

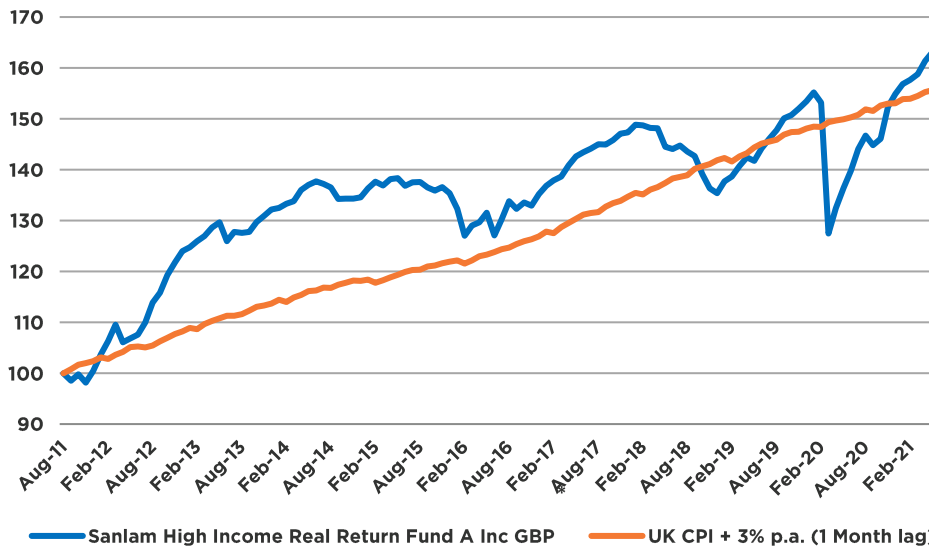
# Sanlam High Income Real Return Fund

May 2021 | Factsheet

## Overview

The Sanlam High Income Real Return Fund employs a multi asset strategy centred around the generation of consistent high income through careful security selection combined with a high degree of diversification. The Fund aims to generate net income equivalent to UK Consumer Price Index plus 3% per annum on a rolling basis. The Fund will invest on a long only basis in bonds, equities and other funds - collective investment schemes ("CIS"), which are listed or traded on Recognised Exchanges worldwide. The Fund may also gain exposure to property and infrastructure and invest up to 75% in bonds both corporate and government with a variety of fixed and floating coupon rates. The Fund may invest up to 50% in other funds (CIS) to gain exposure to asset classes listed in the Investment Policy above. Up to 30% may be invested in property and infrastructure, exposure being gained indirectly through equity and CIS securities whose principal business is real estate. The Fund may use derivatives to generate income and for hedging purposes.

## Performance\* – past performance is not a guide to future performance



Please see the table overleaf for all available share classes and fees, or contact us for details.

Source: Sanlam, Link, Bloomberg

## Key facts

Fund AuM	£37.4m
Number of Holdings	26
Fund Manager	Peter Doherty
Fund Launch Date	Apr-16
Domicile	Ireland
Base Currency	Sterling
Fund Type	OEIC, UCITS V
IA Sector	Targeted Abs. Return
Morningstar Category	Alt - Multistrategy
Dealing Deadline	12:00 (GMT)
Settlement Time	T+3
Valuation Point	23:00 (GMT)

## Investment team

Peter Doherty  
Head of Fixed Income

Guillaume Desqueyroux  
Fund Manager



## Performance\* (%)

	Inception	1mth	3mth	6mth	YTD	1Yr	Since Inception
Fund (A GBP Inc)	29/04/2016	1.1%	3.4%	7.1%	5.3%	19.6%	5.2%
UK CPI + 3% p.a.		0.2%	1.1%	1.8%	1.7%	3.8%	4.6%

Since Inception figures are annualized

	Inception	12 months to May 17	12 months to May 18	12 months to May 19	12 months to May 20	12 months to May 21
Fund (A GBP Inc)	29/04/2016	-	8.4%	1.3%	-1.9%	-3.8%
UK CPI + 3% p.a.		-	5.7%	5.4%	5.1%	3.8%

12 Month Performance Periods to Last Month End

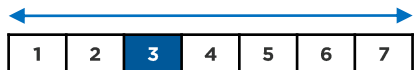
\*On 29-04-16 the Tideway UCITS Funds Global Navigator Fund merged into the Sanlam Real Return Fund. The Tideway UCITS Funds Global Navigator Fund employed the same investment strategy to that of the Sanlam Real Return Fund. Performance shown in this factsheet for the period 07-09-11 to 29-04-16 is that of the Tideway UCITS Funds Global Navigator Fund representative share class, Class B GBP. Performance data for periods after 29-04-16 is that of the Sanlam High Income Real Return Fund, Class A GBP Inc. The Fund's benchmark is UK CPI plus 3%.

The Fund may invest in companies based in emerging markets which may involve additional risks not typically associated with other more established markets such as the increased risk of social, economic and political uncertainty. The Fund has holdings which are denominated in currencies other than sterling and may be affected by movements in exchange rates. Consequently the value of an investment may rise or fall in line with the exchange rates. Part the fund is invested in debt and debt-related securities. The government or company issuer of a bond might not be able to repay either the interest or the original loan amount and therefore default on the debt. This would affect the credit rating of the bond and, in turn, the value of the fund. Investment in bonds and other debt instruments (including related derivatives) is subject to interest rate risk. If long-term interest rates rise, the value of your shares is likely to fall. The fund may invest in derivatives for the purpose of hedging, efficient portfolio management and/or investment purpose. There is a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions. The value of CoCos is unpredictable and will be influenced by many factors including, without limitation (i) the creditworthiness of the issuer and/or fluctuations in such issuer's applicable capital ratios; (ii) supply and demand for the CoCos; (iii) general market conditions and available liquidity and (iv) economic, financial and political events that affect the issuer, its particular market or the financial markets in general. The investor may not receive return of principal if expected on a call date or indeed at any date. The value of this portfolio is subject to fluctuation and past performance is not necessarily a guide to future performance. The performance is calculated for the portfolio and the actual individual investor performance will differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. All terms exclude costs. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down. Do remember that the value of participatory interests or the investment and the income generated from them may go down as well as up and is not guaranteed, therefore, you may not get back the amount originally invested and potentially risk total loss of capital. Therefore, the Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The Manager has the right to close any Portfolios to new investors to manage them more efficiently in accordance with their mandates. Collective Investment Schemes are traded at ruling prices and can engage in borrowing and scrip lending. Collective Investment Schemes (CIS) are generally medium to long term investments.

## Risk analysis

Volatility (last 12m)	4.6%
Volatility (inception)	7.6%
Best Mthly Return	4.3%
Worst Mthly Return	-16.8%
Max Draw down (12m)	-1.3%
Sharpe Ratio	0.62

Lower risk Higher risk  
Typically lower rewards Typically higher rewards



## Monthly commentary

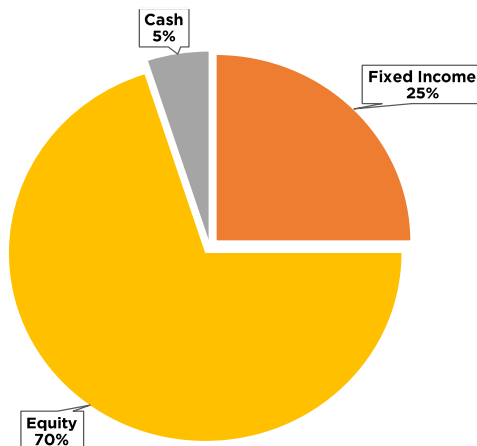
The fund delivered +1.08% in May, continuing the recent run of strong returns.

The higher yield Hybrid Capital securities continue to perform well along with the Legacy paper, and we expect this to continue as bond market yields have stabilised and the credit markets remain supported by the post-Covid recovery.

Specialist property gave back some of the gains from last month while infrastructure led the way forward. Vonovia in Germany was down over 6% after announcing an offer to buy rival Deutsche Wohnen. The proposed deal would create Europe's largest residential real estate business and has been recommended by both management teams. In infrastructure we had solid gains from HICL and 3i Infrastructure, rising 2.63% and 3.87% respectively, but Hong Kong listed CK Infrastructure was the best performer over the month with a gain of 5%.

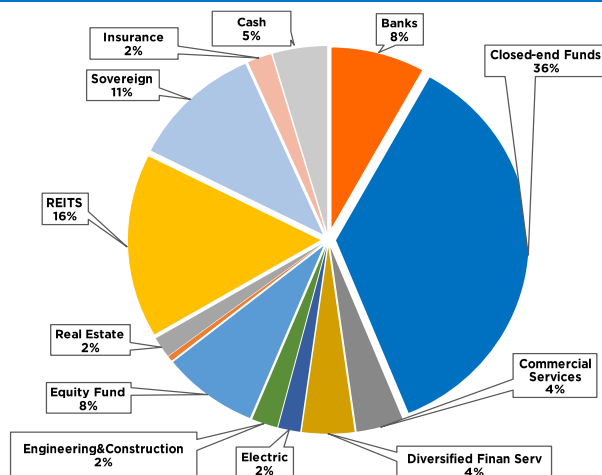
As market participants continue to paw over every economic data release in the hope of understanding where we are in the re-opening process and more importantly, where we are heading. Suffice to say that it is an incredibly noisy period for investors and short-term volatility is the most certain outcome.

## Asset allocation (as % NAV)



\* The "Sanlam Credit Rating" is an internal assessment of the creditworthiness of the security using proprietary internal credit analysis. Full details can be provided upon request.

## Sector exposure (as % of NAV)



Source: Sanlam, LINK, Bloomberg

## Top 5 holdings

Stock Name	Weight %
Uk Tsy 1% 2024	11.0%
Ishares Core Msci Wld Gbp	8.0%
Tritax Big Bo Ord Gbp0.01	5.3%
Vpc Specialty Ord Gbp0.01	4.9%
Hipgnosis Songs Fund Ltd	4.8%

## Fund information and charges

	Inception Date	ISIN	Bloomberg	SEDOL	Initial Charge	AMC	OCF	Price	Minimum investment	Type of Share
<b>A GBP Income</b>	29/04/2016	IE00BYWZXV22	TDWRRAG	BYWZXV2	None	0.50%	0.77%	114.28	£1,000	Income
<b>B USD Accumulation</b>	29/04/2016	IE00BYWZXW39	TDWRRBU	BYWZXW3	None	0.50%	0.77%	122.10	\$2000	Accumulation

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Effective from 20 April 2020, the Investment Manager for this fund changed to Sanlam Investments UK Ltd. Performance displayed from before this date has been carried through from the previous Investment Manager (Tideway Investment Partners LLP).