

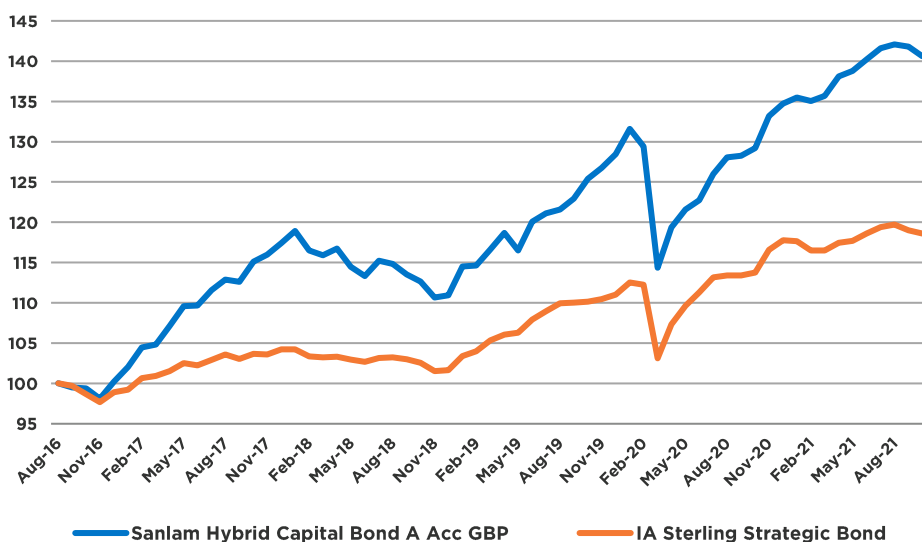
# Sanlam Hybrid Capital Bond Fund

## October 2021 | Factsheet

### Overview

The fund aims to generate 5% per annum income, net of all expenses, from a hybrid capital portfolio with medium volatility. The fund is designed for investors with medium to long term liquidity requirements (5 years +). The Fund will invest in debt securities which are listed or traded on Recognised Exchanges worldwide. The investments of the Fund represent a hybrid capital portfolio. Hybrid capital is defined as a debt instrument ranking below ordinary senior debt but above common equity. There will be no restriction on the duration of the Fund. The Fund's investment in debt and debt-related securities shall include both primary market and secondary market securities. The Fund may invest in Contingent Convertible Securities (CoCos) provided however that the Fund's overall exposure will not exceed 30% in respect of these instruments. It is not currently proposed that the Fund will use derivatives for investment 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

### Performance (%)

	Inception	1mth	3mth	6mth	YTD	1Yr	Since Inception
Fund (A GBP Acc)	30/08/2016	-0.8%	-0.7%	1.8%	4.4%	8.8%	6.8%
Sector (IA £ Strategic Bond)		-0.3%	-0.7%	1.0%	0.7%	4.3%	3.4%

Since Inception figures are annualized

	Inception	-	12 months to Oct 17	12 months to Oct 18	12 months to Oct 19	12 months to Oct 20	12 months to Oct 21
Fund (A GBP Acc)	30/08/2016	-	15.9%	-2.2%	11.3%	3.0%	8.8%
Sector (IA £ Strategic Bond)		-	5.1%	-1.1%	7.4%	3.3%	4.3%

12 Month Performance Periods to Last Month End

### Key facts

Fund AuM	£176.7m
Number of Holdings	39
Fund Manager	Peter Doherty
Fund Launch Date	Aug-16
Domicile	Ireland
Base Currency	Sterling
Fund Type	OEIC, UCITS V
IA Sector	Sterling Strategic Bond
Morningstar Category	Other Bond
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



### Risk analysis

Volatility (last 12m)	3.4%
Volatility (inception)	7.2%
Best Mthly Return	4.4%
Worst Mthly Return	-11.6%
Max Draw down (12m)	-1.0%
Effective Duration	7.1

Lower risk Higher risk  
Typically lower rewards Typically higher rewards



The fund will invest in bonds and other debt instruments, this will be impacted by factors such as changes in interest rates and risk of default by the issuer. The Fund may engage in transactions in financial derivative instruments for hedging purposes. There is a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions. The Fund may invest in Contingent Convertible Securities (CoCos). The value of CoCos is unpredictable and will be influenced by many factors, without limitation (i) the creditworthiness of the issuers; (ii) economic, financial and political events that affect the issuer; (iii) general market conditions and available liquidity. The investor may not receive a 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. A schedule of fees and charges and maximum commissions is available on request free of charge from [sanlam.co.uk](https://www.sanlam.co.uk). A full summary of investor rights can be obtained from <https://www.jinkgroup.eu/policy-statements/irish-management-company/>. Document is provided in English.

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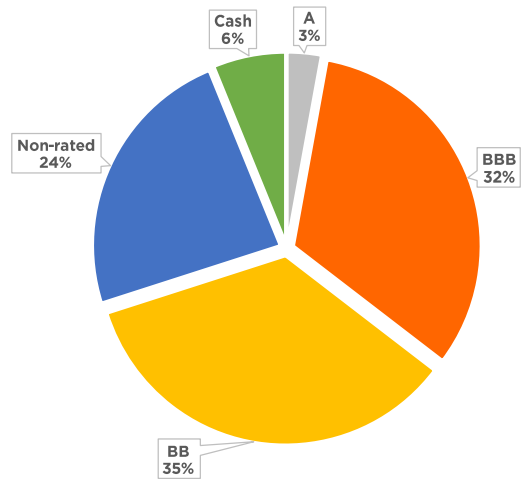
## Monthly commentary

Whilst Global Equity and Bond markets did not make large net moves in October, there was meaningful intra-month volatility which spooked credit markets a little. As a result, the Hybrid Capital Fund had a negative return of -0.8%.

On balance this move is a welcome one. We have been facing lower and lower yields for more than a year as sentiment remained positive and liquidity readily available. This modest correction offers the opportunity to reinvest interest income and Legacy paper principal at somewhat higher yields.

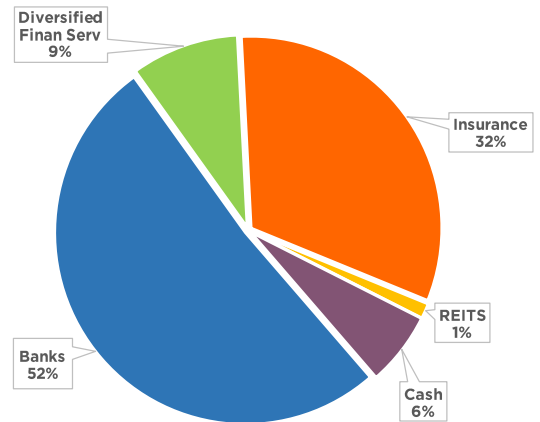
We expect the Legacy theme to play out more actively in the rest of Q4 as we come nearer the Jan 2022 effective date for Capital Requirements Regulation CRR2 in European Banks.

## Sanlam credit rating\*



\* 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 %
RABOBK 19.437 PERP	9.1%
LLOYDS 13 PERP	6.9%
AVLN 8 7/8 PERP	5.9%
CMZB 8.151 06/30/31	4.9%
INVPLN 6 3/4 PERP	4.7%

## Fund information and charges

	Inception Date	ISIN	Bloomberg	SEDOL	Initial Charge	AMC	OCF	Price	Minimum investment	Type of Share
<b>A GBP Accumulation</b>	30/08/2016	IE00BZ6VKP67	TDWHFCA	BZ6VKP6	None	0.50%	0.76%	140.61	€1,000	Accumulation
<b>B GBP Income</b>	30/08/2016	IE00BZ6VKQ74	TDWHFCB	BZ6VKQ7	None	0.50%	0.76%	112.24	€1,000	Income
<b>E USD Income</b>	21/05/2019	IE00BHR3YZ37	TDWHCEI	BHR3YZ3	None	0.50%	0.76%	111.23	\$1000	Income

## Contact us

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