Sanlam Investments

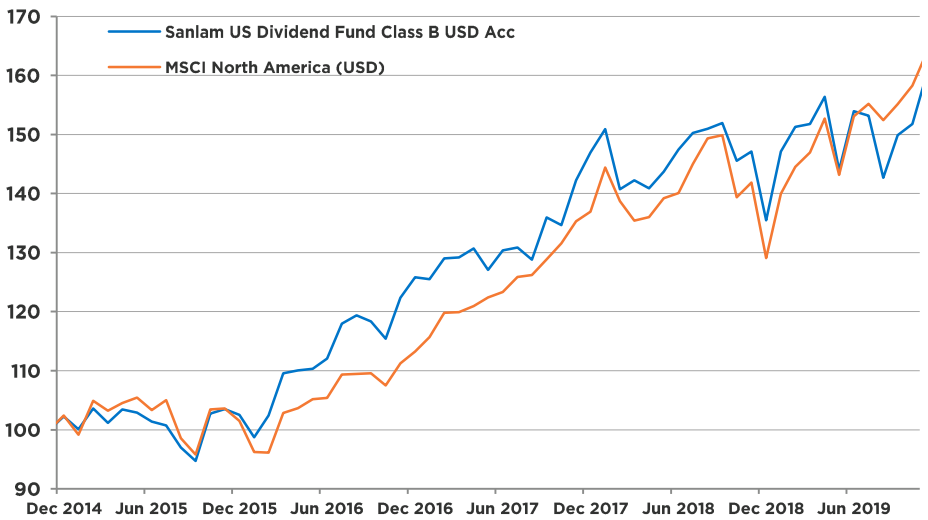
Sanlam US Dividend Fund

November 2019 | Factsheet

Overview

A dividend value fund investing in attractive US companies with the aim of achieving the highest risk-adjusted returns throughout the cycle against the benchmark. It has a value bias with a distinctive quality overlay, focussing on dividend sustainability and company valuation.

Performance – Past performance is not a guide to future performance



Class B returns are used to illustrate the fund's longest track record and has no fixed management fee. It requires a separate agreement with Sanlam Investments and is not available to retail clients. Class A is available to retail clients with a 0.75% p.a. management fee, which would result in lower performance than shown. Please see table below for the effect of these charges on performance. **Please see the table overleaf for all available share classes and total fees, or contact us for details.**

Key facts

Fund AuM	$196.8m
Number of Holdings	57
Active Share	97%
Portfolio Yield*	3.0%
Distribution Yield **	
A GBP	1.3%
Fund Manager	Adour Sarkissian
Benchmark	MSCI North America
Fund Launch Date	17 December 2014
Domicile	Ireland
Base Currency	US Dollar
Fund Type	OEIC, UCITS
IA Sector	North America
Morningstar Category	US Large-Cap Value
Dealing Deadline	14:00 (GMT)
Settlement Time	T+3
Valuation Point	23:59 (GMT)
Distribution	Quarterly

Source: Sanlam, SAMI, MSCI.

Performance (%)

	Inception	1mth	YTD	1yr	3yrs	5yrs	Since Inception
B Accumulation USD	17/12/14	5.7	18.4	9.1	9.4	n/a	10.0
MSCI North America		3.6	27.1	15.6	13.8	n/a	10.5
A Accumulation USD	20/05/15	5.7	17.6	8.2	8.6	n/a	9.6
MSCI North America		3.6	27.1	15.6	13.8	n/a	10.0
A Accumulation GBP	30/12/14	5.7	15.8	6.8	7.3	n/a	12.9
MSCI North America		3.7	25.1	14.0	12.5	n/a	14.0

Performance figures for periods longer than 12 months are annualized

Discrete years performance (%)

12 Months to	Nov-19	Nov-18	Nov-17	Nov-16	Nov-15
B Accumulation USD	9.1	3.4	16.2	18.2	-
MSCI North America	15.6	4.9	21.6	7.4	-
A Accumulation USD	8.2	2.7	15.4	17.6	-
MSCI North America	15.6	4.9	21.6	7.4	-
A Accumulation GBP	6.8	8.1	6.9	41.4	-
MSCI North America	14.0	11.2	12.3	29.4	-

Top ten holdings

Stock Name	Weight %
HP	6.3%
Walgreens Boots All.	6.3%
Imperial Oil	4.1%
Steel Dynamics	3.8%
Sturm Ruger	3.5%
Hormel Foods	3.4%
Gilead Sciences	3.3%
Kroger	3.2%
Arch Coal	3.1%
Foot Locker	3.1%

* Portfolio yield is calculated by adding the net dividend amounts for all dividend types that have gone 'ex' over the past 12 months based on the dividend frequency. This total excludes taxes, any related dividend fees or tax related credits

**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

The Fund invests geographically in a narrow range, there is an increased risk of volatility which may result in frequent rises and falls in the Fund's share price. 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 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 arrangement's. 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

Monthly commentary

US markets had another strong month in November 2019, advancing a little less than 4%. This has been an extraordinary year for the US markets, with nine months out of eleven year-to-date witnessing strong advances. This has put the year-to-date advance at a stellar 27%.

The low treasury yields continued to dictate the equity markets, following their brutal fall over the year. The ten-year ended the month around 1.78%, up from up from 1.70% at the end of the previous month. Year-to-date yields are down by more than 130bps.

Value, which remains very cheap, advanced by more than 3%, yet still trailed the growth style's advance of 4.5%. The year-to-date differential widened again to as much as 9%. Over a three- and five-year cycle, value is trailing growth by 40% and 44% respectively, while over ten years the differential is at more than 110%, making this a once in a multi-decade opportunity, last witnessed 30 years ago.

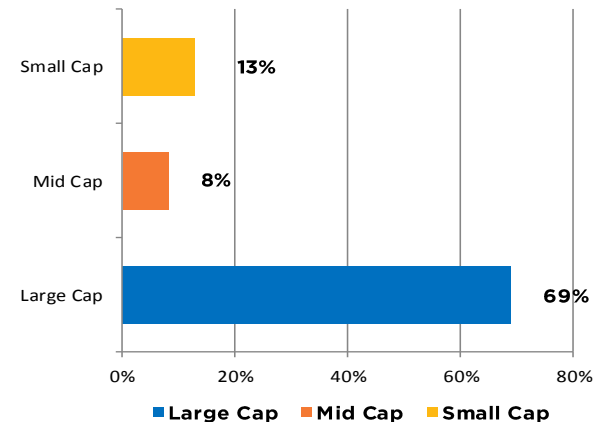
Commodities continued their decline in November, losing another 1% for a year-to-date performance of negative 9%, despite the advancing markets. Oil was flat and gold fell back, losing some 3%.

Health care, technology and financials acted as the best sectors of the month. Utilities, real estate and materials bucked the trend on the worst sectors. In corporate news LVMH offered to acquire New York's Tiffany Corp at a premium.

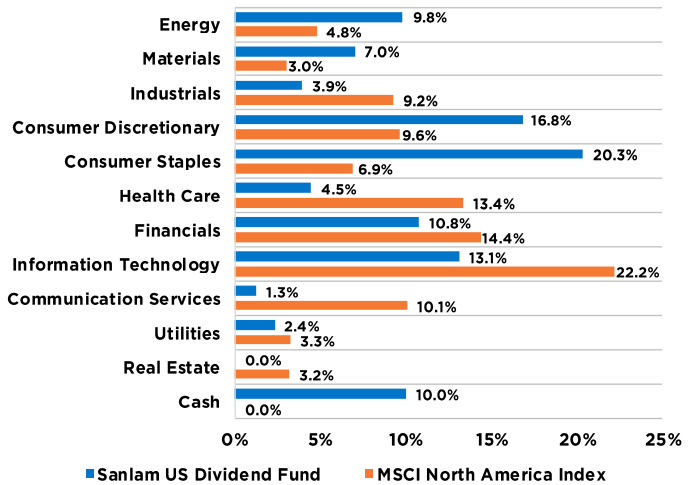
The fund advanced by almost 6% in the month of November, strongly outperforming both the market and its style indices. Stock selection acted for all of the outperformance, while sector allocation was a large drag once again as the style acted as a strong headwind. Currency was neutral.

Following the decade long underperformance of style, the fund offers a multi-decade opportunity to US investors. Despite the outperformance, the valuation discount remains at record unseen levels, providing an entry into the US market at a 49% discount on a price-to-earnings metric. The other value metrics showed even larger discounts, as value remained on sale. On a price-sales basis the discount was at 70%, having narrowed from the record 75% of the previous month. All this coupled with leverage that was significantly lower. The dividend yield was at 3,1%. Active share remained around 97%.

Market capitalisation



Sector breakdown



Sources for data: Sanlam, Bloomberg, MSCI

Fund information and charges

	Inception Date	ISIN	Bloomberg	SEDOL	Initial Charge	AMC	OCF	Price	Minimum investment	Type of Share
A GBP Accumulation	30/12/2014	IE00BSP5ZY44	SFUSDAG	BSP5ZY4	Up to 5%	0.75%	0.97%	18.1725	£1,000	Accumulation
A GBP Income	30/12/2014	IE00BSP60192	SFUSDIG	BSP6019	Up to 5%	0.75%	0.97%	16.5010	£1,000	Income
H GBP Accumulation	15/08/2017	IE00BF0FCN67	SFUSHGA	BF0FCN6	None	0.75%	0.97%	10.8775	£1,000	Accumulation
H GBP Income	15/08/2017	IE00BF0FCP81	SFUSHGI	BF0FCP8	None	0.75%	0.97%	10.2974	£1,000	Income
A USD Accumulation	20/05/2015	IE00BVDQ2617	SFUSDAU	BVDQ261	Up to 5%	0.75%	0.97%	15.1432	$1,000	Accumulation
A USD Income	27/02/2015	IE00BVDQ2831	SFUSDIU	BVDQ283	Up to 5%	0.75%	0.97%	13.7274	$1000	Income

Other share classes are available.

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