Denker Global Dividend Fund

A sub fund of Sanlam Universal Funds plc
Class A USD

Minimum disclosure document
(fund fact sheet)

31 March 2021

DENKER CAPITAL

Fund objective

The objective of the fund is to provide a regular and growing stream of income derived from equity dividends for investors with the potential for real growth in capital value.

Investment style

The manager strives to achieve the fund objective through investing in the shares of companies that are offering relatively high dividend yields and are well established, have healthy balance sheets, generate strong cash flows and have demonstrated a commitment to paying regular dividends.

Asset allocation as at month end

Top 10 holdings

Procter & Gamble	US	4.9%
JP Morgan	US	3.8%
Roche Holding	Europe	3.8%
Verizon	US	3.5%
Novartis	Europe	3.3%
Cisco	US	3.2%
PepsiCo	US	3.1%
Legal & General	UK	2.9%
Lockheed Martin	US	2.9%
Broadcom Inc.	US	2.8%

Asset allocation

Equities	95.2%
Cash	4.8%

Geographical breakdown

US	54.6%
Europe	20.4%
UK	16.6%
Cash	4.8%
Asia	2.4%
Scandinavia	1.2%

Sectors

Financials	22.3%
Consumer Staples	18.4%
Health Care	15.5%
Consumer Discretionary	12.4%
Information Technology	12.1%
Industrials	6.3%
Cash	4.8%
Energy	4.8%
Communication Services	3.5%

Key facts

Fund inception	6 September 2012
Benchmark	Composite index: Annualised income yield of the MSCI World High Dividend Yield NTR Index + US CPI
Portfolio manager	Douw Steenekamp
Base currency	US Dollar
Fund type	UCITS
Domicile	Ireland
Fund size	$8 million
Unit price	$1.1213
Minimum investment	$1,000
Class inception	6 September 2012
Distribution	Bi-annual (detail on page 3).
Morningstar category	Global Equity Income
ISIN	IE00B7VS0236
SEDOL	B7VS023
Bloomberg	SANSGAU ID

The codes above are for Class A USD (Inc).

Performance summary (in USD)

	Denker Global Dividend Fund	Benchmark: Composite index
Annualised performance		
1 Year	35.2%	5.0%
3 Years	2.2%	5.0%
5 Years	3.9%	5.2%
10 Years	-	-
Since inception	5.3%	4.7%
Cumulative performance		
YTD	6.3%	1.3%
Since inception	55.1%	48.7%
Actual annual performance		
Highest annual return	19.8%	
Lowest annual return	-13.4%	

Based on a calendar year period 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.

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Portfolio manager

Douw Steenekamp
B.Compt. (Hons), CA(SA)

Douw manages the Denker Global Dividend Fund and its rand-denominated feeder fund. He also managed the Denker Global Equity Fund from 2012 to 2017. He joined Old Mutual Asset Managers (now OMIGSA) in 1991, where he held several research positions during the next 15 years, including head of the industrial sector research team, before assuming responsibility for the value equity style boutique in 2002. During his time at Old Mutual, Douw managed various unit trusts, including the Old Mutual Consumer Fund, Value Fund and High Yield Opportunity Fund, in addition to a number of institutional portfolios. In 2007, Douw co-founded Orthogonal Investments – a boutique asset manager managing domestic, long-only balanced, bond and equity mandates – and also co-managed the Nedgroup Investments Equity Fund. Douw joined the business in 2011, bringing with him extensive industry experience.

Quarterly comment: March 2021

Market review

After a strong recovery in the final quarter of last year, the MSCI World Index once again delivered good performance as investors earned 4.9% for the quarter. The quarter was not without some volatility as the weakness in developed market bond markets weighed on the fast growing technology company prices. The yield on 10-year US bonds rose from 0.9% at the end of 2020 to 1.74% at the end of the first quarter. These higher yields reflect both higher real returns and the market's concerns around future inflation.

The higher 10-year yield (and the impact of higher discount rates on the valuations of companies with high growth expectations) and expectations of the continued re-opening of the global economy due to the vaccine roll-out, were the main drivers of equity returns at a sector and stock level. The energy and financial sectors, which were the main laggards in 2020 along with other cyclical sectors, continued their strong comeback during the quarter (energy +22%, financials +14%) while healthcare (+1%), technology (+1%), consumer staples (-1%) and utilities (flat) lagged.

The year started with unexpected drama when President Trump challenged election results. The House impeached Trump in the wake of the Capitol Hill riots on 6 January. As a result, Trump became the only President in the history of the US to be impeached twice. The Senate once again, acquitted him. The House passed a $1.9 trillion Covid-19 relief bill, despite much market commentary about the strength of the US recovery. President Biden signed the bill into law and indicated another round of spending, estimated at a cost of $3 trillion, on infrastructure. In the last week of the quarter the Wall Street Journal reported that the US was vaccinating on average 2.8 million people a day. At the current rate, 75% of people would be vaccinated by the end of June.

The UK spent much of the first quarter in hard lockdown following the identification of a new much more infectious strain of the virus. The UK, which approved the use of vaccines late last year vaccinated more than 40% of its population in the first quarter. Towards the end of the quarter, Europe experienced an increased level of infections and has reintroduced lockdowns. These have not been popular with the electorate given the slow rollout of the vaccines which could have reduced the need for the tighter restrictions.

Portfolio review

The market's growing apprehension about the prospect of a faster than anticipated rise in inflation, triggered by continued pandemic induced monetary stimulus coupled with President Biden's proposed massive infrastructure investment and already rising commodity prices, has prompted a steady rise in Treasury yields. This appears to have catalysed the commencement of the long-awaited reassessment of the huge disparity in valuations between so-called 'growth' and 'value' shares. Due to the fund's explicit focus on shares offering above average dividend yields, its investments are unavoidably concentrated in the second group.

The fund had a good quarter, outperforming the 6.1% return of the MSCI World High Dividend Yield Index, which, in turn, outperformed the overall market as represented by the MSCI World Index. The largest contributions to this good relative performance came from the fund's exposures to the financial and consumer discretionary sectors, while its exposures to the information technology and consumer staples sectors were the biggest detractors from relative performance.

Notable positive contributions were made by the fund's holdings in Travel + Leisure Company (formerly known as Wyndham Destinations) (+31%), JP Morgan Chase (+21%), American International Group (+23%), Citigroup (+19%) and HP Inc (+30%). The largest detractors from performance were Novartis (-6%), Roche Holdings (-4%), Unilever (-6%), PepsiCo (-4%) and Samsung Electronics (-4%).

Despite posting a big advance during the previous quarter, Travel + Leisure Company continued to perform well - buoyed by the success of the US vaccine roll-out and growing confidence that the company is set to benefit from the significant pent-up demand for domestic leisure travel.

The fund's financial sector holdings, led by JP Morgan Chase, American International Group, Citigroup and ING Groep, all performed well during the period thanks to reassuring reporting, the prospect of enhanced profitability resulting from higher yields and an expectation of faster lending growth resulting from the economic recovery.

Distribution

The fund declared a distribution of 2.32 US cents per unit (Class A) for the six-month period to the end of March 2021. This is 7% higher than that declared during the corresponding period of the previous year and is a gratifying outcome considering the events of the past year. Combined with the 1.76 US cents per unit distribution paid for the period to September 2020, it denotes a dividend yield of 4.7% (net of withholding taxes paid by the fund) on capital invested 12 months ago. This compares favourably with the 3.5% gross yield of the MSCI World High Dividend Yield Index at quarter end.

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Distribution: Class A USD (Inc)

Frequency	Bi-annually (April and October)
Declaration dates	31 March and 30 September
Last three distributions	**31 March 2021:** 2.32 cents per unit **30 September 2020:** 1.76 cents per unit **31 March 2020:** 2.16 cents per

Fees

	Class A USD (Inc) Income distributed	Class I USD (Acc) Income accumulated
Annual management fee	Fixed fee of 1.25% per annum	
Total expense ratio (TER)[1]	1.44%	1.40%
Transaction cost (TC)[2]	0.19%	0.19%
Total investment charges (TER+TC)[3]	1.63%	1.59%

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 January 2018 to 31 December 2020

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 January 2018 to 31 December 2020

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	Brown Brothers Harriman Fund Administration
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

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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)

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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

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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.

Dividend income
The investor's share of a company's profits, given to him or her as a part-owner of the company.

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 April 2021