Sanlam Investments

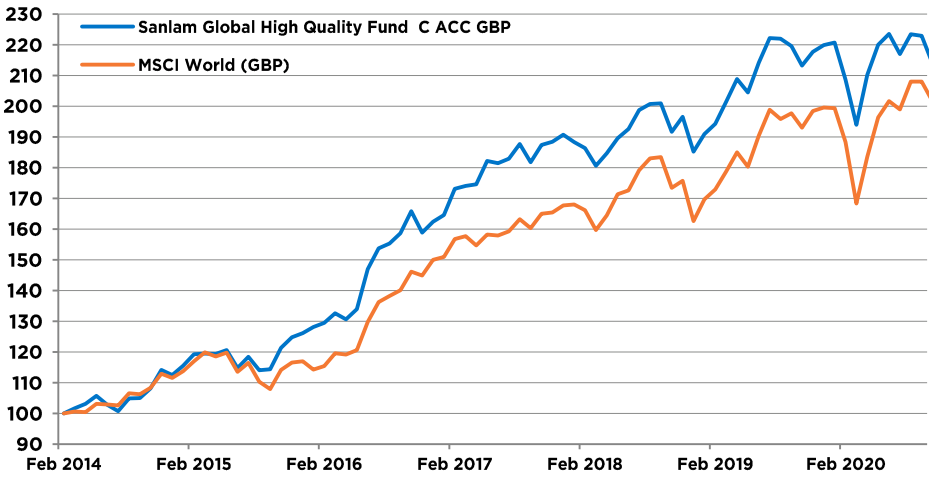
Sanlam Global High Quality Fund

October 2020 | Factsheet

Overview

The Fund is an actively managed portfolio of global equities with a high quality bias, high conviction and benchmark agnostic, with sector and regional positioning driven by bottom-up stock selection. The investment process is unconstrained seeking to invest in companies with predictable revenue growth that produces sustainable economic value.

Performance – past performance is not a guide to future performance



Class C returns are used to illustrate the fund's longest track record and it is a restricted share class per the fund information table on the next page. It is not available to retail clients. Class I 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 other available share classes and total fees, or contact us for details.** Source: Sanlam, SAMI, StatPro

Key facts

Fund AuM	£397.7m
Strategy AuM	£1850.0m
Number of Holdings	36
Active Share	89.9%
Portfolio Yield*	2.8%
Distribution Yield **	
C GBP	1.1%
I GBP	0.8%
G USD	0.9%
Fund Managers	Pieter Fourie William Ball
Benchmark	MSCI World
Fund Launch Date	28 February 2014
Domicile	Ireland
Base Currency	Sterling
Fund Type	OEIC, UCITS
IA Sector	Global
Morningstar Category	Global Large-Cap
Dealing Deadline	14:00 (GMT)
Settlement Time	T+3
Valuation Point	23:59 (GMT)
Distribution	Semi-Annually

Performance (%)

	Inception	1mth	YTD	1yr	3yrs	5yrs	Since Inception
C Accumulation GBP	28/02/14	-4.1	-2.7	0.3	4.5	12.0	12.1
MSCI World		-3.1	1.0	4.4	6.9	12.0	11.1
I Accumulation GBP	24/06/16	-4.1	-2.9	0.1	4.3	n/a	11.3
MSCI World		-3.1	1.0	4.4	6.9	n/a	12.7
A Accumulation GBP	02/01/15	-4.1	-3.6	-0.8	3.4	10.8	10.5
MSCI World		-3.1	1.0	4.4	6.9	12.0	10.7

Performance figures for periods longer than 12 months are annualized

Discrete years performance (%)

12 Months to	Oct-20	Oct-19	Oct-18	Oct-17	Oct-16
C Accumulation GBP	0.3	11.3	2.2	13.1	36.6
MSCI World	4.4	11.3	5.1	12.9	28.0
I Accumulation GBP	0.1	11.1	2.0	0.1	n/a
MSCI World	4.4	11.3	5.1	0.1	n/a
A Accumulation GBP	-0.8	10.1	1.2	11.9	35.1
MSCI World	4.4	11.3	5.1	12.9	28.0

Top ten holdings

Stock Name	Weight %
Alphabet	4.4%
British American Tobacco	3.7%
Samsung	3.5%
Booking Holdings	3.4%
Becton Dickinson	3.4%
Oracle	3.4%
Heineken	3.4%
Novartis	3.4%
Unilever	3.2%
Intercontinental Hotels	3.2%
Total	35.1%

* Portfolio yield is calculated by adding the gross dividend amounts for all dividend types that have gone 'ex' over the past 12 months based on the dividend frequency.
**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

The Fund may invest in companies based in emerging markets which may involve additional risks not typically associated with other more established markets such as increased risk of social, economic and political uncertainty. 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 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 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 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 arrangement's. 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.

Monthly commentary

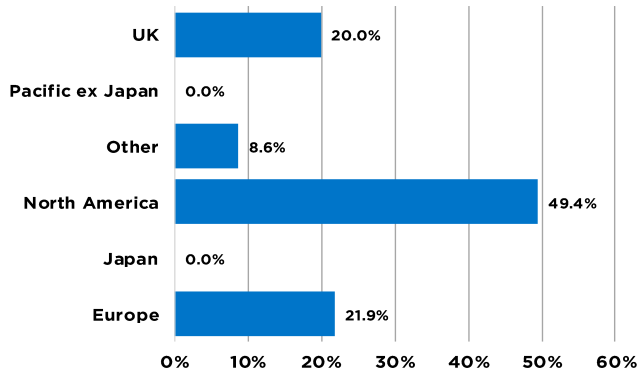
The Sanlam Global High Quality Fund underperformed the MSCI World Index during the month by 1.0%, with the fund down 4.1%.

The best performing stock during the month was Tencent (+15.2%). Tencent in some ways can be seen as a conglomerate in that they have equity stakes in more than 800 other businesses. Some of these businesses have done extremely well throughout the last few months and a lot of Tencent's strong share price reaction can be attributed to this. These companies include JD.com (20% stake, up 137% year-to-date), Pinduoduo (17% stake, up 144% ytd), Sea Limited (20% stake, up 302% ytd), Meituan (20% stake, up 191% ytd), and Tesla (5% stake, up 375% ytd).

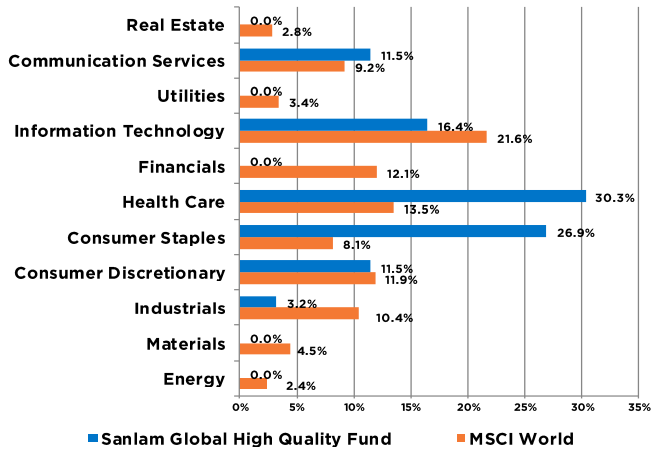
Tencent is now up more than 60% year-to-date. Automatic Data Processing (+13.0%) and Alphabet (+10.1%) have been other strong performers. ADP had better-than-expected results as small and medium sized businesses remained resilient throughout the quarter. Alphabet also had strong results as the digital advertising market bounced back strongly from its Q2 lows.

In terms of laggards, Bayer (-25.1%) and Danone (-15.2%) underperformed. Bayer announced a cut to their 2021 guidance on the back of a weaker-than-expected outlook for their Crop Science division. Part of this is due to lower commodity prices. Danone missed expectations for their latest results and have announced a strategic review.

Regional breakdown



Sector Breakdown



Source: Sanlam, StatPro

Fund information and charges

	Inception Date	ISIN	Bloomberg	SEDOL	Initial Charge	AMC	OCF	Price	Minimum investment	Type of Share
C GBP Accumulation	28/02/2014	IE00BJWHZ516	SGHQCGA	BJWHZ51	None	0.55%	0.61%	2.1381	£10,000,000	Accumulation
C GBP Income	28/02/2014	IE00B97F9X63	SGHQCGI	B97F9X6	None	0.55%	0.64%	2.0049	£10,000,000	Income
A GBP Accumulation	02/01/2015	IE00B97B4V77	SGHQBUA	B97B4V7	None	1.60%	1.68%	1.7890	£300	Accumulation
I GBP Accumulation	24/06/2016	IE00BYV7PR98	SANGHFA	BYV7PR9	None	0.75%	0.83%	1.5972	£1,000,000	Accumulation
I GBP Income	09/11/2015	IE00BYV7PQ81	SANGHFI	BYV7PQ8	None	0.75%	0.83%	1.6950	£1,000,000	Income
IH USD Accumulation	01/05/2018	IE00BZ1CS491	SGHQIUA		None	0.75%	0.86%	1.1590	$1,000,000	Accumulation
G USD Accumulation	11/07/2016	IE00BYV7PT13	SANGHGA	BYV7PT1	None	0.75%	0.82%	1.3913	$1,000,000	Accumulation

Other share classes are available

Contact us

Liz Adnitt
Sales Director
T +44 (0) 20 3116 4071
Email : Liz.Adnitt@sanlam.co.uk

Tom Whitfield
Sales Manager
T +44 (0) 20 3116 4016
Email : Tom.Whitfield@sanlam.co.uk

Bruce Simpson
UK & SA Institutional Sales
T +44 (0) 20 3316 4064
Email : Bruce.Simpson@sanlam.co.uk

Sanlam Investments, Monument Place, 24 Monument Street, London, EC3R 8AJ
T +44 (0) 20 3116 4000

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