



Titan Hybrid Capital Bond Fund

For professional investors only

Overview

The Fund aims to generate 5% income per annum, net of all fees from a Hybrid capital portfolio with medium volatility. The fund invests in subordinated instruments issued by investment grade companies in order to capture enhanced yields with limited default risk. This bottom-up approach combines contrarian and conservative approaches to investing. We operate a transparent and scalable investment proposition – no leverage, derivatives or structured products

The Fund is run by Peter Doherty, Head of Fixed Income and Lead Fund Manager. Peter will be accompanied by Chris Turdean, Investment Associate.

Peter joined Titan in October 2023 as Head of Fixed Income to build the in-house fixed income business. Prior to Titan, Peter was Head of Fixed Income at Sanlam Investments UK, heading up a team of 7 investment professionals, and Chief Investment Officer at Tideway Investment Partners, where he led the firm's asset management offering, including the in-house Tideway UCITS funds.

Why Invest

- Hybrid Capital is a highly differentiated asset class sitting between senior debt and equity of investment grade companies
- Zero Default Track Record since inception in September 2016, including zero stressed sales prior to default - meaning that investors keep the quoted available returns
- Offers a higher degree of certainty than Long Duration risk and Equity risk
- Good use of "alternatives" allocation for those investors wanting high single digit income in 2024 - 2026

Approach to fund management



Dedication to risk control

7+ year track record, achieving:
Zero defaults
Zero distressed sales
Zero fund limit breaches



50+ Years of experience

Our team members' experience and expertise allow us to have a deep understanding of bank, insurance and corporate capital structures



Emphasis on Large-cap household name companies

Retaining a preference for regulated industries



Established industry relationships

Direct relationships with issuers, with a focus on renewed firm engagement



Quantitative and qualitative research analysis

Bottom-up analysis of individual companies and debt instruments, complemented by a wide range of external research



In-house trading capabilities

Access to a deep pool of liquidity with 15+ trading counterparties. Enabling the team to respond quickly to changing market conditions whilst minimising transaction costs

Four pillars of investment

The investment process is underpinned by our 4 Pillars of Investment:

1. Total Return Approach

- Scenario analysis and portfolio adjustment – “How much will the bond / portfolio deliver in base case / bull case / bear case”?

2. New Issues

- Active roadshow participation with management providing detailed pricing and structure feedback to the syndicate banks
- Considered a valued dedicated Hybrid Capital investor, recognised by sell-side Debt Capital Market / Syndicate Desks

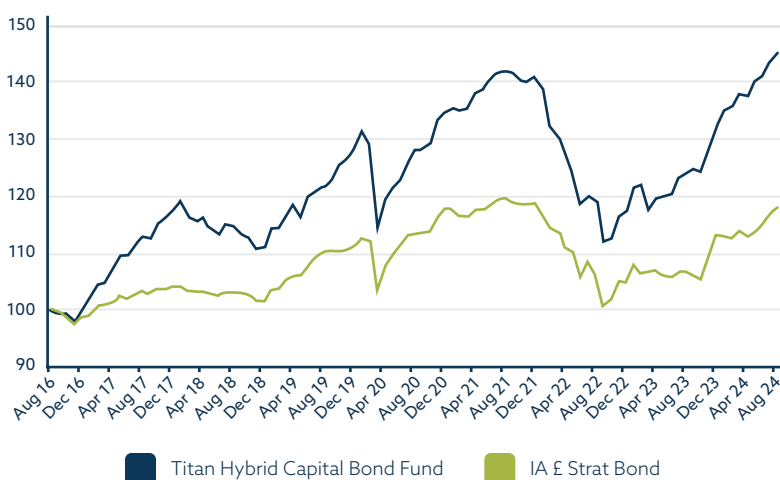
2. Unrated Bonds

- Traditional investors typically ignore this segment
- Under-researched companies representing great opportunities for fundamental credit analysis in a less competitive environment for greater return

4. Changes In Capital Treatment

- Familiarity with non-economic drivers of balance sheet capital activity such as regulatory changes and adjustments to rating agency models

Cumulative performance



	August 2024 Performance	YTD 2024 Performance
Fund	1.15%	9.46%
IA £ Strat Bond	1.13%	4.17%

Key facts

	Since Inception	Last 12M
Annual volatility	7.6%	4.0%
Annualised return	4.8%	17.3%
Worst monthly return	-11.6%	-0.4%

Past performance is not a guide to future performance. Performance is shown for the Fund's 'A GBP Accumulation' shareclass on a bid price basis, with net income reinvested.

Source: Morningstar. Data as of 31/08/2024.

Due to change of Investment Managers, performance data shown between 31/08/2016 and 20/04/2020 is that of the Tideway Hybrid Capital Bond Fund, performance data between 20/04/2020 and 18/10/2023 is that of the Sanlam Hybrid Capital Bond Fund and performance shown since 18/10/2023 is that of the Titan Hybrid Capital Bond Fund. Investment team has remained consistent since inception of the Fund.

Performance and distribution history

	Inception	1 mth	3 mth	1 Yr	3 Yrs	5 Yrs	Since Inception (Aug 2016)
Fund (A GBP ACC)	31/08/2016	1.15%	3.71%	17.27%	2.27%	19.53%	45.32%
Sector (IA £Strategic Bond)		1.13%	3.79%	10.55%	-1.41%	7.37%	18.04%

Performance beyond one year is cumulative

	Inception	12 months to Aug 24	12 months to Aug 23	12 months to Aug 22	12 months to Aug 21	12 months to Aug 20
Fund (A GBP ACC)	31/08/2016	17.27%	4.05%	-16.19%	10.79%	5.33%
Sector (IA £Strategic Bond)		9.18%	0.42%	-11.19%	5.55%	3.18%

12 month performance periods to last month end

Further information

For further information or to ask specific questions, please email info@titanwh.com or call **020 8152 4274**

Risk Factors

Interest Rate Risk: fluctuations in interest rates will change the value of bonds, impacting the value of the Fund. Generally, when interest rates rise, the value of the bonds fall and vice versa.

Liquidity Risk: some investments may trade infrequently and in small volumes. As a result the Fund manager may not be able to sell at a price close to the last quoted valuation. The Fund manager may be forced to sell a number of such investments as a result of a large redemption of shares in the Fund. Depending on market conditions, this could lead to a drop in the Fund's value.

Credit Risk: the risk that an issuer of bonds will default on its obligations to pay income or repay capital, resulting in a decrease in Fund value. The value of a bond (and, subsequently, the Fund) is also affected by changes in market perceptions of the risk of future default. The risk of default for high yield bonds may be greater

Derivatives: 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.

CoCos: 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.

Important Information

Past performance is not a guide to future performance. Performance data shown is that of the Titan Hybrid Capital Bond Fund, Class A GBP Acc. Performance is shown on a bid price basis, with net income reinvested, net of fees.

Due to change of Investment Managers, performance data shown between 31/08/2016 and 20/04/2020 is that of the Tideway Hybrid Capital Bond Fund, performance data between 20/04/2020 and 18/10/2023 is that of the Sanlam Hybrid Capital Bond Fund and performance shown since 18/10/2023 is that of the Titan Hybrid Capital Bond Fund. Investment team has remained consistent since inception of the Fund.

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A schedule of fees and charges and maximum commissions is available on request free of charge from titaninvestmentsolutions.com. The Fund Manager is Waystone Management Company (IE) Limited, a company incorporated under the laws of Ireland having its registered office at 35 Shelbourne Rd, Ballsbridge, Dublin, D04 A4E0 Ireland which is authorised by the Central Bank of Ireland. Waystone Management Company (IE) Limited, has appointed TitanIS as Investment Manager to this fund. The UCITS Management Company has the right to terminate the arrangements made for the marketing of funds in accordance with the UCITS Directive. A summary of investors rights may be found here: <https://www.waystone.com/waystone-policies/>. Document is provided in English.

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Recipients should refer only to the KIID and prospectus when deciding whether to invest. The KIID and prospectus can be found here: <https://www.titaninvestmentsolutions.com/hybrid-capital-bond-fund>

The returns specified in this document reflect the most recent data at the time of issue. These returns may be amended due to re-pricing adjustments or receipt of more accurate data, among other things, and may be reflected in the next report. Opinions expressed are TitanIS's present opinions only, reflecting prevailing market conditions and certain assumptions (which may not prove to be valid). The information and opinions contained in this document are non-binding and do not purport to be full or complete. Recipients should appreciate that the value of any investment, and any income from any investment, may go down as well as up and that the capital of an investor is at risk and that the investor may not receive back on redemption or withdrawal of his investment, the amount which he invested.

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