

Element Islamic Global Equity Sanlam Collective Investments Fund

Minimum Disclosure Document

As of 28/02/2025



MDD Issue Date: 17/03/2025

Fund Objective

The objective of the portfolio will be to achieve long term capital appreciation without concentrating on income requirements and to create an internationally diversified equity portfolio for investors. The manager aims to do this by investing in a spread of equity securities across the globe, listed on exchanges that are full members of the World Federation of Exchanges.

Fund Strategy

The portfolio will invest in international equity securities, listed property, money market instruments and assets in liquid form, that have been approved for investment by the Shari'ah Supervisory Board from time to time. The portfolio will be predominantly invested in international securities in developed countries. The investment policy will allow any other securities that are considered consistent with the portfolio's investment objective that the Act may from time to time allow, all to be acquired at fair market prices.

Fund Information

Ticker	IGEA
Portfolio Manager	Keith McLachlan
ASISA Fund Classification	Global - Equity - General
Risk Profile	Aggressive
Benchmark	Dow Jones Islamic Market World Index (ZAR)
Fund Size	R 196,963,873
Portfolio Launch Date*	01/10/2012
Fee Class Launch Date*	02/10/2012
Minimum Lump Sum Investment	R 10,000
Minimum Monthly Investment	R 500
Income Declaration Date	June & December
Income Payment 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)

A-Class (%)

Maximum Initial Advice Fee	3.5
Maximum Annual Advice Fee	—
Manager Annual Fee	2.0
Total Expense Ratio	2.0
Transaction Cost	0.2
Total Investment Charges	2.2
Performance Fee	—
TER Measurement Period	01 January 2022 - 31 December 2024

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.

Performance fees are incentive fees earned by the manager for performance in excess of the benchmark. Performance fees form part of the cost structure of the fund and are included in the Total Expense Ratio. Please visit www.sanlamunitrusts.co.za for a detailed list of our funds that charge performance fees together with their calculation methodologies.

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.

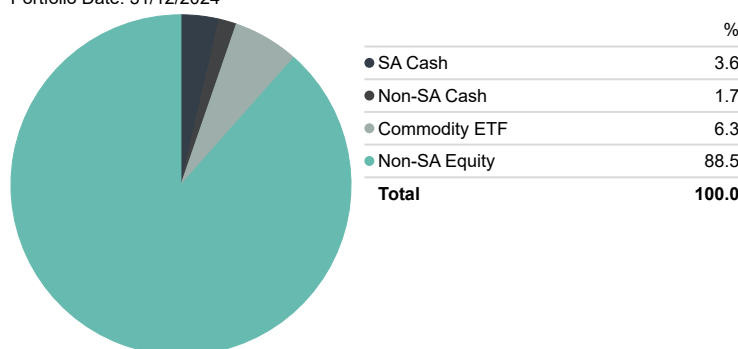
*The Element Islamic Global Equity Sanlam Collective Investments Fund transitioned to Sanlam Collective Investments (RF) (Pty) Ltd on 08 July 2017.

Top Ten Holdings

	(%)
Taiwan Semiconductor SP ADR	6.1
Microsoft Corporation	5.8
Visa Inc	5.6
NewGold ETF	4.8
Essilor International SA	4.7
Linde Plc	4.5
Cummins Inc	4.3
Sandoz Group AG	4.2
The Procter & Gamble Company	4.1
Schneider Electric SE	4.0

Asset Allocation

Portfolio Date: 31/12/2024



Annualised Performance (%)

	Fund	Benchmark
1 Year	9.3	8.0
3 Years	10.3	15.4
5 Years	11.9	17.3
10 Years	8.7	15.8
Since Inception	11.6	18.3

Cumulative Performance (%)

	Fund	Benchmark
1 Year	9.3	8.0
3 Years	34.1	53.5
5 Years	75.2	122.1
10 Years	131.0	332.3
Since Inception	285.8	693.1

Highest and Lowest Annual Returns

Time Period: Since Inception to 31/12/2024

Highest Annual %	39.9
Lowest Annual %	-10.8

Risk Statistics (3 Year Rolling)

Standard Deviation	10.8
Sharpe Ratio	0.3
Information Ratio	-0.4
Maximum Drawdown	-8.0

Distribution History (Cents Per Unit)

30/06/2024	0.56 cpu	30/06/2020	3.91 cpu	30/06/2018	0.00 cpu
30/06/2023	1.00 cpu	31/12/2019	0.68 cpu	31/12/2017	0.00 cpu
31/12/2022	2.25 cpu	30/06/2019	2.09 cpu	31/03/2017	0.00 cpu
30/06/2022	0.94 cpu	31/12/2018	0.05 cpu	30/09/2016	0.00 cpu

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Risk Profile

Aggressive

You can afford to take on a higher level of risk (i.e., have a greater exposure to equities) because of your investment time horizon and/or your appetite for risk. You know that in taking the risk, you need to be patient if you want to achieve the results. So you are willing to invest for the long-term and are prepared to tolerate some volatility in the short term, in anticipation of the higher returns you expect to receive in five years or beyond.

Glossary Terms

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.

Cumulative Returns

Cumulative return is the total growth experienced over the period measured.

Distributions

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

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 at the same time. 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.

Financial Instruments

Derivatives also known as financial instruments (such as a future, option, or warrants) whose value derives from and is dependent on the change in value of an underlying asset (such as a commodity, currency, or security) to protect against risk (capital losses).

Fund Objective

The fund objective is the portfolio's core goal.

Fund Strategy

The fund strategy is the way that the fund is managed to achieve the fund objective.

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.

Collective Investment Schemes

Collective Investment Schemes (CIS) (also called unit trusts) are portfolios of assets such as equities, bonds, cash and listed property, in which investors can buy units. They allow private investors to pool their money together into a single fund, thus spreading their risk across a range of investments, getting the benefit of professional fund management, and reducing their costs.

Market Capitalization

Market capitalization is the total value of the issued shares of a publicly traded company; it is calculated by multiplying the share price by the number of shares in issue.

Maximum Drawdown

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

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.

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.

Tax Free Savings Account

This Fund qualifies as a tax free investment according to section 12T of the Income Tax Act, with effect from 1 March 2015. South African individuals qualify for the associated tax benefits namely no tax on dividends, income or capital gains whilst still enjoying all the benefits of a unit trust. Note contributions to tax free investments are limited to R36 000 per tax year, with a lifetime limit of R500 000. Amounts invested in excess of these permissible thresholds are taxable.

Portfolio Manager Comment

As at 31 December 2024

In 2024, major global indices generated strong returns from a concentrated cohort of technology stocks. While we were under-weight this technology cohort—for reasons ranging from high valuations of some to the sustainability of others—we were overweight Schneider Electric, Microsoft Corporation and Taiwan Semiconductor Manufacturing Company ("TSMC"). All three performed strongly during the year and, looking forward, are likely to keep performing.

We were well positioned with gold in the portfolio this year. The metal hit several all-time highs during the year, and our gold investments benefiting from this. Given all the present global risks, and as long as global non-USA central banks keep buying the precious metal as a hedge against US Dollar reserves, we see this remaining as a comfortable allocation (we have a c.6% exposure to gold in the portfolio).

We progressively down weighted our oil and gas exposure during the year but, indeed, could have done so more aggressively following the war in the Middle East that triggered a spike in oil price. We now remain with only the best-quality in this sector, Exxon Mobil, as our oil and gas exposure after having trimmed the lower quality counters (we remain with a 3.5% exposure to oil and gas). Exxon Mobil along with our integrated uranium producer, Cameco Corp, form our strategic energy exposure. We believe this allocation is exciting as, in the long-term, energy-intensive Artificial Intelligence ("AI") grows and its demands for baseload fuel grows too.

Our defensive investments in consumer staples and healthcare, (Pfizer, Alcon and Sandoz) had a mixed year. We believe our overweight healthcare serves a dual purpose as being both (1) attractive investments (high barriers-to-entry businesses, highly profitable, low valuations with good growth prospects), and (2) protecting us against downside risk in an increasingly expensive US stock market (healthcare is defensive and should outperform in a market correction). On the latter point, defensive consumer staples may further help protect the portfolio.

Overall, while the portfolio remains defensively tilted with gold, consumer staples and healthcare, we have invested in some high-quality global growth investments and undervalued opportunities that offer exciting potential. We are wary of US market valuations, the volatility inherent in a Trump presidency, and the current level of geopolitical risk in the world but consider our blend of defensive over-weights and selective growth investments appropriate to start 2025 with. Despite this view, we remain agile and will adjust as the year and global markets unfold.

Portfolio Manager

Keith McLachlan
CA (SA)

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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 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 Element Investment Managers (Pty) Ltd, (FSP) Licence No. 663, 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 conamed 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.

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