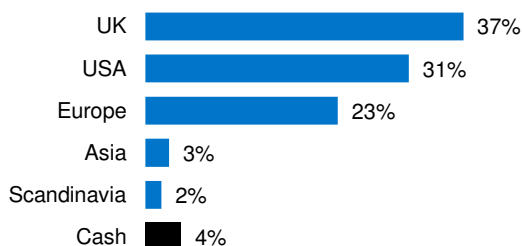


**Fund objective**

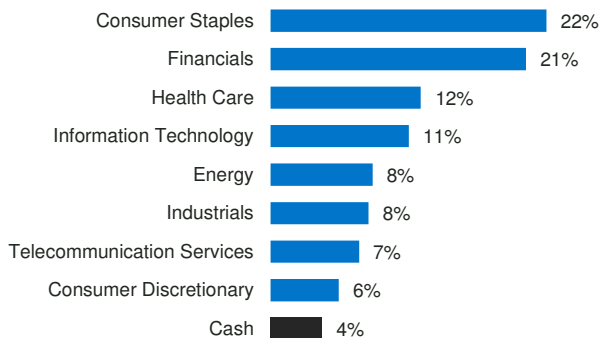
The objective of the fund is to provide a regular and growing stream of income derived from equity dividends for investors with the potential for real growth in capital value.

**Fund 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.

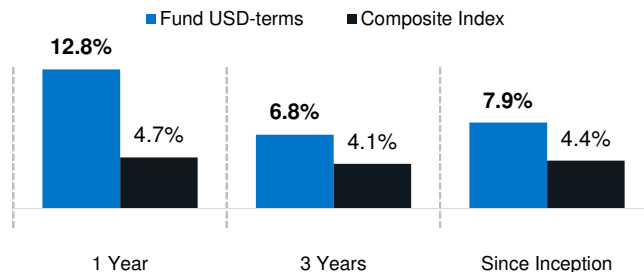
**Geographical breakdown**

**Asset allocation**

Equities	96%
Cash	4%

**Sector breakdown**

**Top 10**

Unilever	UK	4.49%
Cisco	USA	4.05%
British American Tobacco	UK	4.04%
Legal & General	UK	3.98%
Royal Dutch Shell	UK	3.56%
Philip Morris International	USA	3.21%
Micro Focus International	UK	3.15%
Glaxosmithkline	UK	3.11%
Scor	Europe	3.09%
AXA	Europe	3.03%

30 September 2017

**Performance summary**

**Actual highest and lowest annual figures**

Highest annual	21.1%	(June 2014)
Lowest annual	-3.6%	(February 2012)

The highest and lowest 12 month returns are based on a 12 month rolling period over 10 years or since inception where the performance history does not exist for 10 years. The performance figures above are annualised, net of fees, and in US\$ terms. Inception date of class: 7 September 2012. Composite Index: USA CPI + Yield of the MSCI World High Dividend Yield Index. Source: Morningstar® Direct

**Fund information**

<b>Manager</b>	Sanlam Asset Management (Ireland)
<b>Investment Manager</b>	The management of investments are outsourced to Sanlam Investment Management (Pty) Ltd, FSP 579, an authorised financial services provider under the South African Financial Advisory and Intermediary Services Act, 2002.
<b>Portfolio Manager</b>	Douw Steenekamp (Denker Capital) B.Compt. (Hons), CA(SA)
<b>Trustee/Custodian</b>	Brown Brothers Harriman Trustee Services (Ireland) Ltd 30 Herbert Street, Dublin 2, Ireland Tel: +353 1 241 7130   Fax: +353 1 241 7131
<b>Administrator</b>	Sanlam Asset Management (Ireland)
<b>Transfer Agency</b>	Brown Brothers Harriman Fund Administration Services (Ireland) Ltd
<b>Domicile</b>	Ireland
<b>Listing</b>	Irish Stock Exchange
<b>Salient risk factors</b>	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.
<b>Base currency</b>	US Dollar
<b>Benchmark</b>	Composite Index: Annualised income yield of the MSCI World High Dividend Yield NTR Index + US Consumer Price Index
<b>Fund size</b>	\$123 million
<b>Unit price</b>	\$1.2413
<b>Fund launch date</b>	6 September 2012
<b>Minimum investment</b>	\$1,000
<b>Dealing/Redemption frequency</b>	Daily
<b>Dealing deadline</b>	4 PM (Irish time on the business day preceding a dealing day)
<b>Valuation point</b>	Close of business in the applicable markets.
<b>Daily publication of prices</b>	Irish Stock Exchange & www.sanlam.ie
<b>Distribution</b>	Bi-annual (detail on page 2).

**Portfolio Manager quarterly comment: September 2017**

Global equity markets performed strongly during the quarter with the developed markets up 5% (MSCI World Index) in US dollars. Among the major developed markets the UK and USA trailed this advance slightly, while most continental markets were up more strongly. The US dollar's noticeable weakening against both the euro and sterling was a factor in these movements. The market appeared to pay little attention to a number of potentially worrying political developments, such as the escalating tension between North Korea and the USA, the upsurge of support for the right-wing AfD party in the German general election, the apparent resurgence of the Labour Party in the UK and the gathering momentum for Catalan secession in Spain. Instead it responded to the stream of generally positive economic data releases that painted a picture of a gradually recovering global economy.

The fund posted a return similar to that of the market for the period, with the largest contributions coming from its holdings in Boeing Corporation, Royal Dutch Shell, IG Group, Ageas SA and Taylor Wimpey. Notable detractors from its performance were its holdings in British American Tobacco, Altria Group, GlaxoSmithKline and Philip Morris International.

Boeing Corporation reported better than expected results, which were highlighted by its focus on internal efficiencies that delivered a significant improvement in operating margin and cash flow generation. Given the continuing very healthy demand for commercial aircraft and an order book that is full beyond 2021, this augers well for the company's outlook. Management confirmed this sentiment by increasing their guidance for the coming twelve months.

Royal Dutch Shell reported a very reassuring set of results during the quarter, which provided clear evidence of the benefits set to flow from its recent acquisition of British Gas and the substantial cost cutting programmes that were initiated subsequent to the sharp drop in the oil price in 2014. The most important feature of these results was the fact that the company is now able to generate a similar amount of free cash flow at an oil price of \$50 per barrel as it was doing when the price was in excess of \$120 per barrel. The dividend is once again fully covered by the cash generation, which should allay any remaining fears about its sustainability and lead to a reassessment of the share's very generous 7% yield.

The prices of all of the fund's tobacco company investments suffered a sharp drop in the wake of an unexpected announcement by the US Food and Drug Administration (FDA) that it intends to investigate the feasibility of reducing the nicotine content of tobacco products to a non-addictive level. Given the fact that no recognised research has yet been done to support such a policy and the fact that such a change will very likely be opposed by the industry, it is almost certain that any significant change will not be implemented in the next decade. Also, a careful reading of the announcement seems to indicate that the FDA's future policy might support the industry's development of reduced risk tobacco products. While the uncertainty introduced by this announcement probably justified a moderate derating of the industry, the significant price movements witnessed appear overdone.

The fund declared a distribution of 26.68 cents per unit (Class A) for the six month period to the end of September 2017. This reflects a 2.4% increase compared to the corresponding period of the previous year. Combined with the 15.87 cents per unit distribution paid during April 2017, it denotes a dividend yield of 3.7% (net of withholding taxes paid by the fund) on capital invested twelve months ago and compares favourably with the 3.6% gross yield of the benchmark MSCI World High Dividend Yield Index.

Based on current consensus expectations the fund offers a significantly better yield than the overall market (dividend yield of 3.9% versus 2.3%), while trading on a lower valuation (forward P/E of 14.7x versus 16.5x) and producing a substantially better return (ROE of 21.0% versus 16.2%). When compared to the MSCI World Index the fund displays an active share of 91%. We believe that this positions the fund well for the future and, based on our current projections, we expect it to deliver a yield greater than that of its benchmark during the next 12 months.

Fees	Class A USD (Inc) Income distributed	Class I USD (Acc) Income accumulated
<b>Annual management fee</b>	Fixed fee of <b>1.25%</b> per annum	
<b>Other allowed expenses</b>	Trustee fees, custody fees, administration fees, director's fees, legal fees, audit fees, bank charges, regulatory fees, brokerage/trading fees.	
	<b>1.41%</b>	<b>1.41%</b>
<b>Total expense ratio (TER) 1 Jul 2014 to 30 Jun 2017</b>	of the value of the financial product 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 TER's.	
	<b>0.22%</b>	<b>0.22%</b>
<b>Transaction cost (TC) 31 Oct 2015 to 30 Jun 2017</b>	of the value of the financial product was incurred as costs relating to the buying and selling of the assets underlying the product. TC's 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 incl. market returns, type of financial product, investment decisions of the investment manager and the TER.	
	<b>1.63%</b>	<b>1.63%</b>
<b>Total Investment Charges (TER + TC)</b>	of the value of the financial product was incurred as costs relating to the investment of the financial product.	

**Distribution: Class A USD (Inc)**

Frequency	Bi-annually (April and October)	
Declaration dates	30 March and 30 September	
<b>Last three distributions</b>	30 September 2017:	2.67 cents per unit
	30 March 2017:	1.59 cents per unit
	30 September 2016:	2.60 cents per unit

**Contact information**
**Manager: Sanlam Asset Management (Ireland)**

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Fax: +353 1 2053521 Web: [www.sanlam.ie](http://www.sanlam.ie)

Company registration number: 267640 – UCITS IV Management Company &amp; 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.

**Investment Manager: Sanlam Investment Management**

The appointed investment manager is Sanlam Investment Management (Pty) Ltd, an authorised financial services provider in terms of Financial Advisory and Intermediary Act, 2002, FSP 579. Address: 55 Willie van Schoor Avenue, Bellville, 7530, South Africa

Tel: +27 21 950 2500 e-mail: [intouch@sanlaminvestments.com](mailto:intouch@sanlaminvestments.com)

Fax: +27 21 950 2555 Web: [www.sanlaminvestments.com](http://www.sanlaminvestments.com)
**Portfolio management and client service: Denker Capital**

Tel: +27 21 950 2168 e-mail: [service@denkercapital.com](mailto:service@denkercapital.com)

Fax: +27 86 675 5004 Web: [www.denkercapital.com](http://www.denkercapital.com)

Codes	Class A USD (Inc) Income distributed	Class I USD (Acc) Income accumulated
<b>ISIN</b>	IE00B7VS0236	IE00B87VN244
<b>SEDOL</b>	B7VS023	B87VN24
<b>Bloomberg</b>	SANSGAU ID	SANSGIU ID
<b>Morningstar category</b>	Global Equity Income	

## 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

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](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, 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.