GSF Factsheet

European High Yield Bond Fund

'F' shares, USD As at end May 2020

Ninety One

Objectives and investment policy summary

The Fund aims to provide income and long-term capital growth that is greater than that provided by current European high yield bond markets (as represented by market indices - the weighted average of a selected basket of bonds).

The Fund invests primarily in a broad range of higher interest paying bonds (contracts to repay borrowed money which typically pay interest at fixed times), priced in Euro or Sterling. These bonds are issued by governments, institutions or companies from around the world operating in the Eurobond (a market for bonds priced in a currency other than that of the country of the issuer), sterling domestic or euro domestic markets. The bonds may be of investment grade (high quality) or below investment grade as rated by the credit rating agencies (companies that rate the ability of the issuers of bonds to repay borrowed money).

The Fund's investments are primarily priced in euro or hedged (an investment technique which aims to protect the value of an investment against currency movements) back into euro.

The Fund may invest in other assets such as cash, other funds (which may be managed by the Investment Manager, other companies in the same group as the Investment Manager or a third party) and derivatives (financial contracts whose value is linked to the price of an underlying asset). Derivatives may be used for investment purposes (i.e. in order to achieve the Fund's investment objectives) or for efficient portfolio management purposes e.g. with the aim of either managing the Fund risks or reducing the costs of managing the Fund.

Monthly and annual average performance (%)

	1 month	1 year	3 years annualised	5 years annualised	10 years annualised
Fund - F Inc-2 USD	3.5	-2.0	-0.6	2.1	2.9
Benchmark	4.6	-1.6	0.6	2.9	5.1

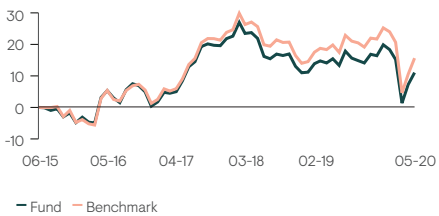
Calendar year performance (%)

	YTD	2019	2018	2017	2016	2015
Fund - F Inc-2 USD	-7.4	7.8	-9.3	20.5	5.0	-10.4
Benchmark	-7.7	9.3	-8.1	21.5	6.7	-9.2

Rolling 12 month performance (%)

	31.05.19 -31.05.20	31.05.18 -31.05.19	31.05.17 -31.05.18	31.05.16 -31.05.17	31.05.15 -31.05.16
Fund - F Inc-2 USD	-2.0	-2.4	2.9	9.6	3.0
Benchmark	-1.6	-2.0	5.5	10.8	2.5

Performance (%)



Risk statistics

	3 years	5 years
Annualised volatility (%)	10.7	10.3

Performance data source: © Morningstar, dates to 31.05.20, NAV based, (net of fees, excluding initial charges), total return, in US dollars. The Fund does not track an index, any index shown is for illustrative purposes only. Performance would be lower had initial charges been included as an initial charge of up to 5% may be applied to your investment. This means that for an investment of $1,000, $950 would actually be invested in the Fund. Due to a change in investment objective, performance prior to 29.05.09 was achieved under different circumstances.

For general information and/or marketing purposes

Ratings

Morningstar: ★★★
Fund ratings may be provided by independent rating agencies based on a range of investment criteria. For a full description of the ratings please see www.ninetyone.com/ratings

Investors must read the Key Investor Information Document and Prospectus prior to investing

Key facts

Portfolio manager: Jeff Boswell, Garland Hansmann
Fund size: USD 83.2m
Fund launch date: 26.11.90
F Inc-2 USD share class launch date: 30.11.07
Domicile: Luxembourg
Sector: Morningstar EUR High Yield Bond
Benchmark: BofAML European Currency High Yield Constrained Hedged EUR (BofAML European Currency Non-Financial High Yield Constrained Hedged EUR pre 01/08/2016; BofAML European Currency High Yield Constrained Hedged EUR pre 01/06/2012)
'F' share class dealing currency: USD
Risk and reward profile (KIID SRRI): 5 out of 7

'F' Inc-2 Share class charges

Maximum initial charge: 5.00%
Ongoing charge: 1.68%

The Fund may incur further expenses (not included in the above Ongoing charge) as permitted by the Prospectus.

Other information

Pricing: 16:00 New York Time (forward pricing)
Minimum investment:
USD3,000 lump sum

'F' Acc USD

ISIN: LU0345766967 **Bloomberg:** INHIBFA
CUSIP: L5447M777**Sedol:** B2PTC09

'F' Inc-2 USD

ISIN: LU0345767189 **Bloomberg:** INHIBFI
CUSIP: L5447M793 **Sedol:** B2PTBZ7
Yield: 3.84% (2.16%)*
Payment dates: Monthly
*Yield if charges had been taken from income. See yield explanation on page 4.

Past performance should not be taken as a guide to the future and there is no guarantee that this investment will make profits; losses may be made. If the currency of this share class differs from your domestic currency, your returns may increase or decrease as a result of currency fluctuations.

Top holdings (%)

Virgin Media Secured Finance Plc 5 Apr 15 27	3.6
Telecom Italia Spa 2.75 Apr 15 25	2.2
Vodafone Group Plc 7 Apr 04 79	2.2
Primo Water Corp 5.5 Jul 01 24	2.2
TLG Finance Sarl 3.375 Dec 23 67	2.0
Teva Pharmaceutical Finance Ne 6 Jan 31 25	2.0
Ziggo BV 4.25 Jan 15 27	2.0
Refinitiv Us Holdings Inc 4.5 May 15 26	2.0
Telefonica Europe BV 2.625 Jun 07 68	1.9
Verisure Midholding AB 5.75 Dec 01 23	1.7
Total	21.8

Number of bond holdings: 100

Credit breakdown (%)*

BBB	7.5
BB	45.7
B	33.9
CCC	8.0
Cash and near cash	4.9
Total	100.0
Average credit rating	BB

*Bond ratings are Ninety One approximations.

Maturity profile (%)

0 - 1 year	7.7
1 - 3 years	15.2
3 - 5 years	37.8
5 - 10 years	38.4
10 - 20 years	0.9
20 years +	0.0
Total	100.0

Average maturity (years)	4.5
Yield to maturity (%)	4.5

Geographic allocation (%)

United States	20.3
United Kingdom	14.1
Italy	10.6
France	10.5
Germany	9.8
Netherlands	9.2
Luxembourg	4.8
Ireland	4.2
Spain	3.4
Israel	2.3
Denmark	2.1
Sweden	1.7
Belgium	1.4
Austria	0.6
Switzerland	0.3
European Union	-0.2
Cash and near cash	4.9
Total	100.0

Currency positions (%)

	Duration contrib.	%NAV
Euro	3.1	99.5
US Dollar	0.2	0.2
Pound Sterling	0.6	0.2
South African Rand	0.0	0.1
Total	3.9	100.0

Sector analysis (%)

	Duration contrib.	%NAV
High Yield Corporate	3.5	87.1
Investment Grade Corporate	0.4	7.4
Fixed Income Fund	0.0	0.6
FX	0.0	0.5
Swaps	0.0	-0.1
Cash	0.0	4.5
Total	3.9	100.0

The portfolio may change significantly over a short period of time. This is not a buy or sell recommendation for any particular security. Figures may not always sum to 100 due to rounding.

The yield information has been calculated as at 31.05.20. Where FTSE data is shown, source: FTSE International Limited ("FTSE") © FTSE 2020. Please note a disclaimer applies to FTSE data and can be found at https://research.ftserussell.com/products/downloads/FTSE_Wholly_Owned_Non-Partner.pdf. Where MSCI data is shown, source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, endorsed, reviewed or produced by MSCI. None of the MSCI data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. All other information is from Ninety One at 31.05.20.

General risks

The value of these investments, and any income generated from them, will be affected by changes in interest rates, general market conditions and other political, social and economic developments, as well as by specific matters relating to the assets in which they invest. Past performance should not be taken as a guide to the future. The Fund's objectives will not necessarily be achieved and there is no guarantee that these investments will make profits; losses may be made. This Fund may not be appropriate for investors who plan to withdraw their money within the short to medium term.

Specific fund risks

Charges from capital: For Inc-2 and Inc-3 shares classes, expenses are charged to the capital account rather than to income, so capital will be reduced. This could constrain future capital and income growth. Income may be taxable.
Default: There is a risk that the issuers of fixed income investments (e.g. bonds) may not be able to meet interest payments nor repay the money they have borrowed. The worse the credit quality of the issuer, the greater the risk of default and therefore investment loss.
Derivatives: The use of derivatives may increase overall risk by magnifying the effect of both gains and losses leading to large changes in value and potentially large financial loss. A counterparty to a derivative transaction may fail to meet its obligations which may also lead to a financial loss.
Geographic / Sector: Investments may be primarily concentrated in specific countries, geographical regions and/or industry sectors. This may mean that the resulting value may decrease whilst portfolios more broadly invested might grow.
Government securities exposure: The Fund may invest more than 35% of its assets in securities issued or guaranteed by a permitted sovereign entity, as defined in the definitions section of the Fund's prospectus.
Interest rate: The value of fixed income investments (e.g. bonds) tends to decrease when interest rates rise.
Liquidity: There may be insufficient buyers or sellers of particular investments giving rise to delays in trading and being able to make settlements, and/or large fluctuations in value. This may lead to larger financial losses than might be anticipated.

Important information

This is an advertising communication. We recommend that you seek independent financial advice to ensure this Fund is suitable for your investment needs.

All the information contained in this communication is believed to be reliable but may be inaccurate or incomplete. Any opinions stated are honestly held but are not guaranteed and should not be relied upon.

This communication is provided for general information only. It is not an invitation to make an investment nor does it constitute an offer for sale. The full documentation that should be considered before making an investment, including the Prospectus and Key Investor Information Documents, which set out the Fund specific risks, are available from Ninety One. A rating is not a recommendation to buy, sell or hold a fund.

The Fund is a sub-fund of the Investec Global Strategy Fund, which is a UCITS authorised by the CSSF and organised as a Société d'Investissement à Capital Variable under the law of Luxembourg. Ninety One Luxembourg S.A. (registered in Luxembourg No. B 162485 and regulated by the Commission de Surveillance du Secteur Financier) is the Manager of the Fund. This communication should not be distributed to retail customers who are resident in countries where the Fund is not registered for sale or in any other circumstances where its distribution is not authorised or is unlawful.

Fund prices and English language copies of the Prospectus, annual and semi-annual Report & Accounts, Articles of Incorporation and local language copies of the Key Investor Information Documents may be obtained from www.ninetyone.com. In Switzerland, this information is available free of charge from - RBC Investor Services Bank S.A., Esch-sur-Alzette, Bliecherweg 7, CH-8027 Zurich, Switzerland. In Spain, the Ninety One Global Strategy Fund is registered with the Comisión Nacional de Mercados y Valores as a foreign collective investment scheme marketed in Spain, with the number 734.

In the USA, this communication should only be read by institutional investors, professional financial advisors and, at their exclusive discretion, their eligible clients. It must not be distributed to US Persons apart from the aforementioned recipients. THIS INVESTMENT IS NOT FOR SALE TO US PERSONS. In Australia, this communication is provided for general information only to wholesale clients (as defined in the Corporations Act 2001).

Glossary summary

Alpha: Jensen's alpha is a risk adjusted measure of a fund's performance relative to its performance comparison benchmark.
Beta: A measure of the volatility of a fund relative to its performance comparison index, i.e. how sensitive the fund is to movements in the market. A figure greater than 1 indicates that the fund will tend to outperform in a rising market and under perform in a falling one, i.e. is more volatile than the market. The reverse applies to a Beta of less than 1.
Credit rating: A score awarded by an independent rating agency to indicate the financial strength of the issuer of a bond, and the potential for a default on interest and principal payments. The top credit rating is 'AAA'. The lowest rating to be considered 'investment grade' is 'BBB'. Below 'BBB', bonds are termed 'sub investment grade' or 'high yield'. Average credit ratings are based on the individual bond ratings issued by the ratings agencies. For each bond, the ratings issued by each agency are combined to form a single rating based on the methodology that most closely matches the performance comparison index (PCI), otherwise median is typically used where there is no PCI. The portfolio rating is the weighted average of the above bond ratings.
Distribution types
Accumulation (Acc): An accumulation share will not make income payments to shareholders but will instead accrue the income daily in the net asset value of the share class.
Income (Inc): An income share will distribute all or part of the income accruing in that share class.
Income-2 (Inc-2): These distribute the income accruing in the share class and charge all their expenses to capital. This maximises the income available for distribution – although it also reduces capital by an equivalent extent which could constrain future capital and income growth. This can be inefficient from a tax perspective in those countries where income tax rates are higher than those on capital gains.
Income-3 (Inc-3): These share classes are similar to Inc-2 share classes in that they charge all their expenses to capital in order to maximise the amount of distributable income. Additionally, Inc-3 share classes aim to provide a consistent distribution rate which is based on the investment manager's expectation of the long term underlying yield. To achieve this they may make distributions from capital or carry over excess income from one calendar year to the next. As the income rate is based on a forecast, there is a risk that future income generated by the fund is overestimated leading to distributions being taken from capital which could also constrain future capital and income growth.
Duration: This is a measure of risk for funds which invest in bonds as it predicts the sensitivity of the value of a fund's portfolio given changes in interest rates. The higher the value the greater the volatility of the fund's performance resulting from changes to interest rates. The Modified duration is shown.
GSF: Investec Global Strategy Fund.
Information ratio: A measure of a portfolio manager's skill against a performance comparison index. The over or underperformance of the fund relative to its performance comparison index is divided by the tracking error. In this way, we arrive at the value, per unit of extra risk assumed, that the manager's decisions have added to what the market would have delivered anyway. The higher the Information Ratio the better.
KIID SRRI: The Synthetic Risk Reward Indicator (SRRI) which appears in the Key Investor Information Document (KIID). A number on a scale of 1 to 7 based on how much the value of a fund has fluctuated over the past 5 years (or an estimate if the fund has a shorter track record). A rating of 1 represents the lower end of the risk scale with potentially lower rewards available whilst a rating of 7 reflects higher risk but potentially higher rewards.
Maturity profile: The average life of each bond in a fund's portfolio, weighted by value.
Morningstar 'star' ratings: The overall rating for a fund, often called the 'star rating', is a third party rating derived from a quantitative methodology that rates funds based on an enhanced Morningstar™ Risk-Adjusted Return measure. 'Star ratings' run from 1 star (lowest) to 5 stars (highest) and are reviewed at the end of every calendar month. The various funds are ranked by their Morningstar™ Risk-Adjusted Return scores and relevant stars are assigned. It is important to note that individual shareclasses of each fund are evaluated separately and their ratings may differ depending on the launch date, fees and expenses relevant to the share class. In order to achieve a rating the share class of a fund must have a minimum three-year performance track record.
Ongoing charge: This figure includes the annual management fee and administrative costs but excludes any performance fee or portfolio transaction costs (except in the case of an entry or exit charge paid by a fund when buying or selling units in another fund). Ongoing charges may vary from year to year.
NAV: The Net Asset Value (NAV) represents the value of the assets of a fund less its liabilities.
Sector: A peer group of funds managed to a similar investment policy. Not every fund will have a relevant sector, but for those that do, a full list of the funds included in the sector can be obtained from us on request.
Tracking error: A measure of how much a fund's returns deviate from those of its performance comparison index. The lower the number the closer the fund's historic performance has followed that of its performance comparison index.
Volatility: The amount by which the performance of a fund fluctuates over a given period.
YTD: Year to date.
Yields
Yield: The Yield reflects the amounts that may be distributed over the next 12 months as a percentage of the Fund's net asset value per share, as at the date shown, based on a snapshot of the portfolio on that day. Where there is a yield number in brackets, it is calculated in the same way, however, as the charges of the share class are deducted from capital rather than income, it shows the level of yield had these charges been deducted from income. Yields do not include any preliminary charge and investors may be subject to tax on their distributions. The effect of taking expenses from capital is to increase income whilst reducing capital to an equivalent extent and may constrain future capital and income growth.

Contact us

UK/Europe

Ninety One
Telephone: +44 (0)20 3938 1800
If calling within the UK: +44 (0) 800 389 2299
✉: enquiries@ninetyone.com

Australia

Ninety One
Australia Pty Limited
Telephone: +61 2 9160 8400
✉:asset.management@ninetyone.com.au

Telephone calls may be recorded for training, monitoring and regulatory purposes and to confirm investors' instructions.