

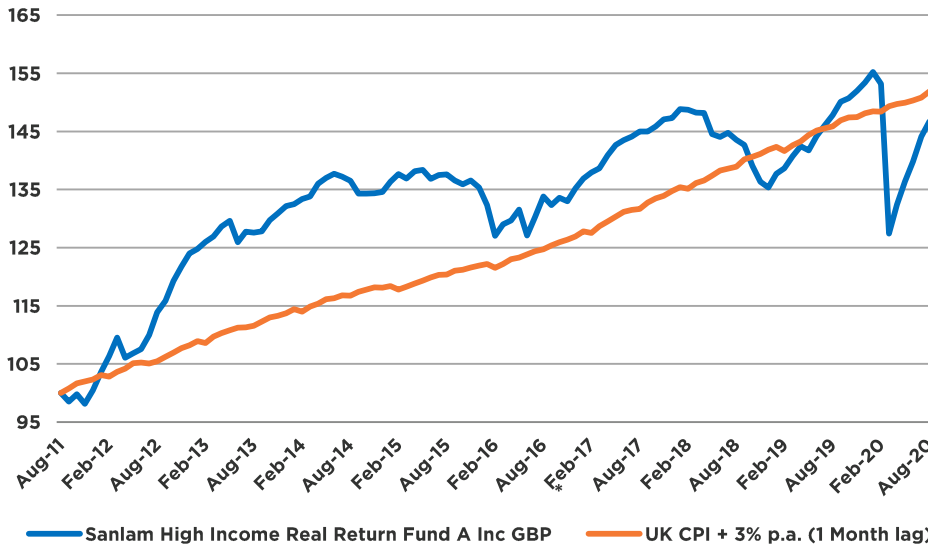
Sanlam High Income Real Return Fund

August 2020 | 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

Performance* (%)

	Inception	1mth	3mth	6mth	YTD	1Yr	Since Inception
Fund (A GBP Acc)	29/04/2016	1.8%	7.5%	-4.2%	-4.4%	-0.7%	4.4%
UK CPI + 3% p.a.		0.7%	1.3%	2.3%	2.5%	4.1%	4.8%

	Inception	12 months to Aug 16	12 months to Aug 17	12 months to Aug 18	12 months to Aug 19	12 months to Aug 20	
Fund (A GBP Acc)	29/04/2016	-	-2.8%	8.4%	-1.0%	3.0%	-0.7%
UK CPI + 3% p.a.		-	3.6%	5.6%	5.5%	5.0%	4.1%

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 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 (CoCo's). 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. AM0920(200)1220UK Inst

Key facts

Fund AuM	£36.9m
Number of Holdings	24
Fund Manager	Peter Doherty
Fund Launch Date	Apr-16
Domicile	Ireland
Base Currency	Sterling
Fund Type	OEIC, UCITS IV
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



Risk analysis

Volatility (last 12m)	18.2%
Volatility (inception)	7.7%
Best Mthly Return	3.9%
Worst Mthly Return	-16.8%
Max Draw down (12m)	-17.9%
Sharpe Ratio	0.48

Lower risk Higher risk
Typically lower rewards Typically higher rewards



Monthly commentary

The fund enjoyed strong performance in August as a number of closed end fund purchases made in Q2 performed well alongside the direct holdings in Hybrid Capital bonds. Turnover was low and cash holdings of circa 10 % leaves us room to add assets as and when opportunities present themselves.

From here we estimate that the fund has maintained its capacity to deliver more than 6 % net income and in addition protect capital in real terms. Of course, in any economic downturn or with more Covid-19 stress in the global credit markets there may be more difficult times ahead. We are however, starting from a position of strength having bought cheaply and so now have the luxury of time working for us in the portfolio.

We continue to re-iterate that increases in interest rates in the major economies will not happen for two to three years at least and so generating income through "carry" will be as important as ever in the next 12-18 months. Delivering more than 6 % net income without putting capital at undue risk is no small achievement.

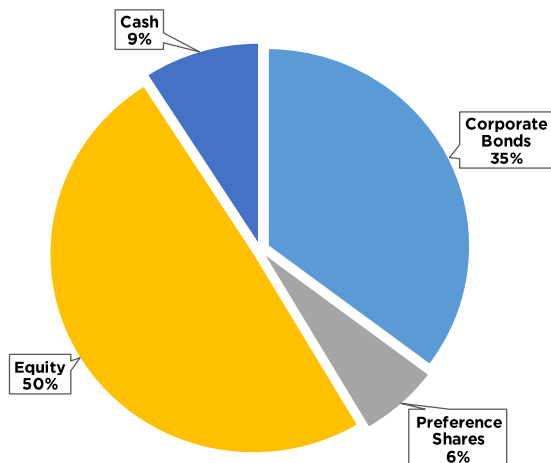
The portfolio is now nicely balanced across three pillars, each delivering income and total return from a slightly different place which should allow for consistent performance across a wide range of scenarios albeit within a long-only portfolio.

- Hybrid Capital
- Alternative Credit
- Real Assets

Top 5 holdings

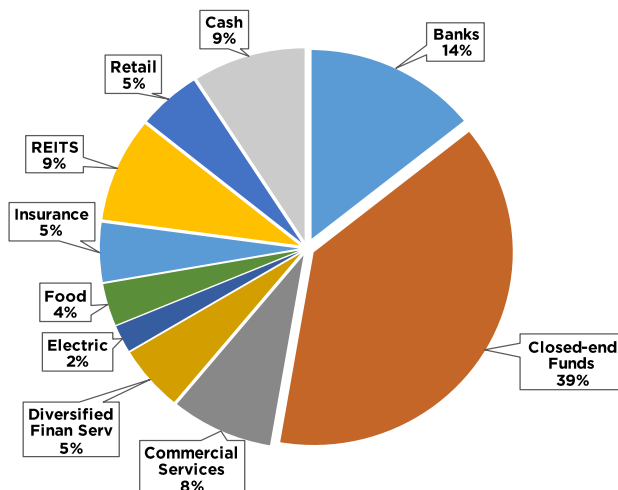
Stock Name	Weight %
Toro Ltd Ord Npv Eur	6.0%
Dresdner Fndg Trust I	5.9%
Aquila European Renewable	5.2%
Punch Taverns Finance B	5.1%
Hipgnosis Songs Fund Ltd	4.8%

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

Fund information and charges

	Inception Date	ISIN	Bloomberg	SEDOL	Initial Charge	AMC	OCF	Price	Minimum investment	Type of Share
A GBP Income	29/04/2016	IE00BYWZXV22	TDWRRAG	BYWZXV2	None	0.50%	1.11%	108.01	£1,000	Income
B USD Accumulation	29/04/2016	IE00BYWZXW39	TDWRRBU	BYWZXW3	None	0.50%	1.11%	115.06	\$2000	Accumulation

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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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