

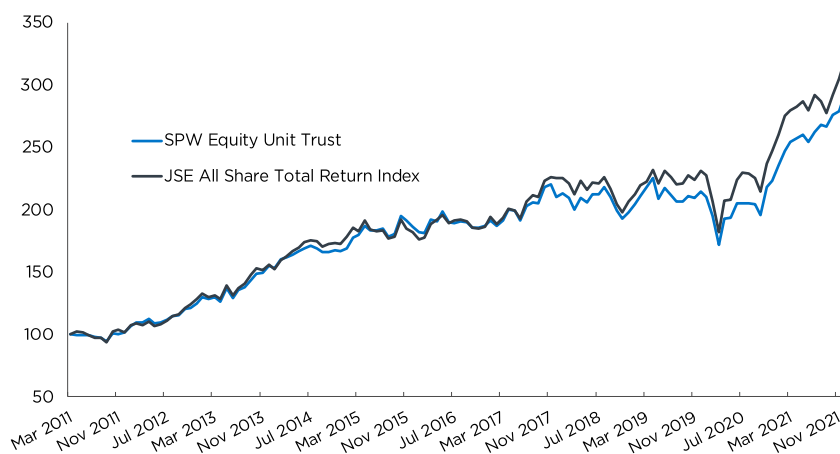
(MINIMUM DISCLOSURE DOCUMENT)

Conservative    Cautious    Moderate    Moderate Aggressive    Aggressive

**INVESTMENT OBJECTIVE AND STRATEGY**

The objective of this portfolio is to provide above average growth in capital over the medium to long term. Income will be of secondary importance. The risk associated with this portfolio will be the same as the risk associated with SA equities as an asset class. Volatility of capital can occur over the short term. The portfolio will invest in liquid assets and in shares across all sectors of the JSE Securities Exchange of South Africa, (JSE Limited). The fund aims to outperform the JSE All Share Index on a total return basis, over an investment horizon of three years or more, by investing in companies that are undervalued relative to their intrinsic value. The investments are subject to rigorous, in-depth research and adhere to our pragmatic value investment philosophy.

The investment manager will also be allowed to invest in financial instruments as allowed by the Act from time to time in order to achieve its investment objective. The portfolio may also invest in participatory interests of underlying unit trust portfolios. The fund may at any time hold a maximum of 30% in offshore assets.

**CUMULATIVE PERFORMANCE GRAPHS SINCE LAUNCH**

**PORTFOLIO INFORMATION**

Risk rating	Aggressive
Issue date	31 January 2022
Minimum investment	R30 000
Min monthly	R1000
Benchmark	FTSE/JSE All Share TR Index
ASISA Fund classification	South African-Equity -General
Management	Sanlam Private Wealth
Portfolio manager	David Lerche
Fund launch	1 April 2011
Bi-annual distribution	30 June 2021: 6.08 cents per unit 31 December 2021: 39.59 cents per unit
Income payment dates	1st working day in July & January
Portfolio valuation	15:00
Transaction cut-off	15:00
Withdrawals	On request
Daily price info	The local newspapers and <a href="http://www.sanlamunitrusts.co.za">www.sanlamunitrusts.co.za</a>
Repurchase period	3 working days
Size of fund	R171.8m as at 31 Dec 2021

**PERFORMANCE AS AT 31 DEC 2021 ON A ROLLING MONTHLY BASIS**

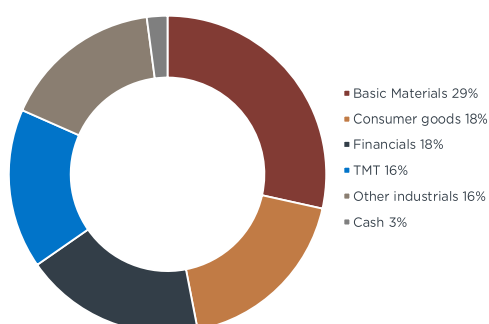
Percentage Returns	Portfolio	Benchmark	Active
Since Inception (Annualised)	10.48%	11.43%	-0.94%
10 Yrs (Annualised)	11.11%	12.17%	-1.07%
5 Yrs (Annualised)	9.32%	11.38%	-2.06%
3 Yrs (Annualised)	13.77%	15.71%	-1.95%
Past 12 Month	30.51%	29.23%	1.28%

Annualised return is the weighted average compound growth rate over the period measured. Income reinvested on ex-dividend date. Indices shown in local currency. Source: Money Mate.

**TOP 5 SHARE HOLDING AS AT 31 DECEMBER 2021**

(Please note your portfolio might vary from this)

Prosus	10.6%
BHP	10.5%
Anglo American	8.0%
Richemont	7.6%
British American Tobacco	5.6%

**ASSET ALLOCATION AS AT 31 DECEMBER 2021**

**FEES (A1 CLASS)**

Initial fees	0%
Annual management fee	1.725% (incl vat)
Annual advice fee	1.15% (incl vat)
Total expense ratio (TER)	1.66%
Transaction cost (TC)	0.16%
Total investment charges	1.82%

An annual negotiated advice fee is paid via a repurchase of units from the investor.

**ACTUAL HIGHEST & LOWEST ANNUAL PERFORMANCE FOR ROLLING 10 YEARS**

Highest	30.51%	(2021)
Lowest	-5.90%	(2018)

The highest and lowest annualised performance numbers are based on 10 non-overlapping one year periods or the number of non-overlapping one year periods from inception where performance history does not yet exist for 10 years.



## ABOUT THE PORTFOLIO MANAGER

David Lerche B. Bus. Sci (Hons), CFA, CA (SA)

David joined the business in 2016 as senior investment analyst. He is responsible for analysis of a wide range of industrial companies. He began his investments career as a research analyst at Avior Capital Markets, where he spent nine years servicing institutional asset managers in SA, the UK and around the world. He has twelve years' investment experience.

## PORTFOLIO MANAGER'S COMMENTS

December saw a continuation of the general equity market strength shown throughout most of 2021 both in SA and internationally, quickly shrugging off worries around the Omicron variant of Covid-19. SA equity prices – as measured by the FTSE/JSE All Share Index – increased by 4.8% for the month on a total return basis. Globally, the picture was similar, with developed market share prices – as measured by the MSCI World Index – rising 4.3% in US dollar terms, while emerging markets – as measured by the MSCI Emerging Markets Index – gained 1.9% in the month.

2021 was another remarkable year for markets, as ultra-accommodative monetary policy lifted both economic activity and market sentiment. The SA market delivered an exceptional total return of 29.2% over the year. Developed markets rose 22.3% in US dollar terms, but emerging markets declined 2.2%. The US was the key driver of global markets, with the S&P500 up 29% for the year and an annualised 26% per year over the past three years.

The SA financials sector gained 8.3% in December, followed by resources (+5.4%), while industrials were up 2.9% in the month. Banks were up 10%. Losing sectors were pharmaceuticals (-5.1%) and food producers (-2.9%). For the full year, resources returned 31.9%, financials 29% and industrials 25%.

Cash returned 0.3% for the month and 3.8% for the year. SA listed property had a strong December, up 7.9% and recovered from 2020's disaster by posting a total return of 36.9% for the year.

The fund recorded a return of 30.5% – net of fees – for the 12 months to the end of December, outperforming the benchmark return of 29.2% and ahead of the median peer return of 26.7%. The outperformance relative to the benchmark over the past year was driven by the fund's overweight positions in Investec, Aspen and Sasol, partially countered by the underweight positions in Richemont and MTN.

When compared to competing general equity unit trusts, the fund was in the top third of its peer group over the past 12 months. The fund's performance remains in the top third of its peer group over five, seven and 10 years.

In December, we shifted our exposure to banks more towards SA by reducing the Investec stake and increasing the holding in Standard Bank. We also increased the fund's stake in Bidvest on the view that the market is undervaluing the non-SA operations.

## GLOSSARY TERMS

**Aggressive risk rating** Willingness to take risk is reflected both in the types of securities held and in the concentration of holdings in favoured market sectors. Possible loss of capital is accepted. More active portfolio adjustment is typical.

**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.

**Equities** An equity or share represents an institution/individual's ownership in a listed company and is 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 and this 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 with a higher level of risk i.e. share investments have the most volatile returns over the short term. An investment in this type of asset should be viewed with a 7 to 10 year horizon.

**Net asset value (NAV)** Net asset value (NAV) is the value of a fund's asset less the value of its liabilities per unit.

**(TER) Period:** 1 October 2018 to 30 September 2021

**Total Expense Ratio (TER)** 1.66% of the value of the Financial Product was incurred as expenses relating to the administration of the Financial Product. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's.

**Transaction Cost (TC)** 0.16% of the value of the Financial Product was incurred as costs relating to the buying and selling of the assets underlying the Financial Product. Transaction Costs are a necessary cost in administering the Financial Product and impacts Financial Product returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Financial Product, the investment decisions of the investment manager and the TER.

**Total Investment Charges (TER + TC)** 1.82% of the value of the Financial Product was incurred as costs relating to the investment of the Financial Product.

## MANDATORY DISCLOSURE

All reasonable steps have been taken to ensure the information on this MDD is accurate. The information to follow does not constitute financial advice as contemplated in terms of the Financial Advisory and Intermediary Services Act. Independent professional financial advice should always be sought before making an investment decision.

The Sanlam Group is a full member of the Association for Savings and Investment SA. Sanlam Collective Investments (RF) (Pty) Ltd is a registered and approved Manager in Collective Investment Schemes in Securities. Collective investment schemes are generally medium- to long-term investments. Past performance is not necessarily a guide to future performance, and that the value of investments / units / unit trusts may go down as well as up. A schedule of fees and charges and maximum commissions is available from the Manager on request.

Additional information of the proposed investment, including brochures, application forms and annual or quarterly reports, can be obtained from the Manager, free of charge. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. 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. Forward pricing is used. Performance is based on NAV to NAV calculations with income reinvestments done on the ex-div date.

Performance is calculated for the portfolio and the individual investor performance may differ as a result of initial fees, actual investment date, date of reinvestment and dividend withholding tax. The manager has the right to close the portfolio to new investors in order to manage it more efficiently in accordance with its mandate. The performance of the portfolio depends on the underlying assets and variable market factors. Lump sum investment performances are quoted. The portfolio may invest in other unit trust portfolios which levy their own fees, and may result in a higher fee structure for our portfolio.

All the portfolio options presented are approved collective investment schemes in terms of Collective Investment Schemes Control Act, No 45 of 2002 ("CISCA"). The fund may from time to time invest in foreign countries and therefore it may have risks regarding liquidity, the repatriation of funds, political and macroeconomic situations, foreign exchange, tax, settlement, and the availability of information.

The management of investments is outsourced to Sanlam Private Wealth (Pty) Ltd (2000/023234/07) is a member of the Johannesburg Stock Exchange, an a licensed Financial Services Provider (FSP 37473) under the Financial Advisory and Intermediary Services Act, 2002 and a Registered Credit Provider (NCRCP1867). The Manager retains full legal responsibility for the co-named portfolio. The portfolio manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down.

Obtain a personalised cost estimate before investing by visiting [www.sanlamunittrustsmdd.co.za](http://www.sanlamunittrustsmdd.co.za) and using our Effective Annual Cost (EAC) calculator. Alternatively, contact us at 0860 100 266.

## ABOUT SANLAM PRIVATE WEALTH

Sanlam Private Wealth is a holistic, integrated wealth management business that provides advice and manages assets for high net worth private individuals, cultural organizations, charitable institutions and similar entities with investable assets of more than R1million.

## CONTACT INFORMATION

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