Denker SCI Global Equity Feeder Fund

Minimum Disclosure Document

As of 31/05/2025

MDD Issue Date: **13/06/2025**

Fund Objective

The objective of the portfolio is to provide above average long-term capital growth by investing in global equities which the Investment Manager has identified as being undervalued and as offering above average growth potential. This fund is a feeder fund which invests only in the Denker Global Equity Fund, managed by Sanlam Asset Management (Ireland). The portfolio may also hold ancillary liquid assets including cash and or money market instruments.

Fund Strategy

The Investment Manager seeks to achieve the objective of the fund by investing in undiscovered or neglected global equities that the Investment Manager has identified as being undervalued and offering above average growth potential over time.

Why Choose This Fund?

- The fund invests in undervalued equity stocks, the research focus being on undiscovered or neglected stocks.
- The fund employs an active stock-picking investment process.
- It is a Rand denominated fund. No foreign exchange tax clearance is required.

Fund Information

Ticker	SIGA1
Portfolio Manager	Jacobus Oosthuizen
ASISA Fund Classification	Global - Equity - General
Risk Profile	Aggressive
Benchmark	MSCI World Index
Fund Size	R 930,501,017
Portfolio Launch Date	26/02/2007
Fee Class Launch Date	02/07/2007
Minimum Lump Sum Investment	R 10,000
Minimum Monthly Investment	R 500
Income Declaration Date	December
Income Pricing Date	1st business day of January
Portfolio Valuation Time	15:00
Transaction Cut Off Time	15:00
Month End Price	39.41
Daily Price Information	Local media & www.sanlamunittrusts.co.za
Repurchase Period	3 business days

Fees (Incl. VAT)

Fees (Incl. VAT)	A1-Class (%)
Maximum Initial Advice Fee	3.34
Maximum Annual Advice Fee	1.15
Manager Annual Fee	1.15
TER	2.11
TC	0.04
TIC	2.15
TER Measurement Period	01 April 2022 - 31 March 2025

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.

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.

Effective 1 December 2024, SCI will change a monthly administration fee of R23 (VAT Inclusive) on retail investors whose total investment value is less than R50 000. Clients with an active recurring monthly debit order will not be levied this fee

**The main fund this feeder fund is investing in is a non-distributing fund, hence no income may be available for distribution.

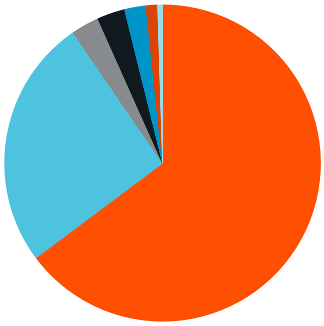
Top Ten Holdings

Top Ten Holdings	(%)
Portfolio Date	**31/03/2025**
Berkshire Hathaway	5.10
Microsoft	3.94
Denker Global Financial Fund E	2.89
Oracle	2.75
HCA Healthcare Inc	2.52
TD SYNNEX Corporation	2.52
KLA-Tencor Corp	2.39
Ferguson Enterprises Inc.	2.20
Melrose Industries PLC	2.20
ARCH CAPITAL GROUP LTD	2.19

These are the top holdings of the offshore fund in which this feeder fund invests.

Asset Allocation

Portfolio Date: 31/03/2025



	%
USA	64.79
Europe	25.64
Cash	2.87
UK	2.84
Other	2.19
Asia	1.18
Scandinavia	0.49
Total	**100.00**

Annualised Performance (%)

	Fund	Benchmark
1 Year	4.62	9.07
3 Years	16.86	18.88
5 Years	12.86	14.73
10 Years	10.64	14.36
Since Inception	7.65	12.82

Cumulative Performance (%)

	Fund	Benchmark
1 Year	4.62	9.07
3 Years	59.59	68.01
5 Years	83.12	98.80
10 Years	174.77	282.59
Since Inception	274.67	767.86

Highest and Lowest Annual Returns

Time Period: 01/01/2015 to 31/12/2024

Highest Annual %	32.24
Lowest Annual %	-10.36

Risk Statistics (3 Year Rolling)

Standard Deviation	14.83
Sharpe Ratio	0.63
Information Ratio	-0.27
Maximum Drawdown	-8.72

Distribution History (Cents Per Unit)**

31/12/2022	0.00 cpu	31/12/2020	0.00 cpu
31/12/2021	0.00 cpu	31/12/2019	0.00 cpu

Administered by

Sanlam

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Risk Profile

Aggressive
This is an aggressively managed, high-risk portfolio that aims to deliver capital growth over the long term (greater than 5 years). It is designed to substantially outperform the markets and therefore carries a long-term investment horizon (5 years and upwards). The portfolio will be diversified across all major asset classes with significant exposure to equities, and may include offshore equities. There may be some capital volatility in the short term, although higher returns may be expected from five years or beyond.

Risk Considerations

- The fund is focused on investment in global listed companies; accordingly the performance of the fund is directly linked to the performance of the global equity markets.
- Investing in international companies means the currency exchange rate fluctuations will have an impact on the fund's investment performance.
- As the SA Rand can be a volatile currency, this could lead to significant fluctuations in the rand value of this fund.

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; 45% for foreign 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

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DENKER CAPITAL

Portfolio Manager Quarterly Comment

Quarter to March 2025

Market review

Global markets

These commentaries normally focus on the economic events and market movements that occurred in the previous quarter. Given that 2 April (infamously dubbed Liberation Day) and its consequences have eclipsed the events in the first quarter, it seems appropriate to start there. In a podcast on 1 April, the distinguished economist Thomas Sowell in response to the question *"What do you make of the present president of the United States and his tariffs?"* said *"It's painful to see a ruinous decision from back in the 1920s being repeated. Now, insofar as he's using these tariffs to get very strategic things settled, he is satisfied with that. But if you set off a worldwide trade war, that has a devastating history."* Markets, keenly aware of the risks, rapidly repriced asset values lower. US indices experienced the largest daily losses since the COVID-19 related sell off in March 2020.

Trade policy uncertainty had already resulted in market weakness prior to quarter end. The US Fed held rates steady and copper and gold both reached all-time highs.

The MSCI World Index underperformed emerging markets with the index down -1.8% vs 2.9% gain for the MSCI Emerging Markets Index (in US dollars).

US equities ended the first quarter in negative territory (-4.3%), with the information technology and consumer discretionary sectors leading the declines. In contrast, most other sectors fared better (most notably energy, utilities and consumer staples). A pivotal moment came with the announcement that China's DeepSeek had developed an AI model on par with global market leaders, but at a fraction of the cost. This development prompted investors to reassess expectations around the future of AI, the sustainability of US dominance in the field, and the return prospects for AI-related investments. Given that the AI theme has been a key driver of equity market gains in recent years — particularly through the outperformance of the so-called 'Magnificent Seven' stocks — this news weighed heavily on some of the index's largest constituents.

Portfolio review

The Denker Global Equity Fund A class outperformed its MSCI World Index benchmark by 1.8% for the quarter. The fund's performance for the quarter was flat, ending with a slight positive return.

At a stock level, the most notable contributors to performance were Berkshire Hathaway, Alibaba and Philip Morris.

Berkshire Hathaway (up 17%) performed strongly in Q1, as investors sought defensive, cash-generative businesses amid heightened market volatility and a sharp rotation away from technology stocks. Strength in its insurance operations, boosted by higher premiums and robust investment income, alongside meaningful exposure to outperforming sectors like energy and industrials, provided a solid foundation for returns.

Chinese equities saw a resurgence in the first quarter, with AI optimism driving a sharp rally in tech stocks. Alibaba was a standout performer, rising more than 50% during the quarter, as investors recognised its leading position in China's (and the global) AI race. The company has aggressively expanded its AI capabilities, from backing start-ups (Alibaba was quick to introduce DeepSeek services on its cloud platform) to heavy investments in chips and research. Its Qwen AI models are now considered best-in-class, with Apple selecting them for iPhones in China. Investor sentiment was further bolstered by Alibaba's better-than-expected Q4 results, which reflected improved monetisation, strong AI capex projections signalling confidence in the demand opportunity, and Jack Ma's return to prominence - symbolised by his front-row seat at President Xi's meeting with business leaders in February.

Philip Morris International outperformed during the quarter on the back of better-than-anticipated Q4 2024 results. Cigarette volumes grew slightly faster than expected, Zyn nicotine pouches continued to deliver strong results (US volumes increased 42% y/y) and gross margins benefited from favourable price/mix. In response to the more favourable outlook, management now expects FY25 organic operating income to increase 10.5%-12.5% (ahead of its medium-term target of 8-10% profit growth). As the global market leader for combustible cigarettes as well as reduced risk products, Philip Morris is able to provide relatively defensive growth during a period of heightened market volatility. That said, its share price has re-rated significantly year-to-date while other parts of the market now potentially offer better long-term value.

The detractors worth noting were Oracle, Embecta and Broadcom.

Oracle and Broadcom (down 15% and 27% respectively) have both been long-term winners in the portfolio. While the recent pullback, driven by concerns around DeepSeek, has weighed on sentiment, we believe these fears are overdone and both companies remain well positioned to benefit from ongoing structural demand in AI and cloud infrastructure.

Leading diabetes care firm Embecta Corporation shares fell 37% over the quarter as revenue growth was lower than expected and management tempered their outlook given a tough start to the year. Despite the volatility, our view on the investment case remains in place and we continue to see considerable upside in the shares trading on just 5x earnings (~$700m market cap). Embecta over time should remain a highly cash generative business with structural tailwinds of the severe prevalence of diabetes globally as well as its associated high cost of treatment, where Embecta is a global leader in insulin delivery devices which are more cost effective and simpler to administer.

Outlook

Looking ahead, while market volatility is likely to persist amid ongoing trade tensions and evolving dynamics in the global AI landscape, we remain positive on the long-term prospects for global equities. The recent correction in technology shares, though sharp, has created attractive opportunities to selectively add to high-quality names that continue to benefit from powerful secular trends. Our disciplined focus on valuation anchors our approach, helping us to look through short-term noise and identify companies where market pessimism has created compelling entry points.

Note: The returns above are quoted in US dollar terms.

Portfolio Manager
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