

Sanlam Real Assets Fund

December 2018 | Factsheet

Overview

The investment focus is on listed securities that derive their value from underlying real assets. These exhibit distinct attractive characteristics that differentiate themselves from other asset classes. Our investments can be via REITs, investment trusts or specialist companies with a focus on physical assets. As the overriding mandate is real asset exposure, there is no restriction on access vehicles. The fund is targeting regular income and capital growth through investments in real asset securities, with a target return of CPI+4% over a full investment cycle. We have strong experience in real assets as a key part of the Sanlam FOUR Multi-Strategy Fund.

Investment themes

Pillars of a functioning economy

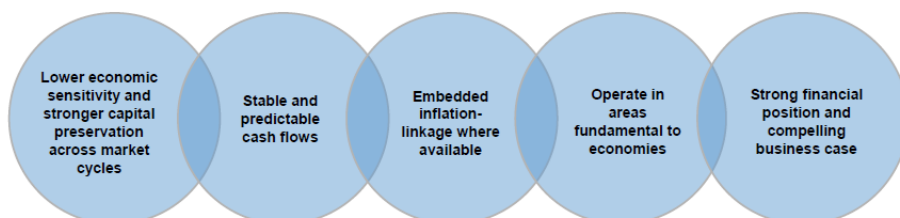


Changing demographics increases pressure on, and demand for, services such as education, healthcare, housing and energy. Our Fund exploits these investment themes through real assets exposure.

Real asset characteristics

- Diversification from traditional investments
- Long-term cash flow streams
- Attractive yields and total returns
- Global investment theme
- Greater capital preservation over cycles
- Lower volatility in asset values
- Degrees of inflation-linkage

Stock selection process



Investment ideas are generated internally with a strong emphasis on in-house deep dive research

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 Yield is gross and 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 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, the Investment Manager or at www.sanlam.ie. NSO119(04)0419 UK&SAInst

Key facts

Fund AuM	£79.0m
Strategy AuM	£79.0m
Number of Holdings	26
Yield	4.2%
Fund Manager	Mike Pinggera
Benchmark	CPI+4%
Fund Launch Date	21 August 2018
Domicile	Ireland
Base Currency	Sterling
Fund Type	OEIC, UCITS V
IA Sector	IA Specialist
Morningstar Category	Alt - Other
Dealing Deadline	11:00 (GMT)
Settlement Time	T+3
Valuation Point	Midday (GMT)

Sector exposure

Sector	Weight %
Energy	31.4%
Property	29.6%
Utilities	13.5%
Transport	11.1%
Other	8.8%
Communications	2.2%
Health	2.1%
Education	0.9%

Sources for data: Sanlam, Bloomberg

Monthly commentary

Performance

The market rally at the end of November continued for only a few days into December before it gave way to renewed downward pressure. Although there were no new catalysts for the weakness, the S&P 500 index fell over 15% during the month before recovering to end down just under 9%, its worst December since 1931. Elsewhere, things were not much better; the Nikkei225 index also fell by 15% at its worst point while other markets lost between 5% and 8%. Government bonds were the main beneficiary of stressed equity markets with yields tightening across the board.

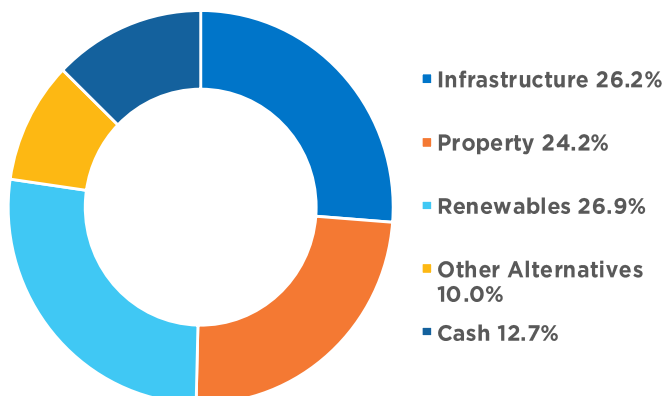
Transparency

With the major equity markets under pressure over the month, the fund demonstrated significant resilience during the period. Against the negative backdrop, the fund saw negative contributions from renewable energy, property and other alternatives, whilst infrastructure was a small positive contributor over the month. Property was the largest negative contributor, detracting -0.41% from performance.

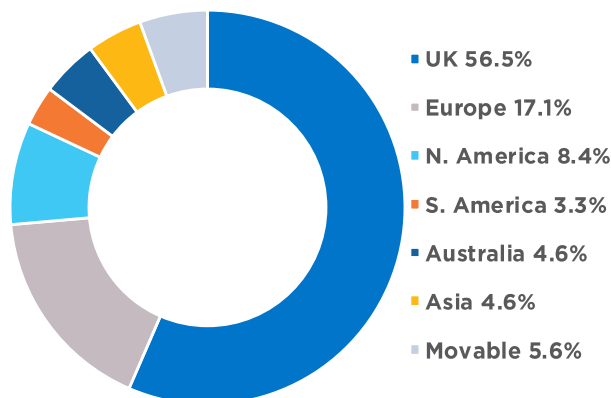
Activity

Investment activity in the underlying portfolio holdings continued with acquisitions of European property, tanker ships, music catalogues and a variety of UK and European renewable assets. At portfolio level we added a new holding in the renewable energy sector through a new IPO. The proceeds from this have already been deployed into a seed portfolio of energy efficiency assets.

Real asset types



Geographic exposure



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 Income GBP	02/11/2018	IE00BDFDL125	SANRAAG	BDFDL12	None	0.75%	0.97%	9.8418	No Minimum	Income
AH Income USD	Awaiting Investment	IE00BDFDLG76	SANRAAH	BDFDLG7	None	0.75%	0.97%	n/a	No Minimum	Income

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