

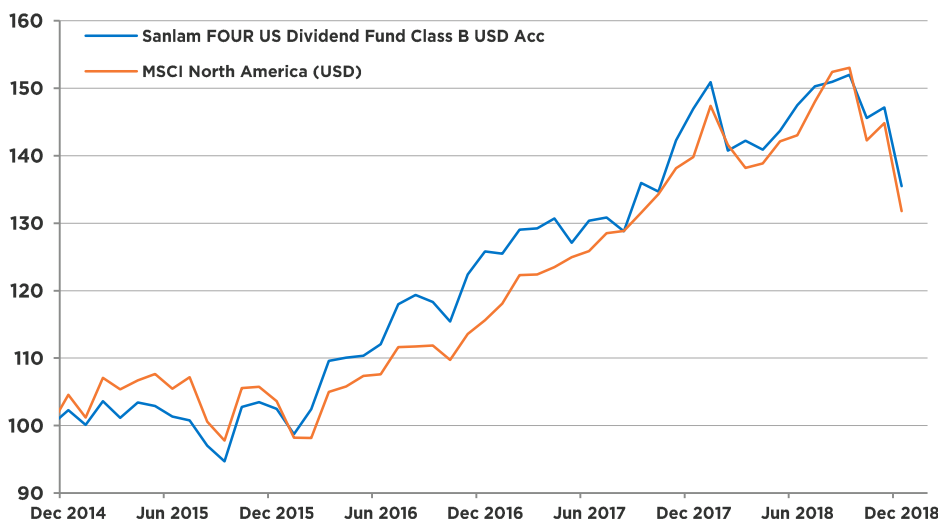
Sanlam FOUR US Dividend Fund

December 2018 | Factsheet

Overview

A dividend value fund investing in attractive US companies with the aim of achieving the highest risk-adjusted returns throughout the cycle against the benchmark. It has a value bias with a distinctive quality overlay, focussing on dividend sustainability and company valuation.

Performance – Past performance is not a guide to future performance



Class B returns are used to illustrate the fund's longest track record and has no fixed management fee. It requires a separate agreement with Sanlam FOUR and is not available to retail clients. Class A is available to retail clients with a 0.75% p.a. management fee, which would result in lower performance than shown. Please see table below for the effect of these charges on performance. **Please see the table overleaf for all available share classes and total fees, or contact us for details.**

Performance (%)

	Inception	1mth	YTD	1yr	3yrs	5yrs	Since Inception
B Accumulation USD	17/12/14	-7.9	-7.8	-7.8	9.7	n/a	7.8
MSCI North America		-9.0	-5.7	-5.7	8.3	n/a	6.5
A Accumulation USD	20/05/15	-8.0	-8.5	-8.5	8.9	n/a	7.2
MSCI North America		-9.0	-5.7	-5.7	8.3	n/a	5.5
A Accumulation GBP	30/12/14	-7.8	-2.9	-2.9	14.6	n/a	11.9
MSCI North America		-8.9	0.1	0.1	13.7	n/a	11.1

Performance figures for periods longer than 12 months are annualized

Discrete years performance (%)

12 Months to	Dec-18	Dec-17	Dec-16	Dec-15	Dec-14
B Accumulation USD	-7.8	16.8	22.7	0.2	-
MSCI North America	-5.7	20.9	11.6	-0.9	-
A Accumulation USD	-8.5	16.0	21.9	-	-
MSCI North America	-5.7	20.9	11.6	-	-
A Accumulation GBP	-2.9	5.6	46.7	5.1	-
MSCI North America	0.1	10.4	33.1	4.8	-

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. 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

Key facts

Fund AuM	\$304.5m
Strategy AuM	\$311.6m
Number of Holdings	60
Active Share	95.5%
Portfolio Yield	3.7%
Fund Manager	Adour Sarkissian
Benchmark	MSCI North America
Fund Launch Date	17 December 2014
Domicile	Ireland
Base Currency	US Dollar
Fund Type	OEIC, UCITS V
IA Sector	North America
Morningstar Category	US Large-Cap Value
Dealing Deadline	14:00 (GMT)
Settlement Time	T+3
Valuation Point	23:59 (GMT)
Distribution	Quarterly

Source: Sanlam, SAMI, MSCI.

Top ten holdings

Stock Name	Weight %
Bristol-Myers Squibb	6.2%
Tyson Foods	5.9%
Federated Investors	4.9%
Altria Group	4.5%
Empire Co	3.7%
Western Digital	3.6%
Molson Coors Brewing	3.6%
Seagate Technology	3.1%
Suncor Energy	2.8%
Pinnacle West Capital	2.7%

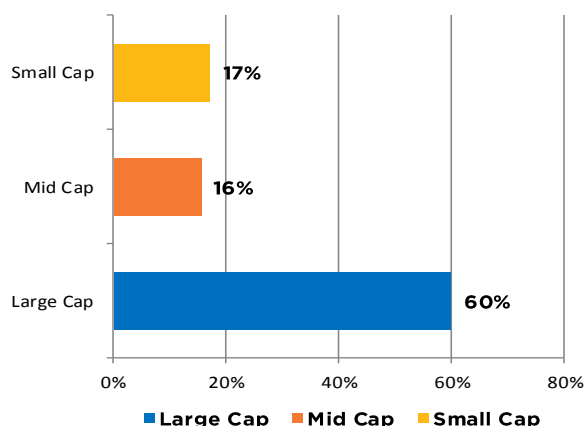
Monthly commentary

US markets had a very difficult December, falling by more than 9%, wiping out all the gains to this point and thus finishing the year with mid-single digit losses. This was the first negative year since 2008. Technology and healthcare, the best sectors throughout the year, led the markets' decline along with financials. Although sectors such as utilities, materials and consumer staples held up relatively well, they too still declined. There was a similar environment in the bond markets- US 10-year treasury yields fell back down to 2.7% from 3% over the month. The US dollar weakened slightly by around 1.5% but remained up mid-single digits for the year. Oil continued to tumble, down another 10% having lost as much as half of its value in the previous two months. This resulted in energy finishing as the worst sector for the year.

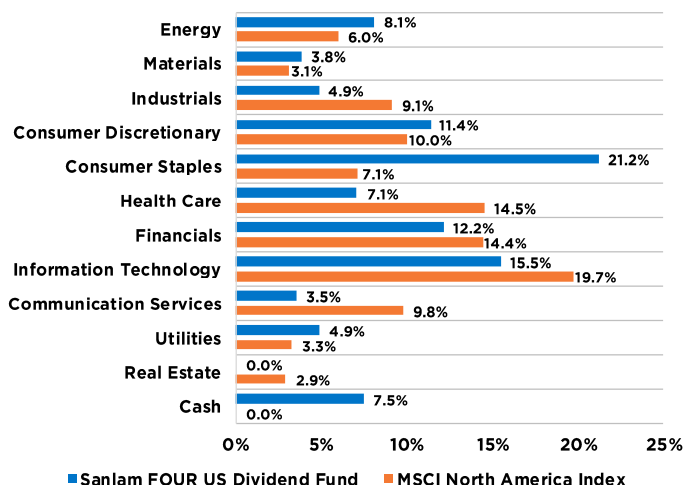
Interestingly, growth outperformed value in the month of December, falling by around 1% less than value during the decline. This capped the second consecutive bad year for value against growth. While in 2017 in a strong market advance value ended up participating, albeit timidly (up 13% vs. 20% for the markets), the year 2018 witnessed a rare occurrence in that the markets' decline was led by value. The style ended down 9%, with growth down less than 2%, a differential of 7% to add to the 16% outperformance of growth in 2017. Over the past five years growth has now outperformed value by 30%, and over ten years by 125%.

The fund outperformed the markets in December, despite value benchmarks underperforming the broader market. The portfolio ended the year with an average portfolio dividend yield of more than 3.7%, a peak for the year and at more than 150bps above the market's level, a historically attractive differential. Other valuation metrics also showed highly attractive discount differentials. Price to earnings and price to book are both over 35% cheaper than the market. On a price to sales basis, the discount, at more than 65%, highlights the value characteristics. This was coupled with an average leverage which was around 45% lower. These discount levels are reaching extremes not seen since the dotcom boom. With investors rightly concerned over the narrowness of returns this year, and valuations implicit in this group of companies, a change in market leadership is likely to prove very beneficial to the relative performance of this fund.

Market capitalisation



Sector breakdown



Sources for data: Sanlam, Bloomberg, MSCI

Fund information and charges

	Inception Date	ISIN	Bloomberg	SEDOL	Initial Charge	AMC	OCF	Price	Minimum investment	Type of Share
A GBP Accumulation	30/12/2014	IE00BSP5ZY44	SFUSDAG	BSP5ZY4	Up to 5%	0.75%	0.97%	15.6926	£1,000	Accumulation
A GBP Income	30/12/2014	IE00BSP60192	SFUSDIG	BSP6019	Up to 5%	0.75%	0.97%	14.4488	£1,000	Income
H GBP Accumulation	Awaiting Investment	IE00BF0FCN67	SFUSHGA	BF0FCN6	None	0.75%	0.99%	n/a	£1,000	Accumulation
H GBP Income	Awaiting Investment	IE00BF0FCP81	SFUSHGI	BF0FCP8	None	0.75%	0.99%	n/a	£1,000	Income
A USD Accumulation	20/05/2015	IE00BVDQ2617	SFUSDAU	BVDQ261	Up to 5%	0.75%	0.97%	12.8755	\$1,000	Accumulation
A USD Income	27/02/2015	IE00BVDQ2831	SFUSDIU	BVDQ283	Up to 5%	0.75%	0.97%	11.8363	\$1000	Income

Other share classes are available

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