



As of 31/05/2020

Fund objective and strategy

The fund aims to deliver long-term capital growth by investing in a range of asset classes, including equities (shares), bonds, preference shares, money market instruments and listed property. It may, within legal limits, also invest in listed and unlisted derivatives, as well as in other collective investment schemes (unit trusts). If these collective investment schemes are outside of South Africa, the regulatory environment must offer investors at least equal protection to that in South Africa.

The fund is managed according to the prudential investment guidelines for South African retirement funds, as set out in Regulation 28 of the Pension Funds Act. It invests mainly in South African markets but can have exposure of up to 30% to foreign markets. Total exposure to shares will not exceed 75%.

Fund information

Ticker	GSBFB
Portfolio managers	Paul Bosman, Bronwyn Blood & Vaneshen Naidoo
ASISA fund classification	South African - Multi Asset - High Equity
Risk profile	Moderate
Benchmark	CPI + 5%
Fund size	R 15,935,148
Portfolio launch date	03/02/2020
Fee class launch date	03/02/2020
Minimum lump sum investment	R 10,000
Minimum monthly investment	R 500
Income declaration dates	June & December
Income pricing date	1st business day of the following month
Portfolio valuation time	15:00
Transaction cut-off time	15:00
Daily price information	Local media
Repurchase period	2-3 business days

Fees are including 15% VAT

	B Class (%)
Maximum initial advice fee**	3.45
Maximum annual advice fee**	1.15
Manager annual fee	0.98
Total expense ratio (TER)***	1.54
Transaction cost (TC)***	2.05
Total investment charge (TIC)***	3.59
TER measurement period	03 February 2020 - 31 March 2020

The TER shows the percentage of the fund incurred as administration expenses. A higher TER does not necessarily imply a poor return, and a low TER does not necessarily imply a good return. The current TER is also not necessarily an accurate indication of future TERs.

The TC shows the percentage of the fund incurred as expenses related to buying and selling the assets it holds. These expenses are necessary costs in administering the fund. The TC impacts fund returns but should not be considered in isolation, as there are many other factors that impact returns. These include the type of fund invested in, the investment decisions of the investment manager and the TER.

The TIC (TER + TC) measures the total cost to the investor of investing in this fund. It shows the total percentage of the fund incurred as costs.

*SCI is an abbreviation for Sanlam Collective Investments.

**Granate does not provide financial advice. Advice fees are agreed between the investor and financial adviser.

***As the fund's track record is shorter than a year, the TER and TC cannot be accurately determined. Calculations are based on actual data where possible, and on best estimates where data is not available.

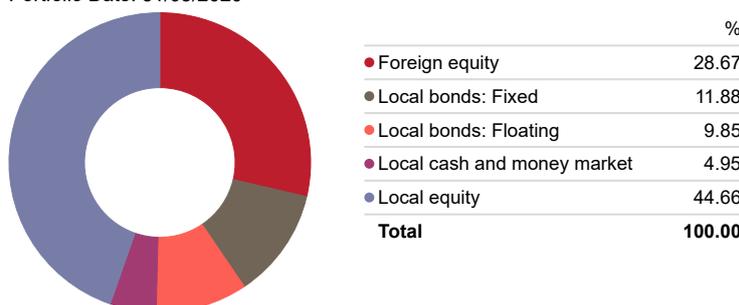
MDD Issue Date: 26/06/2020

Top ten equity holdings

Portfolio Date	% of portfolio
31/05/2020	
Nedbank Group Limited	5.27
PSG Group Limited	4.82
Afrimat Limited	4.28
MEI Pharma Inc	4.16
Exor NV	3.95
MR Price Group Limited	3.84
Sanlam Limited	3.80
Spar Group	3.57
Hudaco Industries Limited	3.28
Microsoft Corp	3.19

Asset allocation

Portfolio Date: 31/05/2020



Annualised performance (%)***

	Fund	Benchmark
1 year	—	—
3 years	—	—
5 years	—	—
Since inception	—	—

Cumulative performance (%)***

	Fund	Benchmark
1 year	—	—
3 years	—	—
5 years	—	—
Since inception	—	—

Highest and lowest calendar-year returns***

Time Period: 01/06/2019 to 31/05/2020

Highest annual %	—
Lowest annual %	—

Distribution history (cents per unit)

31/03/2020	0.54 cpu	—	—
—	—	—	—
—	—	—	—



As of 31/05/2020

Risk profile: Moderate

This fund is suitable for individuals who are investing for the long term and are seeking capital growth. It could be significantly invested in shares, which can result in volatility. Investors in this fund should therefore be able to take on a higher level of risk and potential short-term volatility, in exchange for higher potential returns over periods of seven years and longer.

Glossary terms

Annualised returns

Annualised returns show the compound annual growth rate on a total return basis. Total return assumes that distributions are reinvested in the fund.

Asset allocation

Asset allocation is the percentage the fund holds in different asset classes. It is used to determine the level of diversification in the fund.

Capital fluctuations (Volatility)

Volatility refers to the extent to which the price of an investment or capital value fluctuates over a certain time period. High-volatility funds usually offer the potential for higher long-term returns than low-volatility funds.

Collective Investment Schemes

Collective Investment Schemes (also called unit trusts) are portfolios of assets such as equities, bonds, cash and listed property in which investors can buy units. This allows private investors to pool their money into a single fund, which spreads their risk across a range of investments, gives them the benefit of professional fund management and reduces their costs.

Cumulative returns

Cumulative return is the total return an investor would have achieved if they reinvested all distributions.

Derivatives

Derivatives are instruments generally used to protect against risk (capital losses). However, they can also be used for speculative purposes. Examples include futures, options and swaps.

Distributions

Distributions show the income that is generated from an investment and paid out to investors. These pay-outs can be monthly, quarterly, bi-annually or annually.

Diversification

Diversification is a strategy designed to reduce risk and protect against capital losses in a portfolio. It works by combining a variety of asset classes or investments that are unlikely to all move in the same direction at the same time. This allows for more consistent performance under a wide range of economic conditions, as it smooths out the impact of negative market events. The positive performance of some investments or asset classes should neutralise the negative performance of others.

Fund strategy

The fund strategy is how it is managed to achieve its objective.

Participatory interests

When you buy a unit trust, your money is pooled with that of many other investors. The total value of this pool is split into equal portions called participatory interests or units. You therefore buy participatory interests in that unit trust equal to the value of your monetary contribution.

Additional information

All reasonable steps have been taken to ensure the information on this MDD is accurate. The information 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 (NAV) 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 yield is calculated as the latest distribution divided by the average 3-month unit price, annualised. 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. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressures and in such circumstances a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed. Management of the portfolio is outsourced to Granate Asset Management (Pty) Ltd, (FSP) Licence No. 46189, 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.sanlamunitrustsmdd.co.za and using our Effective Annual Cost (EAC) calculator. Alternatively, contact us at 0860 100 266.

Investment manager information

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Note: Fund commentaries are updated quarterly.

Portfolio manager quarterly comment - 31/03/2020

The Granate SCI Balanced Fund was launched on 3 February 2020 and we are pleased to share our first quarterly commentary.

Food for thought – and feelings

The purpose of quarterly commentaries is firstly to provide transparency: it's important for you to understand what we are doing with your money and why we are doing it. That's for 'head comfort'. But – perhaps more importantly – we also want to provide 'heart comfort'. Investing is often perceived to be all about numbers, but it is quite the opposite. It is an emotional rollercoaster. Why then write only about numbers, when there are serious emotions involved? We will strive to do both.

This fund is small in size but big in significance

It already contains many of our colleagues', families' and friends' savings. We would like to make special mention of our children, nephews and nieces, because they will be our most important yardstick. They will invest for at least a decade but perhaps even a few decades. We need to buy them companies that will grow their profits for many years to come, and that they will be proud to own.

Share and bond prices have been under pressure since this fund was launched

This has largely been due to concerns around COVID-19. We were therefore fortunate to have been handed your savings in cash just as some of the best companies in South Africa and globally reached share prices lower than we deem them to be worth.

We have bought a diversified portfolio of companies that we believe have the balance sheets to survive a protracted recession, as well as management teams and business models able to grow profits for many years. We also acquired bonds, all guaranteed by the South African government. These bonds have been on offer at attractive yields that don't come around in good times.

While the ride may be bumpy for some time yet, we are excited about the prospects for the fund

We look forward to managing it for you for a very long time.

Portfolio managers

Paul Bosman

Paul joined Granate Asset Management in July 2019 as an Executive Director and Investment Professional. Prior to this he was a portfolio manager at PSG Asset Management, where he was responsible for the PSG Stable and PSG Balanced Funds. Before being appointed portfolio manager, he served as an equity analyst in various subsidiaries of the PSG Group. Paul is a CFA Charterholder and holds a BCom Honours degree from the University of Stellenbosch.

Bronwyn Blood

Prior to joining Granate in December 2015, Bronwyn was the Portfolio Manager of the Flexible Fixed Interest funds and the flagship Absolute Yield Fund at Cadiz Asset Management. She took over the management of the Flexible Fixed Interest funds when Cadiz bought African Harvest in 2006 and managed the Absolute Yield Fund from 2007. Bronwyn holds a BCom Honours degree from the University of Natal.

Vaneshen Naidoo

Vaneshen joined Granate in December 2015 and manages our money market and cash portfolios. Prior to Granate, he worked at Cadiz Asset Management, which he joined as a graduate in 2006. He was later responsible for analysing the credit and property sectors for the fixed interest and multi-asset teams. Vaneshen holds a M.Sc. in Engineering from the University of Cape Town and is a CFA Charterholder.