

## OBJECTIVE

The Fund aims to produce compound total returns in excess of the MSCI World Index over the medium to long-term.

## STRATEGY

The Fund is an actively managed portfolio of global equities with a high quality bias. The Fund is high conviction and benchmark agnostic, with sector and regional positioning driven by bottom-up stock selection. The Fund allocation to emerging market listed companies is limited to no more than 30% of the assets. The investment process is unconstrained, seeking to invest in companies with predictable revenue growth that produces sustainable economic value over the long-term. The Fund typically invests in companies with high returns on capital, low leverage, enduring businesses with a sustainable competitive advantage that produce significant free cash flow after capital expenditure. The Fund can hold up to 22% of its total net assets in cash or cash equivalents should the investment manager feel it appropriate.

## PERFORMANCE

Sanlam Global High Quality Fund performance vs MSCI World (since inception)



Source: Bloomberg

Past performance is not necessarily a guide to future performance. Actual investment performance will differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. The investment performance is for illustrative performance and calculated by taking into account all ongoing fees (the fund does not charge initial fees).

| ANNUALISED PERFORMANCE - YEAR ENDING 31.10.2018 (USD) |  |   |   |                 |
|---|--|---|---|-----------------|
|   | 1 year<br>(31.10.2017 -<br>31.10.2018) | 2 years<br>(31.10.2016 -<br>31.10.2018) | 3 Years<br>(31.10.2015 -<br>31.10.2018) | Since inception |
| Fund*   | -2.3%                                  | 9.4%                                    | 8.5%                                    | 7.7%            |
| MSCI World Net Total (USD)                            | 1.2%                                   | 11.4%                                   | 7.9%                                    | 6.2%            |
| SPWGHQ Fund High**                                    | -2.3%                                  | 9.4%                                    | 9.4%                                    | 9.4%            |
| SPWGHQ Fund Low**                                     | -2.3%                                  | -2.3%                                   | -2.3%                                   | -2.3%           |

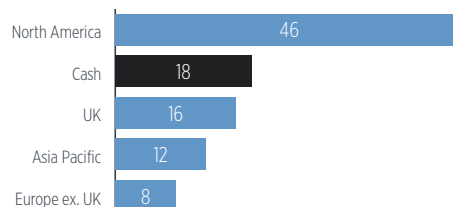
Where this fund is acquired through a portfolio management service, additional charges may be applied by the portfolio manager. The comparison index is the MSCI World Index with net dividends reinvested.

\* E Share Class (as at 31.10.2018). Fund launch was 28 February 2014. Fund performance is calculated on a NAV to NAV basis, net of charges, gross of tax and assumes net income is reinvested on the reinvestment date and is calculated on the actual amount distributed per participatory interest, using the ex-dividend NAV price of the applicable asset class of the portfolio, irrespective of the actual investment date. Since individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax the illustrated returns are not meant to provide a measure of actual return to investors.

\*\* Highest and lowest actual 12 month return achieved in the period.

ASSET ALLOCATION: the fund invests 100% in equity

## COUNTRY ALLOCATION (% NAV)



## SECTOR ALLOCATION

|                            | Weight % | Index % |
|----------------------------|----------|---------|
| (excl cash)                |          |         |
| Consumer Discretionary     | 9.5      | 12.6    |
| Consumer Staples           | 22.4     | 8.1     |
| Energy                     | 0.0      | 6.5     |
| Financials                 | 1.3      | 16.3    |
| Health Care                | 17.6     | 12.9    |
| Industrials                | 0.0      | 11.3    |
| Information Technology     | 31.5     | 19.1    |
| Materials                  | 0.0      | 4.7     |
| Real Estate                | 0.0      | 2.9     |
| Telecommunication Services | 0.0      | 2.6     |
| Utilities                  | 0.0      | 2.9     |

Sources: SPW/Bloomberg/MSCI

## TOP 10 HOLDINGS

|                   | Weight %                   |
|-------------------|----------------------------|
| Medtronic         | Health Care 4.7            |
| Oracle            | Information Technology 4.3 |
| Alphabet          | Information Technology 4.3 |
| Facebook          | Information Technology 4.1 |
| Booking Holdings  | Consumer Discretionary 3.8 |
| PepsiCo           | Consumer Staples 3.8       |
| Reckitt Benckiser | Consumer Staples 3.7       |
| Yum China         | Consumer Discretionary 3.6 |
| Johnson & Johnson | Health Care 3.2            |
| Tencent           | Information Technology 3.0 |

## MONTHLY COMMENTARY

The Sanlam Global High Quality Fund outperformed the MSCI World Index during the month by 0.8%, with the fund losing 6.6%. Philip Morris (+8.0%) was the best performer this month as the equity sell-off saw investors buy into more defensive stocks. Altria (+7.8%) also benefited from this dynamic, with Yum China (+2.6%) performing well after better-than-expected results. Fresenius (-23.8%, profit warning) and Tencent (-17.6%, China weakness) were both weak.



## KEY FUND INFORMATION

### CONTACT INFORMATION

Manager: Sanlam Asset Management (Ireland) Ltd  
Investment manager: Sanlam Private Wealth (SPW)  
Tel: +44 (0) 20 7280 8700  
Email: enq@sanlam.co.uk  
Web: www.sanlam.co.uk

### FUND INFORMATION

Investment manager: Sanlam Private Wealth (SPW)  
Portfolio manager: Pieter Fourie  
Deputy portfolio manager: William Ball  
Trustee/custodian: Brown Brothers Harriman & Co  
Transfer agency: Brown Brothers Harriman & Co  
Fund administrator: Sanlam Asset Management (Ireland) Limited  
Auditor: Ernst & Young  
Fund domicile: Ireland (UCITS IV)  
Fund regulator: Central Bank of Ireland  
Listing: Irish Stock Exchange  
Daily publication of prices: Irish Stock Exchange  
Base currency: GBP  
Benchmark: MSCI Daily World Total Return Net Index USD  
Launch date: 28 February 2014  
Minimum investment: \$500 USD Share Classes  
Dealing times: 9am - 5pm daily (UK time)  
Valuation point: 12 noon (South African time)  
Settlement time: Settlement is four business days after dealing day  
Share Price at 31.10.2018: 

| Bloomberg identifier: | Share class:   | NAV per unit: |
|-----------------------|----------------|---------------|
| SGHQEUA               | E accumulation | \$1.42        |
| SGHQEUI               | E income       | \$1.40        |

  
Income allocation dates: Bi-annually (income shares only)  

|          |            |
|----------|------------|
| Apr 2018 | USD 1.0914 |
| Oct 2018 | USD 1.1275 |

\* E Class Shares are available to clients of Sanlam and additional non fund-related charges may apply

### FEES

Initial charge: None  
Exit penalties: None  
Estimated total expense ratio (TER): Class E Income (USD) Shares 1.30%  
Class E Accumulation (USD) Shares 1.30%  
All costs: Deducted from capital  
Performance fees: None

### CODES AND SHARE INFORMATION

Available share classes: Class E income (USD) Shares – on application  
Class E accumulation (USD) Shares – on application  
ISIN: IE00B89R3313 Class E income (USD) Shares  
ISIN: IE00B9GFG036 Class E accumulation (USD) Shares  
SEDOL: B89R331 Class E income (USD)  
B9GFG03 Class E accumulation (USD)  
Bloomberg identifier: SGHQEUI Class E income (USD)  
SGHQEUA Class E accumulation (USD)  
Morningstar category: Global Large-Cap Blend Equity

### FUND CHARACTERISTICS 31.10.2018

|                                  | Portfolio | Index |
|----------------------------------|-----------|-------|
| Fund Size (\$ millions)          | 402       |       |
| Number of Holdings               | 30        | 1640  |
| Average Market Cap (\$ billions) | 167       | 25    |
| Return On Equity                 | 24%       | 13%   |
| Price/Earnings**                 | 17        | 16    |
| Free Cash Flow Yield             | 5.5%      | 5.6%  |
| Dividend Yield **                | 1.8%      | 2.4%  |

\*\* 12 months forward Sources: SPW/Bloomberg/MSCI

## ABOUT THE INVESTMENT 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 Equity 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 \$1.1bn.



### WILLIAM BALL Senior Equity Analyst

William is a senior equity analyst, who is the deputy fund manager of the Sanlam Global High Quality Fund and co-manager of the Clime International Equity Fund. Additionally, in conjunction with the Head of Global Equities, William is responsible for global equity research and managing the high net worth global equity mandates and the global equity offering. He has over 13 years of investment experience and a track record of investing in equities. Prior to joining Sanlam in 2009, William worked at Brown Shipley before moving to Merrill Lynch.

## PRIVATE WEALTH

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Sanlam Private Wealth is a trading name of **Sanlam Private Investments (UK) Ltd** which is authorised and regulated by the Financial Conduct Authority. Registered in England and Wales 2041819.  
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**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.

**REGULATORY STATEMENT** Sanlam Global High Quality Fund is a sub-fund of the Sanlam Universal Funds plc, an open-ended umbrella type investment company, with segregated liability between its sub-funds, authorised by the Central Bank of Ireland, as an undertaking for collective investment in transferable securities under the European Communities (UCITS) Regulation, 2003 as amended (the Regulations).

It is managed by Sanlam Asset Management (Ireland) Limited, Beech House, Beech Hill Road, Dublin 4, Ireland, telephone +353 1 205 3510, fax +353 1 205 3521, which is authorised by the Central Bank of Ireland, as a UCITS IV Management Company & 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. Sanlam Private Investments (UK) Limited (SPI) is the Investment Manager, responsible for managing the Fund's investments.

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.

Although all reasonable steps have been taken to ensure the information in the portfolio fact sheet is accurate, Sanlam Asset Management Ireland (Pty) Ltd does not accept any responsibility for any claim, damages, loss or expense; however it arises, out of or in connection with the information. No member of Sanlam gives any representation, warranty or undertaking, nor accepts any responsibility or liability as to the accuracy of any of this information. 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.

Collective investment schemes are generally medium- to long-term investments.

Please note that past performances are not necessarily an accurate determination of future performances, and that the value of investments / units / unit trusts may go down as well as up. Changes in exchange rates may have an adverse effect on the value, price or income of the product.

The Sanlam Universal Funds Plc full prospectus, the Sanlam Global High Quality Fund supplement and Key Investor Information document (KIID) is available free of charge from the Manager, the Investment Manager or at [www.sanlam.ie](http://www.sanlam.ie). 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 Prospectus, Supplements 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.

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.

International investments or investments in foreign securities could be accompanied by additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information.

The Manager has the right to close any Portfolios to new investors to manage them more efficiently in accordance with their mandates.

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 ie 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 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.

*Issued 7 November 2018*

## MANDATORY DISCLOSURE

Past performance of a fund is no guarantee as to its performance in the future. 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. Calculations are based on a recurring investment with gross income reinvested on the ex-dividend date. All terms exclude costs. Actual investment performance will differ based on the fees applicable, the actual investment date and the date of reinvestment of income. A schedule of fees and maximum commissions is available from the manager. Independent Financial advice, should be sought as not all investments are suitable for all investors.

The Fund is a sub-fund of the Sanlam Universal Funds plc, an open-ended umbrella type investment company, with segregated liability between its sub-funds, authorised by the Central Bank of Ireland, as an undertaking for collective investment in transferable securities under the European Communities (UCITS) Regulation, 2003 as amended (the Regulations). It 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 IV 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, and the KIID is available free of charge from the Manager or at [www.sanlam.ie](http://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, Fund supplement 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. The manager has a right to close the portfolio to new investors in order to manage it more efficiently in accordance with its mandate.

Collective investment schemes are traded at ruling prices and can engage in borrowing and script lending, a schedule of fees and charges and maximum commission is available on request from the manager, no guarantee can be given in respect to the capital or return on the portfolio. All potential risks are disclosed in the supplement, details of annualised figures are included in the Prospectus documents Collective Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down. The fund price is calculated on a net asset value basis, which is the total value of all assets in the portfolio including any income and expense accruals. Trail commission and incentives may be paid and are for the account of the manager. The portfolio may include underlying foreign investments. Fluctuations or movements in exchange rates may cause the value of underlying foreign investments to go up or down. The underlying foreign investments may be adversely affected by political instability as well as exchange controls, changes in taxation, foreign investment policies, restrictions on repatriation of investments and other restrictions and controls that may be imposed by the relevant authorities in the relevant countries. Performance figures quoted are from Bloomberg and are shown net of fees. Performance figures for periods longer than 12 months are annualised. Actual annual figures are available for the investor on request. Details of the investments of the portfolio as at the most recent calendar quarter-end can be made available upon request by existing or prospective investors, in order to enable the investors to make informed investment decisions. Sanlam Asset Management is a registered business name of Sanlam Asset Management (Ireland) Limited.

Source for data: Brown Brothers Harriman & Co

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### Sanlam Private Wealth

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## CONTACT INFORMATION

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## PRIVATE WEALTH

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