

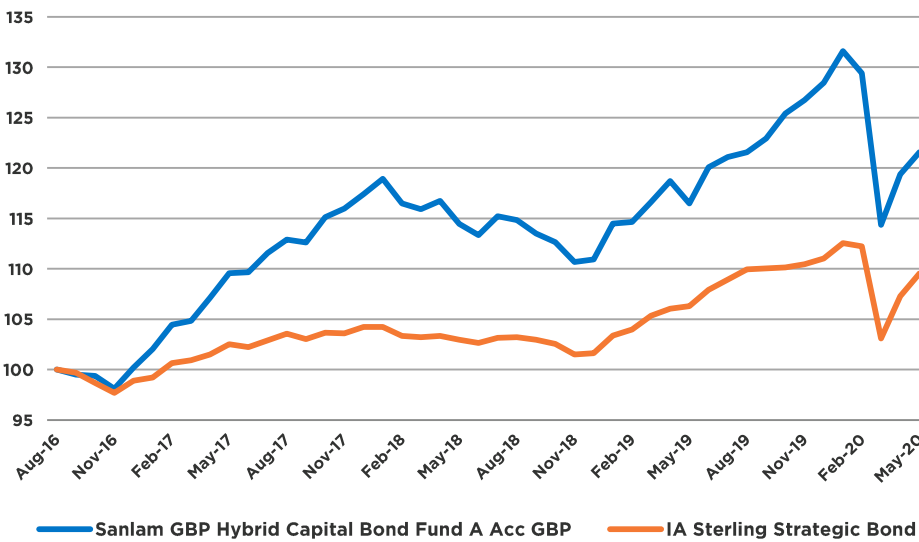
Sanlam GBP Hybrid Capital Bond Fund

May 2020 | 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 only in GBP Sterling-denominated 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	1.9%	-6.0%	-4.1%	-5.3%	4.4%	5.3%
Sector (IA £ Strategic Bond)		2.1%	-2.4%	-0.8%	-1.3%	3.1%	2.5%

Since Inception figures are annualized

	Inception	-	12 months to May 16	12 months to May 17	12 months to May 18	12 months to May 19	12 months to May 20
Fund (A GBP Acc)	30/08/2016	-	-	-	4.4%	1.8%	4.4%
Sector (IA £ Strategic Bond)		-	-	-	0.4%	3.2%	3.1%

12 Month Performance Periods to Last Month End

Key facts

Fund AuM	£121.0m
Number of Holdings	41
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	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)	13.5%
Volatility (inception)	8.2%
Best Mthly Return	4.4%
Worst Mthly Return	-11.6%
Max Draw down (12m)	-13.1%
Duration (Years)	5.7%

Lower risk
Typically lower rewards

Higher risk
Typically higher rewards



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. AM0620(173)0920UKInst

Monthly commentary

May saw the continuation of the global credit market recovery as programmes by the FED, ECB, Bank of Japan and Bank of England were implemented.

This institutional support of the programmes is even more effective than it first appears because of the "multiplier effect" – every £1 coming from Central Banks attracts multiples of private capital which in turn mitigates the twin problems of liquidity and solvency for a wide variety of businesses. To put this effect in to perspective, a staggering \$1 trillion has been raised in the US primary credit markets in 2020 year to date! The material ongoing improvements in asset prices since mid-March has been seen as highly premature in the context of, for example more than 40 million unemployed in the US and a UK GDP contraction of more than 10% expected in Q2. However, the high degree of uncertainty surrounding the long-term impact of COVID 19 has been somewhat mollified by early stage loosening of social distancing restrictions which is supporting slow but real improvements in consumer spending and wider economic activity.

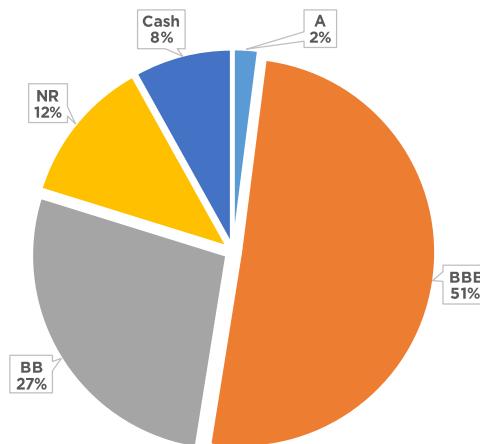
The primary sterling credit markets remained very active and we were able to participate in new issues from Barclays, Rotheray Life and Direct Line amongst others. The "new issue premium" certainly reduced over the month, but nonetheless there is good value generally still available.

We maintain approximately 15% Tier 1 exposure in a combination of insurance plus INVESTEC 6.75% AT1 and should markets remain relatively sanguine, we look forward to new issue opportunities in this sector in the near future.

Top 5 holdings

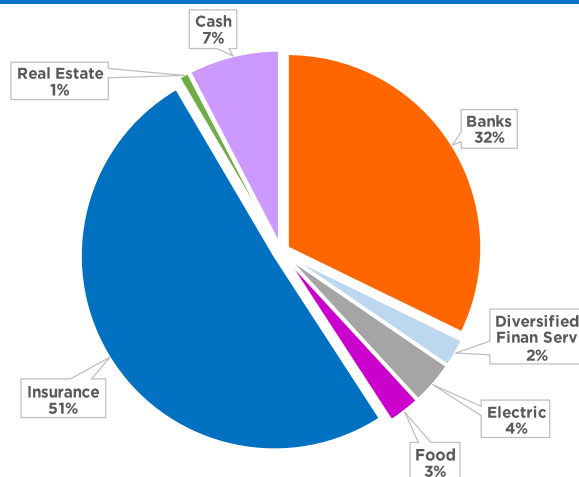
Stock Name	Weight %
Lloyds Bank Plc	7.1%
Aviva 6.875%-Fr E	5.2%
Sainsburys Bank Plc	4.3%
Barclays Plc	4.2%
Just Group Plc	3.8%

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	IE00BZ6VKP67	TDWHFCA	BZ6VKP6	None	0.50%	0.89%	121.58	£1,000	Accumulation
B GBP Income	30/08/2016	IE00BZ6VKQ74	TDWHFCB	BZ6VKQ7	None	0.50%	0.89%	103.11	£1,000	Income
E USD Income	21/05/2019	IE00BHR3YZ37	TDWHCEI	BHR3YZ3	None	0.50%	0.89%	101.96	\$1000	Income

*Access to class B is subject to a separate agreement with Sanlam.**The OCF figure would be the agreed fee plus an additional 0.21%.

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