Sanlam

PRIVATE Wealth

Sanlam Global High Quality Fund C Share (Acc)

May 2018

OBJECTIVE

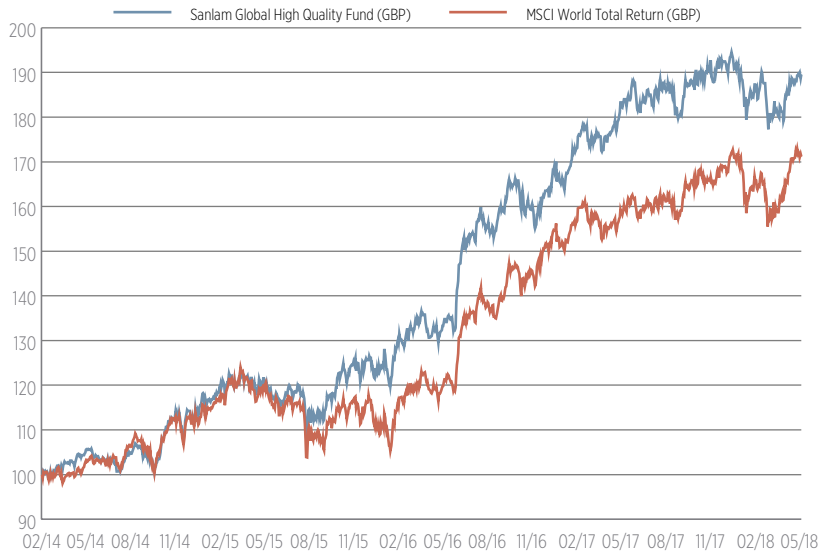
The Fund aims to produce compound total returns in excess of the MCSI World Index over the medium to long-term.

STRATEGY

The Fund is an actively managed portfolio of global equities with a high quality bias. The Fund is high conviction and benchmark agnostic, with sector and regional positioning driven by bottom-up stock selection. The Fund allocation to emerging market listed companies is limited to no more than 30% of the assets. The investment process is unconstrained, seeking to invest in companies with predictable revenue growth that produces sustainable economic value over the long-term. The Fund typically invests in companies with high returns on capital, low leverage, enduring businesses with a sustainable competitive advantage that produce significant free cash flow after capital expenditure. The Fund can hold up to 22% of its total net assets in cash or cash equivalents should the investment manager feel it appropriate.

PERFORMANCE

Sanlam Global High Quality Fund performance vs MSCI World (since inception)



Source: Bloomberg

Past performance is not necessarily a guide to future performance. Actual investment performance will differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. The Investment performance is for illustrative performance and calculated by taking into account all ongoing fees (the fund does not charge initial fees).

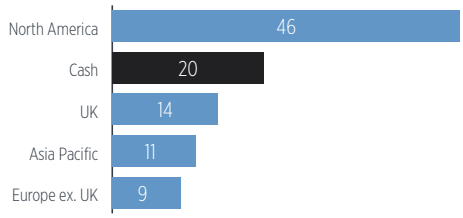
CUMULATIVE PERFORMANCE - TO 31.05.2018 (%)							
	1m	3m	6m	YTD	1yr	3yr	Since Inception
Fund*	2.6%	1.7%	0.6%	-0.6%	4.1%	57.1%	89.5%
MSCI World Net Total Return (GBP)	4.2%	3.2%	3.5%	2.2%	8.2%	43.3%	71.2%

SINGLE YEAR PERFORMANCE TO QUARTER END (GBP)				
	(31.03.2017 - 31.03.2018)	(31.03.2016 - 31.03.2017)	(31.03.2015 - 31.03.2016)	(31.03.2014 - 31.03.2015)
Fund*	3.8%	31.2%	11.0%	17.6%

Where this fund is acquired through a portfolio management service, additional charges may be applied by the portfolio manager

** C Share Class (as at 31.05.2018). Fund launch was 28 February 2014. Fund performance is calculated on a NAV to NAV basis, net of charges and assumes net income is reinvested. Since investors may be liable to external fees, charges and taxes, the illustrated returns are not meant to provide a measure of actual return to investors.*

COUNTRY ALLOCATION (% NAV)



SECTOR ALLOCATION (excl cash)

	Weight %	Index %
Consumer Discretionary	9.8	12.8
Consumer Staples	24.4	8.4
Energy	0.0	6.6
Financials	3.0	17.9
Health Care	16.9	11.7
Industrials	0.0	11.4
Information Technology	26.2	17.5
Materials	0.0	5.1
Real Estate	0.0	3.0
Telecommunication Services	0.0	2.7
Utilities	0.0	3.0

Sources: SPW/Bloomberg/MSCI

TOP 10 HOLDINGS

		Weight %
Medtronic	Health Care	5.3
PepsiCo	Consumer Staples	4.4
Oracle	Information Technology	4.3
Reckitt Benckiser	Consumer Staples	4.2
Alphabet	Information Technology	3.8
Johnson & Johnson	Health Care	3.4
Booking Holdings	Consumer Discretionary	3.3
Samsung	Information Technology	3.2
Fresenius Medical Care	Health Care	3.1
Roche	Health Care	2.8

MONTHLY COMMENTARY

The Sanlam Global High Quality Fund underperformed the MSCI World Index during the month by 1.5%, with the fund gaining 2.6%. Sabre (+23.0%) was the best performer of the month posting strong results through the quarter. Due to this they were able to raise their guidance. Edwards Lifesciences (+11.6%), and Medtronic (+11.5%) also outperformed the market significantly. Pandora (-27.1%) was the worst performing stock in the portfolio. Their Q1 results contained a surprise slowdown in China which the market clearly did not like. NetEase (-7.9%) also struggled after weak results.

MORNINGSTAR ★★★★★
COLWMA CITY OF LONDON WEALTH MANAGEMENT AWARDS WINNER 2018 Best Fund Sanlam
2018 WINNER ALLOCATOR INVESTORS CHOICE AWARDS
PAM Private Asset Managers AWARDS

KEY FUND INFORMATION

Launch date:	28 February 2014
Investment manager:	Sanlam Private Wealth (SPW)
Tel:	+44 (0) 20 7280 8700
Email:	enq@sanlam.co.uk
Web:	www.sanlam.co.uk
Portfolio manager:	Pieter Fourie
Deputy portfolio manager:	William Ball
Fund regulator:	Central Bank of Ireland
Fund domicile:	Ireland (UCITS IV)
Fund administrator:	Sanlam Asset Management (Ireland) Limited
Other available share classes:	Class C income (GBP) Shares Class A accumulation (GBP) Shares Class I accumulation (GBP) Shares Class I income (GBP) Shares Class G income (USD) Shares Class G accumulation (USD) Shares
Initial charge:	None
Currency:	Sterling
Dealing times:	9am - 5pm daily (UK time)
Valuation point:	12 noon (South African time)
Benchmark:	MSCI Daily World Total Return Net Index GBP

Ongoing charges figure (OCF):	
Class C accumulation (GBP)	0.60%*
Class C income (GBP) Shares	0.60%*
Class A accumulation (GBP) Shares	1.65%
Class I accumulation (GBP) Shares	0.81%
Class I income (GBP) Shares	0.81%
Class G accumulation (USD) Shares	0.81%
Class G income (USD) shares	0.81%

All costs:	Deducted from capital
Income allocation dates:	Bi-annually (income shares only)

Apr 2017	GBP 0.4592
Oct 2016	GBP 0.5107

Minimum investment:	£300 GBP Share Classes (A & C Classes) £500,000 GBP Share Classes (I Classes) $750,000 USD Share Classes (G Classes) I, G & C Shares - contact SPW for further information
Exit penalties:	None

ISIN: IE00BJWHZ516	Class C accumulation (GBP) Shares
ISIN: IE00B97F9X63	Class C income (GBP) Shares
ISIN: IE00B97B4V77	Class A accumulation (GBP) Shares
ISIN: IE00BYV7PR98	Class I accumulation (GBP) Shares
ISIN: IE00BYV7PQ81	Class I income (GBP) Shares
ISIN: IE00BYV7PT13	Class G accumulation (USD) Shares
ISIN: IE00BYV7PS06	Class G income (USD) Shares

Share Price at 31.05.2018:

Bloomberg identifier:	Share class:	NAV per unit:
SGHQBUA	A accumulation	£1.6232
SGHQCGI	C income	£1.8203
SGHQCGA	C accumulation	£1.8915
SANGHFI	I income	£1.4883
SANGHFA	I accumulation	£1.4198
SANGHGA	G accumulation	£1.2743
SANGHGI	G income	£1.2029

Settlement time:	Settlement is four business days after dealing day
Custodian:	Brown Brothers Harriman
Auditor:	Ernst & Young

** C Class Shares are available to clients of Sanlam and additional non fund-related charges may apply*

FUND CHARACTERISTICS 31.05.2018

	Portfolio	Index
Fund Size (£ millons)	291	
Number of Holdings	32	1648
Average Market Cap (£ billions)	121	18
Return On Equity	37%	12%
Price/Earnings**	14	15
Free Cash Flow Yield	5.5%	5.2%
Dividend Yield **	1.9%	2.4%

*** 12 months forward* *Sources: SPW/Bloomberg/MSCI*

IMPORTANT INFORMATION

- **The value of investments and the income from them may fall as well as rise and are not guaranteed. Investors may not get back the original amount invested. Past performance of a fund is no guarantee as to its performance in the future.**
- **Changes in exchange rates may have an adverse effect on the value, price or income of the product.**
- As the fees and expenses of the fund will be charged to the capital of the fund, there is a greater risk that capital may be eroded and 'income' will be achieved by foregoing the potential for future capital growth of your investment and the value of future returns may also be diminished.
- This article is for information purposes and should not be treated as advice to buy or sell any particular 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 Prospectus, Fund Supplement and the Key Investment Information Document. These are available free of charge from the manager, the investment manager (by phone or at www.sanlam.co.uk) or at www.sanlam.ie.
- Financial advice should be sought as not all investments are suitable for all investors. Collective Investment Schemes (CIS) are generally medium- to long-term investments. The value of participatory interests may go down as well as up.
- 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.
- The Sanlam Private Wealth Global High Quality Fund is a sub-fund of the Sanlam Universal funds plc, an open-ended umbrella type investment company, with segregated liability between its sub-funds, authorised by the Central Bank of Ireland, as an undertaking for collective investment in transferable securities. It 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 IV Management Company.
- Sanlam Private Wealth is the investment manager, responsible for managing the fund's investments.

ABOUT THE INVESTMENT MANAGER

PIETER FOURIE, CFA CA (SA)
Head of Global Equities

As Head of Global Equities, Pieter is the lead fund manager for the Sanlam Global High Quality Equity fund and the Clime International Equity fund having joined the firm in mid 2012. His responsibilities include the design, management and implementation of our global equity client offering including segregated mandates for high net worth individuals. Pieter oversees a team of five analysts focusing on global and UK equities across multiple industries. Current assets under management managed by the investment team in direct global and UK equity mandates is more than $1.1bn.

WILLIAM BALL
Senior Equity Analyst

William is a senior equity analyst, who is the deputy fund manager of the Sanlam Global High Quality Fund and co-manager of the Clime International Equity Fund. Additionally, in conjunction with the Head of Global Equities, William is responsible for global equity research and managing the high net worth global equity mandates and the global equity offering. He has over 13 years of investment experience and a track record of investing in equities. Prior to joining Sanlam in 2009, William worked at Brown Shipley before moving to Merrill Lynch.

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