

Fund Objective

The objective of the portfolio is to provide investors with long term capital growth and to provide a limited measure of capital and income protection.

Fund Strategy

The portfolio will be actively managed with exposure to various asset classes such as cash, bonds, equities and property, both domestically and internationally, being varied to reflect changing economic and market circumstances, in order to maximise returns for the investors. The portfolio will also be allowed to invest in listed and unlisted financial instruments (derivatives) as allowed by the Act from time to time. The Manager shall be permitted to invest on behalf of the portfolio in offshore investments as legislation permits.

Fund Information

Ticker	SSCFB3
Portfolio Manager	Mohamed Mayet, Rayhaan Joosub Imtiaz Suliman, Olwethu Notshe & Sanveer Hariparsad
ASISA Fund Classification	South African - Multi Asset - High Equity
Risk Profile	Moderate Aggressive
Benchmark	ASISA Category Avg: SA - Multi Asset - High Equity
Fund Size	R 162,747,656
Portfolio Launch Date*	02/10/2017
Fee Class Launch Date*	18/02/2022
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.sanlamunittrusts.co.za
Repurchase Period	2-3 business days

Fees (Incl. VAT)	B3-Class (%)
Maximum Initial Advice Fee	—
Maximum Annual Advice Fee	—
Manager Annual Fee	1.32
Total Expense Ratio	1.71
Transaction Cost	0.38
Total Investment Charges	2.09
Performance Fee	—
TER Measurement Period	18 February 2022 - 30 June 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. The TER and Transaction Costs cannot be determined accurately because of the short life span of the Financial Product.

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 October 2024, Sanlam Collective Investments will charge a monthly administration fee of R20 excluding VAT on retail investors whose total investment value is less than R50,000.

\*These figures will become available once sufficient performance history has been met.



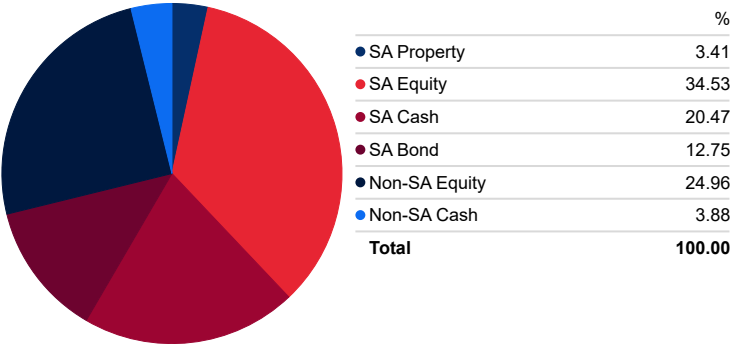
MDD Issue Date: 16/09/2024

Top Ten Holdings

	(%)
DCCUSD ETF	5.54
I2025 Government ILB	4.33
NEPI Rockcastle Plc	2.94
Google Inc	2.30
Meta Platforms Inc	2.01
Nedbank Ltd Bond 15012025	1.96
Firststrand Ltd	1.92
Standard Bank Group Ltd F/R 16042024	1.87
Standard Bank Group Ltd Bond 30092025	1.86
Standard Bank Group Ltd	1.82

Asset Allocation

Portfolio Date: 30/06/2024



Annualised Performance (%)\*

	Fund	Benchmark
1 Year	9.00	13.21
3 Years	—	—
5 Years	—	—
Since Inception	5.33	8.32

Cumulative Performance (%)\*

	Fund	Benchmark
1 Year	9.00	13.21
3 Years	—	—
5 Years	—	—
Since Inception	14.06	22.43

Highest and Lowest Annual Returns\*

Time Period: Since Inception to 31/12/2023

Highest Annual %	6.75
Lowest Annual %	6.75

Risk Statistics (3 Year Rolling)\*

Standard Deviation	—
Sharpe Ratio	—
Information Ratio	—
Maximum Drawdown	—

Distribution History (Cents Per Unit)\*

30/06/2024	20.34 cpu
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### Risk Profile

#### Moderate Aggressive

Your primary aim is to achieve the required capital growth necessary to realise your long-term goals and objectives. You are prepared to tolerate fluctuations in your returns because you know that the longer-term picture is worth the short term pain, even if that means you lose money sometimes. While diversified across all the major asset classes, your portfolio will be tilted more towards equities because you know they offer the best long-term returns of all the asset classes and thus your wealth will grow over time.

### 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.

#### 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.

#### 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 (offshore) 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.

### 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. 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 Sentio Capital Management (Pty) Ltd, (FSP) Licence No. 33843, 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](http://www.sanlamunittrustsmdd.co.za) and using our Effective Annual Cost (EAC) calculator. Alternatively, contact us at 0860 100 266.

#### Investment Manager Information

Sentio Capital Management (Pty) Ltd

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## Minimum Disclosure Document

As of 31/08/2024

### Portfolio Manager Comment

The US continued to be the driver of capital markets once again in the last quarter, achieving fresh all-time highs for both S&P and Nasdaq, and led once again by mega cap tech: The S&P tracking for its 36th All Time High this year at the time of writing and with 5 stocks accounting for 60% of S&P's ytd gain. The narrowness of the market demonstrated with the big 7 accounting for 30% of the market - and we have climbed every wall of worry we faced...so far.

In South Africa, Equities outperformed with a total return of +8.2% over the quarter. Bonds and Property returned +7.5% and +5.5% respectively and Cash returned +2.1% in volatile markets, also impacted by SA parliamentary elections.

**"The function of economic forecasting is to make astrology look respectable."**

**John Kenneth Galbraith**

The veracity of the above quote was again well documented in the past quarter and the US economy shows signs of, both, strengths and weakness, giving bulls and bears fodder alike:

#### **Hot & Cold**

The US economy presented a complex picture, with indicators reflecting both strength and weakness. The recent services ISM survey surged to a nine-month high, surpassing expectations, and reaching its highest level since November 2022. Supplier delivery times also increased, indicating robust activity. However, price pressures eased slightly, and signs of softness emerged in the labour markets.

#### **Labour Market Dynamics**

At the same time, US labour markets remained relatively strong, with a participation rate of 62.6%. However, the unemployment rate rose to 4.1% from 3.6% a year earlier, and long-term unemployment increased to 1.5 million. Part-time employment hit a record high of 28 million. These shifts suggest a nuanced labour market with underlying tensions.

#### **What does this mean for the US consumer?**

US consumers saw mixed fortunes, with income from interest and dividends reaching \$3.7 trillion in 1Q24, and wealth in assets like stocks and real estate peaking. However, rising credit card and auto loan delinquencies, higher borrowing costs, and muted spending signalled financial strain, particularly among lower-income households. Real wages improved for the bottom 40% but fell for the top 60%, highlighting income disparities.

#### **Will Consumer Debt become an issue?**

Savings rates stagnated at 3.6%, significantly lower than the 5.2% rate from the previous year. Excess savings were estimated at \$550 billion, potentially sustaining spending through year-end only. Consumer credit growth slowed and household leverage and debt servicing costs remain low historically. Nonetheless, rising credit delinquencies and the resumption of student loan payments pose risks, particularly for lower-income households, whose delinquency rates are the highest and fastest-growing.

#### **Consumer Confidence impacted**

With this, Consumer sentiment declined for the third consecutive month, reaching a seven-month low of 65.6 in June. Inflation expectations remained elevated, with one-year forward expectations at 3.3% and five-year forward expectations at 3.1%. The net change in consumer credit rose to \$11.4 billion in May, indicating tightening credit conditions and potential consumption growth challenges.

#### **The Federal Reserve Dilemma**

The Federal Reserve is thus facing a challenging environment. Financial conditions eased significantly since the start of interest rate hikes in March 2022. Despite a strong services ISM and solid payroll data, core services inflation remains high. With the economy strong and inflation sticky, the Fed for now maintains a cautious approach, balancing the need to curb inflation against potential economic slowdowns. The prospect of rate cuts at this stage seems unlikely absent significant shocks. At the same time, government fiscal responses post-lockdown that were initially viewed positively as they supported corporate earnings, now raise concerns as the aggressive fiscal spending might stoke inflation and limit the Fed's ability to cut rates.

#### **Fund Strategy**

In a landscape of permanently repriced capital and fluctuating central bank policies, we continue to be nimble and data driven. While cyclically sensitive stocks and sectors have started to outperform recently, quality remains a key attribute of the leaders. We think this combination of quality and cyclical factors makes generally sense in the context of what, in our view, is still a late-rather than an early-cycle reacceleration in growth.

Alas short-term, the fund's general strategy of tilting towards Quality and Growth styles vs Value, has become more balanced for now, in order to take advantage of any sharp rally due to a more conducive environment for the latter. Attractive valuations, improvements in macro like easing inflation, the substantial reduction of loadshedding that will be beneficial for South African companies, lead to a more positive picture for SA Inc, in particular. There could be additional drivers in the shape of improved business and consumer confidence should the Government of National Unity prove successful, while potential interest rate cuts by the SARB and windfalls from the newly introduced two-pot system, could further boost consumption and the economy.

Thus, guided by our data models, rather than merely trying to forecast, we are maintaining an overweight in equities, while reducing our global exposure. This, as domestic valuations are still supportive and our macro model signals and asymmetric risk distribution are positive as well.

### Portfolio Managers

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