

## Overview

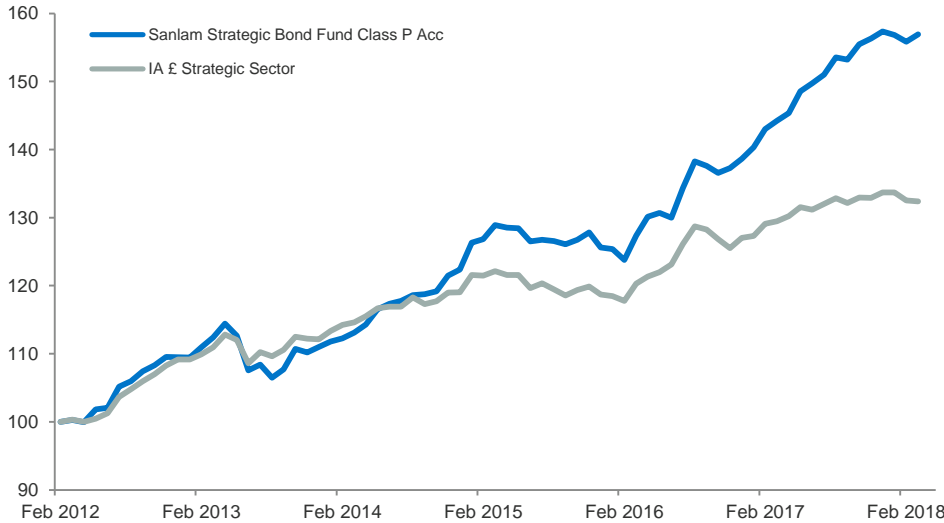
The investment objective of the Fund is to provide a total return for investors, with a monthly income and the potential for capital growth.

**Total return focus:** attractive monthly income and capital growth potential. Fund not designed to track a reference benchmark or peer group.

**Value driven credit approach:** Investing in undervalued bond issues primarily in the investment grade/crossover area.

**Active macro tactical overlay:** Seeks to actively enhance total returns by allocating to government bonds and currencies.

## Performance



Class P returns are used to illustrate the fund's longest track record. It requires a separate agreement with Sanlam FOUR and is not available to retail clients. Class I is available to retail clients with a 0.43% p.a. management fee, which would result in lower performance than shown. Please see table below for the effect of these charges on performance. **Please see the table overleaf for all available share classes and total fees, or contact us for details.**

Source: Sanlam FOUR, SAMI, Bloomberg

## Performance (%)

	Inception	1mth	YTD	1yr	3yrs	5yrs	Since Inception
<b>P Accumulation GBP</b>	02/03/12	0.7	-0.3	8.8	6.8	6.9	7.7
<b>IA £ Strategic Bond</b>		-0.1	-1.0	2.2	2.7	3.6	4.7
<b>I Accumulation GBP</b>	08/05/14	0.7	-0.3	8.6	6.5	n/a	8.1
<b>IA £ Strategic Bond</b>		-0.1	-1.0	2.2	2.7	n/a	3.5
<b>A Accumulation GBP</b>	06/07/12	0.7	-0.4	8.1	6.1	6.2	7.0
<b>IA £ Strategic Bond</b>		-0.1	-1.0	2.2	2.7	3.6	4.7

Performance figures for periods longer than 12 months are annualized

## Discrete Years Performance (%)

	12 Months to	Mar-18	Mar-17	Mar-16	Mar-15	Mar-14
<b>P Accumulation GBP</b>		8.8	13.3	-1.2	14.0	0.6
<b>I Accumulation GBP</b>		8.6	13.0	-1.4	-	-
<b>A Accumulation GBP</b>		8.1	12.5	-1.8	13.2	0.0
<b>IA £ Strategic Bond</b>		2.2	7.6	-1.5	6.6	3.3

## Past performance is not a guide to future performance

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. Most of the fund is invested in bonds. 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 can invest in derivatives. Derivatives are used to protect against fluctuations in currencies, credit risk and interests rates or for investment purposes. 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 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 the Manager, the Investment Manager or at [www.sanlam.ie](http://www.sanlam.ie).

## Key Facts

<b>Fund AuM</b>	£217.7m
<b>Number of Holdings</b>	116
<b>Yield To Maturity</b>	4.4%
<b>Distribution Yield</b>	6.0%
<b>Fund Manager</b>	Craig Veysey
<b>Benchmark</b>	None
<b>Fund Launch Date</b>	02 March 2012
<b>Domicile</b>	Ireland
<b>Base Currency</b>	Sterling
<b>Fund Type</b>	OEIC, UCITS IV
<b>IA Sector</b>	£ Strategic Bond
<b>Income Payment Date</b>	5th of the month
<b>Dealing Deadline</b>	11:59 (GMT)
<b>Settlement Time</b>	T+4
<b>Valuation Point</b>	Midday (GMT)
<b>Distribution</b>	Monthly

## Monthly Dividend Distributions

Month	P Inc	I Inc
Mar-18	0.42	0.41
Feb-18	0.42	0.41
Jan-18	0.38	0.37
Dec-17	0.47	0.46
Nov-17	0.51	0.50
Oct-17	0.57	0.56



The Morningstar Rating is an assessment of a fund's past performance - based on both return and risk - which shows how similar investments compare with their competitors. A high rating alone is insufficient basis for an investment decision.

## Monthly Commentary

The Fund returned 0.7% in March and 8.8% over one year against the IA £ Strategic Sector that returned -0.1% in March and 2.2% over one year.

Core government bonds, in particular European bonds and gilts, rallied in March to provide a safe haven for investors amidst further weakness in equities and credit markets. The Fund gained mostly from its active government bond positioning, in reducing Treasuries for European bond exposure and then tactically extending duration through gilts as market volatility picked up later in the month.

Following the well-timed sale of much of the Fund's preference share exposure in early February, alongside other slightly overvalued subordinated financials exposure, Aviva's proposal to potentially cancel their preference shares at par on 8th March initially impacted negatively this particular sector of the market. The addition of some preference share exposure at very attractive levels in mid-March enabled the Fund to add 0.2% to performance from this area in the month.

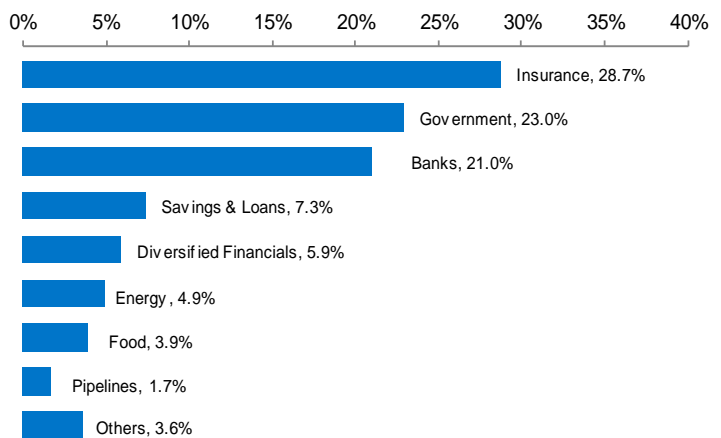
Market volatility appears to have risen in 2018 due to a combination of anticipated rising global interest rates, expensive financial assets responding accordingly and the Trump administration being seemingly set on undoing much of the positive growth impact of fiscal stimulus with their escalating noise on trade renegotiations. Central banks can still afford to be somewhat cautious in removing monetary stimulus in our view, with inflation remaining relatively low. Also, should the recent trade wars escalate still further then future global growth improvement can be compromised and in turn would lead to a much shallower interest rate path than currently priced in.

We remain constructive on government bonds, although have reduced duration slightly after the recent rally in late March. With favourable demand dynamics in Europe in the near term, we prefer to hold exposure here in the coming weeks through a combination of German and Italian bonds. The latter remain attractively priced, factoring in reasonable political risk already. US treasuries can still provide a safe haven should market volatility pick-up. In credit the Fund continues to hold undervalued bonds that we expect to perform well over the long term. After adding to preference shares at very attractive levels in March, we've also added to the Fund's exposure in Tesco ahead of their upcoming results. In currencies we prefer to add the Yen on weakness versus the US dollar.

## Top Ten Holdings

Security Name	Coupon	Maturity	Sector	Fund (%)
US Treasury	2.13%	30/09/2024	Government	4.8%
UK Gilt	4.25%	07/12/2027	Government	4.1%
Lloyds Bank	13.00%	21/01/2029	Banks	3.8%
Lloyds Bank	11.75%	Perpetual	Savings & Loans	3.5%
US Treasury	2.25%	15/08/2027	Government	3.2%
Old Mutual	8.00%	03/06/2021	Insurance	3.1%
Standard Life	6.75%	12/07/2027	Diversified	2.7%
Italian Govt. Bond	2.05%	01/08/2027	Government	2.5%
German Govt. Bond	0.50%	15/02/2028	Government	2.4%
Italian Govt. Bond	2.70%	01/03/2047	Government	2.4%

## Sector Breakdown



Sources for data: Sanlam FOUR, Bloomberg

## Fund Information & Charges

	Inception Date	ISIN	Bloomberg	SEDOL	Initial Charge	AMC	OCF	Price	Minimum investment	Type of Share
P GBP Accumulation *	01/03/2012	IE00B7MKQ201	PRMIGPA	B7MKQ20	None	0.20%	0.41%	1.5694	£10,000,000	Accumulation
P GBP Income *	01/03/2012	IE00B77CFS06	PRMIGPI	B77CFS0	None	0.20%	0.41%	1.1217	£10,000,000	Income
P USD Accumulation *	28/05/2013	IE00B7VMS436	PRMIUPA	B7VMS43	None	0.20%	0.41%	1.3965	\$10,000,000	Accumulation
I GBP Accumulation	08/05/2014	IE00B7VMRB30	PRMIGIA	B7VMRB3	None	0.43%	0.64%	1.3570	£500,000	Accumulation
I GBP Income	08/05/2014	IE00B7VMRN51	PRMIGII	B7VMRN5	None	0.43%	0.64%	1.0900	£500,000	Income
I EUR Accumulation	22/11/2017	IE00BZ139618	PRMIEA	BZ13961	None	0.43%	0.64%	1.0003	€500,000	Accumulation
I EUR Income	04/08/2017	IE00BZ139725	PRMIEI	BZ13972	None	0.43%	0.64%	0.9981	€500,000	Income
I USD Accumulation	Awaiting Investment	IE00BZ139493	PRMIUA		None	0.43%		n/a	\$500,000	Accumulation
I USD Income	02/08/2017	IE00BZ139501	PRMIUI	BZ13950	None	0.43%	0.64%	1.0194	\$500,000	Income

\*The AMC for Class P is subject to a separate agreement with Sanlam FOUR

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