Denker SCI* Global Equity Feeder Fund

Minimum Disclosure Document

As of 31/07/2021

DENKER CAPITAL

MDD Issue Date: **18/08/2021**

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 545,983,507
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
Daily Price Information	Local media & www.sanlamunittrusts.co.za
Repurchase Period	3 business days

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	0.11
TIC	2.22
TER Measurement Period	01 April 2018 - 31 March 2021

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.

*Denker Sanlam Collective Investments Global Equity Feeder Fund

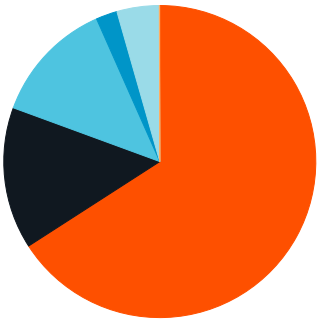
Top Ten Holdings

Portfolio Date	**30/06/2021**
	(%)
Microsoft	6.58
Oracle	4.08
Roche Holding	3.40
Amazon Inc	3.33
Legal & General	3.29
Medtronic Inc	3.07
Becton Dickinson & Co.	2.98
Novartis	2.95
Bristol-Myers Squibb	2.87
Unilever	2.82

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

Asset Allocation

Portfolio Date: 30/06/2021



	%
North America	65.90
United Kingdom	14.70
Europe (Developed Markets)	12.77
Asia (Developed Markets)	2.21
Asia (Emerging Markets)	4.38
Europe (Emerging Markets)	0.04
Latin America	0.01
Total	**100.00**

Annualised Performance (%)

	Fund	Benchmark
1 Year	14.24	16.55
3 Years	12.26	19.41
5 Years	11.03	16.14
10 Years	12.05	20.72
Since Inception	6.39	13.14

Cumulative Performance (%)

	Fund	Benchmark
1 Year	14.24	16.55
3 Years	41.47	70.25
5 Years	68.73	111.31
10 Years	211.97	557.08
Since Inception	139.36	469.03

Highest and Lowest Annual Returns

Time Period: 01/01/2011 to 31/12/2020	
Highest Annual %	25.78
Lowest Annual %	-10.15

Risk Statistics (3 Year Rolling)

Standard Deviation	17.07
Sharpe Ratio	0.42
Information Ratio	-0.90
Maximum Drawdown	-19.41

Distribution History (Cents Per Unit)

31/12/2020	0.00 cpu	31/12/2019	0.00 cpu
30/06/2020	0.00 cpu	30/06/2019	0.00 cpu

Administered by

Sanlam

Denker SCI* Global Equity Feeder Fund

Minimum Disclosure Document

As of 31/07/2021

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).

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.

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.A feeder fund is a portfolio that invests in a single portfolio of a collective investment scheme, which levies its own charges and which could result in a higher fee structure for the feeder fund.Investments in foreign instruments are also subject to fluctuations in exchange rates which may cause the value of the fund to go up or down. 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 and using our Effective Annual Cost (EAC) calculator. Alternatively, contact us at 0860 100 266.

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
Website: 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
Website: www.sanlamunittrusts.co.za

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

Administered by

Denker SCI* Global Equity Feeder Fund

Minimum Disclosure Document

As of 31/07/2021

DENKER CAPITAL

Portfolio Manager Quarterly Comment

Quarter to June 2021

Market review

The MSCI World Index once again delivered good performance as investors earned 7.7% for the quarter in US dollars. The yield on 10-year US bonds fell from 1.74% at the end of Q1 back to 1.43% at the end of Q2; reversing some of the first quarter's upward movements. Interestingly, inflation expectations moderated somewhat in the second quarter. However, a more detailed analysis of the options in the bond market reveals that the market is more worried about higher inflation even though moderate inflation remains the most likely outcome.

The lower 10-year yield (and the impact of lower discount rates on the valuations of companies with high growth expectations) helped growth stocks to outperform value stocks. This was also the main driver of equity returns at a sector level. Information technology (+11.5%), communication services (+9.2%) and health care (+9.3%) outperformed, while financials (+6.6%), materials (+5.3%) and industrials (+4.6%) lagged.

Given the number of vaccines administered to its population, the US seems to have, more or less, resumed normal life. Data on the US economy continues to show signs of robust recovery, a strong labour market and some inflation – at this point the Federal Reserve deems this pricing pressure to be transitory. The UK has also had much success with its vaccination program. At the end of the second quarter, there were once again relatively large numbers of Covid-19 cases (with the Delta variant responsible for almost all new cases). However, the number of people hospitalised was less than in the previous waves. 'Freedom Day', the name given to the day when all Covid-19 lockdown restrictions will be lifted and life is expected to return to normal, is expected to be 19 July.

Portfolio review

During the second quarter the fund delivered strong absolute performance but underperformed the MSCI World Index (the fund's benchmark), mainly due to our overweight position in financials.

The following stocks were the main contributors during the quarter: Ashtead (+24%), Microsoft (+15%), Roche (+16%), Oracle (+11%), Ferguson Plc (+16%). The main detractors for the quarter were: Legal & General (-3%), Essent (-5%), CDK Global (-8%) and Total (-2%).

During the quarter we initiated two new positions: Lowe's Companies Inc. and Stamps.com. We also added to Facebook (initiated in Q1) and Ferguson Plc (also initiated Q1). We believe Lowe's and Ferguson are well placed to benefit from ongoing home improvement spending in the US, and both companies currently trade at a discount to our assessment of intrinsic value. The previous CEO of Ashtead, Mr Geoff Drabble, has joined Ferguson Plc as Chairman of the Board. During his tenure at Ashtead he played a vital role in building what we believe is the best equipment rental company in US, Sunbelt. We believe Ferguson, like Ashtead, has a similar opportunity to participate in the consolidation of a very large and fragmented market. Stamps.com is a fantastic business that is geared towards the ongoing growth of global e-commerce. It has come through a tumultuous two-year period after a contract with a big customer was renegotiated. We believe the company has proven that they made the right strategic decision to not give the US Postal Service exclusive rights to their service. This was a difficult and brave decision because it is costly in the short term, but the right long-term strategic decision for the company. The short-term uncertainty caused weakness in the share price and created the opportunity to invest at what we believe is a significant discount to the intrinsic value of the company.

We remain well positioned to benefit from the significant mispricing in select high quality financial stocks. In addition, we have meaningful positions in technology, ecommerce and healthcare companies which will likely continue to benefit from favourable tailwinds and which still trade at attractive valuations.

Portfolio Manager
Jacobus Oosthuizen
M.Compt, CA(SA), CFA®

Administered by

Sanlam