur. Short sales involve the risk that losses may be exaggerated, potentially losing more money than the actual cost of the investment. The Fund may invest in instruments that are volatile, speculative, or otherwise risky.

Investors should consider the Fund's investment objectives, risks, charges, and expenses carefully before investing. The Fund's prospectus, which can be obtained by calling 800-607-2200, contains this and other important information about the Fund and should be read carefully before investing.

## Regional Equity Weights (% of Equity Allocation)

	Portfolio	MSCI ACWI IMI <sup>2</sup>
U.S.	39.0%	53.9%
Developed Europe	25.8%	19.8%
Emerging Markets	15.0%	10.9%
Japan	16.8%	8.3%
Other Developed Markets	3.4%	7.1%

## Risk Statistics

	Portfolio	Benchmark <sup>2</sup>
Standard Deviation	6.3%	5.6%
Tracking Error	1.9%	0.0%

Above risk characteristics are based on a 3-year time frame.

## Currency Exposure

