Perpetua SCI* Equity Fund

Minimum Disclosure Document

As of 31/03/2022

MDD Issue Date: **29/04/2022**

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 112,044,692
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.sanlamunittrusts.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	1.00
Transaction Cost	0.23
Total Investment Charges	1.23
TER Measurement Period	01 April 2019 - 31 March 2022

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.

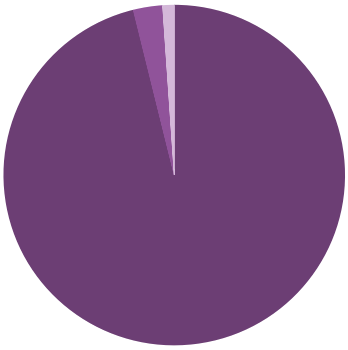
Top Ten Equity Holdings

Portfolio Date: 31/03/2022

British American Tobacco Plc	7.81
Standard Bank Group Ltd	6.30
Prosus (PRX)	4.96
Glencore Plc	4.28
Life Healthcare Group Holdings Ltd	3.55
Absa Group Ltd	3.41
Massmart Holdings Ltd	3.22
Anglogold Ashanti Ltd	3.20
Anheuser-Busch Inbev SA	3.19
Naspers Ltd	3.18

Asset Allocation

Portfolio Date: 31/03/2022



	%
SA Equity	96.15
SA Cash	2.76
SA Property	1.09
Total	**100.00**

Annualised Performance (%)

	Fund	Benchmark
1 Year	21.17	20.43
3 Years	8.84	12.56
5 Years	4.29	9.40
Since Inception	2.58	7.62

Cumulative Performance (%)

	Fund	Benchmark
1 Year	21.17	20.43
3 Years	28.94	42.63
5 Years	23.36	56.72
Since Inception	21.13	73.82

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	19.88
Sharpe Ratio	0.17
Information Ratio	-0.64
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

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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 foreignbased 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 portionscalled 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

Investment Manager Information
Perpetua Investment Managers (Pty) Ltd
(FSP) License No. 29977
Physical Address: 5th Floor, The Citadel, 15 Cavendish Street, Claremont 7708
Postal Address: PO Box 44367, Claremont 7735, South Africa
Tel: +27 (21) 674 4274
Email: Info@perpetua.co.za
Website: www.perpetua.co.za

Manager Information
Sanlam Collective Investments (RF) (Pty) Ltd
Physical Address: 2 Strand Road, Bellville, 7530
Postal Address: P.O. Box 30, Sanlamhof, Bellville, 7532
Tel: +27 (21) 916 1800
Email: service@sanlaminvestments.com
Website: www.sanlamunittrusts.co.za

Trustee Information
Standard Bank of South Africa Ltd
Tel: +27 (21) 441 4100
Email: compliance-sanlam@standardbank.co.za

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Portfolio Manager Comment

As at 31 March 2022

The Perpetua SCI Equity portfolio produced a return of +2.4% for the first quarter of 2022, following on the +9.6% gained in Q4 2021. This took the return of the Fund for the 1-year ended March 2022 to +21.2% vs the JSE Capped SWIX's +20.4%.

The market environment for the first quarter of 2022 was initially influenced by concerns about the moderation in global growth and the possibility of rising rates in developed markets, along with the impact this may have on emerging markets. However, this soon gave way to the geo-political crisis sparked by Russia's invasion of Ukraine. This resulted in a sharp rise in the cost of oil and energy (Brent crude rose from $78 per barrel as at end December 2021 to more than $125 per barrel by 8th March) and sustained elevated levels in the prices of other commodities.

In Q1 2022, the JSE Capped SWIX Index delivered a total return of +6.7% as Resources gained a further 20.7% (mainly driven by Oil Gas & Coal +55.2%; Chemicals +33.5%; Industrial Metals & Mining +24.6%; Precious Metals & Mining +13.3%). Financials gained 20.4% (Banks +25.6%, Life Insurance +16.8%). Industrials declined -7.9% with several sectors being adversely affected including Software and Computers -35.4%, Personal Goods -21.6% and Pharmaceuticals & Biotechnology -10.8%.

Over the 1-year period to 31 March 2022, the JSE Capped SWIX Index posted a total return gain of +20.4%, led by Financials +49.2% mainly driven by Banks +61.6%. Resources rose +27.2% (with the main contributors being Oil, Gas and Coal +73.4%; Chemicals +64.4%; Industrial Metals & Mining +46.7). While some Industrial sectors such as Telecoms (+74.2%) and Food & Drug Retailers (+26.2%) had positive performance, Industrials lagged the other major sectors over the year with a moderate gain of +2.1% due to the Software & Computer Services sector declining -53.1%, largely due to Naspers and Prosus.

The largest contributors to the relative performance of the Fund over the first quarter of the year were our underweight positions in Naspers, Richemont and Mondi as well as overweights in Standard Bank and Glencore. Detractors from relative performance include our overweight positions in Massmart, WBHO and Prosus, and underweights in Firstrand and Sasol.

In terms of the underlying earnings drivers of the portfolio, this is fairly evenly split between companies generating most of their earnings within SA, and those which generate profits from offshore (i.e. the rand hedge counters).

When it comes to shares with rand hedge characteristics, we find value in the steady earnings growth compounders such as British American Tobacco and AB Inbev which are available at lower P/E's than they have been for some time. While we feel that in general, the valuations of Resource shares are stretched at these levels and are pricing in current elevated spot prices for an extended period of time, we have selective exposure through the likes of Glencore, Anglogold and Implats (the latter came about through our exposure to RB Platinum and followed Implats's buyout of RBP as discussed in last quarter's commentary). The Fund also has exposure to Prosus and Naspers which are trading at lower levels than they were at the outbreak of the COVID-19 pandemic while earnings remain strong, offering significantly more upside than previously.

While SA's economic growth remains anaemic, we see low risk recovery growth in the more domestic sectors such as Banks, Healthcare, Hospitality and Food Producers. However, specific stocks rather than entire sectors will be the drivers of future returns as some sectors may not recover to previous levels. In late stage recovery sectors such as the hospital groups we hold Life Healthcare and Netcare both which are expected to continue benefiting from higher bed occupancy rates as the effects of the pandemic continues to abate. Similarly hospitality groups are likely to witness increased turnover as COVID-19 restrictions ease and the Fund has exposure through Tsogo Sun and Sun International. Sectors such as Banks can be termed slow compounders due to their ability to produce sustainable revenues and margins and the portfolio has exposure through Standard Bank, ABSA and Firstrand. In addition the portfolio includes what can be termed special situation or restructuring opportunities such as Massmart, Datatec and Omnia. Each of these companies is in the process of re-aligning their business in order to drive greater efficiency and enhance profitability. In the case of Omnia there has already been significant progress which has been reflected in its share price rising from around R20/share in May 2020 to R72/share in late March 2022.

In summary, the portfolio 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

Lonwabo Maqubela
CA(SA) and CFA

Patrick Ntshalintshali
BCom Hons, EDP

Glen Heinrich
PhD (Chemical Engineering), CFA