Sanlam Real Assets Fund - Fund **Update**

by Chris Greenland, CFA, Fund Manager

Given the unfolding Covid-19 pandemic and the market pullback, this is an appropriate time to provide investors a brief update on what the Real Assets Fund has been doing. First and foremost we are pleased to see the fund

businesses with predictable and cor	designed to do. Given the uncertainty we feel it is important and cash flows. Whilst acknowledging that the future of the asset class has been supportive over the on than the wider equity markets.	and has not been insulated
Fund-to-MSCI.JPG		
*View larger chart < https://www Fund-Fund-Update/Fund-to-MSC	.sanlam.co.uk/getattachment/investments/Insigl CLJPG>	<u>nts/Sanlam-Real-Assets-</u>
Past pe	erformance is not a guide to future performance	
businesses is largely unknown. What governments with both monetary an communication will shed more light	e to investors with such speed and magnitude yet that we have seen is very strong response from central d fiscal stimulus. Over the coming months corporate on underlying business strength amidst the current end, predictable and contractual cash flows of our holding.	banks and some updates and nvironment. We are
	rlying portfolio yield of 5.1%. This offers a stark contr ially equity markets at 2.6% for the S&P 500 and 3.3	
	rease in fund volatility driven by what is undoubtedly a fund's beta and volatility against equity markets. Both ctive.	
Chart-1	png	

Chart-2.png	
Chart-3.png	
Chart-4.png	

With bond yields compressing to new lows, the case for real assets is arguably stronger. Discount rates still remain at attractive levels and risk premiums have expanded for the same low economically-sensitive assets.

*Source: Bloomberg, all data as at 16 March 2020

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. 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 Fund's expenses are charged to capital. This has the effect of increasing dividends while constraining capital appreciation. Part 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 longterm interest rates rise, the value of your shares is likely to fall. 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 Yield is gross and is calculated on historic dividend income from the preceding 12 months. Since the yield is based on past information it is provided as a guide and should not be taken as a guaranteed yield. If fees are charged to the capital account then this could reduce the amount invested. Income may fluctuate in accordance with market conditions and taxation arrangements. The Manager has the right to close any Portfolios to new

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