



## Fund Objective

The portfolio is a general equity portfolio that seeks to sustain high long-term capital growth.

## Fund Strategy

The portfolio's investment universe consists of equity securities, preference shares, debentures, debenture bonds, money market instruments, property shares and property related securities listed on exchanges, and assets in liquid form. The manager may from time to time invest in participatory interests in portfolios of collective investment schemes registered in the Republic of South Africa which are consistent with the portfolio's investment policy. The portfolio's equity exposure will always exceed 80% of the portfolio's net asset value. The portfolio will also be allowed to invest in listed and unlisted financial instruments (derivatives) as allowed by the Collective Investment Schemes Control 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	PMECA
Portfolio Managers	Delphine Govender, Lonwabo Maqubela, Patrick Ntshalintshali & Glen Heinrich
ASISA Fund Classification	South African - Equity - General
Risk Profile	Aggressive
Benchmark	FTSE/JSE Capped SWIX Index
Fund Size	R 108,252,705
Portfolio Launch Date*	22/09/2014
Fee Class Launch Date*	22/09/2014
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.sanlamunitrusts.co.za
Repurchase Period	2-3 business days

## Fees (Incl. VAT)

### A-Class (%)

Maximum Initial Advice Fee	3.45
Maximum Annual Advice Fee	—
Annual Investment Management Fee	0.86
Total Expense Ratio	0.99
Transaction Cost	0.22
Total Investment Charges	1.21
TER Measurement Period	01 January 2019 - 31 December 2021

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.

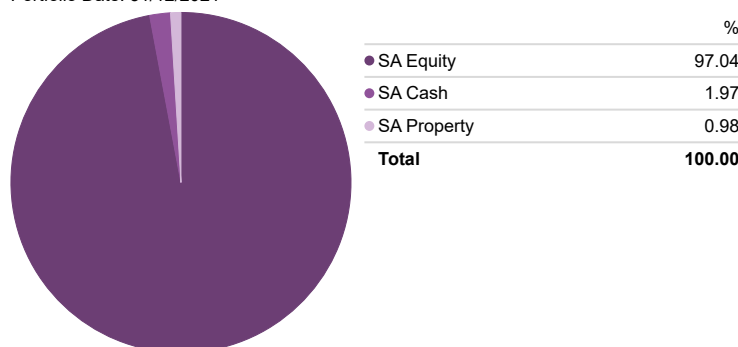
\*The Perpetua Sanlam Collective Investments Equity Fund transitioned to Sanlam Collective Investments (RF) (Pty) Ltd on 24 November 2017.

## Top Ten Equity Holdings

Portfolio Date: 31/12/2021	
British American Tobacco Plc	7.73
Standard Bank Group Ltd	5.43
Prosus (PRX)	5.22
Massmart Holdings Ltd	3.88
Glencore Plc	3.85
Life Healthcare Group Holdings Ltd	3.78
Anglogold Ashanti Ltd	3.63
Impala Platinum Holdings Ltd	3.56
Anheuser-Busch Inbev SA	3.50
Firststrand Ltd	3.43

## Asset Allocation

Portfolio Date: 31/12/2021



## Annualised Performance (%)

	Fund	Benchmark
1 Year	33.18	27.08
3 Years	8.19	12.31
5 Years	3.70	8.69
Since Inception	2.33	6.93

## Cumulative Performance (%)

	Fund	Benchmark
1 Year	33.18	27.08
3 Years	26.66	41.68
5 Years	19.94	51.70
Since Inception	18.26	62.88

## Highest and Lowest Annual Returns

Time Period: Since Inception to 31/12/2021

Highest Annual %	33.18
Lowest Annual %	-13.61

## 3 Year Risk Statistics

Standard Deviation	19.91
Sharpe Ratio	0.14
Information Ratio	-0.71
Maximum Drawdown	-31.37

## Distribution History (Cents Per Unit)

31/12/2021	1.26 cpu	31/12/2019	1.91 cpu	31/12/2017	0.08 cpu
30/06/2021	0.85 cpu	30/06/2019	1.59 cpu	24/11/2017	0.68 cpu
31/12/2020	0.55 cpu	31/12/2018	1.37 cpu	30/06/2017	1.45 cpu
30/06/2020	1.36 cpu	30/06/2018	1.84 cpu	31/03/2016	0.87 cpu



## Risk Profile

### Aggressive

You can afford to take on a higher level of risk (i.e., have a greater exposure to equities) because of your investment time horizon and/or your appetite for risk. You know that in taking the risk, you need to be patient if you want to achieve the results. So you are willing to invest for the long-term and are prepared to tolerate some volatility in the short term, in anticipation of the higher returns you expect to receive in five years or beyond.

## 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.

### 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 Perpetua Investment Managers (Pty) Ltd, (FSP) Licence No. 29977, 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

Perpetua Investment Managers (Pty) Ltd  
 (FSP) License No. 29977  
 Physical Address: 5th Floor, The Citadel, 15 Cavendish Street, Claremont 7708  
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 Website: [www.perpetua.co.za](http://www.perpetua.co.za)

### Manager Information

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 Website: [www.sanlamunittrusts.co.za](http://www.sanlamunittrusts.co.za)

### Trustee Information

Standard Bank of South Africa Ltd  
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 Email: [compliance-sanlam@standardbank.co.za](mailto:compliance-sanlam@standardbank.co.za)



## Portfolio Manager Comment

As at 31 December 2021

The Perpetua SCI Equity portfolio returned a healthy +9.6 % for the fourth quarter versus +8.7% for the JSE Capped SWIX benchmark, adding to the 6.3% gained by the Fund in Q3 2021. This took the net return of the Fund for the calendar year 2021 to 33.2% vs the benchmark's 27.1%, an impressive 6.1% outperformance for the 1-year period.

In Q4 2021, equities were the best performing asset class with the JSE Capped SWIX delivering a total return of +8.7% boosted by the strong performance from Resources: +19.0% (Precious Metals & Mining +29.3%, Industrials Metals & Mining +19.9%). Industrials also gained +7.1% (Personal Goods +55.2%, Travel & Leisure +28.6%, Telecommunication Service Providers +13.7%, Tobacco +12.7%). Financials only managed a total return of +2.1% in Q4 with mixed sub-sector returns (Non-life Insurance +10.3%, Investment Banking & Brokerage +6.9%, Banks +2.4%, Life Insurance -4.8%).

Over the 1-year period to 31 December 2021, the SA Equity Capped SWIX Index posted a total return gain of +27.1%, led by Resources: +28.6% (mainly driven by Chemicals +83.5%, with Industrial Metals & Mining +23.5% also contributing). Financials were up +27.2% (Banks +32.0%, Investment Banking & Brokerage +27.5%) while Industrials were up +24.9% with largely healthy gains across all sectors (Travel & Leisure +119.5%, Telecoms +113.5, Personal Goods +86.6%, Pharmaceuticals +76.3%), except for Software & Computer Services which was down -17.7%, largely driven by Naspers and Prosus. Following its poor performance in 2020 (-34.5%), Property delivered a total return of +37.5%, its best annual performance since 2005.

Following substantial gains in Q2 and Q3 of 2021, Small Caps (+15.3%) once again delivered the largest returns in Q4 followed by Large Caps (+10.0%, a reversal of negative returns in Q2 and Q3) and Mid Caps (+2.6%). Over the year Small Caps gained +55.6%, while Mid Caps and Large Caps gained +30.5% and +25.1%, respectively.

The largest contributor to the relative and absolute return of the Fund over the final quarter of 2021 was the Fund's holding in Royal Bafokeng Platinum which gained 102% over the 3 month period, as RBP attracted buy-out offers from Implats and Northam. Implats proceeded to make a general offer to RBP shareholders in late November 2021 of R150 per share, which represented a 75% premium to RBPlat's 30-day Volume Weighted Average Price on the 27<sup>th</sup> October 2021 (the date on which Implats and RBP issued a joint cautionary announcement). Perpetua had held the view that RBP was our preferred stock to hold in the platinum group sector and this has benefited our clients as the company attracted interest from the larger players in this sector. We believe that the offer of Implats shares plus cash was a beneficial one and accepted. This resulted in Implats being added to the portfolio during the latter part of the quarter. Other contributors to relative performance came from our overweight position in AngloGold and underweights in Aspen, Absa Group, and Sasol. Detractors from relative performance include our overweight positions in consumer stocks Oceana, Woolworths and Massmart, as well as underweights in Richemont and MTN.

In terms of industry exposure, Consumer Staples remains our largest overweight coming from our exposure to British American Tobacco, Oceana and Libstar. This is followed by Consumer Discretionary and Health Care. Telecommunications, Financials, Listed Property and Basic Materials are our most significant underweights.

Our largest company overweight positions relative to the benchmark include British American Tobacco, Massmart, Life Healthcare, AB Inbev, Netcare, Oceana and Libstar. We believe these shares are good quality businesses trading at meaningful discounts to their fundamental value, and along with other securities held in the portfolio, we expect clients to benefit from any further re-ratings of these shares.

We believe that that specific stocks rather than entire sectors will be the drivers of future returns. While the South African economy is still on a low growth trajectory we are still able to find significant opportunities in the listed equity market. While many of the shares we have held have rallied strongly from the market bottom in March 2020, several of our high conviction positions such as British American Tobacco, AB Inbev, Massmart and Oceana still offer significant upside. In addition, Healthcare stocks such as Life Healthcare and Netcare stand to benefit as the 4<sup>th</sup> COVID wave in SA begins to recede.

We have constructed a portfolio which can be described as exhibiting a combination of defensiveness, while including opportunities which carry low earnings and valuation risk, and therefore high return potential. Many of the companies we hold are self-help and growth recovery stories with little reliance on the macro environment to see them materialise, and we expect this to continue to benefit client portfolios in the period ahead.

### Portfolio Managers

Delphine Govender  
 CA(SA) and CFA

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Patrick Ntshalintshali  
 BCom Hons, EDP

Glen Heinrich  
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