

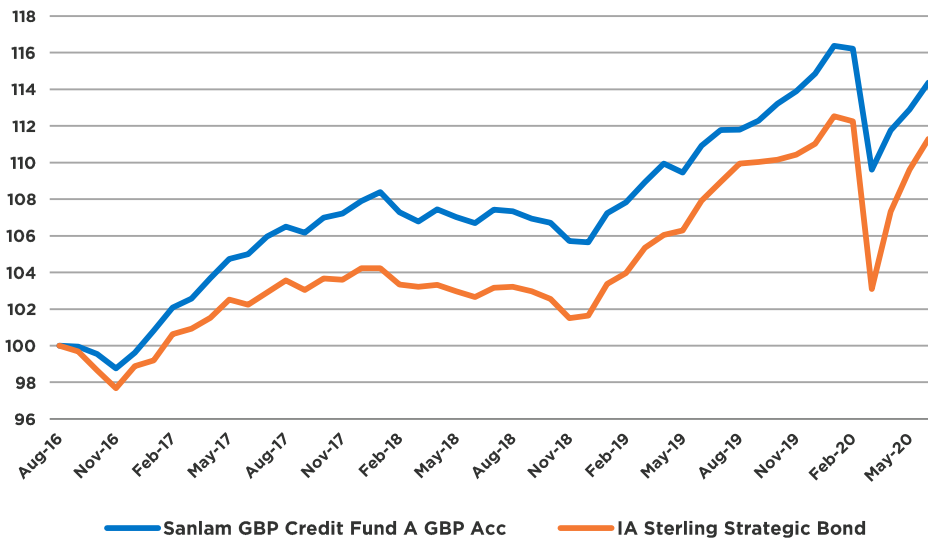
Sanlam GBP Credit Fund

June 2020 | Factsheet

Overview

The Fund aims to generate income, net of all expenses, equivalent to the Bank of England UK Base Rate plus 1-2%, from a credit portfolio with low to medium volatility. The Fund is designed for investors with short-term liquidity requirements, with the average duration of the Fund's investments being maintained under five years. The Fund will invest only in GBP Sterling-denominated debt securities which are listed or traded on Recognised Exchanges worldwide. The investments represent a fixed income credit portfolio, defined as a corporate or asset-backed debt instrument. There is no geographical, industry or sectoral focus to the Fund. The Fund may invest up to 50% in high yield/sub-investment grade debt securities. High yield securities are sub-investment grade securities which have a credit rating at best of BB+/Ba1 or below. The Fund may not purchase sub-investment grade securities which have a credit rating of B-/B1 or below. 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	1.3%	4.3%	-0.4%	-0.4%	3.1%	3.6%
Sector (IA £ Strategic Bond)		1.5%	7.9%	0.2%	0.2%	3.1%	2.8%

Since Inception figures are annualized

	Inception	-	12 months to Jun 16	12 months to Jun 17	12 months to Jun 18	12 months to Jun 19	12 months to Jun 20
Fund (A GBP Acc)	30/08/2016	-	-	-	1.6%	4.0%	3.1%
Sector (IA £ Strategic Bond)		-	-	-	0.4%	5.1%	3.1%

12 Month Performance Periods to Last Month End

The fund will invest in debt 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 yield is gross and could be higher than what you will receive in the future. 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 Fund may engage in transactions in financial derivative instruments for Share Class hedging purposes only. 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 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.

Key facts

Fund AuM	£86.9m
Number of Holdings	54
Fund Manager	Peter Doherty
Fund Launch Date	Aug-16
Domicile	Ireland
Base Currency	Sterling
Fund Type	OEIC, UCITS IV
IA Sector	Sterling Strategic Bond
Morningstar Category	GBP Flexible 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)	6.5%
Volatility (inception)	3.9%
Best Mthly Return	2.0%
Worst Mthly Return	-5.7%
Max Draw down (12m)	-5.8%
Duration (Years)	2.9

Lower risk Higher risk
Typically lower rewards Typically higher rewards



Monthly commentary

A strong month for the Credit Fund as performance continued its recovery from the Covid inspired sell-off in March. Whilst the FTSE 100 and the Gilt market showed negligible movement during the month, the Investment Team - through effective security selection - showed healthy gains.

As the month proceeded and concerns were raised on the possibility of another outbreak in Covid, particularly in the U.S., the Investment Team chose to take profit in some of the strong performers, which was a prudent course of action. As the month drew to a close, the Investment Team began to build up a moderate cash balance on the expectation that attractive opportunities will present themselves in July.

At the macro level, BOE Governor Andrew Bailey changed policy course, noting that rate increases would only follow BOE balance sheet reduction.

This really pushes out the likelihood of increases in UK rates to at least 2022 and probably more like 2023 / 24. This means that 'yield' will be as important as ever across the next 12-18 months.

The Investment Team acknowledges this important dynamic but will not compromise its robust credit process and will continue to follow its strict investment approach.

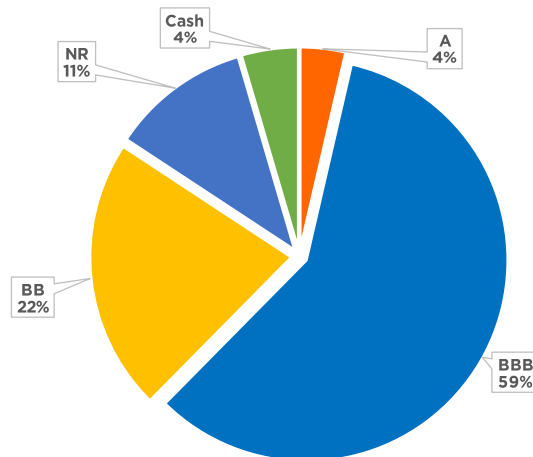
The Q2 net income distribution of £0.95 per share of the GBP Income share class is comfortably in line with the income target of the Bank of England UK Base Rate plus 1-2%; on current run rate net income we are ahead of this target.

Finally - we are expecting to move to a multi-currency underlying portfolio in the near future. Any currency exposure will be hedged out fully. This presents opportunity in the form of diversification, as well as a wider investment universe reducing UK-centric risk.

Top 5 holdings

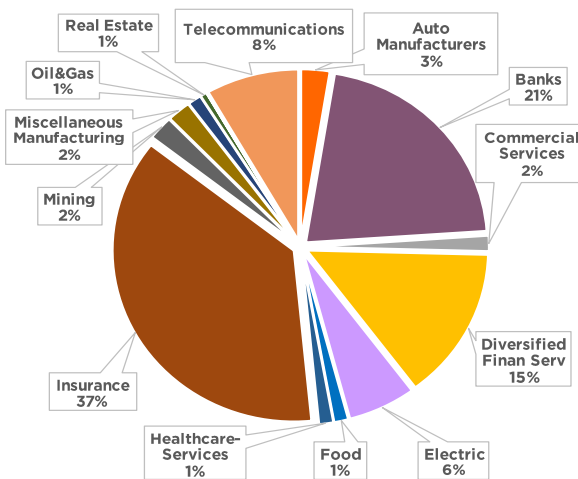
Stock Name	Weight %
Rothsay Life	4.7%
Jerrold Finco Plc	4.6%
Credit Suisse Group Ag	4.1%
Sainsburys Bank Plc	3.8%
Qbe Ins Gr 6.1150 24May42	3.7%

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

Fund information and charges

	Inception Date	ISIN	Bloomberg	SEDOL	Initial Charge	AMC	OCF	Price	Minimum investment	Type of Share
A GBP Accumulation	30/08/2016	IE00BZ6VKR81	TDWCFCFA	BZ6VKR8	None	0.50%	0.87%	114.37	£1,000	Accumulation
B GBP Income	30/08/2016	IE00BZ6VKS98	TDWCFCB	BZ6VKS9	None	0.50%	0.87%	96.34	£1,000	Income
C USD Income	11/06/2019	IE00BHR3YS69	TDWCRCI	BHR3YS6	None	0.50%	0.87%	100.89	\$1000	Income

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Effective from 20th April 2020, the Investment Manager for this fund changed from Tideway Investment Partners LLP to Sanlam Investments UK Limited.
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