

Sanlam Asia Pacific Artificial Intelligence Fund

What is the investment strategy behind the Asia Pacific fund?

The Sanlam Asia Pacific Artificial Intelligence Fund provides investors with direct revenue exposure to companies in the Asia Pacific region that have the potential to harness the power of AI.

By investing in the shares of these leading businesses, we can create a portfolio that is diversified in three ways:

Industry sector

Although much of the hardware and software that enables AI is developed by technology firms, the breadth of AI as a theme means that we can find investment opportunities in 'defensive' areas of the market (such as the healthcare and consumer sectors) and the more economically sensitive areas (such as industrials and financials). As we aren't focusing on just one narrow area of the market (such as automation or robotics), we can build a portfolio that offers attractive growth characteristics but also resilience (compared to other narrowly focused 'thematic' funds) when markets are volatile.

Country exposure

Investment is spread across a range of key economies in the Asia (including Japan) region. As with the main Fund, there is no formal benchmark so the managers don't have to invest in a particular country if there are no compelling investment opportunities there. Moreover, this is not a China fund; at launch, China and Hong Kong together are expected to account for less than 40% of the Fund's geographical exposure.^[1]

Company size

The Fund has the flexibility to invest in start-up or highly entrepreneurial firms with significant growth potential as well as more established businesses with strong market positions and competitive scale advantages. As with the global fund, all positions are scaled for liquidity, meaning that small-cap holdings will necessarily be smaller positions than large-cap companies that are broadly exposed to the theme.

^[1] Source: Sanlam Investments, 30 September 2021.