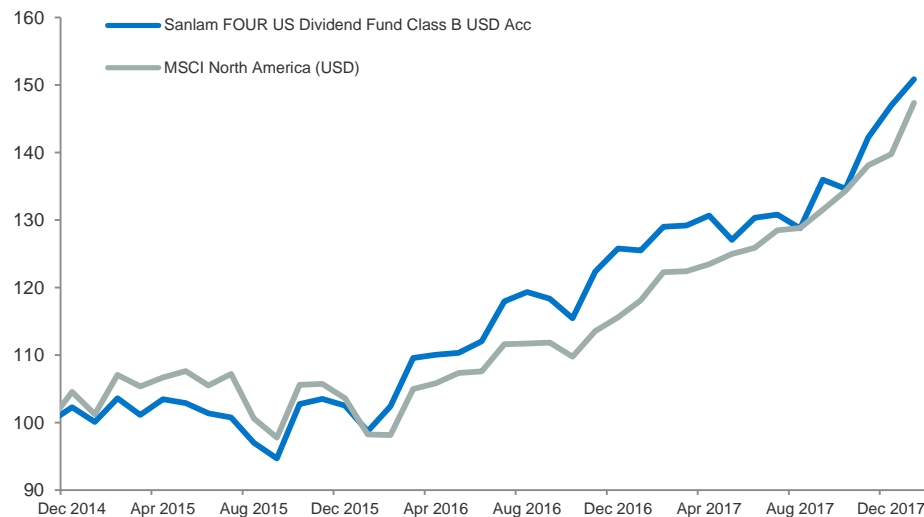


## Overview

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

Source: Sanlam FOUR, SAMI, MSCI.

## Annualised Performance (%)

	Inception	1mth	YTD	1yr	3yrs	5yrs	Since Inception
<b>B Accumulation USD</b>	17/12/14	2.7	2.7	20.2	-	-	14.1
<b>A Accumulation USD</b>	20/05/15	2.6	2.6	19.3	-	-	14.5
<b>MSCI NA - USD</b>		5.4	5.4	24.8	-	-	11.9
<b>A Accumulation GBP</b>	30/12/14	-2.1	-2.1	5.0	-	-	16.0
<b>MSCI NA - GBP</b>		0.3	0.3	10.4	-	-	14.4

## Discrete Years Performance (%)

12 Months to	Jan-18	Jan-17	Jan-16	Jan-15	Jan-14
<b>B Accumulation USD</b>	20.2	27.1	-1.4	-	-
<b>A Accumulation USD</b>	19.3	26.2	-	-	-
<b>MSCI NA - USD</b>	24.8	20.2	-3.0	-	-
<b>A Accumulation GBP</b>	5.0	44.8	3.6	-	-
<b>MSCI NA - GBP</b>	10.4	35.5	2.7	-	-

## Key Facts

<b>Fund AuM</b>	\$284.3m
<b>Strategy AuM</b>	\$339.8m
<b>Number of Holdings</b>	62
<b>Active Share</b>	89.5%
<b>Portfolio Yield</b>	3.2%
<b>Fund Manager</b>	Adour Sarkissian
<b>Benchmark</b>	MSCI North America
<b>Fund Launch Date</b>	17 December 2014
<b>Domicile</b>	Ireland
<b>Base Currency</b>	US Dollar
<b>Fund Type</b>	OEIC, UCITS IV
<b>IA Sector</b>	North America
<b>Morningstar Category</b>	US Large-Cap Value
<b>Dealing Deadline</b>	11:00 (GMT)
<b>Settlement Time</b>	T+3
<b>Valuation Point</b>	Midday (GMT)
<b>Distribution</b>	Quarterly

## Top Ten Holdings

Stock Name	Weight %
Verizon Communications	3.7%
General Mills	3.6%
Cisco Systems	3.6%
ConocoPhillips	3.4%
Empire	3.3%
IBM	3.0%
Federated Investors	2.9%
Seagate Technology	2.9%
SpartanNash	2.9%
Sturm Ruger	2.6%

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 are net of fees and annualised for periods over 12 months. The fund performance is from 12 noon to 12 noon, whilst index performance is close of business to close of business.

The value of this portfolio is subject to fluctuation and past performance is not a guide to future performance. You may not get back the amount originally invested and potentially risk total loss of capital. The actual individual investor performance will differ as a result of fees, investment and reinvestment dates, and dividend withholding tax. All terms exclude costs. The Manager does not provide any guarantee for the capital or the portfolio return. Collective Investment Schemes are traded at ruling prices and can engage in borrowing and scrip lending. Investments in collective investment schemes should always be considered as medium to long term. As the Fund invests geographically in a narrow range, there is increased risk of volatility which may result in frequent Fund share price fluctuations.

The Fund is a sub-fund of the Sanlam Universal Funds plc (the 'Company'), an open-ended umbrella type Investment Company, with variable capital and segregated liability between its sub-funds. The Company is authorised by the Central Bank of Ireland as an undertaking for collective investment in transferable securities under the European Communities (UCITS) Regulation, 2003 as amended (the Regulations). The Company's shares are listed on the Irish Stock Exchange. For UK Distribution only.

The Yield is gross and is calculated on historic dividend income from the preceding 12 months. 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.

## Monthly Commentary

Markets had a remarkably positive month in January 2018. The relentless move saw equity markets up by almost 6%. This made little sense to value investors, especially as the speculative environment appeared to have moved a notch higher. Buying the US markets at its lows in 2009 would have returned around 400% (dividends reinvested) by January 2018 – a nice achievement. In this environment value continued to significantly underperform. The Russell index delivered strong 3.9% absolute returns but paltry in relative terms, while the Russell 1000 Growth returned 7.1%. As such the record divergence between growth and value continues, reaching 20% since the start of 2017. Markets were led higher by optimism around tax reform. The 10-year treasury yields increased strongly over the month, breaking out nicely from their trading range and moving from 2.4% to 2.8%, levels which had not been seen since June 2014. The US dollar continued to weaken over the month however, despite the move higher in yields and good US economic indicators. In sector activity, yield-friendly sectors had a terrible month. Real Estate fell hard and Utilities even harder. Staples and Telecoms were weak. Technology and Consumer Discretionary were the market leaders, in what appeared to be trends very similar to the preceding month. Financials and Healthcare also had a good month.

December marked the third anniversary of the Fund, which saw it top both the Morningstar US Value peer group (despite taking on less risk) and the Citywire peer group by 10%. The Fund underperformed the markets in what appeared to be a heavily adverse environment for the style. Both sector allocation and stock selection weighed strongly. Currency exposure was a slight positive. Our overweight in Consumer Staples and Telecoms weighed heavily on performance, and our underweight in Technology sector also hurt despite positive stock selection there. Intel witnessed a strong rebound following results, having been penalised by deficiency issues. The portfolio's average dividend yield moved from 3.1% to 3.2% in January created 140bps differential with the market, a level not been seen for some time. Other valuation gaps remained at attractively large discounts versus the market. On a price to sales basis notably the Fund was trading at 0.7x compared to the market's 2.3x or an almost 70% discount. This was coupled with an average leverage ratio of 40% lower. Active share hovered around 90%.

## Fund Information & Charges

	Inception Date	ISIN	Bloomberg	SEDOL	Initial Charge	AMC	OCF	Price	Minimum investment	Type of Share
B GBP Accumulation	31/05/2016	IE00BSP60085	SFUSDBG	BSP6008	None	*	**	14.1355	£10,000	Accumulation
B USD Accumulation	17/12/2014	IE00BSP5ZZ50	SFUSDBU	BSP5ZZ5	None	*	**	15.0881	\$10,000	Accumulation
A GBP Accumulation	30/12/2014	IE00BSP5ZY44	SFUSDAG	BSP5ZY4	Up to 5%	0.75%	0.97%	15.8247	£1,000	Accumulation
A GBP Income	30/12/2014	IE00BSP60192	SFUSDIG	BSP6019	Up to 5%	0.75%	1.02%	14.8339	£1,000	Income
H GBP Accumulation	Awaiting Investment	IE00BF0FCN67	SFUSHGA	BF0FCN6	None	0.75%	0.99%	n/a	£1,000	Accumulation
H GBP Income	Awaiting Investment	IE00BF0FCP81	SFUSHGI	BF0FCP8	None	0.75%	0.99%	n/a	£1,000	Income
A USD Accumulation	20/05/2015	IE00BVDQ2617	SFUSDAU	BVDQ261	Up to 5%	0.75%	0.97%	14.4356	\$1,000	Accumulation
A USD Income	27/02/2015	IE00BVDQ2831	SFUSDUI	BVDQ283	Up to 5%	0.75%	0.97%	13.5025	\$1000	Income
A EUR Accumulation	Awaiting Investment	IE00BVDQ2724	SFUSDAE	BVDQ272	None	0.75%	1.04%	n/a	€1,000	Accumulation
A EUR Income	27/02/2015	IE00BVDQ2948	SFUSDIE	BVDQ294	Up to 5%	0.75%	0.97%	12.1247	€1,000	Income

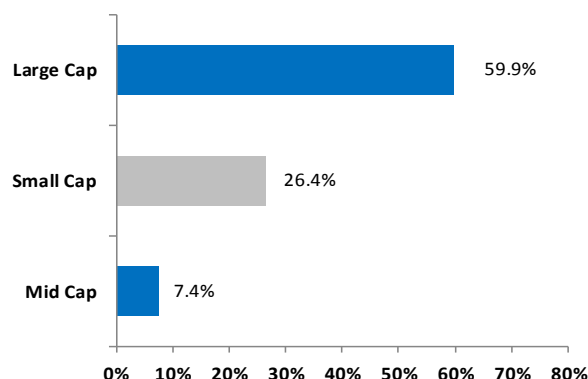
\*The AMC for Class B is subject to a separate agreement with Sanlam FOUR \*\*The OCF figure would be the agreed fee plus an additional 0.27%.

## Contact Details

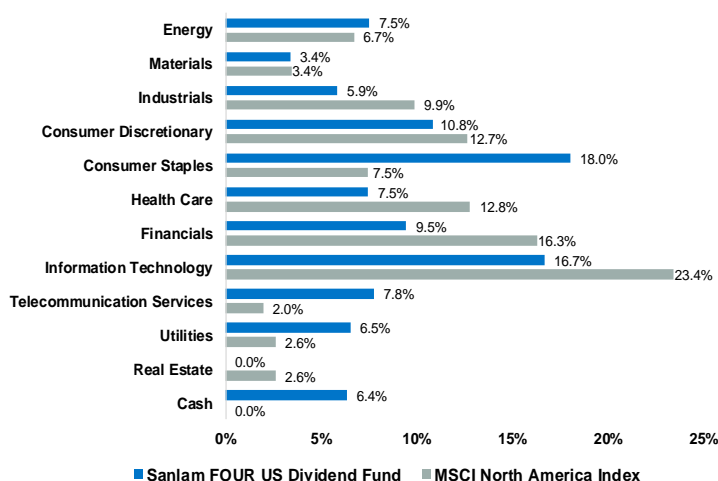
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## Market Capitalisation



## Sector Breakdown



Sources for data: Sanlam FOUR, Bloomberg, MSCI

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