



ST. JAMES'S PLACE
WEALTH MANAGEMENT

International Corporate Bond

Unit Trust

28 February 2013

Investment objective

The Trust aims to provide a combination of income and capital growth. To achieve this, the Trust principally invests in a portfolio of corporate debt securities, focusing on senior secured North American high yield instruments with some investment in senior secured European high yield instruments. The Trust may also invest in any other geographic area.

Manager commentary as at 31 December 2012

Whilst returns were below the prior period, the credit market maintained its momentum, leading to another strong quarterly return for the portfolio. During the fourth quarter, the market witnessed bouts of volatility partly due to a slowing of corporate earnings. The concerns, however, were fleeting and investor demand for high yield seemed undeterred as the market ground higher through December. Indeed, investors seemed to become increasingly comfortable with the state of the macro situation as the quarter progressed, anticipating that an amicable deal on the fiscal cliff would ultimately be reached. Unsurprisingly, this led lower-rated bonds generally to outperform higher-rated issues. The increased confidence was arguably most evident amongst geographies as European issuers, on the whole, strongly outperformed their US counterparts. Regarding the fundamentals of issuers, the quarter saw an increased number of misses during the earnings season on slower growth. This resulted in downward price pressure on several issuers and highlighted a general theme that the market is becoming more fundamentally driven. In that regard, we believe our bottom-up approach and active management will continue to benefit the portfolio.

Fund performance

Since launch cumulative performance



■ International Corporate Bond [28.13%]

06/04/2010 - 28/02/2013 Powered by data from FE

Cumulative performance (%)

	3 mth	6 mth	1 yr	3 yr	5 yr
Fund	2.9	6.4	10.4	-	-

Discrete annual calendar performance (%)

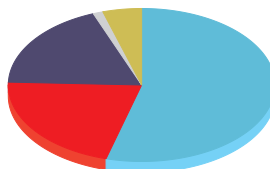
	YTD	2012	2011	2010	2009	2008
Fund	1.1	16.2	-0.3	-	-	-

Top 10 holdings

1 Verisure Holding AB 8.75%	2.0%	6 New World Resources NV 7.875%	1.5%
2 Care UK Health 9.75%	1.8%	7 Accuride Corp 9.5%	1.5%
3 TPC Group Inc	1.7%	8 Thermadyne Corp 9%	1.3%
4 Odeon & UCI Finco Plc 9%	1.6%	9 Cabot Financial 10.375%	1.3%
5 Lecta SA 8.875%	1.5%	10 Offshore Group Invst Ltd 7.5%	1.3%

Asset allocation

B	54.3%
BB	21.3%
Not Rated	18.5%
CCC	1.2%
Cash	4.7%



Manager



Zak Summerscale
Babson Capital

Fund facts

Fund manager start date

06 April 2010

Units Acc / Inc

Currency classes GBP

Inception date of the fund

06 April 2010

Fund size £296m (at 28 February 2013)

Mandate size* £1136m

Yield Distribution 6.9%
Underlying 6%

Distribution dates Mar, Jun, Sep, Dec

Sector IMA Global Bonds

Risk rating Low - Medium

Bloomberg -

ISIN GB00B62VYF56

SEDOL B62VYF5

MEX BPGBBBD

Source: Financial Express. All figures are percentage growth on a bid to bid basis for accumulation units, income reinvested and in fund currency. Please be aware that past performance is not indicative of future performance. Equities do not include the security of capital characteristic of a deposit with a bank or building society. The price of units and the income from them may go down as well as up. You may not get back the amount invested.

*This is the total funds under management for the investment mandate across all of the product wrappers.

Unit Trust Yields: The distribution yield reflects the amounts that might be expected to be distributed over the next twelve months. The underlying yield reflects the annualised income net of expenses of the fund (calculated in accordance with relevant accounting standards). Both are calculated as a percentage of the mid-market unit price as at 28 February 2013 and are based on a snapshot of the portfolio on that date. They do not include any preliminary charge and investors may be subject to tax on distributions. The distribution yield is higher than the underlying yield due to the impact of the expenses that are charged to capital. This has the effect of increasing the distributions for the year by 0.7% and constraining the fund's capital performance to an equivalent extent.

Your St. James's Place Partner can provide you with a copy of 'Understanding the balance between risk and reward', which explains investment risk and our risk ratings in more detail.