

## Fund Objective

The objective of the portfolio is to provide attractive risk adjusted returns to the investors, by investing across a wide range of assets, both locally and internationally. The portfolio will avoid unnecessary, or diversifiable, macroeconomic risk and aims to earn the available risk premiums expected from the various asset classes over the long-term.

## Fund Strategy

This is an actively managed fund which invests in local and international asset classes. The fund may include participatory interests of collective investment schemes, listed and unlisted financial instruments (derivatives), unlisted forward currency, interest rate and exchange rate swap transactions for efficient portfolio purposes. The Manager shall be permitted to invest on behalf of the portfolio in offshore investments as legislation permits.

To maximise returns for investors, exposure to asset classes varies while the fund can invest up to 75% in equities. The fund is Regulation 28 compliant.

## Why Choose This Fund?

- The portfolio is managed to avoid unnecessary macro-economic risk, so should have less volatility than other multi asset high equity funds.
- We try to limit erratic returns by aiming to earn the available risk premiums expected per asset class over the long term.
- Regulation 28 compliant.

## Fund Information

Ticker	DSIBF
Portfolio Managers	Madalet Sessions & Jan Meintjes
ASISA Fund Classification	South African - Multi Asset - High Equity
Risk Profile	Moderate
Benchmark	Composite: 60% ALSI CAPI; 15% STeFi; 15% MSCI World & 10% US 10 Yr Treasury
Fund Size	R 99,212,755
Portfolio Launch Date	02/05/2017
Fee Class Launch Date	02/05/2017
Minimum Lump Sum Investment	R 10,000
Minimum Monthly Investment	R 500
Income Declaration Date	June & December
Income Pricing Date	1st business day of July & January
Portfolio Valuation Time	15:00
Transaction Cut Off Time	15:00
Daily Price Information	Local media & www.sanlamunitrusts.co.za
Repurchase Period	2-3 business days

## Fees (Incl. VAT)

	A1-Class (%)
Maximum Initial Advice Fee	3.45
Maximum Annual Advice Fee	1.15
Manager Annual Fee	0.86
TER	0.99
TC	0.18
TIC	1.17
TER Measurement Period	01 July 2019 - 30 June 2022

Total Expense Ratio (TER) is the percentage value of the Financial Product that 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. The TER and Transaction Costs cannot be determined accurately because of the short life span of the Financial Product. Calculations are based on actual data where possible and best estimates where actual data is not available.

Transaction Cost (TC) is the percentage value of the Financial Product that 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) is the total percentage value of the Financial Product that was incurred as costs relating to the investment of the Financial Product.

\*Denker Sanlam Collective Investments Balanced Fund.

\*\*These figures will become available once sufficient performance history has been met.

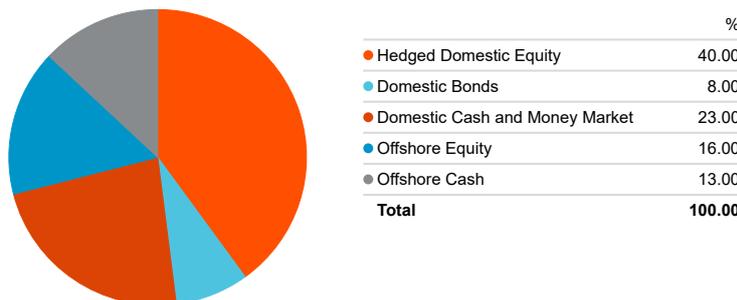
MDD Issue Date: 25/10/2022

## Top Ten Holdings

Portfolio Date	(%)
Denker Global Equity Fund USD	10.2
USD Cash	7.5
Denker Global Financial Fund USD	5.9
HSBC call account	5.9
Standard Bank F/R	4.1
Absa F/R	4.1
GBP Cash	3.1
Nedbank F/R	3.1
Naspers Ltd	2.9
R2030 8.0% bond	2.6

## Asset Allocation

Portfolio Date: 30/09/2022



## Annualised Performance (%)

	Fund	Benchmark
1 Year	6.79	2.90
3 Years	10.19	9.20
5 Years	7.89	7.55
Since Inception	7.50	7.90

## Cumulative Performance (%)

	Fund	Benchmark
1 Year	6.79	2.90
3 Years	33.80	30.23
5 Years	46.15	43.92
Since Inception	47.91	50.92

## Highest and Lowest Annual Returns

Time Period: 01/01/2018 to 31/12/2021

Highest Annual %	25.57
Lowest Annual %	1.58

## Risk Statistics (3 Year Rolling)\*\*

Standard Deviation	10.17
Sharpe Ratio	0.53
Information Ratio	0.17
Maximum Drawdown	-12.39

## Distribution History (Cents Per Unit)

30/06/2022	23.58 cpu
31/12/2021	18.59 cpu

Administered by

## Risk Profile

### Moderate

This is a medium-risk portfolio that aims to deliver income and capital growth over the medium term. This portfolio is designed to minimise volatility and aims to cultivate as smooth a ride as possible. There is some exposure to risky asset classes (such as equities) necessary to grow capital over the medium to long term. This portfolio has a medium to long-term investment horizon. The portfolio is diversified across all major asset classes with an average exposure to equities and offers real (after inflation) returns but with lower volatility.

## Glossary Terms

### Active Stock-picking Process

This is when asset managers actively and tactically vary their stock selections based on economic and market data, and fundamental valuations, etc. This should lessen an investor's exposure to declining markets and helps preserve capital.

### Annualised Returns

Annualised return is the weighted average compound growth rate over the period measured.

### Asset Allocation

Asset allocation is the percentage holding in different asset classes (i.e. equities, bonds, property, etc.). It is used to determine the level of diversification in a portfolio.

### 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.

### Distributions

The income that is generated from an investment and given to investors through monthly, quarterly, bi-annual or annual distribution pay-outs.

### Derivatives

Derivatives are instruments generally used as an instrument to protect against risk (capital losses), but can also be used for speculative purposes. Examples are futures, options and swaps.

### Feeder Fund

A feeder fund is a South African-based fund that feeds exclusively into its primary foreign-based fund. It allows investors easy access to investing in an offshore fund, eliminating complicated tax and other implications. The shares of the feeder fund represent shares in the primary fund (called a master fund).

### Liquidity

The ability to easily turn assets or investments into cash.

### Information Ratio

The Information Ratio measures the market risk-adjusted performance of an investment or portfolio. The greater a portfolio's Information Ratio, the better its risk-adjusted performance has been compared to the market in general.

### LISP (Linked Investment Service Provider)

A Linked Investment Service Provider is a financial institution which packages, distributes and administers a broad range of unit trust based investments. Any investment made through these products gives an investor a single point of entry into a selection of different investments.

### Maximum Drawdown

The maximum drawdown measures the highest peak to trough loss experienced by the fund.

### Money Market Instruments

A money market instrument is a low risk, highly liquid, short-term (one year or less) debt instrument, issued by financial institutions or governments, that tend to have lower returns than high-risk investments.

### Participatory Interests

When you buy a unit trust, your money is pooled with that of many other investors. The total value of the pool of invested money in a unit trust fund is split into equal portions called participatory interests or units. When you invest your money in a unit trust, you buy a portion of the participatory interests in the total unit trust portfolio. Participatory interests are therefore the number of units that you have in a particular unit trust portfolio.

### Regulation 28

Regulation 28 of the Pension Funds Act sets out prudent investment limits on certain asset classes in investment funds. It applies specifically to investments in Retirement Annuities and Preservation Funds. The allowed maximum exposures to certain asset classes is: 75% for equities; 25% for property; 30% for foreign (offshore) and 10% African assets.

### Sharpe Ratio

The Sharpe Ratio measures total risk-adjusted performance of an investment or portfolio. It measures the amount of risk associated with the returns generated by the portfolio and indicates whether a portfolio's returns are due to excessive risk or not. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance has been (i.e. a higher return with a contained risk profile, where the portfolio manager is not taking excessive risk to achieve those returns).

### 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 volatility expected of an investment.

### Undervalued Equity Stocks/ Investing in Neglected Global Equities

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.

## Additional Information

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. Use or rely on this information at your own risk. 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. Collective investment schemes are generally medium- to long-term investments. Please note that past performances are not necessarily a guide to future performances, 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 on request from the Manager. Sanlam Collective Investments (RF) Pty Ltd, a registered and approved Manager in Collective Investment Schemes in Securities. Additional information of the proposed investment, including brochures, application forms and annual or quarterly reports, can be obtained on request from the Manager, free of charge. 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 depending on the initial fees applicable, the actual investment date, and 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. Performance is based on NAV to NAV calculations with income reinvestments done on the ex-div date. Lump sum investment performances are quoted. The portfolio may invest in participatory interests of other unit trust portfolios. These underlying funds 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 Manager may borrow up to 10% the market value of the portfolio to bridge insufficient liquidity. 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 fund may invest in financial instruments (derivatives) for efficient portfolio management purposes. The Manager has the right to close any portfolios to new investors to manage them more efficiently in accordance with their mandates. Management of the portfolio is outsourced to Denker Capital (Pty) Ltd, (FSP) Licence No. 47075, an Authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002. Sanlam Collective Investments (RF) (Pty) Ltd retains full legal responsibility for the co-named portfolio. Standard Bank of South Africa Ltd is the appointed trustee of the Sanlam Collective Investments scheme. Sources of Performance and Risk Data: Morningstar Direct, INET BFA and Bloomberg. The risk free asset assumed for the calculation of Sharpe ratios: STEFI Composite Index. The highest and lowest 12-month returns are based on a calendar year period over 10 years or since inception where the performance history does not exist for 10 years. 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.

### Investment Manager Information

Denker Capital (Pty) Ltd  
(FSP) License No. 47075  
Physical Address: 6th Floor, The Edge, 3 Howick Close Tyger Falls, Bellville 7530  
Postal Address: PO Box: Private Bag X8, Tyger Valley 7536  
Tel: +27 (21) 950 2603  
Email: [service@denkercapital.com](mailto:service@denkercapital.com)  
Website: [www.denkercapital.com](http://www.denkercapital.com)

### Manager Information

Sanlam Collective Investments (RF) (Pty) Ltd  
Physical Address: 2 Strand Road, Bellville, 7530  
Postal Address: P.O. Box 30, Sanlamhof, Bellville, 7532  
Tel: +27 (21) 916 1800  
Email: [service@sanlaminvestments.com](mailto:service@sanlaminvestments.com)  
Website: [www.sanlamunittrusts.co.za](http://www.sanlamunittrusts.co.za)

### Trustee Information

Standard Bank of South Africa Ltd  
Tel: +27 (21) 441 4100  
Email: [compliance-sanlam@standardbank.co.za](mailto:compliance-sanlam@standardbank.co.za)

## Portfolio Manager Quarterly Comment

Quarter to September 2022

### Market review

#### Global markets

The third quarter offered investors hardly any reprieve as volatility in global markets continued.

As the quarter kicked off, the market became hopeful of possible interest rate cuts by the Fed next year, given concerns about slowing growth. However, when the Fed reaffirmed its commitment to fighting inflation it had a negative impact on stocks in the second half of the quarter. The federal funds rate was raised by 75 basis points (bps) at the end of the quarter – making it the third consecutive 75bps increase.

The ongoing uncertainty around inflation and energy prices are posing increased risks to economic activity. Central banks have started to raise rates. Changes in fiscal policy announced by the new (and now, resigned) Conservative Prime Minister Liz Truss and her (since fired) chancellor of the Exchequer, Kwasi Kwarteng, was widely blamed for bond and currency market weakness in the UK. The sell-off in the UK government bond market in turn was responsible for a fall-out in pension funds and forced the Bank of England to announce additional purchases of government debt. The European Central Bank has started to raise interest rates as producer price inflation hit record levels on the back of the energy crisis. The US dollar continues to rise as the Fed has signalled more aggressive interest rate hikes to prevent inflation becoming embedded in expectations and price formation. For the quarter, the MSCI World Index lost 6.2% in US dollar terms and the MSCI Emerging Markets Index shed 11.6%.

At a sector level, communication services (-12.7%) and real estate (-11.7%) were hardest hit, followed by utilities (-8.4%) and materials (-7.7%). Consumer discretionary (+0.3%) and energy (-1.44%) held up relatively well.

#### South African markets

The South African market again performed well, relative to global markets, in Q3. The FTSE/JSE Capped Swix closed 2.4% lower for the quarter. The SA rand weakened by 11.5% relative to the dollar. From a sector perspective, resources and industrials lost 0.9% and 1.3% respectively over the quarter, while financials lost 4.6%. From a size perspective, the small cap sector was the best performing (+4.7%), followed by mid caps (+0.7%) and large caps (-3.1%).

### Performance

We are pleased that the fund has achieved attractive performance since inception for investors. We attribute these returns to the combination of specialist stock picking skills, within our greater investment team, and risk management. We expect superior stock picking to be the dominant source of investment performance for investors in the fund over the long run, but caution that macro-economic uncertainty is likely to be a source of ongoing volatility and will likely dominate outcomes for investors in the short run.

### Portfolio review

Our offshore cash holding, which had been a drag on the performance of the fund for a while, paid some dividends in the last quarter. South Africa continues to disappoint in implementing growth enhancing structural reforms, so we maintain this offshore cash exposure to mitigate the effect of potential domestic policy mistakes on domestic equity values. We are likely to maintain this allocation. We are concerned about rising global inflation and the ability to mitigate this risk for investors. We continue to hedge our exposure so that investors are not dependent on specific macro outcomes over the long run to generate returns from their investment in the fund.

We have started to raise our exposure to offshore equity markets but continue to be cautious about return prospects.

### Portfolio Managers

Madalet Sessions  
M.Comm. Economics

Jan Meintjes  
B.Comm. (Hons), CA(SA), CFA®