



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 101,327,605
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	0.95
Transaction Cost	0.19
Total Investment Charges	1.14
TER Measurement Period	01 January 2018 - 31 December 2020

Our Manager Annual Fee has decreased by 0.40%. Our expectation is therefore that the TER will decrease.

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.

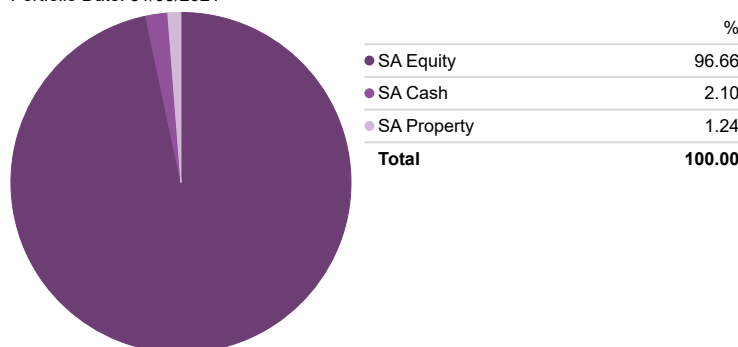
*The Perpetua Sanlam Collective Investments Equity Fund transitioned to Sanlam Collective Investments (RF) (Pty) Ltd on 24 November 2017.

Top Ten Equity Holdings

Portfolio Date: 31/03/2021	
British American Tobacco Plc	7.76
Naspers Ltd	5.63
Woolworths Holdings Ltd	4.30
Absa Group Ltd	4.16
Standard Bank Group Ltd	4.10
Firststrand Ltd	3.71
Glencore Plc	3.57
Tiger Brands Ltd	3.36
Massmart Holdings Ltd	3.08
Oceana Group Ltd	3.06

Asset Allocation

Portfolio Date: 31/03/2021



Annualised Performance (%)

	Fund	Benchmark
1 Year	50.03	54.24
3 Years	-0.36	5.95
5 Years	1.44	5.74
Since Inception	-0.01	5.78

Cumulative Performance (%)

	Fund	Benchmark
1 Year	50.03	54.24
3 Years	-1.08	18.94
5 Years	7.41	32.20
Since Inception	-0.04	44.34

Highest and Lowest Annual Returns

Time Period: Since Inception to 31/12/2020

Highest Annual %	21.02
Lowest Annual %	-13.61

3 Year Risk Statistics

Standard Deviation	19.87
Sharpe Ratio	-0.23
Information Ratio	-0.90
Maximum Drawdown	-36.48

Distribution History (Cents Per Unit)

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
31/12/2019	1.91 cpu	31/12/2017	0.08 cpu	31/12/2016	0.83 cpu
30/06/2019	1.59 cpu	24/11/2017	0.68 cpu	30/06/2016	1.12 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.

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

Investment Manager Information

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Portfolio Manager Comment

As at 31 March 2021

SA Equities posted another quarter of positive total returns in the first quarter of 2021 with the All-Share Index (ALSI) recording a return of +13.1%. This return was reflective of broad-based strength – SA Resources (+18.7%), SA Industrials (+13.0%) and SA Financials (+3.8%) all posted positive growth over the period. The SWIX delivered +13.3% and the Capped SWIX delivered +12.6%. On a monthly basis, January (ALSI +5.2%) and February (ALSI +5.9%) were both particularly strong months, while the total return for March (+1.6% ALSI) was more muted.

Small Cap counters, Steinhoff (+125.0%), Motus (+56.6%) and City Lodge (+53.2%) delivered large returns over the quarter and were among other strong Small Cap performers that resulted in Small Caps (+21.2%) outperforming both Mid Caps (+9.4%) and Large Caps (+13.6%). Small Cap stocks have rebounded strongly in many markets since the start of the COVID-19 crash – the MSCI ACWI Small Cap Index has posted a USD a return of +79.6% over 12 months to 31 March 2021. Since 31 October 2020 to 31 March 2021, JSE Small Caps have gained +45.1%, while Mid Caps and Small Caps have gained +26.9% and +28.2%, respectively.

Within the Large and Mid Cap universe, the top performing shares over the period were Royal Bafokeng Platinum (+77.0%), Montauk Renewables (+60.3%) and Sasol (+58.1%). Montauk Renewables is a US-based renewable energy company that only listed on the JSE in January of this year. The performance of these shares is reflective of the strong performance of Basic Materials (+18.6%), Energy (+72.7%) and Chemicals (+48.8%). Energy was notably the top performing sector in the third and fourth quarter of 2020 too. Within Basic Materials also lies some of the worst performing shares over the quarter, namely DRD Gold (-22.5%), Harmony (-12.6%) and AngloGold (-4.0%). The worst performing sectors were Closed End Investments (-11.0%), Beverages (-4.3%) and Non-Life Insurance (-4.3%).

Over the last 5 years, the SA equity market has returned +9.6% compound annual return. This has just beaten the returns of SA bonds, with the ALBI returning +9.2% per annum over the same period. Cash returns, which spent a prolonged period outperforming SA equity over 5 years, has now reverted to being the asset class with the lowest returns over the period, still returning a reasonable +6.9% per annum.

The portfolio returned +12.6% for the first quarter versus +12.6% for the benchmark over the same period. Our overweight positions in Royal Bafokeng Platinum, Massmart and Woolworths contributed positively to relative performance. Detractors from relative performance include our underweight positions in Impala and MTN, as well as our overweight position in Oceana. At a sector level, our overweight exposure in General Retailers contributed to outperformance of the Fund, which includes Broadline Retailers such as Woolworths, Massmart and Truworths, and Specialized Consumer Services like Advtech. Our underweight in General Industrials also contributed positively to relative returns, partly due to our zero weighting in Barlworld, which was amongst the worst performing companies. Additionally, underweighting Life Insurance contributed positively to relative returns, such as our zero weighting in Discovery, which was the second worst performing share.

In terms of sector exposure, Food Producers remain our largest overweight, with General Retailers and Health Care Equipment & Services as the second and third largest overweights, respectively. Mining, Software & Computer Services, and Mobile Telecommunications remain our most prevalent underweights. Our largest company overweight positions relative to the benchmark include British American Tobacco, Woolworths and Oceana. We believe these shares are good quality businesses trading at meaningful discounts to their fundamental value.

We believe that bottom-up fundamental analysis points to clear pockets of opportunity for outsize returns from companies which derive the majority of their revenue and profits from South Africa ("SA Inc") shares given current prices.

There is a clear group of domestic companies who have used the period since the COVID-19 crash to establish financial stability; flex internal levers of cost control; develop rapid turnaround of divisions; pivot their business models to benefit from structural shifts by agile and aligned management teams seeking to take advantage of the opportunities that can be presented in times of crisis. Most importantly many market participants have been more focused on the disastrous macro than the micro and have failed to yet acknowledge these internal improvements. This has been compounded by the lack of clarity over the vaccine deployment programme. These factors have resulted in compelling valuations in average to above average quality domestic businesses whom we believe will endure post pandemic.

Given research conducted, Perpetua has been selectively building positions in the more neglected, undervalued SA Inc companies over the past 9 months given the high probability for upside vs downside risk to returns. We have already seen some of this return delivered in recent re-rating of these shares in 2021-to-date.

Due to the unprecedented nature of the current downturn, forecast risk will remain high as consumers and businesses grapple with the COVID-19's impact on demand. This was not simply a normal recession as a result of an economic downcycle but a specific one as a result of the pandemic response, albeit exacerbated an already precarious macro-economic situation in SA. Consequently, we expect market volatility to remain elevated.

Portfolio Managers

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