

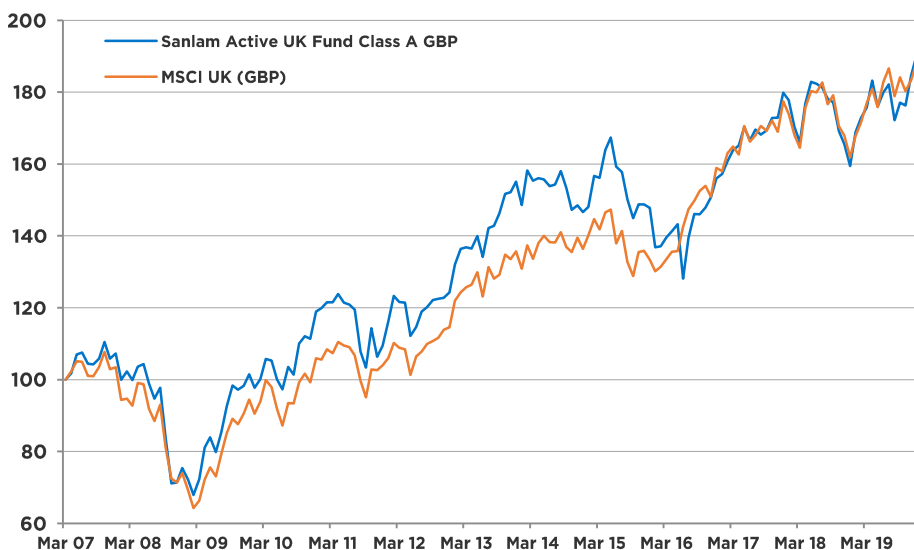
Sanlam Active UK Fund

December 2019 | Factsheet

Overview

A concentrated but diversified portfolio focusing on higher quality UK companies. The fund adopts a bottom-up, buy-and-hold approach aimed at providing attractive total returns over the long-term. The team employs an active, conviction-driven management style. Key to the fund is its focus on high quality companies with competitive franchises and strong cash generation.

Performance – Past performance is not a guide to future performance



Class A returns are used to illustrate the fund's longest track record in the chart above, and is available to retail clients with a 0.75% p.a. management fee. Please see the table overleaf for all available share classes and total fees, or contact us for details.

Key facts

Fund AuM	£51.5m
Number of Holdings	29
Active Share	58.1%
Portfolio Yield*	4.5%
Distribution Yield **	
I GBP	3.8%
Fund Managers	Chris Rodgers Andrew Evans
Benchmark	MSCI UK
Fund Launch Date	02 April 2007
Domicile	Ireland
Base Currency	Sterling
Fund Type	OEIC, UCITS
IA Sector	UK All Companies
Morningstar Category	UK Flex-Cap
Dealing Deadline	11:00 (GMT)
Settlement Time	T+3
Valuation Point	Midday (GMT)
Distribution	Semi-Annually

Source: Sanlam, SAMI, MSCI

Performance (%)

	Inception	1mth	YTD	1yr	3yrs	5yrs	Since Inception
A Accumulation GBP	02/04/07	3.1	19.4	19.4	6.9	5.4	5.2
MSCI UK		2.7	16.4	16.4	5.8	6.7	5.1

Performance figures for periods longer than 12 months are annualized

Top ten holdings

Stock Name	Weight %
Lloyds Banking Group	6.1%
AstraZeneca	5.8%
InterContinental Hotels	5.0%
BP	5.0%
Rio Tinto	4.9%
Taylor Wimpey	4.8%
RELX	4.8%
Unilever	4.7%
GlaxoSmithKline	4.7%
Barclays	4.6%

Discrete years performance (%)

12 Months to	Dec-19	Dec-18	Dec-17	Dec-16	Dec-15
A Accumulation GBP	19.4	-11.3	15.3	5.5	0.8
MSCI UK	16.4	-8.8	11.7	19.2	-2.2

* 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. 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 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 or Investment Manager at www.sanlam.ie SAH0120(132)0420UK&SAlnst

Monthly commentary

The fund performed well for the 2019 calendar year, returning 19.4% after fees. Pleasingly, this was ahead of our benchmark, the MSCI UK Index, which returned 16.4%, and also ahead of the FTSE 100 (17.4%) and the FTSE All Share (19.2%). It was also pleasing to deliver a strong return in an absolute sense for our investors.

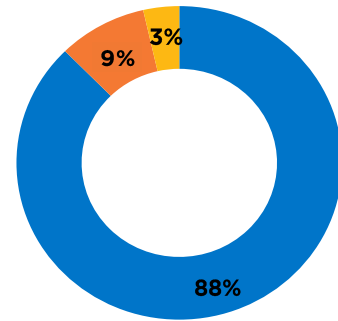
Global markets rallied from the extreme pessimism at the start of 2019, with the Fed becoming increasingly dovish and supportive of the US Economy. In the UK, rolling uncertainty over Brexit continued to keep ratings of UK domestic-focused businesses depressed for much of the year. The resounding Conservative win in the election in December was a net positive for UK domestic-focused businesses in particular, and the UK had a good month as the result brings some clarity on the path ahead.

For the month of December, the fund returned 3.1%, vs 2.7% for the benchmark. Of our holdings, the strongest contributors were Taylor Wimpey, Integrafin, Howden Joinery and Ibstock. The largest detractors were BATS and HSBC, while not owning London Stock Exchange shares detracted from our relative performance.

For the year, the strongest contributors to our outperformance of the benchmark were Howden Joinery (total return of 58%), Taylor Wimpey (59%), Integrafin (46%), Flutter Entertainment (48%) and Lloyds Bank (27%). The largest detractors were Rolls Royce (-23%) and BATS (-38%), while not owning Diageo and London Stock Exchange plc also detracted.

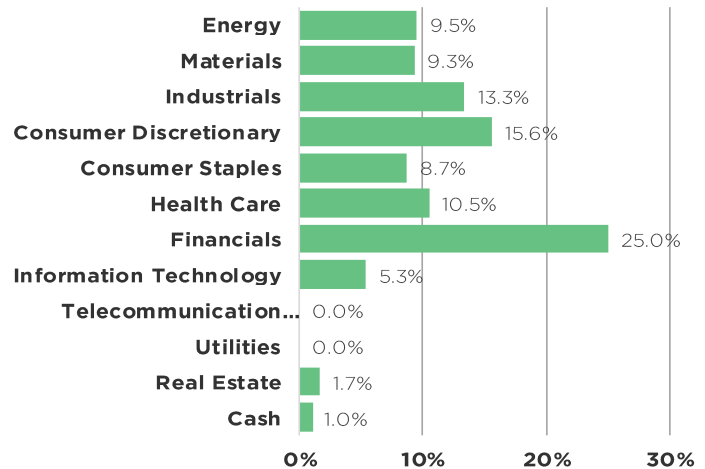
On valuation metrics, our portfolio has a forward PE of 13.4x, similar to the benchmark PE of 13.3x, and the forward dividend yield on the fund is 4.3%, again similar to the 4.6% of the benchmark. However, we believe we own a much higher quality portfolio than the index, with a ROE of 15.0% on the fund vs. 10.1% on the benchmark (all figures courtesy of Bloomberg estimates). The fund has investments in nine of the eleven GICS sectors, and a good balance of both global and UK revenues in the companies we own. This gives us comfort that while we have a concentrated fund, it has not come at the expense of diversification.

Market capitalisation



■ Large Cap ■ Mid Cap ■ Small Cap

Sector breakdown



Sources for data: Sanlam, Bloomberg

Fund information and charges

	Inception Date	ISIN	Bloomberg	SEDOL	Initial Charge	AMC	OCF	Price	Minimum investment	Type of Share
A GBP Accumulation	02/04/2007	IE00B1RPZ542	FORUKDV	BIRPZ54	None	0.75%	1.02%	19.0338	£1,000	Accumulation
B GBP Accumulation	01/04/2011	IE00B1RPZ658	FORUKDB	BIRPZ65	Up to 5%	0.00%*	**	16.8415	£10,000	Accumulation

*Access to class B is subject to a separate agreement with Sanlam. **The OCF figure would be the agreed fee plus an additional 0.27%. Other share classes are available.

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