Sanlam PRIVATE Wealth

Sanlam Private Wealth Global High Quality Feeder Fund A1

31 MAY 2022

(minimum disclosure document)

Conservative | Cautious | Moderate | Moderate Aggressive | Aggressive

FUND OBJECTIVE

The Feeder Fund aims to provide capital growth over the long term by investing in the Sanlam Global High Quality Fund.

FUND STRATEGY

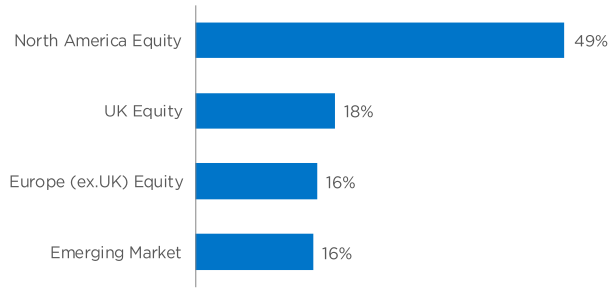
The Feeder Fund will invest in the Sanlam Global High Quality Fund, (established under the Sanlam Universal PLC), an actively managed portfolio of global equities with a high quality bias. The Global High Quality Fund is high conviction and benchmark agnostic, with sector and regional positioning driven by bottom-up stock selection. Its allocation to emerging market listed companies is limited to no more than 30% of the assets. The Fund typically invests in companies that have strong balance sheets, high cash returns on assets, relatively low capital requirements, a high market share in their chosen products of service lines, short customer repurchase cycles and long product cycles. The Fund can hold up to 22% of its total net assets in cash or cash equivalents should the investment manager feel it appropriate.

TAX FREE UNIT TRUST

This Fund qualifies as a tax free investment according to section 12T of the Income Tax Act, with effect from 1 March 2015. South African individuals qualify for the associated tax benefits namely no tax on dividends, income or capital gains whilst still enjoying all the benefits of a unit trust. Note contributions to tax free investments are limited to R33 000 per tax year, with a lifetime limit of R500 000. Amounts invested in excess of these permissible thresholds are taxable.

GEOGRAPHICAL ALLOCATIONS

Sanlam Asset Management (Ireland)



ANNUALISED PERFORMANCE FIGURES	1 Year	3 Years	Since Inception
Fund	4.89%	8.93%	8.82%
Benchmark	8.61%	15.80%	14.09%

Please note performance figures are net of fees as at 31 May 2022

Actual Highest Annual Figures	(2019/2020)	23.95%
Actual Lowest Annual Figures	(2021/2022)	-0.57%

TOP 10 EQUITY HOLDINGS

Source: Morningstar (31 May 2022)

Anthem	5.2%
British American Tobacco	5.2%
Netease	4.3%
Fiserv	4.3%
Alphabet	4.1%
Visa	4.1%
Electronic Arts	3.9%
Bayer	3.8%
Novartis	3.5%
London Stock Exchange	3.5%

FUND INFORMATION

ASISA Fund Classification	Global—Equity—General
Risk Profile	**Aggressive**
Return Profile	Long Term
Benchmark	**MSCI Daily World Total Return Net World Index**
Launch Date	1 July 2017
Issue Date	**21 June 2022**
Minimum Investment	Lump Sum : R30 000 Monthly : R500
Portfolio Size (as at 31 May 2022)	**R302.6**
Income Decl Dates	December
Income Payment Date	**1st working day January**
Annual Distribution	n/a
Valuation Time Of Fund	**15:00**
Transaction Cut Off Time	15:00
Daily Price Information	**Local Newspapers and www.sanlamunittrusts.co.**
Repurchase Period	3 Working Days

FEES (INCL VAT)

	A1-Class (%)
Advice Initial Fee (max)	3.45
Manager Initial Fee	N/A
Advice Annual Fee (max)	1.15
Manager Annual Fee	0.57
Total Expense Ratio (TER)	1.41
Transaction Cost	0.09
Total Investment Cost	1.50

ASSET ALLOCATIONS

The fund invests mostly in equity

SECTOR ALLOCATIONS

Excl Cash	Weight%	Index%
Communication Services	17.6	7.5
Utilities	0.0	3.2
Information Technology	22.9	21.3
Financials	3.5	13.8
Health Care	23.3	13.4
Consumer Staples	16.4	7.4
Consumer Discretionary	10.3	10.7
Industrials	3.1	9.9
Materials	0.0	4.7
Energy	0.0	5.3

ABOUT THE PORTFOLIO 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 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 $0.7bn.

MONTHLY COMMENTARY

The Sanlam Global High-Quality Fund outperformed the MSCI World Index during the month by 0.9%, with the fund up 1.0%.

The best performing stock during the month was Electronic Arts (+17.1%). Early in the month the company posted some strong results and better-than-expected guidance. This was done with the background headline news that FIFA and EA are going to end their long-standing relationship. We remain confident that this will not have a huge effect on EA given that the value of the game for players lies in the gameplay and the vast collection of other licenses that EA owns. We have seen this dynamic play out in other football simulation games, for example Championship Manager.

It was a busy month for EA as they were also the recipient of take-over rumours. Sources say that EA reached advanced stages with Comcast before the deal fell apart over price and post-deal management structures. It remains to be seen if this attracts other buyers. Bayer (+10.9%) and Imperial Brands (+8.8%) also performed well during the quarter. Both companies posted better-than-expected results for the first quarter of the year.

In terms of laggards, Sabre (-28.5%) and Akamai (-10.3%) struggled. Sabre confirmed weaker guidance at their results.

RISK PROFILE

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 your expect to receive in five years or beyond.

GLOSSARY TERMS

Aggressive risk rating Willingness to take risk is reflected both in the types of securities held and in the concentration of holdings in favoured market sectors. Possible loss of capital is accepted. More active portfolio adjustment is typical.

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

Collective investment scheme 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 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.

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.

Feeder fund A feeder fund is a portfolio that invests in a single portfolio of a collective investment scheme, which levies its own charges and which could result in a higher fee structure for the feeder fund.

Liquidity The ability to easily turn assets or investments into cash.

Total Expense Ratio (TER) Period: 1 April 2019 to 31 March 2022.

Total Expense Ratio (TER) 1.41% of the value of the Financial Product was incurred as expenses relating to the administration of the Financial Product. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. The TER and Transaction Costs cannot be determined accurately because of the short life span of the Financial Product. Calculations are based on actual data where possible and best estimates where actual data is not available.

Transaction Cost (TC) 0.09% of the value of the Financial Product was incurred as costs relating to the buying and selling of the assets underlying the Financial Product. Transaction Costs are a necessary cost in administering the Financial Product and impacts Financial Product returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Financial Product, the investment decisions of the investment manager and the TER.

Total Investment Charges (TER + TC) 1.50% of the value of the Financial Product was incurred as costs relating to the investment of the Financial Product.

Participatory interest When you buy a unit trust, your money is pooled with that of many other investors. The total value of the pool of invested money in a unit trust fund is split into equal portions called participatory interests or units. When you invest your money in a unit trust, you buy a portion of the participatory interests in the total unit trust portfolio. Participatory interests are therefore the number of units that you have in a particular unit trust portfolio.

MANDATORY DISCLOSURE

All reasonable steps have been taken to ensure the information on this MDD is accurate. The information to follow does not constitute financial advice as contemplated in terms of the Financial Advisory and Intermediary Services Act. Independent professional financial advice should always be sought before making an investment decision.

The Sanlam Group is a full member of the Association for Savings and Investment SA. Sanlam Collective Investments (RF) (Pty) Ltd is a registered and approved Manager in Collective Investment Schemes in Securities. Collective investment schemes are generally medium- to long-term investments. Past performance is not necessarily a guide to future performance, and the value of investments / units / unit trusts may go down as well as up. A schedule of fees and charges and maximum commissions is available from the Manager on request. Additional information of the proposed investment, including brochures, application forms and annual or quarterly reports, can be obtained from the Manager, free of charge. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending.

The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. 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. Forward pricing is used. Performance is based on NAV to NAV calculations with income reinvestments done on the ex-div date. Actual performance is calculated for the portfolio and the individual investor performance may differ as a result of initial fees, actual investment date, date of reinvestment and dividend withholding tax.

The manager has the right to close the portfolio to new investors in order to manager it more efficiently in accordance with its mandate. The performance of the portfolio depends on the underlying assets and variable market factors. Lump sum investment performances are quoted. All the portfolio options presented are approved collective investment schemes in terms of Collective Investment Schemes Control Act, No 45 of 2002 (“CISCA”). The fund may from time to time invest in foreign countries and therefore it may have risks regarding liquidity, the repatriation of funds, political and macroeconomic situations, foreign exchange, tax, settlement, and the availability of information.

The management of investments is outsourced to Sanlam Private Wealth (Pty) Ltd (2000/023234/07) a member of the Johannesburg Stock Exchange, an Authorised Financial Services Provider (FSP 37473) under the Financial Advisory and Intermediary Services Act, 2002 and a Registered Credit Provider (NCRCP1867). The Manager retains full legal responsibility for the co-named portfolio. The manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Standard Bank of South Africa Ltd is the appointed trustee of the Sanlam Collective Investment Scheme. Obtain a personalised cost estimate before investing by visiting www.sanlamunittrustsmdd.co.za and using our Effective Annual Cost (EAC) calculator. Alternatively, contact us at 0860 100 266.

CONTACT INFORMATION

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