Denker Global Equity Fund

A sub fund of Sanlam Universal Funds plc
Class A USD

Minimum disclosure document
(fund fact sheet)

31 March 2025

DENKER CAPITAL

Fund objective

The Fund aims to provide above average long-term capital growth by investing in global equities that the Investment Manager has identified as being undervalued and as offering above average growth potential.

Investment style

The Investment Manager seeks to achieve the objective of the fund by investing in undiscovered and neglected global equities that the Investment Manager has identified as being undervalued and offering above average growth potential over time.

Asset allocation as at month end

Top 10 holdings

Berkshire Hathaway	US	5.1%
Microsoft	US	3.9%
Denker Global Financial Fund E	Other	2.9%
Oracle	US	2.8%
HCA Healthcare	US	2.5%
TD Synnex	US	2.5%
KLA-Tencor	US	2.4%
Ferguson Enterprises	US	2.2%
Melrose Industries	US	2.2%
Arch Capital	US	2.2%

Asset allocation

Equities	97.1%
Cash	2.9%

Geographical breakdown

US	64.8%
Europe	25.6%
Cash	2.9%
UK	2.8%
Other	2.2%
Asia	1.2%
Scandinavia	0.5%

Sectors

Financials	22.6%
Information Technology	19.5%
Consumer Discretionary	14.6%
Health Care	13.1%
Industrials	11.4%
Consumer Staples	6.0%
Communication Services	5.7%
Energy	4.2%
Cash	2.9%

Key facts

Fund inception	2 September 2004
Benchmark	MSCI World Index NR
Portfolio manager	Jacobus Oosthuizen
Base currency	US Dollar
Fund type	UCITS
Domicile	Ireland
Fund size	$88 million
Unit price	$3.5201
Minimum investment	$1 000
Class inception	2 September 2004
Distribution	This fund does not distribute. Income is automatically added to the NAV.
Morningstar category	Global Large-Cap Blend Equity
ISIN	IE00B193PW34
SEDOL	B193PW3
Bloomberg	SANUGLA ID

Performance summary (in USD)

	Denker Global Equity Fund	Benchmark: MSCI World Index NR
Annualised performance		
1 Year	2.7%	7.0%
3 Years	8.1%	7.6%
5 Years	14.1%	16.1%
10 Years	6.7%	9.5%
Since inception	6.3%	8.3%
Cumulative performance		
YTD	0.0%	-1.8%
Since inception	252.0%	416.7%
Actual annual performance		
Highest annual return	24.4%	
Lowest annual return	-15.5%	

Based on a calendar year period over 10 years (or since inception where the the performance history does not exist for 10 years).

Source of all performance figures: Morningstar and Denker Capital. Performance figures are net of fees.

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Portfolio manager

Jacobus Oosthuizen

M.Compt., CA(SA), CFA®

Jacobus manages the Denker Global Equity Fund and its rand-denominated feeder fund. He started his career in 2000 at Ernst & Young, where he completed his articles. Between 2002 and 2003 he held various risk and capital management positions at Rand Merchant Bank Treasury, after which he joined Rand Merchant Bank's international division as an investment analyst on a proprietary emerging market corporate bond portfolio. Jacobus has been part of our investment team since 2006. Prior to being appointed as portfolio manager in early-2021, he filled a role as an equity analyst on the global equity team.

Quarterly comments: March 2025

Global markets

These commentaries normally focus on the economic events and market movements that occurred in the previous quarter. Given that 2 April (infamously dubbed Liberation Day) and its consequences have eclipsed the events in the first quarter, it seems appropriate to start there. In a podcast on 1 April, the distinguished economist Thomas Sowell in response to the question "What do you make of the present president of the United States and his tariffs?" said "It's painful to see a ruinous decision from back in the 1920s being repeated. Now, insofar as he's using these tariffs to get very strategic things settled, he is satisfied with that. But if you set off a worldwide trade war, that has a devastating history." Markets, keenly aware of the risks, rapidly repriced asset values lower. US indices experienced the largest daily losses since the COVID-19 related sell off in March 2020.

Trade policy uncertainty had already resulted in market weakness prior to quarter end. The US Fed held rates steady and copper and gold both reached all-time highs.

The MSCI World Index underperformed emerging markets with the index down -1.8% vs 2.9% gain for the MSCI Emerging Markets Index (in US dollars).

US equities ended the first quarter in negative territory (-4.3%), with the information technology and consumer discretionary sectors leading the declines. In contrast, most other sectors fared better (most notably energy, utilities and consumer staples). A pivotal moment came with the announcement that China's DeepSeek had developed an AI model on par with global market leaders, but at a fraction of the cost. This development prompted investors to reassess expectations around the future of AI, the sustainability of US dominance in the field, and the return prospects for AI-related investments. Given that the AI theme has been a key driver of equity market gains in recent years — particularly through the outperformance of the so-called 'Magnificent Seven' stocks — this news weighed heavily on some of the index's largest constituents.

Portfolio review

The Denker Global Equity Fund A class outperformed its MSCI World Index benchmark by 1.8% for the quarter. The fund's performance for the quarter was flat, ending with a slight positive return.

<u>At a stock level, the most notable contributors to performance were Berkshire Hathaway, Alibaba and Philip Morris</u>.

Berkshire Hathaway (up 17%) performed strongly in Q1, as investors sought defensive, cash-generative businesses amid heightened market volatility and a sharp rotation away from technology stocks. Strength in its insurance operations, boosted by higher premiums and robust investment income, alongside meaningful exposure to outperforming sectors like energy and industrials, provided a solid foundation for returns.

Chinese equities saw a resurgence in the first quarter, with AI optimism driving a sharp rally in tech stocks. Alibaba was a standout performer, rising more than 50% during the quarter, as investors recognised its leading position in China's (and the global) AI race. The company has aggressively expanded its AI capabilities, from backing start-ups (Alibaba was quick to introduce DeepSeek services on its cloud platform) to heavy investments in chips and research. Its Qwen AI models are now considered best-in-class, with Apple selecting them for iPhones in China. Investor sentiment was further bolstered by Alibaba's better-than-expected Q4 results, which reflected improved monetisation, strong AI capex projections signalling confidence in the demand opportunity, and Jack Ma's return to prominence - symbolised by his front-row seat at President Xi's meeting with business leaders in February.

Philip Morris International outperformed during the quarter on the back of better-than-anticipated Q4 2024 results. Cigarette volumes grew slightly faster than expected, Zyn nicotine pouches continued to deliver strong results (US volumes increased 42% y/y) and gross margins benefited from favourable price/mix. In response to the more favourable outlook, management now expects FY25 organic operating income to increase 10.5%-12.5% (ahead of its medium-term target of 8-10% profit growth). As the global market leader for combustible cigarettes as well as reduced risk products, Philip Morris is able to provide relatively defensive growth during a period of heightened market volatility. That said, its share price has re-rated significantly year-to-date while other parts of the market now potentially offer better long-term value.

<u>The detractors worth noting were Oracle, Embecta and Broadcom.</u>

Oracle and Broadcom (down 15% and 27% respectively) have both been long-term winners in the portfolio. While the recent pullback, driven by concerns around DeepSeek, has weighed on sentiment, we believe these fears are overdone and both companies remain well positioned to benefit from ongoing structural demand in AI and cloud infrastructure.

Leading diabetes care firm Embecta Corporation shares fell 37% over the quarter as revenue growth was lower than expected and management tempered their outlook given a tough start to the year. Despite the volatility, our view on the investment case remains in place and we continue to see considerable upside in the shares trading on just 5x earnings (~$700m market cap). Embecta over time should remain a highly cash generative business with structural tailwinds of the severe prevalence of diabetes globally as well as its associated high cost of treatment, where Embecta is a global leader in insulin delivery devices which are more cost effective and simpler to administer.

Outlook

Looking ahead, while market volatility is likely to persist amid ongoing trade tensions and evolving dynamics in the global AI landscape, we remain positive on the long-term prospects for global equities. The recent correction in technology shares, though sharp, has created attractive opportunities to selectively add to high-quality names that continue to benefit from powerful secular trends. Our disciplined focus on valuation anchors our approach, helping us to look through short-term noise and identify companies where market pessimism has created compelling entry points.

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Fees

	Class A USD
Initial fee/ Front end load	0% (up to 5% with intermediary charges if applicable)
Annual management fee	1.50%
Management performance fee	0%
Total expense ratio (TER)[1]	1.65%
Transaction cost (TC)[2]	0.06%
Total investment charges (TER+TC)[3]	1.71%

Other allowed expenses include depositary fees, custody fees, administration fees, director's fees, legal fees, audit fees, bank charges, regulatory fees, brokerage/trading fees.

Notes

1. TER 1 January 2022 - 31 March 2025

The percentage of the value of the financial product that 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 TERs.

2. TC 1 January 2022 - 31 March 2025

The percentage of the value of the financial product that was incurred as costs relating to the buying and selling of the assets underlying the product. TCs 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 including market returns, type of financial product, investment decisions of the investment manager and the TER.

3. TER+TC

The percentage of the value of the financial product that was incurred as costs relating to the investment of the financial product.

Fund information

Manager	Sanlam Asset Management (Ireland)
Investment Manager	Denker Capital (Pty) Ltd, an authorised financial services provider under the South African Financial Advisory and Intermediary Services Act, 2002.
Depositary/ Custodian	Northern Trust Fiduciary Services (Ireland) Ltd
Administrator/ Transfer Agency	Northern Trust International Fund Administration Services (Ireland) Ltd
Listing	Irish Stock Exchange
Salient risk factors	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.
Dealing/Redemption frequency	Daily
Dealing deadline	4 PM (Irish time on the business day before a dealing day)
Valuation point	Midnight (South African time) on each dealing day.
Daily prices	Irish Stock Exchange & www.sanlam.ie

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.

Contact information

Investment Manager: Denker Capital

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The appointed investment manager is Denker Capital (Pty) Ltd, an authorised financial services provider in terms of Financial Advisory and Intermediary Act, 2002, FSP 47075.

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

Depositary/Custodian: Northern Trust Fiduciary Services (Ireland) Ltd

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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. 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.

Deemed authorised and regulated by the Financial Conduct Authority. The nature and extent of consumer protections may differ from those for firms based in the UK. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority’s website. (Notes 1, 3 and 4)

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 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.

Issue date:
23 April 2025

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