Fund Fact Sheet

Sanlam Namibia Global Fund

August 2021

Fund Objective

The fund is an actively managed Namibian Dollar denomination global equity fund aiming to deliver superior returns over the long term by investing in a carefully selected, diversified basket of shares across the globe.

Fund Strategy

The Fund employs an active, conviction-driven management style. Key to the fund is its focus on identifying growing companies with competitive franchises and strong cash generation. The fund is managed by the highly experienced FOUR Capital Partners (UK) global investment team with its unique Instinct Value Investment approach.

Why choose this fund?

*Investors seeking exposure to a diversified portfolio of international equities targeting long term growth are well suited to invest in this fund.
*The fund provides a high degree of protection against potential Rand depreciation.
*The fund is well suited to be used as the global equity component within a diversified multi-asset portfolio.
*It is a Namibian Dollar denominated fund. No foreign exchange tax clearance is required.
*The fund is focused on investment in the global listed companies; accordingly the performances of the fund is directly linked to the performance of global equity markets.
*Investing in international companies means the accuracy exchange rate fluctuations will impact on the fund's perfomance.

Fund Information

Classification	Namibian Global General Funds
Risk profile	Moderate Aggressive
Benchmark	MSCI World Index (Developed Markets)
Portfolio launch date	1 July 2000
Minimum investment	Lump Sum N$ 2 000 | Monthly N$ 250
Portfolio size	N$ 190.8 million
Last two distributions	30 Jun 21: 0.00 cents per unit 31 Dec 20: 0.00 cents per unit
Income decl. dates	30 Jun | 31 Dec
Income price dates	1st working day of month
Valuation time of fund	15:00
Trading closing Time	13:00

Fees (Incl. VAT)

	Retail Class (%)
Initial Fee	N/A
Annual Service Fee	1.45

This fund is also available via certain LISPS (Linked Investment Service Providers), which levy their own fees. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down.

Top 10 Holdings

Securities	% of Portfolio
Satrix World Equity Tracker Fund I	29.55
Sanlam Global Equity Fd C	25.17
Sanlam World Equity Fund	24.90
Sanlam Global Emerging Markets Fund C1 USD	19.85
Sanlam Four Global Eqy A Usd	0.11

Top 10 Holdings as at 30 Jun 2021

Performance (Annualised)

Retail Class	Fund (%)	Benchmark (%)
1 year	5.25	10.80
3 year	7.26	14.47
5 year	9.46	14.45
10 year	14.59	20.57

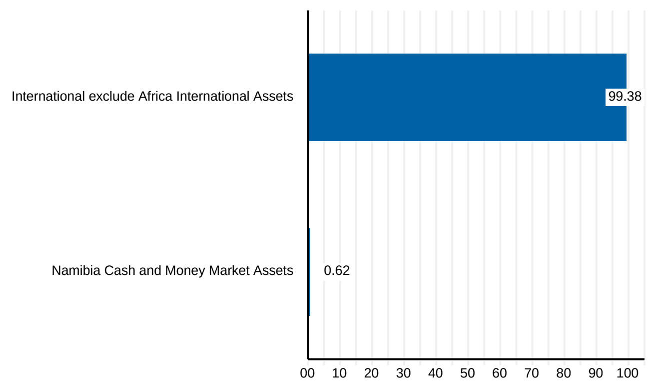
Annualized return is the weighted average compound growth rate over the period measured.

Performance (Cumulative)

Retail Class	Fund (%)	Benchmark (%)
1 year	5.25	10.80
3 year	23.38	50.01
5 year	57.10	96.38
10 year	290.47	549.27

Cumulative return is aggregate return of the portfolio for a specified period.

Asset Allocation



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Portfolio Manager(s) Quarterly Comment - 30 Jun 2021

Market Review

The second quarter of 2021 (Q2) has been relatively benign, as the world slowly adapts to living with Covid-19. The quarter saw the race continue between the vaccine and the virus. The developed world continues to roll out the vaccine, with the quarter seeing Continental Europe significantly ramping up their vaccination rate, though they are still lagging the likes of the UK, the US, and Israel. The developing world has been much slower at accessing vaccines and hence being able to vaccinate their populations. The threat of the virus remains, especially with the Delta variant, which emerged from India, being the most concerning. This caused huge levels of infection in India, which has struggled to get this more infectious variant under control. It also appears to be creating a new third wave in the UK and has the potential to do so in Continental Europe, the US and elsewhere globally. Lockdowns have generally been eased during the quarter, but there have been steps backwards, e.g. Australia, and the fight against the virus remains front and centre. With the vaccines available, however, the world is increasingly looking beyond Covid-19 into the new environment and this is leading to rebuilding better type rhetoric as evident from the recent G7 meeting.

Markets have generally been constructive and taken things in their stride with a clear focus on both US inflation and job numbers each month, given the US Federal Reserve (Fed)’s data dependency signal. Inflation numbers have continued to push higher. While the Fed continues to argue that this is transitory, there remains significant debate within the market, and investors are increasingly examining any cracks appearing within the Fed. For now the Fed has persuaded investors, but tapering and eventually though well beyond 2021 interest rate increases, remain a concern for the market. With the easy liquidity continuing and supportive central bank stance markets have been rising, and unlike in the first quarter global bonds have also performed positively, though lagged equities given the overall risk-on environment.

Equity markets continued to deliver in Q2, with the MSCI World Index rising 7.74%. The strength of the quarter needs to be viewed in the context of the ongoing recovery since the first quarter of 2020, with equity markets now clearly reaching new highs in many cases, led primarily by the US. The quarter saw April deliver the strongest returns, with a gain of 4.65%, while May and June were more muted and rose 1.44% and 1.49% respectively. However, both May and June saw more intra-month volatility and pullbacks, which were subsequently recovered from. This saw some spikes in equity volatility, but the slight downward trend in equity volatility has continued during Q2. On a regional basis North America led the way gaining 8.85%, while Europe’s recovery is catching up posting a return of 7.42%. The MSCI Pacific excluding Japan region rose 4.76%, while Japan was the clear laggard with a flat return, down 0.28% (though the market was up slightly in local terms). Emerging Markets rose 5.05%, and so while participating in the recovery, they have continued to lag their developed market counterparts. However, on a 12-month basis, Emerging Markets are slightly outperforming the MSCI World Index, and all the developed regions except for North America, which is a bit more than 1% ahead of Emerging Markets.

At a sector level Q2 saw a relatively narrow range of returns except for the Utilities sector. This sector declined 0.68% for the quarter and thus performed out of line with the majority of the market. The next weakest sector was Industrials, which rose 4.12%, while Materials, Consumer Staples, Consumer Discretionary and Financials all underperformed the broader market. The best performing sector for the quarter was Real Estate, rising 11.67%, and this managed to outperform Information Technology’s gain of 11.53%. The contrasting nature of these two sectors shows some of the unusual behaviour on the back of the Covid-19 recovery, though the inflation debate and the relevance of equity discount rates could possibly explain why these two sectors ended up being the best performers. Real Estate also lagged in 2020 and has been catching up in 2021.

Portfolio Manager(s)

Sanlam International Investments, a division of Sanlam Investment Management (Pty) Ltd

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