

Sanlam Real Assets Fund

Quarterly Update

Q1 2022

Key facts

Fund AuM €	£420m
Fund AuM \$	\$553m
Number of Holdings	41
Portfolio Yield**	3.6%
Fund Manager	Mike Pinggera
Benchmark	CPI*
Return Target	CPI+4%
Fund Launch Date	21 August 2018
Domicile	Ireland
Currency Classes	GBP,USD,EUR,CHF
Fund Type	OEIC, UCITS
IA Sector	IA Specialist
Morningstar Category	Alt - Other
Dealing Deadline	11:00 (GMT)
Settlement Time	T+3
Valuation Point	Midday (GMT)
Distribution	Monthly
Target Benchmark	CPI+4%
Distribution Yield***	3.3%

Fund review

The Sanlam Real Assets Fund returned -0.96% in the first quarter of 2022 vs MSCI World which returned -5.15%. Newsflow in the first quarter was dominated by the war in Ukraine, which added to an already challenging market environment facing further inflationary pressures, rate hikes and a more hawkish central bank rhetoric. Against these near-term uncertainties and geopolitical concerns, long-life operational real assets continue to offer an attractive home for investors.

Over the first quarter, the fund saw a positive contribution from the Renewables segment, led by strong performance from Brookfield Renewable Partners and Greencoat UK Wind. The Russian invasion of Ukraine has exacerbated already elevated power prices and has led to an increased focus on Europe's energy security, both factors that renewable energy companies stand to benefit from. Our businesses continued to deliver solid results over the period, supported by portfolio expansion activities through both organic opportunities and acquisitions. The 90-day volatility of the fund averaged at 9.20% over the quarter vs 14.68% for the MSCI World Index (up from 6.77% and 10.36% in the previous quarter, respectively).

No new positions were introduced to the portfolio during the quarter. Against a volatile start to the year, we rotated in favour of companies with more inflation linkage and stability. Subsequently, the proportion of assets in the portfolio with inflation linkage grew over the quarter from 29.7% to 36.4%. At quarter end, the fund holdings were geographically diversified across 57 different countries with 62 underlying asset types.

Fund highlights

The quarter was a busy time for activity in real assets in terms of company meetings, acquisitions and equity placings. In total, we held 33 company meetings during the period and were encouraged by what we heard. During the quarter, our real assets businesses made a total of 21 acquisitions, including one of our renewable energy infrastructure businesses who announced the acquisition of equity interest

Fund review (cont.)

in Hornsea One, the world's largest operational offshore wind farm which generates enough clean electricity to power 1,000,000 homes. Acquisitions such as this strengthen our view that ownership of backbone infrastructure offers tangible advantages and value-creating opportunities as economies move towards a low-carbon future.

There were 5 equity capital raises during the quarter which in aggregate raised c.£625 million of fresh capital. As with prior periods, the majority of placings attracted significant demand from investors, indicative of continued strong appetite for real assets in today's environment. The proceeds will be deployed into a variety of forward funded renewables projects across continental Europe as well as being used to pay down outstanding amounts on credit facilities.

As we move out of the first quarter, reported results and management engagement have reaffirmed the resilience of our businesses, which stand to benefit from the current environment. Whilst the inflationary environment is deemed to be problematic for some, the economic backdrop continues to favour our businesses with revenues linked to inflation and upward-only reviews. Moreover, our businesses are demonstrating the value of effective capital management by structuring debt finance that is long-term and fixed in nature, safeguarding from the prospect of rising interest rates.

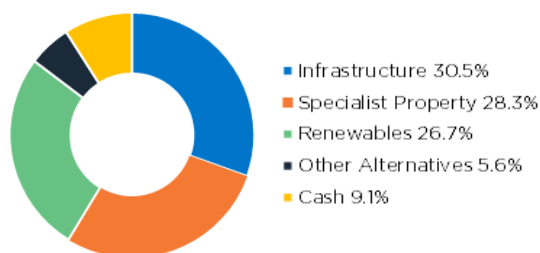
Fund performance

	Inception	QTR	YTD	1yr	3yrs	5yrs	Since Inception
SI USD Acc	21/08/18	-0.9	-0.9	10.6	11.4	n/a	10.9
A GBP Inc	01/11/18	-1.0	-1.0	10.0	9.8	n/a	10.3

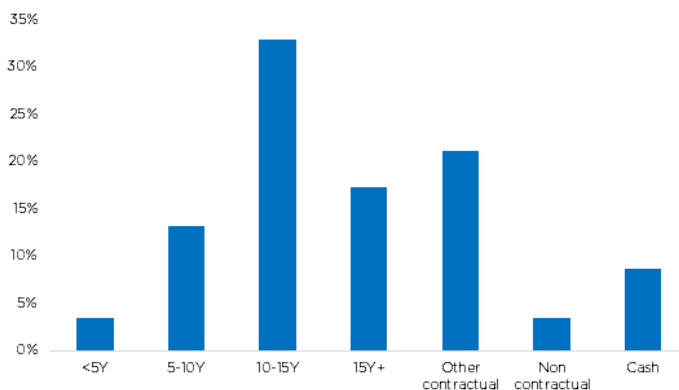
	Inception	Mar-22	Mar-21	Mar-20	Mar-19	Mar-18
SI USD Acc	21/08/18	10.6	22.7	1.9	n/a	n/a
A GBP Inc	01/11/18	10.0	21.4	-0.8	n/a	n/a

- Performance beyond one year is annualised.
- Past performance is not an indicator of future performance.**
- Source: Source: Sanlam, Morningstar and Lipper as at 31/03/2022. Class SI net returns are used to illustrate the fund's longest track record. This is a restricted share class, therefore our open share class A net returns are also shown. Figures for periods longer than 12 months are annualized. NAV to NAV figures are used.

Fund allocation



Average contract durations



Performance attribution

	End Weight	Contribution
Cash	9.06	0.00
Currency Hedge	-0.16	-0.83
Infrastructure	30.52	0.00
Other Alternatives	5.64	-0.50
Renewable Energy	26.68	1.35
Specialist Property	28.25	-0.98
Total	100%	-0.96

Top 10 holdings

	% NAV
HICL Infrastructure	4.73%
Brookfield Infrastructure	4.65%
3i Infrastructure	4.61%
Greencoat UK Wind	4.25%
Renewables Infrastructure	4.10%
Tritax Big Box REIT	3.76%
Supermarket Income REIT	3.45%
Harbourvest Global	3.43%
Unite Group	3.31%
BBGI Global Infrastructure	3.25%

Outlook

The COVID-19 pandemic continues to cast a long shadow over markets. The cost of energy is bound to be the hot topic of 2022 as it filters through into the real economy. Normalisation timetables will potentially be brought forward to combat the rise in inflation but will need to be balanced with measured government support to limit the effect on households emerging from a global pandemic.

In an environment of heavy intervention and visible short-term concerns, operational real assets continue to offer investors an opportunity to take a long-term view and get paid along the way. Alignment to many positive ESG factors together with varying degrees of inflation linkage remain highly supportive of investments in Real Assets.

Data Centres, Logistics and Residential Housing offer significant potential for capital uplifts on assets under construction (pre-operational).

Important Information

The Fund may invest in derivatives for the purposes of efficient portfolio management and hedging only. 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 may invest in fixed income securities. 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.

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 Manager, the Investment Manager or at www.sanlam.ie.

Issued and approved by Sanlam Investments which is authorised and regulated by the Financial Conduct Authority. Sanlam Investments is the trading name for our two Financial Conduct Authority (FCA) regulated entities: Sanlam Investments UK Limited (FRN 459237), having its registered office at 24 Monument Street, London, EC3R 8AJ and Sanlam Private Investments (UK) Ltd (FRN 122588), having its registered office at 24 Monument Street, London, EC3R 8AJ.

The Fund is a sub-fund of the Sanlam Universal Funds plc, a company incorporated with limited liability as an open-ended umbrella investment company with variable capital and segregated liability between sub-funds under the laws of Ireland and authorised by the Central Bank. The Fund is managed by Sanlam Asset Management (Ireland) Limited, Beech House, Beech Hill Road, Dublin 4, Ireland, Tel + 353 1 205 3510, Fax + 353 1 205 3521 which is authorised by the Central Bank of Ireland, as a UCITS Management Company and Alternative Investment Fund Manager, and is licensed as a Financial Service Provider in terms of Section 8 of the South African FAIS Act of 2002. Sanlam Asset Management is a registered business name of Sanlam Asset Management (Ireland) Limited. Sanlam Asset Management (Ireland) has appointed Sanlam Investments UK Ltd or Sanlam Private Investments (UK) Ltd as Investment Manager to this fund.

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 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 Sanlam Universal Funds plc prospectus, the Fund supplement 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.sanlam.ie. 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.

Deemed authorised and regulated by the Financial Conduct Authority. The nature and extent of consumer protections may differ from those for firms based in the UK. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website (notes 1, 3 and 4). AM0721(344)1021UKInst

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