Denker Global Financial Fund

A sub fund of Sanlam Universal Funds plc
Class A USD

Minimum disclosure document
(fund fact sheet)

30 June 2025

DENKER CAPITAL

Fund objective

The Fund aims to achieve steady growth in the value of investments, primarily by investing in financial companies* from around the world.

Investment style

The Fund utilises its database and long experience of the financial sector to invest in financial companies* with the search focused on companies that have a good track record of growing their net worth, whilst maintaining the discipline of investing only when they are mispriced.

Asset allocation as at month end

Top 10 holdings

US Bancorp	US	5.0%
Bank of America Corp	US	3.8%
Citigroup	US	3.7%
JP Morgan	Other	3.6%
HSBC	Europe	3.4%
ERSTE BANK	Europe	3.4%
Lancashire Holdings Limited	US	3.4%
BAWAG Group AG	Europe	3.4%
Renaissance Re	Europe	3.2%
Regions Financial Corporation	Europe	3.0%

Asset allocation

Equities	96.9%
Cash	3.1%

Geographical breakdown

US	42.2%
Europe	27.6%
UK	11.6%
Western Europe	4.4%
Asia	3.8%
Cash	3.1%
Eastern Europe	2.9%
Scandinavia	2.7%
Latam	1.7%

Sectors

Banks	57.1%
Financial Services	23.9%
Nonlife Insurance	14.2%
Cash	3.1%
Life Insurance	1.7%

Key facts

Fund inception	8 April 2004
Benchmark	MSCI World Financial Index NR
Portfolio manager	Kokkie Kooyman
Base currency	US Dollar
Fund type	UCITS
Domicile	Ireland
Fund size	$105 million
Unit price	$69.5054
Minimum investment	$1 000
Class inception	5 October 2004
Distribution	This fund does not distribute. Income is automatically added to the NAV.
Morningstar category	Sector Equity Financial Services
ISIN	IE00B0S5SM41
SEDOL	B0S5SM4
Bloomberg	SANGLOA ID

Performance summary (in USD)

	Denker Global Financial Fund	Benchmark: MSCI World Financial Index NR
Annualised performance		
1 Year	33.5%	34.2%
3 Years	27.1%	23.1%
5 Years	22.2%	20.0%
10 Years	10.0%	10.0%
Since inception	9.8%	5.9%
Cumulative performance		
YTD	23.7%	16.6%
Since inception	590.8%	285.7%
Actual annual performance		
Highest annual return	29.7%	
Lowest annual return	-17.2%	

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.

*Defined as securities of companies of which the principle operations specifically focus on, and derive benefit from or pertain to, the provision of banking, insurance and other financial services.

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Portfolio manager

Kokkie Kooyman

B.Comm. (Hons), CA(SA), HDE

Kokkie is responsible for managing the award-winning Denker Global Financial Fund and its rand-denominated feeder fund. In 1989 he joined Old Mutual where he filled various investment management roles over 10 years, the last being Head of the Financial Services Sector. From 1999, Kokkie spent five years managing the local and global financial funds at Coronation Fund Managers. He established SIM (Sanlam Investment Management) Global in 2004, which merged with SIM Unconstrained Capital Partners to form Denker Capital.

Kokkie has received the prestigious UK-based Investment Week's Fund Manager of the Year award four times (2010-2013) in the financials category. The funds that Kokkie has managed over the years have received a range of industry awards. These include a Morningstar award for the Denker Global Financial Fund as well as Raging Bull awards for the Nedgroup Investments Financials Fund and the Denker Sanlam Collective Investments Global Equity Feeder Fund (the South African-registered feeder fund for the Denker Global Equity Fund).

Quarterly comments: June 2025

Global markets

Following the sharp sell-off triggered by the Trump administration's "Liberation Day" tariff announcements on 2 April, global markets rebounded, delivering attractive second quarter returns. The initial shock—marked by a 12% drop in the S&P 500 and a spike in US Treasury yields–reversed as the White House softened its policy stance. By quarter end the MSCI World Index closed 11.5% higher. Emerging markets also delivered robust returns g aining 12.0% as the US dollar weakened, with the DXY index (a measure of the US dollar against a basket of currencies) lost 7.1%.

Friedrich Merz became Chancellor in Germany on 6 May following the Christian Democratic Union's election victory in February. The ruling coalition has signalled more conservative fiscal policies and included a landmark commitment to increase defence spending by 1.5% of GDP. This helped drive returns by European defence and infrastructure-related equities. The European Central Bank cut rates by 25bps in June (its 8th cut)

The Fed held rates steady as unemployment numbers were resilient and inflation remained somewhat above the 2% target. Israel launched an attack and the US bombed Iran's nuclear facilities. Despite the seriousness of these events, markets remained composed.

Strong performance this quarter and YTD

The fund has continued to deliver excellent performance this quarter, with the A class delivering 14.6%. This brought the return for the first six months of the year to 23.7% (vs. the MSCI World Index's 9.5%). A combination of factors contributed:

- A weaker US dollar, caused by Trump's tariff announcements and other threats, saw the Euro and other currencies gain 7-9% over the quarter - benefitting the fund's large European, Scandinavian and UK holdings.
- Europe's commitment to increase defence spending (from 2% to 5% of GDP) and further interest rate cuts helped trigger a further re-rating of European banks.
- Most developed market banks reported good Q1 results with positive outlooks.
- US regional banks also re-rated on continued regulatory easing.

Contributors and detractors

Top contributors this quarter included Bawag and Erste Bank (Austria), One Savings Bank (UK), Citigroup and JP Morgan. Several smaller holdings also gained over 20%: Bradesco (Brazil), ABN-Amro, Lion Finance (previously named Bank of Georgia), Shinhan (Korea), Barclays, Paragon (UK) and Bank Regional in Mexico, along with the four other Latam investments – reflecting a broader re-rating.

The common thread is the market's growing realisation that the sector is benefitting from tailwinds supporting shareholder value growth, while remaining very mispriced. For example, ABN-Amro and Barclays - even after a strong rally - are trading at similar discounts to tangible net asset value as prior to Covid, yet their returns on capital (ROE) are above historical levels and backed by much higher (safer) capital-to-loan ratios.

The property and casualty (P&C) insurance sector (traditionally a defensive part of the fund) was the biggest detractor, as the market is concerned that the premium rate hardening cycle may be ending soon. We therefore slightly reduced exposure. However, the recent Californian wildfires and Texas floods indicate that premiums could remain high. Another detractor (-7%) was Progressive (a US motor and personal liability insurer) but this was to be expected after very strong Q1 share price performance.

Changes to the portfolio

The large constituents of the sector have re-rated significantly, so we've gradually reduced the fund's investment in JP Morgan and, earlier this year, Visa. This has left us notably underweight the largest constituents of the financial sector (such as JP Morgan, Berkshire Hathaway, Visa, Mastercard). These are excellent companies but have just been pushed too far by the market. Proceeds have been used to increase our holdings in TD Bank (Canada) and Bank of New York after visiting their management teams at their head offices. After our recent visits we've also invested in a few smaller banks which we think have very good long-term growth potential and have not re-rated.

Outlook

After such a strong first half, can the momentum continue? Although not at the same pace, we believe it can – supported by ongoing tailwinds and companies in the fund growing shareholder value at a rate averaging 14% per annum. The majority of the fund's investments are trading below 7-year average valuations. With P&C insurers and US regional banks lagging, we've increased exposure there and to select emerging market banks.

In terms of growth in shareholder value and valuation, the fund should continue to generate good returns over the next few years.

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Fees

Fees	Class A USD
Initial fee/ Front end load	0% (up to 5% with intermediary
Annual management fee	1.25%
Management performance fee	
Performance fee benchmark	MSCI World Financial Index TR
Base fee	1.25%
Fee at benchmark	1.25%
Fee hurdle	MSCI World Financial Index TR
Sharing ratio	20%
Minimum fee	1.25%
Fee example	1.25% p.a. if the fund performs in line with the performance fee benchmark
Total expense ratio (TER)[1]	1.41%
Transaction cost (TC)[2]	0.18%
Total investment charges (TER+TC)[3]	1.59%

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 April 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 April 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.

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.

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

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.

Manager: Sanlam Asset Management (Ireland)

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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)

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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:
22 July 2025