Denker Global Equity Fund

A sub fund of Sanlam Universal Funds plc
Class A USD

Minimum disclosure document
(fund fact sheet)

31 January 2019

This fund was formerly named the Sanlam Global Best Ideas Fund.

Fund objective

The Fund aims to provide above average long-term capital growth by investing in global equities that the Investment Manager has identified as being undervalued and as offering above average growth potential.

Investment style

The Investment Manager seeks to achieve the objective of the fund by investing in undiscovered and neglected global equities that the Investment Manager has identified as being undervalued and offering above average growth potential over time.

Asset allocation as at month end

Top 10 holdings

Cisco	USA	4.4%
Microsoft	USA	4.2%
Becton Dickinson & Co.	USA	4.1%
Oracle	USA	3.4%
Apple	USA	3.3%
Medtronic Inc	USA	3.3%
JP Morgan	USA	3.0%
Royal Dutch Shell	Europe	2.8%
Verizon	USA	2.8%
NVR Inc	USA	2.7%

Asset allocation

Equities	97.3%
Cash	2.7%

Geographical breakdown

USA	51.7%
Europe	18.8%
UK	18.5%
Asia	7.3%
Cash	2.7%
Eastern Europe	0.9%

Sectors

Information Technology	23.6%
Financials	21.3%
Health Care	14.1%
Consumer Staples	10.3%
Industrials	9.2%
Consumer Discretionary	8.2%
Communication Services	5.5%
Energy	5.0%
Cash	2.7%

Key facts

Fund inception	2 September 2004
Benchmark	MSCI World Index TR
Portfolio manager	Pierre Marais
Base currency	US Dollar
Fund type	UCITS
Domicile	Ireland
Fund size	$97 million
Unit price	$2.0784
Minimum investment	$1 000
Class inception	2 September 2004
Distribution	This fund does not distribute. Income is automatically added to the NAV.
Morningstar category	Global Flex-Cap Equity
ISIN	IE00B193PW34
SEDOL	B193PW3
Bloomberg	SANUGLA ID

Performance summary (in USD)

	Denker Global Equity Fund	Benchmark: MSCI World Index TR
Annualised performance		
1 Year	-10.4%	-6.5%
3 Years	9.3%	11.3%
5 Years	4.3%	6.9%
10 Years	9.6%	11.5%
Since inception	5.9%	6.9%
Cumulative performance		
YTD	7.9%	7.8%
Since inception	137.0%	253.8%
Actual annual performance		
Highest annual return	78.1%	
Lowest annual return	-22.5%	

Based on 12 month rolling periods over 10 years (or since inception where the the performance history does not exist for 10 years).

Source of all performance figures: Morningstar and Denker Capital. Performance figures are net of fees.

Portfolio manager

Pierre Marais
Ph.D., MBA

Pierre joined Denker Capital in 2015. He started his investment career doing mergers and acquisitions work for Engen Petroleum in the mid-nineties. Pierre joined Prudential Portfolio Managers in 1998 before participating in the establishment of African Harvest Fund Managers, where he became a portfolio manager in 2002. He was a founding member of Orthogonal Investments, a boutique asset manager which started in 2007 and was sold to Citadel Wealth Management in 2011. Pierre was instrumental in setting up the in-house equity business at Citadel, where he and his team managed both domestic and global funds on behalf of clients.

Quarterly comment: December 2018

Just as a week is a long time in politics (and an eternity in Brexit politics), so a quarter seemed to be a long time in the equity market in 2018. It's worth remembering that at the start of the quarter, world equity markets were some 6% higher in US$ than at the beginning of 2018. As we survey the final 3 months of the year, that rosy state of affairs lies in ruins (MSCI World 4Q 2018 total return: -13.4%).

Sentiment became heavily negative in the quarter as newsflow appeared to take a turn for the worse, culminating in a December market rout. Here are some of the main contributors to a febrile 3 months:

The usual minute scrutiny of comments from the US Fed delivered a more hawkish than expected verdict in October. The US – China trade war seemed to worsen even as the Chinese economy slowed markedly. A "hard Brexit" for the UK became more likely. Oil prices plunged as worries of oversupply from the US and non-OPEC countries in a slower-demand global economy overwhelmed the hoped for supply cuts agreed by OPEC.

The fund outperformed its benchmark in the December quarter, despite having no exposure to two traditional "risk-off" sectors – Utilities and Real Estate (which both have poor long term cash flow returns). Holdings in Communication Services provided the biggest sector boost to outperformance, with Verizon being one of the few stocks with a positive return in the period (+6%). Following the fall in oil prices, it was no surprise that Energy was the worst sector in the benchmark (-22%). An underweight stance here and avoidance of optimistically priced US energy companies also contributed to good relative performance. The fund's Health Care investments fell less (-6.4%) than the average sector return, with Roche (+1.4%) the standout. Other investments that withstood the market's negative onslaught relatively well were Unilever (-2%), Pepsico (-0.6%) and Novartis (-1.3%), while avoidance of Amazon (-25%) provided a rare boost as well. Among the most relevant detractors to performance were recent acquisition Ashtead Group plc (the London-listed second largest equipment rental business in the US; -34%), Apple (-30%) and Lions Gate Entertainment Corp. (-34%).

With the low volatility of 2017 a distant memory and the hopes of further synchronised global growth dashed on the rocks of trade wars, a dysfunctional US administration, Brexit fears and other European political turmoil, there is certainly a confident forecast out there somewhere by a member of the commentariat for every possible outcome in the year ahead. We pay even less attention than usual to the wide spread of anticipated market trajectories. From our perspective, a necessary correction is unfolding, leaving a more comprehensive suite of undervalued assets to work with. Bleak times are always an opportunity to uncover bargains; we hope to be able to take advantage of these in 2019 and beyond.

The fund endeavours to control risk in a rational manner by dampening hard-to-predict factor exposures and focussing its risk budget on proven bottom-up stock picking.

Based on current consensus expectations the fund offers a more attractive valuation than the overall market (fwd P/E: 11.2x vs. 13.4x and Div Yld: 3.1% vs. 2.7%), while producing a better return (ROE: 22% vs. 18%) and better profitability (operating margin: 23% vs. 20%). The fund has an active share of 87%.

Denker Global Equity Fund

A sub fund of Sanlam Universal Funds plc
Class A USD

Minimum disclosure document
(fund fact sheet)

31 January 2019

This fund was formerly named the Sanlam Global Best Ideas Fund.

DENKER CAPITAL

Fees

	Class A USD
Initial fee/ Front end load	0% (up to 5% with intermediary
Annual management fee	1.50%
Management performance fee	
Performance fee benchmark	MSCI World Index TR
Base fee	1.50%
Fee at benchmark	1.50%
Fee hurdle	MSCI World Index TR
Sharing ratio	20%
Minimum fee	1.50%
Fee example	1.50% p.a. if the fund performs in line with the performance fee benchmark
Total expense ratio (TER)[1]	1.58%
Transaction cost (TC)[2]	0.15%
Total investment charges (TER+TC)[3]	1.73%

Other allowed expenses include depositary fees, custody fees, administration fees, director's fees, legal fees, audit fees, bank charges, regulatory fees, brokerage/trading fees.

Notes

1. TER — 1 July 2015 to 30 June 2018

The percentage of the value of the financial product that was incurred as expenses relating to the administration of the product. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs.

2. TC — 1 July 2015 to 30 June 2018

The percentage of the value of the financial product that was incurred as costs relating to the buying and selling of the assets underlying the product. TCs are a necessary cost in administering the product and impacts the product's returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, type of financial product, investment decisions of the investment manager and the TER.

3. TER+TC

The percentage of the value of the financial product that was incurred as costs relating to the investment of the financial product.

Risk profile: Aggressive

You can afford to take on a higher level of risk (i.e. will have a greater exposure to equities in your portfolio) because of your investment time horizon, or your appetite for risk. You know that in taking the risk, you need to be patient if you want to achieve the results. So you are willing to invest for the long-term and are prepared to tolerate some volatility in the short term, in anticipation of the higher returns you expect to receive in five years or beyond.

Fund information

Manager	Sanlam Asset Management (Ireland)
Investment Manager	Denker Capital (Pty) Ltd, an authorised financial services provider under the South African Financial Advisory and Intermediary Services Act, 2002.
Depositary/ Custodian	Brown Brothers Harriman Trustee Services (Ireland) Ltd
Administrator	Sanlam Asset Management (Ireland)
Transfer Agency	Brown Brothers Harriman Fund Administration Services (Ireland) Ltd
Listing	Irish Stock Exchange
Salient risk factors	This fund is relatively high risk in relation to other asset classes due to its equity based investment approach, however the investment manager aims to reduce the overall risk by their value and fundamental stance.
Dealing/Redemption frequency	Daily
Dealing deadline	4 PM (Irish time on the business day before a dealing day)
Valuation point	Midnight (South African time) on each dealing day.
Daily prices	Irish Stock Exchange & www.sanlam.ie

Contact information

Investment Manager and client service: Denker Capital

T | +27 21 950 2168 F | +27 86 675 5004
E | service@denkercapital.com W | www.denkercapital.com

6th Floor, The Edge, 3 Howick Close, Tyger Falls, Bellville, 7530
South Africa

The appointed investment manager is Denker Capital (Pty) Ltd, an authorised financial services provider in terms of Financial Advisory and Intermediary Act, 2002, FSP 47075.

Manager: Sanlam Asset Management (Ireland)

T | +353 1 2053510 F | +353 1 2053521
E | intouch@sanlam.ie W | www.sanlam.ie

Beech House, Beech Hill Road, Dublin 4
Ireland

Company registration number: 267640 – UCITS IV Management Company & Alternative Investment Fund Manager regulated by the Central Bank of Ireland and is licensed as a Financial Services Provider in terms of Section 8 of the South African FAIS Act of 2002.

Depositary/Custodian: Brown Brothers Harriman Depositary Services (Ireland) Ltd

T | +353 1 241 7130 F | +353 1 241 7131

30 Herbert Street, Dublin 2
Ireland

Denker Global Equity Fund

A sub fund of Sanlam Universal Funds plc
Class A USD

Minimum disclosure document
(fund fact sheet)

31 January 2019

This fund was formerly named the Sanlam Global Best Ideas Fund.

Regulatory statement

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 an 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.

The Sanlam Universal Funds Plc full prospectus, the Fund supplement, the MDD and the KIID is available free of charge from the Manager or at www.sanlam.ie. This is neither an offer to sell, nor a solicitation to buy any securities in any fund managed by us.

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 the MDD and the KIID. 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. A schedule of fees and charges and maximum commissions is available on request from the Manager.

This is a Section 65 approved fund under the Collective Investment Schemes Control Act 45, 2002 (CISCA). Sanlam Collective Investments (RF) (Pty) Ltd is the South African Representative Office for this fund.

The information to follow does not constitute financial advice as contemplated in terms of the South African Financial Advisory and Intermediary Services Act. Use or rely on this information at your own risk. Independent professional financial advice should always be sought before making an investment decision, 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 and past performance is not necessarily a guide to the future performance. Changes in exchange rates may have an adverse effect on the value, price or income of the product. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. Collective investments are calculated on a net asset value basis, which is the total market value of all assets in the portfolio including any income accruals and less any deductible expenses such as audit fees, brokerage and service fees. Actual investment performance of the portfolio and the investor will differ based on the initial fees applicable, the actual investment date, the date of reinvestment of income as well as dividend withholding tax. Forward pricing is used. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The performance of the portfolio depends on the underlying assets and variable market factors. Trail commission and incentives may be paid and are for the account of the Manager.

The Manager has the right to close any Portfolios to new investors to manage them more efficiently in accordance with their mandates. Performance figures for periods longer than 12 months are annualised. The performance fee is accrued daily, based on performance over a rolling 6 month period with payment to the manager being made bi-annually. Performance fees will only be charged once the performance fee benchmark is outperformed. The portfolio management of all the portfolios are outsourced to Regulated and authorised financial services providers.

Glossary Terms

Annualised total returns
Annualised return is the weighted average compound growth rate over the period measured.

Capital growth
Capital growth is the profit made on an investment, measured by the increase in its market value over the invested amount or cost price. It is also called capital appreciation.

Equities
Equities are shares that represent an institution's or individual's ownership in a listed company. These shares are also the "vehicle" through which they are able to "share" in the profits made by that company. As the company grows, and the expectation of improved profits increases, the market price of the share will increase which translates into a capital gain for the shareholder. Similarly, negative sentiment about the company will result in the share price falling.

Shares / equities are usually considered to have the potential for the highest return of all the investment classes but also have the highest level of risk i.e. share investments have the most volatile returns over the short term. An investment in equities should be viewed with a 7 to 10 year horizon.

Undervalued equity stocks (value investing approach)
This is a strategy of selecting shares that trade for less than their intrinsic values. Value investors actively seek stocks that they believe the market has undervalued. They believe the market overreacts to good and bad news, resulting in stock price movements that do not correspond with the company's actual long-term fundamentals. The result is an opportunity for value investors to profit by buying when the price is deflated.

Securities
A general term for shares, bonds, money market instruments and debentures.

Collective investment scheme (CIS)
Collective investment schemes (also called unit trusts) are portfolios of assets such as equities, bonds, cash and listed property, in which investors can buy units. They allow private investors to pool their money together into a single fund, thus spreading their risk across a range of investments, getting the benefit of professional fund management, and reducing their costs.

Total expense ratio (TER)
This is the total costs associated with managing and operating an investment administration, financial planning and servicing fees. These costs consist primarily of management fees and additional expenses such as trading fees, legal fees, auditor fees and other operational expenses. The total cost of the fund is divided by the fund's total assets under management to arrive at a percentage amount, which administration, financial planning and servicing fees. These costs consist primarily of management fees and additional expenses such as trading fees, legal fees, auditor fees and other operational expenses. The total cost of the fund is divided by the fund's total assets under management to arrive at a percentage amount, which represents the TER.

Standard deviation
Standard deviation (also called monthly volatility) is a measure of how much returns on an investment change from month to month. It is typically used by investors to gauge the amount of expected volatility in an investment.

Issue date:
19 February 2019

+27 21 950 2603 service@denkercapital.com www.denkercapital.com