



Sage SCI* Long Term Solution Fund of Funds Class A2

July-2022

Fund Objective

The objective of the Sage SCI Long Term Solution Fund of Funds is to secure steady growth of capital over a longer term of more than 3 years, and to offer a return of at least CPI+7% over a rolling five year period. The portfolio will aim never to have a negative return over any two year period.

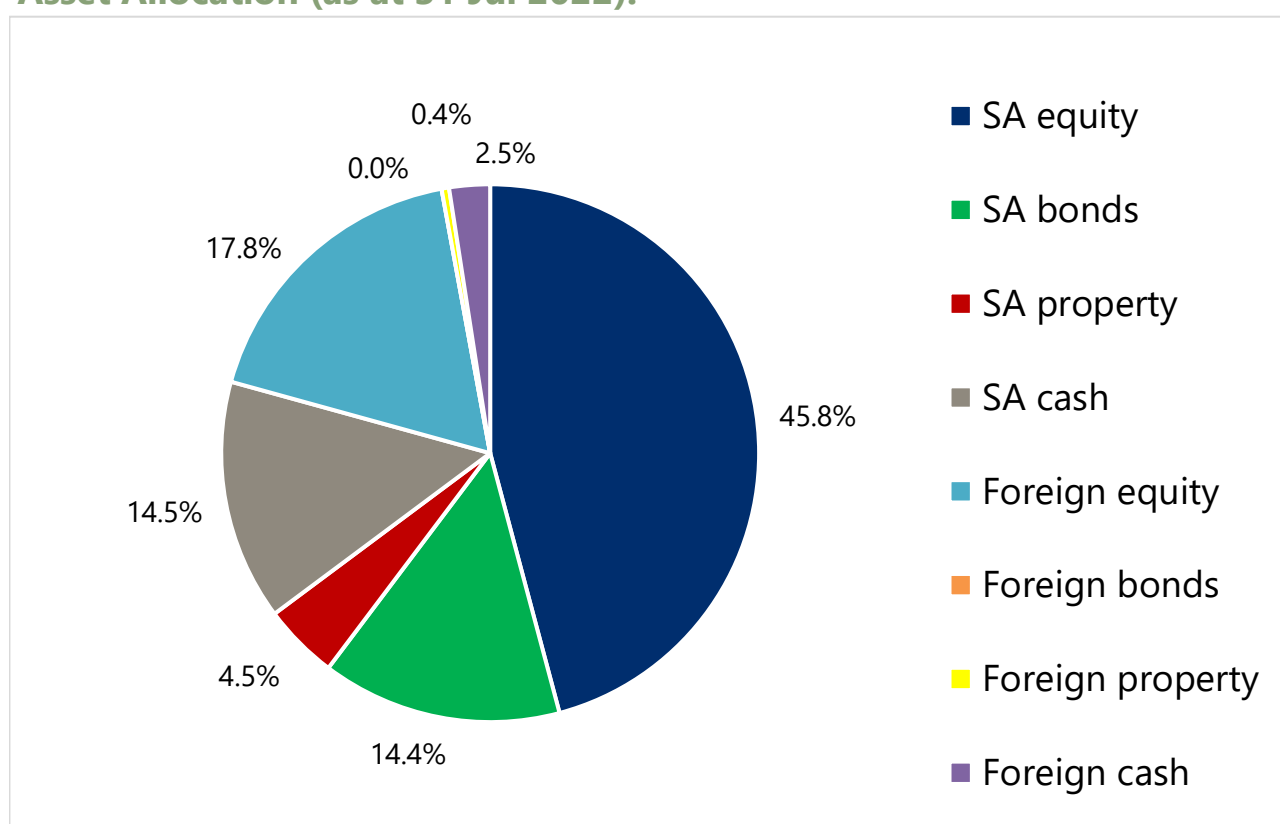
Fund Strategy

The investment manager, Sage Multi Managers Proprietary Limited, follows the multi manager style of investing and will invest the portfolio in the participatory interests of various collective investment schemes managed by different specialist managers. The target of CPI+7% will be achieved through the construction of a portfolio with a strategic asset allocation appropriate for a CPI+7% objective.

Fund Information

ASISA Fund Classification	SA Multi Asset High Equity
Risk Profile	Assertive
Benchmark	CPI+7% p.a.
Fee Class Launch date	03-Jan-11
Portfolio Launch date	01-Nov-06
Minimum investment	Lump sum: R100 000 Monthly: R10 000
Portfolio Size	R 693 million
Quarterly Distributions	30/09/2021: 6.9 cents per unit 31/12/2021: 0 cents per unit 31/03/2022: 24.39 cents per unit 30/06/2022: 16.82 cents per unit
Income decl. dates	30/09 31/12 31/03 30/06
Income price dates	1st working day after declaration (distributed on the following working day)
Portfolio valuation time	17:00
Transaction cut off time	15:00
Daily price information	www.sanlamunittrusts.co.za
Repurchase period	3 working days

Asset Allocation (as at 31 Jul 2022):



*SCI - Sanlam Collective Investments

**TER Measurement period: 01 Apr 2019 to 31 Mar 2022

Risk Profile (Assertive)

This is an aggressively managed, high-risk portfolio that aims to deliver capital growth over the long term (5 - 8 years). It is designed to substantially outperform the markets and therefore carries a long-term investment horizon (5 years and upwards) with a significant exposure to equities. The portfolio will be diversified across all major asset classes with a strong bias towards equities (max 75%) and is managed in compliance with Regulation 28. There may be some capital volatility in the short term, although higher returns may be expected from five years or beyond.

Why choose this fund

- The fund aims to provide investors with high levels of capital growth over the very long term.
- The fund's asset allocation is appropriate for an assertive investor.
- The underlying fund managers manage exposure to the various asset classes.
- The fund is managed by a combination of leading South African investment managers.
- The fund is diversified across the major asset classes.
- Investing in this solution is a cost effective way of accessing the best investment expertise both locally and abroad.

Fund Holdings

Managers	Actual Allocation
Amplify SCI Defensive Balanced Fund	19.87%
36ONE - PPS Managed Fund	16.02%
Fairtree Equity Fund	16.02%
Bateleur Flexible	15.91%
PPS Balanced Index Tracker Fund	15.83%
PSG Flexible	10.45%
Baillie Gifford Worldwide Discovery Fund	4.60%
SA Cash	1.30%

Annualised Performance

Class A2	Fund	Benchmark
Year to date	-2.61%	8.69%
1 year	3.08%	14.40%
3 years	8.97%	11.82%
5 years	6.45%	11.70%
10 years	8.62%	12.18%
Inception ^	8.02%	12.95%

^since Inception date 03/01/2011

Calendar Performance

Class A2	Fund	Benchmark
2017	11.67%	11.62%
2018	-4.11%	12.19%
2019	8.05%	10.56%
2020	8.90%	10.18%
2021	18.01%	12.47%

Risk Metrics (3 years)

Class A2	Fund
Standard deviation	13.22
Sharpe ratio	0.39
Maximum drawdown	-17.35
Percentage of positive months	69.44

Actual highest and lowest annual returns

Highest Annual %	2021	18.01%
Lowest Annual %	2018	-4.11%

Fees (Inclusive Of VAT)**

Advice initial fee (max.)	3.45
Advice annual fee (max.)	1.15
Manager annual fee	0.75
Total expense ratio (TER)	1.78
Transaction costs (TC)	0.23
Total investment charge (TER + TC)	2.01

Fee Information

Total Expense Ratio (TER): The value of the Financial Product 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. TER includes the annual management fee, performance fee and administrative costs and includes VAT but excludes portfolio transaction costs (except in the case of an entry or exit charge paid by a fund when buying or selling units in another fund) expressed as a percentage of the average daily value of the Fund calculated over a rolling three year period (or since inception where applicable. Where funds invest in the participatory interests of foreign collective investment schemes, these may levy additional charges which are included in the relevant TER.

Transaction Cost (TC): The value of the Financial Product 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): The value of the Financial Product incurred as costs relating to the investment of the Financial Product. A fund of fund unit trust only invests in other unit trusts, which levy their own charges, which could result in a higher fee structure for these funds. 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. This fund is also available via certain LISPS (Linked Investment Services Providers), who levy their own fees.

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. Obtain a personalised cost estimate before investing by visiting www.sanlamunittrusts.co.za and using our Effective Annual Cost (EAC) calculator. Alternative, contact us at 0860 100 266.

Portfolio Manager(s)

Sage Investment Team

Registration Number: 2007/002035/07

FSP Number: 47866

Portfolio Manager Disclaimer

The management of investments are outsourced to the Sage Investment Committee, FSP 47866, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002.

Trustee Information

Standard Bank of South Africa Ltd

E-mail: Trustee-SanlamFX@standardbank.co.za

Manager Information

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Website: www.sanlamunittrusts.co.za

Portfolio Manager Commentary

The FoF (Fund of Fund) is a combination of underlying managers with diverse skill-sets from various ASISA categories to build an optimal high equity portfolio. The combination of managers strikes a balance between the CPI+7% benchmark of the FoF, and its objective not to lose money over 24 months

There were no manager changes over the quarter, and the appointed managers have broadly persisted with their underlying asset allocations. In aggregate, the portfolio continues to reflect a preference for SA over foreign assets, partly given our specialist foreign equities have underperformed SA equities but have actively not yet been re-balanced back to target.

At quarter-end, the FoF had just short of 65% invested in total equities (its ASISA category can hold up to 75% in equities) of which 46.2% was South African equities. Outside of PSG Flexible (which has maintained a high equity allocation), both Bateleur Flexible and Amplify Defensive Balanced are somewhat defensively positioned, with the Amplify Defensive Balanced fund especially underweight foreign equities.

The FoF has fallen short of its CPI+5% p.a. benchmark over recent rolling periods, despite protecting capital over the past twelve months. Over the five-year investment horizon of the FoF, all asset classes have underperformed CPI+7% p.a., with just foreign equities (up 11.9% p.a.) providing strong inflation-beating returns, despite short-term weakness (down -18.1% year-to-date).

Market concern with global inflationary pressures has resulted in multiple interest rate hikes being expected this year, a scenario most view as unlikely, especially if recessionary fears increase. Consequently, most managers remain relatively constructive on the underlying asset classes they are holding, despite the uncertain macro-economic outlook, given their assessment that recent price moves have made their holdings even more attractively priced.

In our view, the scenario of persistent global inflation, and higher than expected interest rate increases, remains a tail-risk rather than the most likely scenario. In fact, while a global recession looks increasingly possible in the next twelve months, and company earnings may well be under pressure in the short-term, earnings multiples today are far more attractive than a year ago, and managers should be finding increasingly attractive opportunities.

Consequently, while we continue to actively assess the combination of managers in the portfolio, and whether it remains fit-for-purpose, we are also excited about the prospect of future returns, given our view that the portfolio is well-positioned to benefit in future.

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. 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. Sanlam Collective Investments (RF) (Pty) Ltd is a registered and approved Manager in Collective Investment Schemes in Securities. Collective investment schemes are generally medium- to long-term investments. 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 on request. 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. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. 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. Forward pricing is used. Performance is based on NAV to NAV calculations with income reinvestments done on the ex-div date.

Performance is calculated for the portfolio and the individual investor performance may differ as a result of initial fees, actual investment date, date of reinvestment and dividend withholding tax. The manager has the right to close the portfolio to new investors in order to manage it more efficiently in accordance with its mandate. The performance of the portfolio depends on the underlying assets and variable market factors. Lump sum investment performances are quoted.

The Manager retains full legal responsibility for this third-party-name portfolio. All the portfolio options presented are approved collective investment schemes in terms of Collective Investment Schemes Control Act, No 45 of 2002 CISA. 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 fund of funds portfolio is a portfolio that invests in portfolios of collective investment schemes that levy their own charges, which could result in a higher fee structure for the fund of funds.

Glossary Terms

Annualised total returns

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

Capital growth

Capital growth is the profit made on an investment, measured by the increase in its market value over the cost price. It is also called capital appreciation.

Fund of funds

A "fund of funds" is an investment strategy of holding a portfolio of other investment funds rather than investing directly in stocks, bonds or other securities. This type of investing is often referred to as multi-manager investment. Investing in a fund of funds may achieve greater diversification. The benefit of diversification is that it can reduce volatility and the overall risk in the portfolio, while maintaining returns.

Liquidity

The ability to easily turn assets or investments into cash. Under normal market conditions, withdrawal can take up to seven working days.

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.

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 are: 75% equities; 25% property; 45% foreign assets.

Total Expense Ratio (TER)

This is the total costs associated with managing and operating an investment (excluding administration, financial planning and servicing fees). These costs consist primarily of management fees and additional expenses such as trading fees, legal fees, 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.

Unit trusts

Unit trusts (also called a collective investment scheme) 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.

Highest and Lowest Annual Returns

The highest and lowest 12 month returns are based on calendar years since inception