

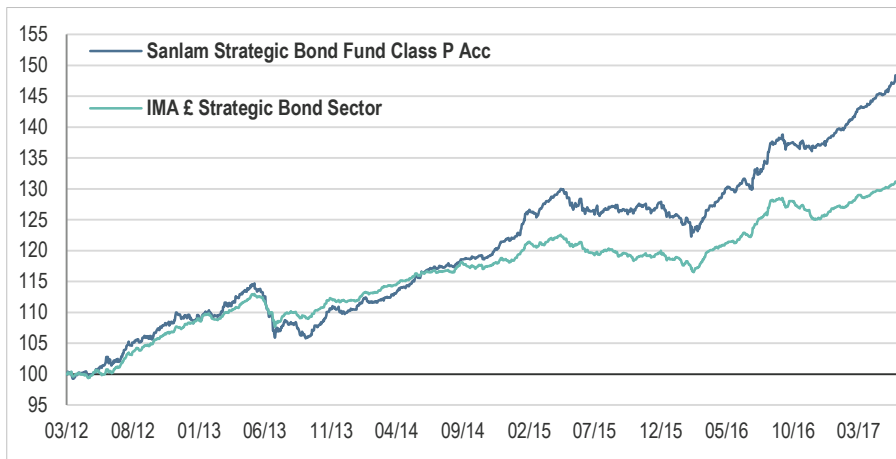
FUND OBJECTIVE

Total return: Objective is to provide a total return for investors, with an attractive monthly income and capital growth potential. The Fund is not designed to track a reference benchmark or peer group.

Value driven credit approach: Investing in undervalued credit sectors and specific bond issues primarily in the investment grade/crossover area.

Active macro tactical overlay: Seeks to actively enhance total returns by allocating to government bonds on either an FX hedged/unhedged basis.

PERFORMANCE – Past performance is not a reliable indicator of future results



Net returns for Class P Acc GBP are used to illustrate the Fund's longest track record. Inception Date: 2 March 2012. For fee information please see the table on page 2. Please see table below for the effect of charges on performance. Sources: Sanlam FOUR and Bloomberg.

PERFORMANCE – 31/05/17 (%)

	1 Month	3 Months	Year to Date	1 Year	Ann. 3 Year	Ann. 5 Year	Cum. Since Inception	Ann. Since Inception
P Acc GBP*	2.2	3.9	7.2	13.7	8.4	7.8	48.6	7.8
IA £ Strategic Bond Sector**	1.0	1.9	3.5	7.8	4.1	5.5	31.5	5.4
A Income GBP	2.1	3.7	6.9	13.0	7.7	7.1	42.1	7.2
A Accumulation GBP	2.1	3.7	6.9	12.9	7.7	-	40.2	7.1
I Income GBP	2.2	3.8	7.1	13.4	8.3	-	28.7	8.6
I Accumulation GBP	2.2	3.8	7.1	13.4	8.2	-	28.7	8.6
P Accumulation USD	2.3	4.2	7.7	14.4	8.5	-	30.5	6.9
P Income GBP	2.2	3.9	7.2	13.7	8.4	7.8	48.4	7.8

HISTORICAL PERFORMANCE

	2016	2015	2014***	2013***	2012***
P Accumulation GBP	10.3	2.7	10.2	1.4	9.5
A Income GBP	9.6	2.0	9.5	0.6	7.9
A Accumulation GBP	9.6	2.0	9.5	0.7	6.3
I Income GBP	10.1	2.5	-	-	-
I Accumulation GBP	10.1	2.4	-	-	-
P Accumulation USD	10.7	2.4	9.8	-2.6	-
P Income GBP	10.4	2.7	10.2	1.3	9.4

* P Accumulation Share Class. Fund Launch: 2 March 2012. Performance is calculated on a NAV to NAV basis, net of charges and gross of tax and assumes gross income is reinvested. Since investors may be liable to external fees, charges and taxes, the illustrated returns are not meant to provide a measure of actual return to investors. This is a performance comparison since fund launch - see important information on tax considerations. ** This is based on a Morningstar index, comprising a peer group containing both UK Funds reporting performance net of UK tax, and offshore Funds reporting performance gross of tax.

***Part year; since share class inception. Performance is net of fees. The market value of, and the income derived from, the shares of the Fund may fluctuate in accordance with: the values of the investments held by the Fund and other market conditions. Investors may not get back the full value of their investment. There can be no guarantee that the investment objectives of the Fund will be met. This report does not constitute an offer, invitation or solicitation. The information and opinions contained in this report are subject to change without notice. This report has been issued and approved by Sanlam FOUR. Please note that the fund performance is from 12 noon to 12 noon. Changes in exchange rates may have an adverse effect on the value price or income of the product. Investment in this Fund should be viewed as medium to long term.

FUND FACTS

LAUNCH DATE

2 March 2012

FUND MANAGER

Craig Veysey

BASE CURRENCY

Sterling

FUND REGULATOR

Central Bank of Ireland

FUND DOMICILE

Dublin, Ireland (UCITS IV)

IA SECTOR

£ Strategic Bond

DEALING DEADLINE

11.59am

VALUATION POINT

Midday (GMT)

SETTLEMENT TIME

Four business days after dealing day

INTEREST INCOME COSTS

Deducted from capital

INITIAL CHARGE

None

EXIT PENALTIES

None

INCOME ALLOCATION DATES

22nd of each month (income shares only)

YIELD TO MATURITY*

4.3%

DISTRIBUTION YIELD

5.4%

FUND SIZE

£108.0m

MONTHLY DIVIDEND DISTRIBUTIONS

Apr 16 - Mar 17	P Inc	A Inc
May-17	0.39	0.38
Apr-17	0.72	0.70
Mar-17	0.41	0.39
Feb-17	0.45	0.43
Jan-17	0.42	0.41
Dec-16	0.47	0.46
Nov-16	0.41	0.40
Oct-16	0.60	0.59
Sep-16	0.49	0.48
Aug-16	0.40	0.39
Jul-16	0.50	0.48
Jun-16	0.53	0.51

*The estimated yields (per annum) are not targeted yields, but simply indicative based on the month end holdings. The yield figures may change in the future, dependent on the underlying holdings in the fund and their yield changes that may go up or down.



Morningstar Rating Definition

The Morningstar Rating is an assessment of a fund's past performance - based on both return and risk - which shows how similar investments compare with their competitors. A high rating alone is insufficient basis for an investment decision.

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MONTHLY COMMENTARY AND OUTLOOK

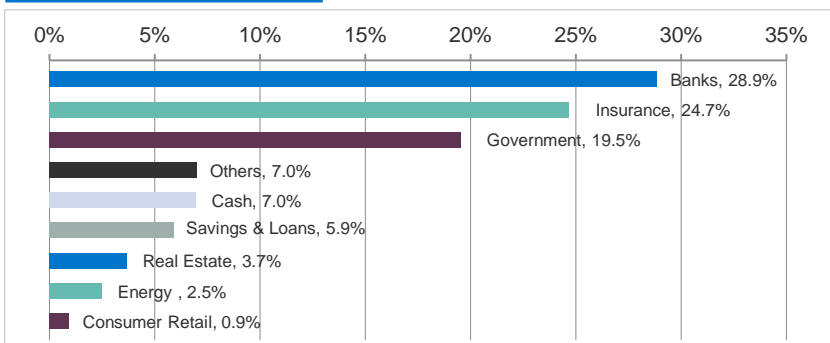
The Fund returned 2.2% in May, for a 1 year return of 13.7%. In comparison, the IA £ Strategic bond sector returned 1% in the latest month for a 7.8% 1 year return. There was mild weakness in government bond markets at the start of May, as safe havens retreated following a positively received French presidential election outcome. Also the oil price rebounded on expectation of an extension to OPEC supply cuts, and the probability of a Fed rate hike in June seemed increasingly likely following a strong US jobs report. Credit markets performed well throughout the month; Financials and French related bonds in particular extended gains from April. Geopolitical risks gave Treasuries a boost again from mid-month, as concerns escalated over the effectiveness of the Trump government, and in particular its ability to deliver promised fiscal reforms. The 10yr yield closed May at 2.2%, having been 2.4% only a few weeks earlier.

The Fund's returns were driven largely by credit exposure in the latest month, with a long-held financials exposure performing particularly well, as investors continued to gravitate towards more attractively priced bonds in the area with core government bond yields lower and spreads relatively tight. Notable credit specific performers included, within the insurance sector, undervalued Liverpool Friendly Society and Scottish Widows bonds again, contributing 11bp and 7bp respectively. Also French issuers, such as an AXA bond adding 5bp and EDF bond adding 4bp, performed well too. Government bonds contributed 12bp in May with a tactical gilt purchase adding 8bp late in the month. Tactically hedging 20% of the US treasury exposure, as GBP/USD moved above 1.30, added 40bp in currency returns, before the bonds were fully hedged again at 1.278 late in May.

A further 25bp rate hike on June 14th from the Federal Reserve is now fully expected by markets, but it is likely that such a move will again be accompanied by the tempering of expectations for further near term rate moves. US growth remains only moderate, and inflation expectations have fallen with the recent sharp decline of oil & commodity prices. It seems increasingly unlikely that an aggressive fiscal stimulus package can be delivered in the coming months, with confidence in the so-called reflation trade ebbing, as reflected already by declining Treasury yields and the US dollar. Core government bond yields have declined towards the lower end of their 6 month range, with US Treasuries a significant beneficiary of their safe haven status. Their yields continue to offer a relatively attractive unhedged yield advantage, versus other sovereign bond markets, and a move below 2% likely. We maintain the Fund's Treasury position, but have reduced the duration of the exposure in early June, ahead of risks around a near term US rate hike. We remain cautious on the gilt market, though with supply fairly limited through the summer and demand from coupon flow elevated near term, yields should remain reasonably well contained. European bonds remain very unattractive however, with heightened risk of an ECB inspired taper tantrum in the coming months.

Despite yields having declined reasonably in the sector in recent months, the best value risk/reward opportunities are generally still found in subordinated financials, where attractive running yields of 5% plus and fairly low interest rate sensitivity are available, particularly for short call and high coupon bonds that continue to be replaced with new instruments by insurance companies and banks. We continue to steer a wide berth around more traditional sterling investment grade corporate bonds however, as there is generally poor value, due in part to the Bank of England's now complete QE buying and lack of recent issuance, leading to a material tightening in spreads. The US dollar corporate bond market is providing better value at present and the Fund added to some undervalued credit situations here late in May at yields of around 6%. A notable contributor to June performance will be the Fund's 3% position in a Canary Wharf bond. This bond was first purchased by the Fund in June 2014, following a significant price decline. With bondholders having now come to an agreement with the company, following a drawn out process through the UK courts, a further significant payment will be made to bondholders in the near term. This special situation has added a further 60bp to Fund performance in June. The Fund's non-GBP bond positions have again been fully currency hedged, though this may be adjusted post the UK election with interest rate differentials increasingly favourable for the US dollar.

SECTOR EXPOSURE



Source: Sanlam FOUR, CURO, Bloomberg

Share Classes

Bloomberg	ISIN	Share Class	Inception Date	NAV per unit	AMC	OCF	Minimum Investment
PRMIGAI	IE00B7NK9Z30	A Income	22 May 2012	£1.0790	1%	1.12%	£500
PRMIGAA	IE00B7NBKQ82	A Accumulation	6 July 2012	£1.4019	1%	1.12%	£500
PRMIGPI	IE00B77CFS06	P Income	2 March 2012	£1.1160	0.35%	0.46%	£10,000,000
PRMIGPA	IE00B7MKQ201	P Accumulation	2 March 2012	£1.4856	0.35%	0.46%	£10,000,000
PRMIUPA	IE00B7VMS436	P Accumulation	30 May 2013	\$1.3050	0.35%	0.47%	\$10,000,000
PRMIGII	IE00B7VMRN51	I Income	8 May 2014	£1.0866	0.58%	0.69%	£500,000
PRMIGIA	IE00B7VMRB30	I Accumulation	8 May 2014	£1.2870	0.58%	0.69%	£500,000



Craig Veysey – CFA, ASIP

Craig is fund manager of the Strategic Bond Fund. He has 17 years investment experience, and has been responsible for fixed income at Sanlam since March 2009. Craig has previously managed global bond funds at both Scottish Widows Investment Partnership and WestLB Mellon Asset Management, and earlier in his career was also a senior member of the Global Fixed Income team at HSBC Investment Management. He qualified as an Associate of the UK Society of Investment Professionals in 2001 and became a Chartered Financial Analyst in 2003. Craig has a degree in Economics from Liverpool University and a Masters Degree in Finance and Investment from Exeter University.

TOP TEN HOLDINGS

Security Name	Coupon %	Maturity	Sector	Fund %
US Treasury N/B	3.13	2019	Sovereign	9.64%
US Treasury N/B	3.63	2021	Sovereign	8.14%
Lloyds Bank Plc	11.75	2049	Savings & Loans	4.12%
Canary Wharf Fin li Plc	6.46	2033	Real Estate	3.35%
Co-Operative Group Ltd	11.00	2025	Diversified	3.09%
US Treasury N/B	2.00	2026	Sovereign	3.04%
Standard Life Plc	6.75	2027	Insurance	3.03%
RL Finance Bonds	6.13	2043	Insurance	2.98%
LV Friendly Society Ltd	6.50	2043	Insurance	2.87%
Investec Bank Plc	9.63	2022	Banks	2.32%

Sources: Sanlam FOUR, Bloomberg and CURO *Next call date

IMPORTANT INFORMATION

- Investment in Class P requires a separate investment management agreement with the investment manager.
- The Investment Manager of the fund is Sanlam Private Wealth.
- The value of fixed interest securities is affected by the risk of default by the issuer and where an issuer does default you may lose some or all of your capital investments in higher yielding bonds issued by borrowers with lower credit ratings may result in a greater risk of default and have a negative impact on income and capital value.
- As the fees and expenses of the fund will be charged to the capital of the fund, there is a greater risk that capital may be eroded and 'income' will be achieved by foregoing the potential for future capital growth of your investment and the value of future returns may also be diminished.
- Tax will be payable at the investors marginal tax rate on income distributions, though this is not applicable within a tax-efficient wrapper such as an ISA or SIPP.
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