

IFSL Sanlam Balanced Fund

June 2021 | Factsheet

Overview

The aim of the Fund is to grow the value of your investment over a period of at least 5 years. This growth is expected to come from a combination of profit on investments and income paid out of investments, such as interest and dividends.

Key facts

Assets under management: £96.4m

Number of holdings: 65

Yield*: 1.2%

Fund manager: Phil Smeaton

IA sector: IA Mixed Investments 40-85% Shares

Fund launch date: 26 February 2019

Domicile: UK

Base currency: GBP

Fund type: OEIC, UCITS V

Dealing deadline: Midday

Valuation point: Midday (GMT)

Settlement: T+4

Distribution dates: 31 March, 30 June, 30 September, 31 December

*This figure is an estimate

Top 10 holdings (%)

Royal Mint Physical Gold ETC	4.2
Becton Dickinson & Co	3.5
Alibaba Group Holdings Ltd	3.2
Akamai Technologies Inc	3.2
Tencent Holdings Limited	3.1
Unilever PLC	2.5
Facebook Inc	2.5
Relx PLC	2.5
Howden Joinery Group PLC	2.4
Koninklijke Philip	2.4

Source: Sanlam Investments UK Limited
30 June 2021

Performance

Performance of the fund since launch (%)



Performance of the strategy (%)



Past performance is not a reliable indicator of future performance.

The strategy performance chart shows the historical performance of Sanlam's directly invested Balanced High Net Worth Strategy since inception net of 0.79% annual ongoing charges, stamp duty and other foreign transactional taxes, trading commissions, dividend withholding taxes for a UK investor, and trading slippage. Prior to 27 February 2019 the performance of Sanlam's Balanced High Net Worth model portfolio is shown, after this the performance of the IFSL Sanlam Balanced Fund Class A Accumulation is used. Please see the table overleaf for fee details.

Source: Sanlam Investments UK Limited. 30 June 2021

Performance (%)

	Inception	1mth	YTD	3mth	6mth	1yr	Since inception
A Accumulation GBP	26/02/19	1.2	4.8	4.0	4.8	11.3	8.4
IA Mixed Investments 40-85% Shares		1.9	6.7	5.0	6.7	17.3	9.5

Performance figures for periods longer than 12 months are annualised.

Discrete years performance (%)

	YTD	01.07.2020-30.06.2021	01.07.2019-30.06.2020	01.07.2018-30.06.2019	01.07.2017-30.06.2018	01.07.2016-30.06.2017
Fund	4.8	11.3	2.4	—	—	—
IA Mixed Investments 40-85% Shares	6.7	17.3	0.1	3.7	5.0	16.3
Excess return	-1.9	-6.0	2.3	—	—	—
Quartile ranking	4	4	2	—	—	—

*Portfolio yield is calculated by adding the gross dividend amounts for all dividend types that have gone 'ex' over the past 12 months based on the dividend frequency.

**Distribution yield is the amount received by an investor, and is the sum of distributions paid over the past 12 months, based on the frequency and divided by the last price.

Phil Smeaton
Fund Manager



Phil joined Sanlam in 2014, and is the Chief Investment Officer for Sanlam Private Wealth UK. He graduated with a first-class honours degree in Mathematics from Oxford University and began his career in 2000 with the European Equity team at Tokyo Mitsubishi Asset Management. In 2006 he joined the Global Equity team at Batterymarch, where he has a track record running a market neutral hedge fund as well as global equity long only funds. Phil has been a CFA Charterholder since 2003.

Commentary

Overall, developed economies are continuing to power ahead as vaccine programmes are rolled out, Covid restrictions are relaxed, and businesses can increasingly operate as normal. Growth has also been underpinned by governments' unprecedented economic stimulus programmes and central bankers' relaxed approach to monetary policy. As the US Federal Reserve Chair Jerome Powell said recently: "We're not even thinking about raising rates. We are strongly committed to using our tools to do whatever we can, for as long as it takes."

The stock market is yet to have a correction this year, which is especially unusual given the considerable uncertainty stemming from the radical changes made in 2019 to the US monetary policy framework. While not impossible, it would be surprising to last the year without an equity market correction, thus we expect, though do not rely on, a market correction which should be bought. Equity valuations are expensive but it should be remembered that over long periods of time earnings growth is the key driver of nominal returns. Rising prices and the business cycle should support earnings in the medium term. Our focus is on businesses with a clear pathway to growth, reasonable valuations, and competitive advantages with the ability to pass on inflationary price increases. Portfolios are positioned for structurally higher, but modest inflation with weight allocated to equities, selected property able to generate real and growing yields, infrastructure whose cash flows are directly linked to actual inflation, and gold which is a claim on the pot of real wealth.

Sector breakdown

Government bonds	0.0%	—
Investment grade corporate bonds	13.5%	
High yield bonds	8.7%	
UK equities	16.3%	
US equities	25.2%	
European equities	11.4%	
Asia Pacific equities	1.7%	
Emerging markets equities	6.3%	
Property REITs and infrastructure	7.8%	
Gold	4.2%	
Cash	4.9%	
Other	0.0%	—

Fund information and charges

Shareclass	ISIN	SEDOL	Bloomberg	Initial charge	AMC	OCF	Price	Minimum investment
A Accumulation GBP	GB00BHZOCY14	BHZOCY1	IFSSBAA	none	0.75%	0.84%	120.7	£1,000
A Income GBP	GB00BHZOCZ21	BHZOCZ2	IFSSBAI	none	0.75%	0.84%	117.1	£1,000

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 may invest in derivatives for the purposes of efficient portfolio management (including hedging) and for meeting the investment objectives of the fund. There is a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions.

Part of the fund is invested in fixed income. 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.

Issued and approved by Sanlam Wealth which is authorised and regulated by the Financial Conduct Authority (FCA). Sanlam Wealth is the trading name for Sanlam Private Investments (UK) Ltd (FRN 122588), having its registered office at Monument Place, 24 Monument Street, London EC3R 8AJ. Investment Fund Services Limited (IFSL) is the Authorised Corporate Director of the IFSL Sanlam Funds.

This document is provided to give an indication of the investment and does not constitute an offer/invitation to sell or buy any securities in any fund managed by us nor a solicitation to purchase securities in any company or investment product. It does not form part of any contract for the sale or purchase of any investment. The information contained in this document is for guidance only and does not constitute financial advice.

The fund price is calculated on a net asset value basis, which is the total value of all assets in the portfolio including any income and expense accruals. Trail commission and incentives may be paid and are for the account of the manager. Performance figures quoted are from Sanlam and are shown net of fees. Performance figures for periods longer than 12 months are annualized. NAV to NAV figures are used. Calculations are based on a lump sum investment.

Please note that all IFSL Sanlam Funds carry some degree of risks which may have an adverse effect on the future value of your investment. Any offering is made only pursuant to the relevant offering document, together with the current financial statements of the relevant fund, and the relevant subscription/application forms, all of which must be read in their entirety together with the IFSL Sanlam OEIC prospectus and the KIID. All these documents explain different types of specific risks associated with the investment portfolio of each of our products and are available free of charge from the Manager or at www.ifslfunds.com. No offer to purchase securities will be made or accepted prior to receipt by the offeree of these documents, and the completion of all appropriate documentation. Use or rely on this information at your own risk. Independent professional financial advice should always be sought before making an investment decision as not all investments are suitable for all investors.

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 Authorised Corporate Director, the Investment Manager or at www.ifslfunds.com.