



As of 31/05/2021

Fund objective and strategy

The fund aims to deliver long-term capital growth of at least CPI + 6%, measured over rolling seven-year periods. While it seeks to limit downside risk over the medium to long term, investors should be able to withstand short-term volatility. The fund invests in a range of markets and asset classes, including a flexible combination of investments in local and foreign equities (shares), listed property, fixed income and cash. It may at any given time hold between 0% and 100% exposure to any of these asset classes.

Within legal limits, it may also invest in listed and unlisted derivatives (but may only invest in forward currency agreements and interest rate and exchange rate swaps for efficient portfolio management) 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.

Fund information

Ticker	GSFFB
Portfolio managers	Henno Vermaak & Paul Bosman
ASISA fund classification	South African - Multi Asset - Flexible
Risk profile	High
Benchmark	CPI + 6%
Fund size	R 76,465,239
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 & www.sanlamunittrusts.co.za
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)***	0.81
Total investment charge (TIC)***	2.35
TER measurement period	03 February 2020 - 31 December 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.

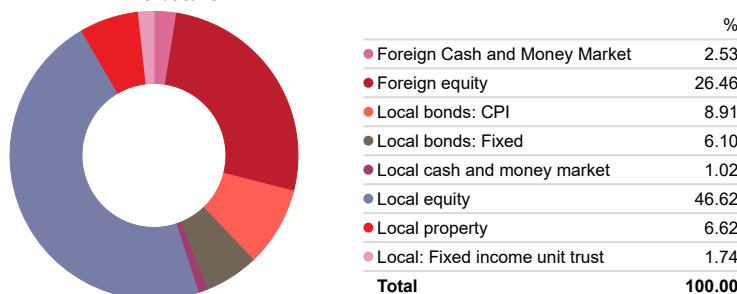
MDD Issue Date: 15/06/2021

Top ten equity holdings

Portfolio Date	% of portfolio
31/05/2021	
Mr Price Group Limited	5.69
Capitec Bank Holdings Limited	5.51
Nedbank Group Limited	4.57
Hudaco Industries Limited	4.46
Afrimat Limited	4.29
Raubex Group	4.10
British American Tobacco Plc	3.65
Santam Limited	3.64
Kaap Agri Ltd	3.51
Twitter Inc	3.13

Asset allocation

Portfolio Date: 31/05/2021



Annualised performance (%)***

	Fund	Benchmark
1 Year	41.76	11.16
3 years	—	—
5 years	—	—
Since Inception	23.03	10.08

Cumulative performance (%)***

	Fund	Benchmark
1 Year	41.76	11.16
3 years	—	—
5 years	—	—
Since Inception	31.53	13.54

Highest and lowest calendar-year returns***

Time Period: Since Inception to 31/12/2020	
Highest annual %	—
Lowest annual %	—

Distribution history (cents per unit)

31/12/2020	5.48 cpu	—	—
30/06/2020	6.85 cpu	—	—
31/03/2020	4.73 cpu	—	—

Administered by





As of 31/05/2021

Risk profile: High

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.

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Note: Fund commentaries are updated quarterly.

Granate SCI Flexible Fund - Commentary

Portfolio manager quarterly comment – 31/03/2021

At Granate, our commentaries are sometimes somewhat unconventional, as we often communicate how we are thinking as opposed to what we are doing. This commentary is a good example. One of our team members, Alida, became a mother for the first time last year. She has noted a few similarities between having a new-born baby and launching a new unit trust, which she shares. Reminding ourselves of the three main parallels discussed in this commentary will certainly make us better fund managers (and, perhaps, better parents).

Year one

Looking back on the launch of our multi-asset funds

A baptism by fire

In March 2020 – the month after we launched the Granate SCI Balanced and Granate SCI Flexible funds – South Africa entered its first, and strictest, COVID-induced lockdown. Along with it, the markets crashed. We had recently moved from Cape Town's city centre to our current space in Newlands' historic Josephine Mill, and had overlapped as the full current Granateam for just under three months.

What a time to start a fund.

Bronwyn reflects in her commentary this quarter on our income funds' five-year birthdays, and the parallels between parenting and investing. With our multi-asset funds having recently turned one, we couldn't help but feel like proud new parents too. Those in the team with young children recognised many of the emotions we shared over the year as we watched our new funds grow. We've also been reminded of simple but important principles that are as true to how we manage our clients' savings as they are to navigating life-as-you-no-longer-know-it with a new baby.

1. You can't plan for every eventuality, but you can get the odds in your favour

For most first-time parents, the excitement of arriving home with your new baby is accompanied by a sliver of fear – you don't quite know what to expect, aren't sure of precisely what to do and have no idea how this new life journey will unfold. So, you equip yourself with the tools available to prepare as best you can: advice from trusted sources, learnings from books and research, and, if you're lucky, the help of a support system around you. Later, you'll baby-proof, covering plugs, adding safety latches to cabinet doors and securing heavy objects from accidentally being pulled down.

When it comes to making any investment, we also start with research. While this is mostly our own, we will consider the views of trusted sources as we build a deep understanding of each company we look into and the industry in which it operates. Our support system is our team, as we evaluate each other's research critically, play devil's advocate to identify possible blind spots and debate points of difference at length. It helps us build true conviction and reduces the chances of making poor calls.

But of course, we can't tell the future, and will never know everything. After all, who could have predicted that the month after launching our new funds the JSE would tumble to a seven-year low amid a global pandemic? So, we do our best to 'market-proof'. We won't invest if a positive result depends heavily on one particular outcome. When we do invest, we require that the instruments we buy offer a safety buffer by trading below what we estimate they're worth. Finally, we make sure that our portfolios are well diversified, so that if some parts underperform, others can compensate.

2. Trust your process, even when it's scary

As a new parent, you'll receive more advice (much of it unsolicited) than you can possibly use, from people whose opinions you respect all the way down to strangers in grocery store queues. You take in what you believe you can use and discard what you know you won't, but ultimately it comes down to trusting your gut and doing what you know is right for your child.

Similarly, there are many approaches to investing, and widely conflicting opinions on strategy and execution. So we too have to filter out the noise, focus on the fundamentals and stay true to our process. It's not always easy. When news is negative, markets are falling and investors generally are running for the exits, it can be uncomfortable to be a buyer. But if a company has gone through our process and we believe in its prospects, what better time to invest than when prices are low? On the flipside, when the prices of the companies we're invested in rise excessively on the back of market euphoria, it can be very hard to sell. Sticking to our process – which requires a margin of safety in each instrument we own – helps to make it easier. It doesn't mean that we, like many parents, won't wake up in the middle of the night wondering if we made the right decision at the best possible time. But trusting in our process does mean that we don't stay awake too long.

3. We're in it for the long haul

Being a parent is a lifelong journey. For our clients, so too is growing and protecting their

savings. We're in it with them for the long haul. Just as parents marvel over their children's first words and steps, we trust that there will be many highs and milestones to celebrate: a growing track record, and a broader base of clients who choose to partner with us. But we also know that there will be lows and that, at times, investment returns may disappoint. The key is to keep the long-term goal in mind. For parents, this means raising their children to become what they deem to be successful adults. For us, it's delivering on our fund mandates over the appropriate investment horizons, so that our clients are meaningfully better off for having invested with us.

Thank you for blowing out a candle with us on our multi-asset funds' birthday. We look forward to blowing out a growing number with you over the many years ahead.

Portfolio managers Henno Vermaak

Henno joined Granate in July 2019 as an Executive Director and Investment Professional. He founded Capensis Capital (now a subsidiary of Granate) in 2016. Prior to this, he was a portfolio manager at PSG Asset Management, where he was responsible for the PSG Global Flexible and PSG Global Equity funds. Henno is a qualified actuary and CFA Charterholder, and holds a BCom Honours degree from the University of Stellenbosch.

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.