

Sanlam Multi-Strategy Fund

Q1 2021 | Quarterly newsletter

Fund Highlights

In January our average net equity exposure was 24.4% and our bond duration was 3.1 years. We maintained our exposure to six markets in the equity momentum strategy. One new position was introduced to the real asset strategy - a specialist REIT owning an attractive portfolio of strategically located logistics assets across 8 markets in the Asia-Pacific region. The business compliments the existing specialist property holdings, providing more breadth to geographies, sources of revenue and growth opportunities.

In February our average net equity exposure was 24.6% and our bond duration was 3.0 years. We maintained our exposure to six markets in the equity momentum strategy and participated in an IPO for a new data infrastructure company. During the month the real asset strategy saw lots of corporate activity. There were 8 new acquisitions, 1 divestment, and 4 equity placings over the month. We had 15 group investor meetings and 3 one-to-one meetings with management teams. The earnings season has shown another robust performance period across our companies, underpinned by stable operations, contractual revenue escalations and opportunistic acquisitions.

In March our average net equity exposure was 23.6% and our bond duration was 2.9 years. We maintained our exposure to six markets in the equity momentum strategy. We reset a number of options positions providing downside protection and sold a small position from the renewable energy strategy on concerns of potential litigation risks. In addition to this we participated in 3 equity raises by our companies, the proceeds of which will provide capital flexibility for new acquisitions and construction pipelines.

Fund review

The Sanlam Multi Strategy Fund returned 0.85% and had an average 90 day volatility of 5.7% during the quarter. The quarter was undoubtedly "event" heavy with a contested election, vaccine politics, social media led stock squeezes, hedge fund blow-ups (and subsequent investment bank fall-out), and even blocked shipping lanes providing a very challenging backdrop.

In this environment we continued to follow our disciplined, rules based approach and managed our equity exposure in the momentum strategies in line with markets. We removed one holding from the renewable energy satellite and added two new real asset positions to the specialist property and infrastructure strategies. We also took advantage of lower volatility to reset some of our downside protections in the form of long put options.

Equity strategies were the main positive contributors with both fixed income and real assets struggling against the short-term headwinds of rising government bond yields and recovery sector rotations. In a rising equity environment hedges contributed negatively over the quarter.

Performance data

	Inception Date	QTR	YTD	1yr	3yrs	5yrs	Since Inception
B GBP Accumulation	31/01/13	0.9	0.9	16.1	6.8	6.5	4.6
A GBP Accumulation	11/11/13	0.8	0.6	15.1	5.9	5.7	3.7
B USD Accumulation	31/01/13	0.8	0.7	15.4	6.2	6.0	4.1

Performance beyond one year is annualised

12 Months to	Mar-21	Mar-20	Mar-19	Mar-18	Mar-17
B GBP Accumulation	16.1	-0.6	5.5	3.6	8.8
A GBP Accumulation	15.1	-1.3	4.7	2.8	8.0
B USD Accumulation	17.0	1.2	7.2	5.1	9.5
Founder GBP Acc.	15.4	-1.1	5.0	3.1	8.3

Past performance is not an indicator of future performance.

Source: Sanlam, Morningstar and Lipper as at 31/03/2021.

Key facts

Fund AuM £	£432.2m
Fund AuM \$	\$596.2m
Distribution Yield*	3%
Benchmark	CPI
Return Target	CPI+4%
Fund Manager	Mike Pinggera
Fund Launch Date	31 January 2013
Domicile	Ireland
Base Currency	Sterling
Fund Type	OEIC, UCITS
IA Sector	Absolute Return
Morningstar Category	Alt - Multistrategy
Dealing Deadline	11:00 (GMT)
Settlement Time	T+3
Valuation Point	Midday (GMT)
Distribution	Monthly

*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

For professional investors only

Performance attribution

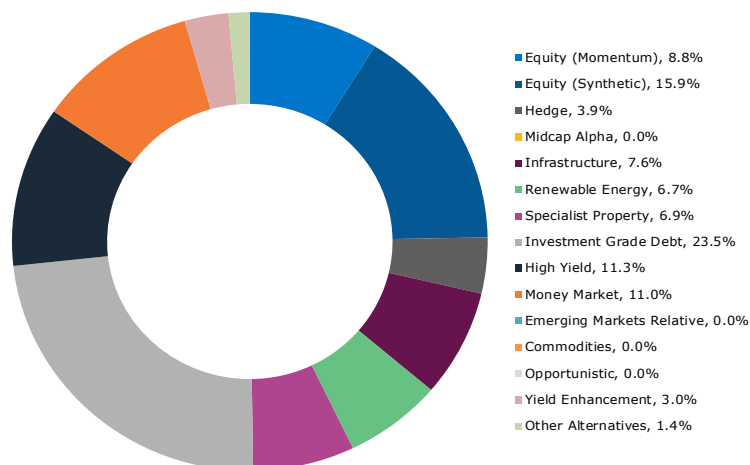
	Q1 2021	YTD
Global Equity Momentum	0.44%	0.44%
Hedge	-0.97%	-0.97%
Synthetic	1.56%	1.56%
Infrastructure	0.16%	0.16%
Renewable Energy	-0.36%	-0.36%
Specialist Property	-0.07%	-0.07%
Other Alternatives	0.03%	0.03%
Investment Grade Debt	-0.15%	-0.15%
Commodities	0.00%	0.00%
High Yield	0.13%	0.13%
Midcap Alpha	0.00%	0.00%
Emerging Markets Relative	0.00%	0.00%
Opportunistic	0.00%	0.00%
Money Market	0.02%	0.02%
Yield Enhancement	-0.02%	-0.02%
Stock Hedge	0.38%	0.38%
Cash (incl Exp)	-0.09%	-0.09%
Total	1.05%	1.05%
Sanlam Multi Strategy Fund	0.85%	0.85%
Differential	-0.20%	-0.20%

Top 10 holdings

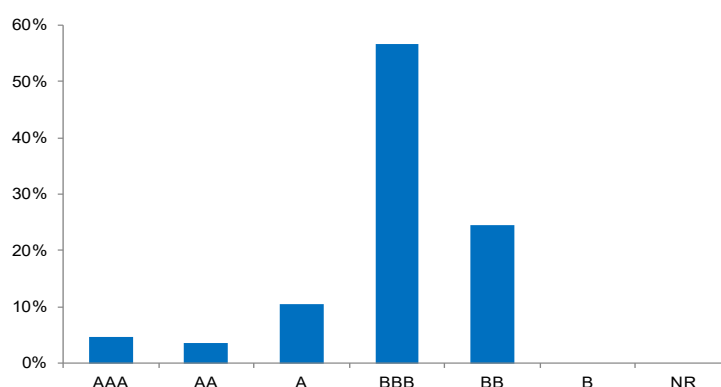
3.50%	Aviva Plc 6 5/8 06/03/41
2.71%	HSBC Holdings Plc 6.5 05/20/2024
2.52%	Vodafone Group Plc 4 7/8 10/03/2078
2.50%	BHP Billiton Finance Ltd 6.5% 10/22/77
2.49%	Grainger Plc 3.3/8 04/24/2028
2.21%	HICL Infrastructure Plc
2.15%	Renewables Infrastructure Group
2.13%	3i Infrastructure Plc
1.82%	Tritax Big Box REIT Plc
1.42%	Brookfield Renewable Partners

Source: Sanlam and Statpro as at 31/03/2021.

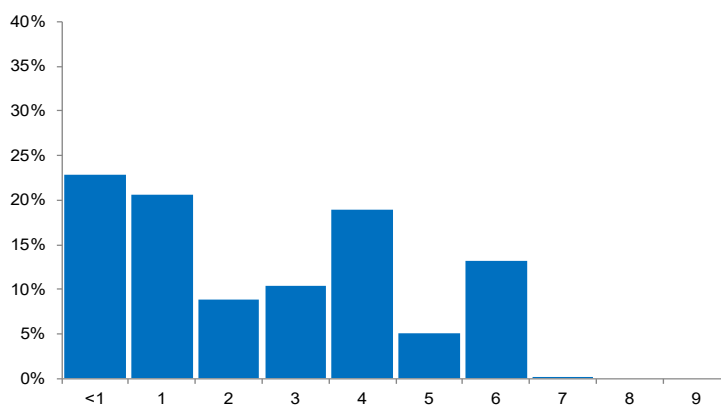
Fund allocation



Bond credit quality



Bond duration



Outlook

Focal points for 2021

Global Trade – Joe Biden and life after Brexit will keep global trade high on the agenda. De-Globalization in the form of domestic focussed policies, food security and vaccine distribution could be hot topics.

Stimulus – Support packages from government and central banks are likely to play a key role in 2021 and are likely to come with an environmental and social tilt. For markets, the bigger the better.

Real Assets - In an environment seemingly dominated by short-term concerns operational real assets continue to offer investors an opportunity to take a long-term view and get paid along the way.

We continue to position the portfolio with the profile of a diversified convertible. We favour option based equity exposure (rather than pure directional investments) alongside income producing real assets and short duration bonds.

Contact us

Bruce Simpson

Head of Distribution: South Africa

+44 (0)20 7280 8774
bruce.simpson@sanlam.co.uk

Liz Adnitt

Head of UK Wholesale
Distribution

+44 (0) 20 3116 4071
liz.adnitt@sanlam.co.uk

Tom Whitfield

Account Director

+44 (0) 20 3116 4016
tom.whitfield@sanlam.co.uk

Andrew Groves

Account Director

+44 (0)7917 580 592
andrew.groves@sanlam.co.uk

Sanlam Investments, Monument Place, 24 Monument Street, London, EC3R 8AJ

Important Information

The fund can invest in derivatives. Derivatives are used to protect against fluctuations in currencies, credit risk and interest rates or for investment purposes. There is a risk that losses could be made on derivative positions or that the counterparties could fail to complete on transactions. The Fund's expenses are charged to capital. This has the effect of increasing dividends while constraining capital appreciation.

Part of the fund is invested in bonds. 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.

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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. AB0121(243)0421UKInst.