



Fund Objective

The objective of the fund will be to provide long term capital growth while preserving capital with a reasonable level of income that complies with Shariah (Islamic Law) and the standards prescribed by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

Fund Strategy

The is an actively managed balanced fund, with an equity exposure (including international equity) of between 0% and 75%. The fund will invest in a wide variety of asset classes such as equity securities, non-equity securities, listed property, money market instruments and assets in liquid form, both domestically and internationally, that have been approved for investment by the Shariah Supervisory Board (SSB) or Shariah Advisory Committee (SAC).The fund will be predominantly invested in domestic assets, but may also invest internationally up to a limit of 45%. The portfolio may also invest in units of other collective investment schemes. The fundis managed in accordance with regulations governing pension funds.

Why Choose This Fund?

You should choose that fund if you are looking for a fund that generates capital growth with a reasonable income in a Shari'ah compliant way, benefiting from a detailed bottomup stock picking integrated in a robust risk-management framework.

Fund Information

Ticker	SSCBA2
Portfolio Manager	Imtiaz Suliman & Sanveer Hariparsad
ASISA Fund Classification	South African - Multi Asset - High Equity
Risk Profile	Moderate
Benchmark	ASISA Category Avg: SA - Multi Asset - High Equity
Fund Size	R 333,553,216
Portfolio Launch Date*	01/06/2016
Fee Class Launch Date*	08/09/2017
Minimum Lump Sum Investment	R 100,000
Minimum Monthly Investment	R 10,000
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)	A2-Class (%)
Maximum Initial Advice Fee	3.45
Maximum Annual Advice Fee	1.15
Manager Annual Fee	1.02
Total Expense Ratio	1.11
Transaction Cost	0.19
Total Investment Charges	1.30
Performance Fee	—
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.

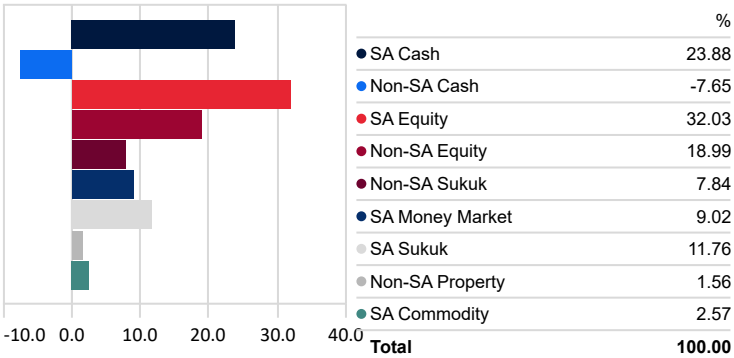
MDD Issue Date: 14/07/2025

Top Ten Holdings

	(%)
The RSA Domestic Sukuk Trustee	7.11
Dubai Islamic Bank	4.34
Clicks Group Ltd	3.62
DIB Sukuk 16012026	2.84
Islamic Term Deposit	2.79
Islamic Term Deposit	2.76
DIB Sukuk 22062025	2.75
MTN Group Ltd	2.65
NewGold ETF	2.57
Pepkor Holdings Ltd	2.55

Asset Allocation

Portfolio Date: 30/06/2025



Annualised Performance (%)

	Fund	Benchmark
1 Year	12.26	15.15
3 Years	10.16	13.35
5 Years	10.45	11.93
Since Inception	7.53	8.41

Cumulative Performance (%)

	Fund	Benchmark
1 Year	12.26	15.15
3 Years	33.68	45.65
5 Years	64.33	75.68
Since Inception	76.28	87.80

Highest and Lowest Annual Returns

Time Period: Since Inception to 31/12/2024

Highest Annual %	21.63
Lowest Annual %	-1.27

Risk Statistics (3 Year Rolling)

Standard Deviation	5.13
Sharpe Ratio	0.45
Information Ratio	-0.69
Maximum Drawdown	-3.89

Distribution History (Cents Per Unit)

30/06/2025	28.02 cpu
31/12/2024	19.63 cpu
30/06/2024	27.81 cpu

**Minimum Disclosure Document**

As of 30/06/2025

Risk Profile**Moderate**

This is a medium-risk portfolio that aims to deliver income and capital growth over the medium term. This portfolio is designed to minimise volatility and aims to cultivate as smooth a ride as possible. There is some exposure to risky asset classes (such as equities) necessary to grow capital over the medium to long term. This portfolio has a medium to long-term investment horizon. The portfolio is diversified across all major asset classes with an average exposure to equities, and offers real (after inflation) returns but with lower volatility.

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 and using our Effective Annual Cost (EAC) calculator. Alternatively, contact us at 0860 100 266.

Investment Manager Information

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Minimum Disclosure Document

As of 30/06/2025

Portfolio Manager Comment

The first half of 2025 unfolded in a complex landscape marked by three dominant market forces: unpredictable tariff policy, a weakening US dollar, and the enduring impact of post-GFC and Covid-era liquidity. Despite persistent recession warnings and geopolitical volatility, equities continued to rally, defying macro caution. The central question for the second half is now whether accumulating risks will finally surface—or whether markets, again, will climb the wall of worry.

Tariffs: Theatre or Real Risk?

Investors have increasingly grown accustomed to tariff threats—especially under Trump—so far rarely culminating in meaningful policy action. This phenomenon, now colloquially dubbed “TACO” (Trump Always Chickens Out), has led markets to largely dismiss tariff noise. But this is a dangerous assumption.

However, even if tariffs aren’t fully implemented, the uncertainty around them still matters: Policy unpredictability delays corporate capital expenditure, disrupts pricing strategies, and hampers supply chains. Without a consistent framework or strategic direction, these shocks create friction for businesses and regulators alike.

This is now feeding into the labour market. Long-term unemployment is rising, and consumer confidence is slipping. The “jobs-plentiful” sentiment is at its lowest level since early 2021, and service-sector consumption—once a post-Covid growth engine—is now softening. The warning signs are clear, yet risk markets remain unshaken.

The Soft vs Hard Data Dilemma

One reason for the disconnect between market sentiment and macro caution is the divergence between “soft” data (surveys, sentiment) and “hard” data (GDP, jobs). While headline economic figures remain firm, forward-looking indicators such as PMIs have weakened.

PMIs are typically reliable early indicators. But in this cycle, their reliability has diminished. Surveys can’t measure how deep or narrow a slowdown is, nor do they reflect the magnitude of firm-level changes.

For example, PMIs, at the headline level, cannot discriminate between a slowdown that is shallow but widespread or deep, narrow and concentrated – the first would clearly create a slowdown in PMIs, while the second may not, and of course, the GDP implications are very different across these scenarios. Since 2016, the historical correlation between PMIs and industrial production has broken down in both the US and Europe.

Fed Chair Powell has acknowledged this, noting that soft indicators are less useful now. That makes policy calibration tricky—not just for the Fed, but also for the ECB and BoJ. Japan illustrates this tension well: inflation and wage growth are evident, but the BoJ must consider downside risks from tariffs and yen strength.

De-Dollarisation—or a Cyclical USD Dip?

Trump’s erratic approach to international policy and subsequent USD weakness has revived discussions around the sustainability of the US dollar’s reserve status. But claims of imminent “de-dollarisation” are overblown.

To replace the dollar, a currency must meet strict criteria: convertibility, deep liquid markets, legal stability, and the willingness of the issuing nation to run deficits. The dollar, despite political noise, remains unmatched on these fronts. No alternative—euro, yuan, or digital asset—currently meets all conditions.

Recent capital flow data reinforces this. While foreign investors increased purchases of non-US equities after “Liberation Day” in April, there’s no evidence of large-scale capital flight. Most reallocation reflects index shifts and diversification rather than rejection of the US dollar.

Other trading data show continued (albeit slower) foreign buying of US assets. Japanese investors, in particular, remain steady buyers of US stocks and bonds. Bond fund flows also support this: US funds are still receiving inflows, while non-US bond funds are seeing slower growth. The decline in USD strength through Q2 has also moderated, especially after overly aggressive Fed cut expectations were reversed in May and June.

In short: the dollar is weakening, but not structurally declining. Even so, a 5–10% shift in capital allocation away from the dollar could have significant implications for asset valuations globally.

Liquidity: The Dominant Force

The most powerful tailwind for markets in 1H25 was not economic strength, but excess liquidity. Since the GFC—and for individuals especially after Covid—global liquidity has exploded to c6–10 times global GDP. This abundance of capital continues to suppress volatility, inflate valuations, and fuel product innovation.

Private market assets have grown from \$1tn to over \$13tn. Passive investing dominates public markets, and algorithmic and high-frequency strategies now control the majority of trading. Retail investors, who now hold over 50% of US equities, also remain a major force—buoyed by low rates, easy access, and information democratisation.

New products—ETFs, crypto wrappers, tokens—are all changing the structure of capital flows. Trading volume has shifted to market close, and traditional fundamentals are often secondary to positioning and liquidity signals. Markets have become faster, more reflexive, and increasingly detached from macro signals in the short term.

The result is that despite tariffs at their highest level since the 1930s, and a not insubstantial probability of recession implied by parts of the yield curve, equity markets are

near all-time highs. Volatility indices (VIX, MOVE) have returned to pre-March lows. Risk parity funds have doubled exposure in the past five weeks, while short-covering and underweight repositioning have also lifted prices.

The result is a market environment that feels irrational—but is explainable through the lens of excess liquidity.

Strategy: Flexibility Over Forecasting

Given this backdrop, the fund continues to favour a barbell investment strategy that avoids binary positioning. While recession risks remain elevated and global growth is softening, liquidity is powerful and earnings are being supported by a weaker dollar and accommodative policy.

Tariff effects take time to show in data—typically one quarter for inflation and two to three quarters for growth according to estimates. With many tariffs introduced in late Q1, markets are now in the “lag window,” where outcomes remain uncertain and sentiment can swing quickly.

We expect global growth to stay tepid—above recessionary levels, but below trend. De-globalisation will likely persist, along with rising capital barriers, tariff regimes, and geopolitical fragmentation.

EM and South Africa: Cautious Optimism

For emerging markets (EMs), this environment is both a challenge and an opportunity. Rising USD risk premia offer room for more accommodative monetary policy. Domestic reform may be driven by necessity. FX tailwinds could also boost EM earnings.

And notwithstanding potential domestic political challenges, South Africa could also benefit. Low investor ownership, attractive valuations, and the potential for reform create a favourable setup. Even a modest reallocation from US assets into EM could drive outsized gains. For example, 1% of US equity outflows could buy roughly 6% of the entire EM equity universe.

Positioning

Against this backdrop, the fund remains overweight domestic assets—particularly in South African sukus with the aim to lock in attractive yields, positioning the portfolios defensively in anticipation of a potential economic slowdown driven by escalating trade tensions, heightened market volatility, and the prospect of further monetary easing by global central banks. We have reduced exposure to global equities and shifted assets from US to MENA. Cash and property are underweighted, and fixed exposure is cautious, especially internationally, where the fund aims for sukuk positions that enhance portfolio diversification and contribute to capital stability amid an increasingly uncertain macroeconomic environment.

We maintain flexibility and a readiness to shift positioning should fundamentals deteriorate further—or if tactical opportunities emerge. While sentiment is fragile and positioning remains light, fundamentals haven’t broken. For now, liquidity trumps fear.

Portfolio Managers

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