Fund Objective

This is a pure equity fund diversified across all sectors of the JSE. This fund is suitable for investors who can withstand potential capital volatility in the shorter term.

Fund Strategy

This fund aims to outperform the FTSE/JSE All Share Index through active stock selection across all sectors and market capitalisation on the JSE. The fund may at any time hold a maximum of 25% in offshore assets.

Why choose this fund?

* The fund offers a carefully selected, well diversified basket of shares from any sector on the JSE.
* All shares are subject to rigorous, in-depth research and must adhere to SIM’s pragmatic value investment philosophy.
* This is a risky fund and is not for the short-term investor.
* The fund aims to achieve maximum capital growth over the medium to long-term by investing in companies that are undervalued relative to realistic growth prospects.

Fund Information

Classification
Namibia Equity Domestic General Funds

Risk profile
Moderate aggressive

Benchmark
General Equity Funds Average

Portfolio launch date
1 July 1994

Minimum investment
Lump Sum: N$ 2 000 | Monthly N$ 200

Portfolio size
N$ 673.6 million

Last two distributions
30 Jun 20: 7.69 cents per unit
31 Dec 19: 12.97 cents per unit

Income decl. dates
30 Jun | 31 Dec

Income price dates
1st working day of the month

Valuation time of fund
15:00

Trading closing Time
13:00

Fees (Incl. VAT)

<table>
<thead>
<tr>
<th>Retail Class (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Fee</td>
</tr>
<tr>
<td>Annual Service Fee</td>
</tr>
</tbody>
</table>

This fund is also available via certain LISPS (Linked Investment Service Providers), which levy their own fees.

Top 10 Holdings

<table>
<thead>
<tr>
<th>Securities</th>
<th>% of Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Naspers -N-</td>
<td>18.23</td>
</tr>
<tr>
<td>Prosus NV</td>
<td>8.78</td>
</tr>
<tr>
<td>BTI Group</td>
<td>5.27</td>
</tr>
<tr>
<td>Anglos</td>
<td>4.26</td>
</tr>
<tr>
<td>NBS</td>
<td>3.74</td>
</tr>
<tr>
<td>Implats</td>
<td>3.46</td>
</tr>
<tr>
<td>FirstRand / RMBH</td>
<td>3.28</td>
</tr>
<tr>
<td>Northam</td>
<td>3.19</td>
</tr>
<tr>
<td>Stanbank</td>
<td>3.01</td>
</tr>
<tr>
<td>SIBANYE STILL WATER LIMITED</td>
<td>2.98</td>
</tr>
</tbody>
</table>

Top 10 Holdings as at 30 Sep 2020

Performance (Annualised)

<table>
<thead>
<tr>
<th>Retail Class</th>
<th>Fund (%)</th>
<th>Benchmark (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 year</td>
<td>1.47</td>
<td>(4.20)</td>
</tr>
<tr>
<td>3 year</td>
<td>(2.35)</td>
<td>(3.70)</td>
</tr>
<tr>
<td>5 year</td>
<td>1.84</td>
<td>0.67</td>
</tr>
<tr>
<td>10 year</td>
<td>7.72</td>
<td>6.60</td>
</tr>
</tbody>
</table>

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

Performance (Cumulative)

<table>
<thead>
<tr>
<th>Retail Class</th>
<th>Fund (%)</th>
<th>Benchmark (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 year</td>
<td>1.47</td>
<td>(4.20)</td>
</tr>
<tr>
<td>3 year</td>
<td>(6.89)</td>
<td>(10.69)</td>
</tr>
<tr>
<td>5 year</td>
<td>9.55</td>
<td>3.40</td>
</tr>
<tr>
<td>10 year</td>
<td>110.36</td>
<td>89.48</td>
</tr>
</tbody>
</table>

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

Asset Allocation

This monthly Fund Fact Sheet should be viewed in conjunction with the Portfolio Manager Commentary Sheet.
Portfolio Manager(s) Quarterly Comment - 30 Sep 2020

Market Commentary

High levels of uncertainty continued through the third quarter of the year, with unprecedented drops in GDP numbers reported across the globe. The South African equity market was fairly flat in rand terms through the period despite having the highest July return since 2017, but globally listed tech stocks continued to rally in August, which was then erased in September by the USA TikTok and WeChat debacle.

For the quarter, the MSCI World Index (7.9%), MSCI Emerging Markets Index (9.6%) and MSCI USA Index (9.5%) all gave positive returns in net US dollar. Emerging markets performed well in the previous quarter, but in the third quarter the MSCI EM Latin American Index returned -1.3%. The MSCI South Africa Index returned 3.7% over the quarter while the MSCI China index returned 12.5%. The MSCI Europe Index returned 4.5% while the MSCI United Kingdom returned only -0.2%. All returns are in net US dollar.

Economies across the world started to recover, relaxing some of their lockdown restrictions. Despite that, the demand for oil was muted due to a combination of devastating economic growth and the mobility restrictions still imposed by the virus. The oil price ended the quarter at $41 a barrel, about a dollar below the price it started the period. For the first time ever, the gold price went past the $2,000 an ounce level, as central banks planned more interest rate cuts and flooding the markets with cash. The bullion eventually closed the quarter at $1,884. The US Government 10-year bond closed the quarter at 0.68% as the US unemployment rate continued to recover (7.9%) from the previous quarter-end (14.7%).

Locally, the South African equity indices, namely the FTSE/JSE Top 40 (0.6%), FTSE/JSE All Share (0.7%) and FTSE/JSE Capped Shareholder Weighted All Share (Capped SWIX) (1.0%) all showed flat to more positive gains through the quarter. South Africa’s GDP declined by 16.4% on a quarter-on-quarter basis, which was the fourth consecutive quarter of decline. Through this, the South African Government 10-year bond yield started the period at a yield of 9.27% but later closed the quarter at 9.45%, resulting in the All Bond Index (ALBI) (1.5%) ending the quarter positive. The cash benchmark, the Alexander Forbes Short-Term Fixed Interest (STeFI) Composite Index (1.2%) delivered positive money market returns for the quarter. The FTSE/JSE SA Listed Property Index (-14.1%) ended the quarter negative.

The South African rand strengthened against the dollar through the period. For the full quarter, the South African rand appreciated by 4.0% to the US dollar, closing at R16.69 to the greenback, R21.65 to the pound and R19.56 to the euro.

The South African Reserve Bank (SARB) committee continued to cut the repo rate in July by 0.25% to another record breaking 3.5% level but decided to hold in September despite their downwardly revised growth and inflation views.

The African National Congress (ANC) mentioned in August that it is now moving away from Prescribed Assets to avoid enforcing subscription to particular assets and instead are moving to revisit Regulation 28 of the Pension Funds Act. Proposed changes may allow trustees and investors to invest more in infrastructure.

The lockdown regulations in South Africa were eased to Level 1, opening up more sectors and even opening up international travel to and from some countries deemed low risk. While this was welcomed as a boost for the economy, there is some worry about a second wave of infections, which would prove costly for South Africa should another hard lockdown be imposed.

PURCHASES

120bps ANG
Low interest rates lower the opportunity cost of holding physical gold, which could be positive for the metal price, exacerbated by the risk of a second wave of the virus leading to safe haven demand. Given this scenario, and that they are a leveraged rand hedge offering enhanced protection against rand weakening, we have partially closed our underweight position in the group of shares by buying ANG and GFI.

90bps GFI
Low interest rates lower the opportunity cost of holding physical gold, which could be positive for the metal price, exacerbated by the risk of a second wave of the virus leading to safe haven demand. Given this scenario, and that they are a leveraged rand hedge offering enhanced protection against rand weakening, we have partially closed our underweight position in the group of shares by buying ANG and GFI.

80bps SSW
SSW offers a unique blend of gold and platinum assets. Further, given our gold reasoning above, it also offers this exposure, at a cheaper price than either ANG or GFI. We thus used the volatile quarter for the share (even more so then the overall market volatility) to add to an overweight position in the share.

75bps FST
We sold out of REMGRO completely, in favour of buying more FST directly. FST trades at a discount to its longer run P/B and has proven to be the highest ROE bank among the larger SA banks (excluding Capitec). We are now materially overweight FST, together with FirstRand Namibia.

60bps RNI
Reinet trades at nearly a 40% NAV discount, with attractive underlying assets such as BTI and Pension Insurance Corporation. BTI is attractively priced at under 10x forward earnings and over a 7% DY, while Pension Insurance is growing rapidly in the UK. We thus increased our overweight position to supplement our large direct
overweight in BTI.

**Portfolio Manager(s)**

**Basson van Rooyen**  
CFA, CA (SA), CA (NAM)

**Nigel Suliaman**  
CFA