

Sanlam Multi-Strategy Fund

Q2 2021 | Quarterly newsletter

Fund Highlights

In April the average net equity exposure was 26.8% and our bond duration was 2.8 years. We had exposure to six markets in the equity momentum strategy. We added a Chinese renewable energy business to the real asset strategy to compliment our existing holdings and to add depth to geographies, sources of revenue and growth opportunities. Our real assets businesses announced 7 new acquisitions, 1 divestment, and 1 equity rights issue over the month. We had 3 group investor meetings covering quarterly results and 1 pre-IPO group meeting with a new transport business.

In May the fund had a net equity exposure of 21% and bond duration of 2.9 years. We had exposure to five markets in the equity momentum strategy. During the month we reinvested proceeds from maturing bonds into a number of existing holdings and added selectively to real asset positions. Following our systematic process we took advantage of lower market volatilities to reset a number of equity options. We had 2 group investor meetings following results and 5 one-to-one meetings with management teams. Quarterly updates highlighted continued robust and stable performance, and progress on implementing further ESG initiatives.

We ended the quarter net equity exposure of 20% and bond duration of 3.1 years. We had exposure to six markets in the equity momentum strategy. In-flows to the fund were invested across existing portfolio strategies and we added 4 new names across the investment grade and high yield bond strategies. Our real assets businesses announced 3 new acquisitions, 1 divestment, and 2 equity placings over the month. We had 5 meetings with company management teams, 4 group investor meetings and 2 pre-IPO meetings. In June one of our globally diversified infrastructure businesses announced the IPO of its clean energy unit to the market.

Fund review

The Sanlam Multi Strategy Fund returned 2.60% and had an average 90 day volatility of 5.1% during the quarter. Investors had to grapple with talk of rising inflation and the possible effect on interest rates as well the discovery of new COVID variants and rising infection rates. The UK government was forced to postpone the full reopening of the economy by a month to give them time to accelerate the vaccination program to safeguard the public and relieve the strain on the NHS.

In this environment we continued to follow our disciplined, rules based approach and managed our equity exposure in the momentum strategies inline with our models. We added one new real asset holding during the period and four new fixed income positions. We also took advantage of lower volatility to reset some of our upside and downside hedges.

Equity strategies were the largest positive contributor to performance followed by fixed income and real assets. 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	2.6	3.5	12.9	6.7	6.9	4.8
	11/11/13	2.4	3.1	12.0	5.8	6.1	3.9
A GBP Accumulation	29/11/13	2.7	3.7	13.8	8.1	8.3	5.5
B USD Accumulation	31/01/13	2.5	3.2	12.3	6.1	6.4	4.3
Performance beyond one year is annualised							
12 Months to	Jun-21	Jun-20	Jun-19	Jun-18	Jun-17		
B GBP Accumulation	12.9	2.5	4.9	4.4	10.2		
A GBP Accumulation	12.0	1.7	4.2	3.6	9.4		
B USD Accumulation	13.8	4.0	6.7	6.0	11.2		
Founder GBP Acc.	12.3	1.9	4.4	3.9	9.7		

Past performance is not an indicator of future performance.

Source: Sanlam, Morningstar and Lipper as at 30/06/2021. Class B returns are used to illustrate the fund's longest track record. This has no fixed management fee, so returns should be considered gross. 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.

*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

Key facts

Fund AuM £	£480.2m
Fund AuM \$	\$663.4m
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

Performance attribution

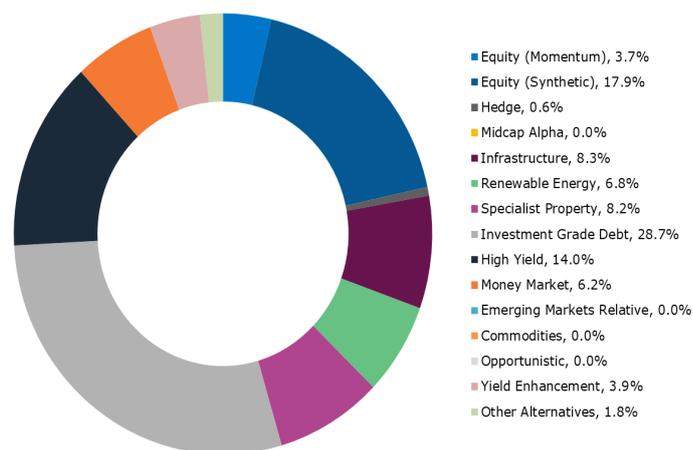
	Q2 2021	YTD
Global Equity Momentum	0.33%	0.83%
Hedge	-0.37%	-1.34%
Synthetic	1.45%	3.03%
Infrastructure	0.23%	0.38%
Renewable Energy	-0.09%	-0.46%
Specialist Property	0.53%	0.46%
Other Alternatives	0.09%	0.13%
Investment Grade Debt	0.37%	0.23%
Commodities	0.00%	0.00%
High Yield	0.23%	0.36%
Midcap Alpha	0.00%	0.00%
Emerging Markets Relative	0.00%	0.00%
Opportunistic	-0.01%	-0.01%
Money Market	0.02%	0.04%
Yield Enhancement	-0.15%	-0.17%
Stock Hedge	0.05%	0.43%
Cash (incl Exp)	-0.01%	-0.10%
Total	2.67%	3.75%
Sanlam Multi Strategy Fund	2.61%	3.49%
Differential	-0.06%	-0.26%

Top 10 holdings

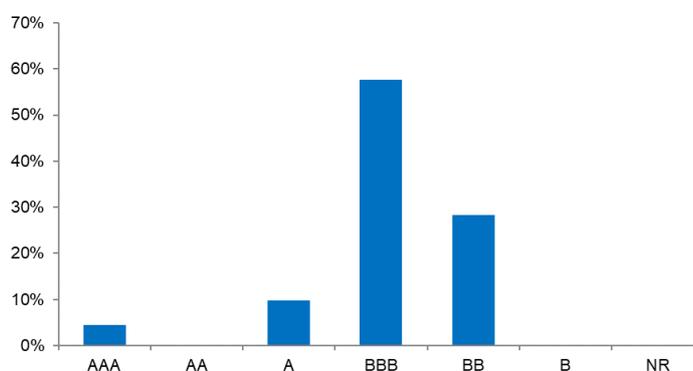
3.13%	Volkswagen Financial Services 1.875% 09/07/21
2.42%	HSBC Holdings Plc 6.5 05/20/2024
2.26%	Abertis Infrastructuras 3.875% 11/27/2026
2.26%	Grainger Plc 3.3/8 04/24/2028
2.24%	3I Infrastructure Plc
2.23%	BHP Billiton Finance Ltd 6.5% 10/22/77
2.19%	Tritax Big Box REIT Plc
2.18%	HICL Infrastructure Plc
2.04%	Renewables Infrastructure Group
1.38%	Supermarket Income Reit Plc

Source: Sanlam and Statpro as at 30/06/2021.

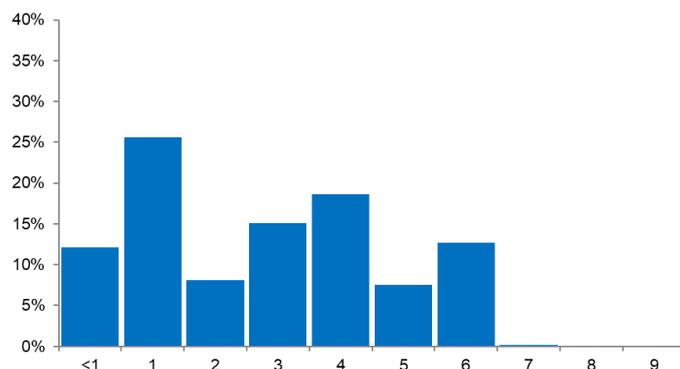
Fund allocation



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.

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Important Information

The Fund has holdings which are denominated in currencies other than sterling and may be affected by movements in exchange rates. Consequently the value of an investment may rise or fall in line with the exchange rates. 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.

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