

## Fund Details

<b>ASISA Fund Classification</b>	SA Multi Asset Income
<b>Benchmark</b>	STeFI
<b>Target</b>	STeFI +1%
<b>Risk profile</b>	Conservative
<b>Portfolio Launch date</b>	02 July 2012
<b>Class Launch date</b>	01 September 2012
<b>Fund size</b>	R 566 million
<b>Yield</b>	5.34%
<b>Portfolio Manager</b>	Rafiq Taylor
<b>Income decl. dates</b>	31/03   30/06   30/09   31/12
<b>Income price dates</b>	1st working day
<b>Portfolio valuation time</b>	17:00
<b>Transaction cut off time</b>	15:00
<b>Daily price information</b>	The Local newspaper and www.sanlamunitrusts.co.za
<b>Repurchase period</b>	3 working days

## Fund Objective

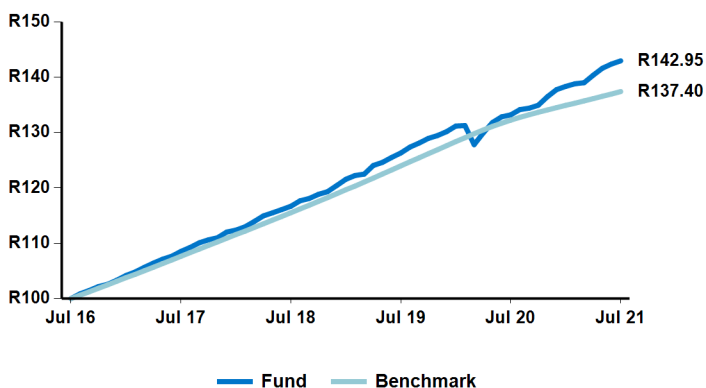
The fund aims to provide a high level of income whilst maximising returns above cash over a 2 year period. Capital preservation is of primary importance and is achieved through the diversification across a variety of high yielding assets and a selection of skilful investment managers with complementary strategies. The fund is Regulation 28 compliant. The investment manager will also be allowed to invest in financial Instruments (derivatives) as allowed by the Act from time to time in order to achieve its investment objective.

## Risk Profile (Conservative)

This portfolio aims to ensure stable income flows and capital preservation is of primary importance. The portfolio invests in a combination of low-risk asset classes, but exposure to equities is limited to protect against volatility and risk of capital losses. It aims to provide a high level of income, while maximising returns above cash. Capital preservation is achieved through diversification across a variety of high yielding assets.

## Cumulative performance since launch

Growth of R100 investment



Source: © Morningstar, dates to 31.07.2021

## Fund Strategy

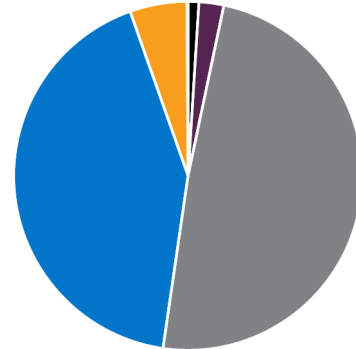
SIM Flexible Income	22.20%
Amplify SCI Strategic Income	20.00%
Prescient Flexible Income	18.40%
BCI Income Plus	11.50%
Coronation Strategic Income	11.20%
Granate SCI Multi Income	9.80%
Satrix Bond	4.00%
SMM Inflation Linked Bonds	3.00%
Cash (RSA)	-0.10%

## Investor Profile

Fund is suitable for an investor seeking:

1. A high level of income
2. Capital preservation
3. Alternative to cash with a 2 year investment horizon

## Asset Allocation



Local Equity, 1.0%	Local Cash and Money Market, 42.3%
Local Property, 2.3%	International Bonds, 5.3%
Local Bonds, 49.0%	International Property, 0.1%

## Performance (Annualised) as at 31 Jul 2021

Retail-class	Fund	Benchmark
1 Year	7.33%	3.90%
3 Year	7.00%	5.95%
5 Year	7.41%	6.56%
Since inception	6.97%	6.32%

An annualised rate of return per year, measured over a period either longer or shorter than one year, such as a month, or two years, annualised for comparison with a one-year return.

## Performance (Cumulative) as at 31 Jul 2021

Retail-class	Fund	Benchmark
1 Year	7.33%	3.90%
3 Year	22.51%	18.95%
5 Year	42.95%	37.40%
Since inception	82.36%	72.65%

Cumulative return is the aggregate return of the portfolio for a specified period.

## Risk statistics (since launch)

Retail-class	Fund
Standard deviation (annualised)	1.83%
% Positive months	94.34%
Maximum drawdown	-2.63%
Sharpe ratio	0.34

## Quarterly distributions

Retail-class	Cents per unit
30-Jun-21	11.52
31-Mar-21	11.21
31-Dec-20	12.03
30-Sep-20	10.83

## Actual highest and lowest annual returns\*

Highest Annual %	9.83
Lowest Annual %	2.48

## Manager Information: Sanlam Collective Investments (RF) (Pty) Ltd

PHYSICAL ADDRESS:

2 Strand Road, Bellville 7530  
Fax: +27 (21) 947 8224

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P.O. Box 30, Sanlamhof, 7532  
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www.sanlamunitrusts.co.za

Fees (excl VAT)	Retail-class
Initial fee	0.00%
Advice Annual fee	Neg.*
Annual Management fee*	0.95%
Total Expense Ratio (TER)	1.16%

\* Advice fee | Any advice fee is negotiable between the client and their financial advisor. An annual advice fee negotiated is paid via a repurchase of units from the investor.

\* This fund is also available via certain LISPS (Linked Investment Services Providers), who levy their own fees.

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

PERIOD: 01 April 2018 to 31 March 2021

Total Expense Ratio (TER) | 1.16% 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) | 0.03% 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) | 1.19% of the value of the Financial Product was incurred as costs relating to the investment of the Financial Product.

The fund 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.

Income funds derive their income from interest-bearing instruments as defined. The yield is a current yield and is calculated daily.

## Portfolio Manager(s) Quarterly comment

During July, optimism over Covid-19 vaccinations and the reopening of economies was overshadowed by fears of the more contagious Delta variant, which in turn increased concerns that the path to 'normality' may be bumpier than previously expected. Despite this, most nations ended the month on a positive note, including South Africa, surprisingly.

China was an exception to this due to the stricter regulations imposed on its educational and technology sectors, which weighed on its results for the month. For developed and emerging markets, the emphasis continued to be on vaccinating their populations, hoping to protect people from new variants of the coronavirus.

Global equity markets notched up another positive month in July, recording gains for a sixth consecutive month. The MSCI World Index returned 1,72% month-on-month (m/m) in US dollar and 4,22% in rand. On a regional basis, US equities outperformed the rest of the market, European equities managed modest gains. In contrast, Japanese equities ended July at the bottom of its recent range due to equity market sentiment dominated by increases in Covid-19 infections in Japan, which recently exceeded 10 000 daily infections for the first time. The S&P 500 (US\$) was up 2,38%, the FTSE (€) and Euro Stoxx 50 (£) were up 0,53% and 0,75% respectively, and lastly, the Nikkei 225 (¥) was down 5,23%.

Emerging equity markets continued to lag developed equity markets in July, with weakness in Chinese stock markets most notable. The MSCI Emerging Markets Index was down 7,04% m/m in US dollar and 4,77% in rand.

Despite being in the news headlines for the wrong reasons in July, the South African equity market managed to end the month higher, with the FTSE/JSE All Share Index closing at 4,18%, with mining companies driving the majority of returns.

Resources led the pack at 11,78% m/m, Industrials closed at 1,02% m/m, and Financials lagged somewhat at 0,38% m/m. Domestically exposed property stocks and insurers experienced the most direct impact from the unrest. They were unsurprisingly among the biggest losers for the month, contributing to the poor performance of the Financial sector. The SA Reserve Bank (SARB) left repo rates unchanged in its monthly meeting, as cash (STeFI) continues to give mediocre performances in a low-interest-rate environment (0,32% m/m). South African value managers (5,62% m/m) outperformed growth managers (2,74% m/m), while globally, the opposite outcome occurred.

The rand witnessed a rollercoaster month due to the social unrest experienced, which in turn did no favours to the risk sentiment of the local currency. As a result, it unsurprisingly closed weaker against most major currencies in July. The rand lost as much as 3,02% against the sterling, followed by 2,39% and 2,38% against the US dollar and euro, respectively. Furthermore, it weakened 1,12% against the Japanese yen.

## Portfolio Manager(s)

Rafiq Taylor

BCom (Hons) Financial Analysis and Portfolio Management;  
BCom (Politics, Philosophy & Economics)

## Portfolio Manager Disclaimer

The management of the fund is outsourced to Graviton Financial Partners (Pty) Ltd, (FSP) Licence No. 4210, an authorised Financial Services Provider in terms of the Financial Advisory and Intermediary Services Act, 2002.

## Manager Information: Sanlam Collective Investments (RF) (Pty) Ltd

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## Trustee Information

### Standard Bank of South Africa Ltd

Tel no.: 021 441 4100, E-mail: Compliance-SANLAM@standardbank.co.za

## 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 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, 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 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 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 Manager has the right to close any portfolios to new investors to manage them more efficiently in accordance with their mandates. The portfolio management of all the portfolios is outsourced to financial services providers authorized in terms of the Financial Advisory and Intermediary Services Act, 2002. Standard Bank of South Africa Ltd is the appointed trustee of the Sanlam Collective Investments Scheme. The Manager retains full responsibility for the co-named portfolio.

Graviton is responsible for the management of the investments held in the Fund. The management of investments are outsourced to Sanlam Multi Managers International (Pty) Ltd (FSP) Licence No. 845, an Authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002.

\* The highest and lowest 12 month returns are based on a 12 month rolling period over 10 years or since inception where the performance history does not exist for 10 years.

Performance figures are sourced from Morningstar.

## Glossary of Terms

### Annualised total returns

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

### Diversification

This is a strategy designed to reduce risk within a portfolio by combining a variety of investments (or asset classes) such as equities, bonds, cash or property, which are unlikely to all move in the same direction. This is designed to reduce the risk (and protect against capital losses) within a portfolio. Diversification allows for more consistent performance under a wide range of economic conditions as it smoothes out the impact of negative market events. The positive performance of some investments or asset classes should neutralize the negative performance of others.

### Multi-managed solution

Multi-managed investing combines a range of investment managers with complementary styles, across different asset classes. The risk of the investors' portfolios is reduced as a result, without impacting on the overall long-term returns.

It is based on the premise that no one manager is likely to perform well in all market conditions and all circumstances.

### 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) assets +10% African assets

### Sharpe ratio

The Sharpe ratio measures 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 the 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.

### Total Expense Ratio (TER)

This refers to the total costs associated with managing and operating an investment's administration, financial planning and servicing fees. Costs consist of management fees and expenses such as trading, legal and 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.

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