Perpetua SCI* Equity Fund

Minimum Disclosure Document

As of 2019/01/31

MDD Issue Date: **2019/02/15**

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 SWIX (J403T)
Fund Size	R 595 811 522
Portfolio Launch Date*	2014/09/22
Fee Class Launch Date*	2014/09/22
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
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	1.13
Transaction Cost	0.23
Total Investment Charges	1.36
TER Measurement Period	01 January 2016 - 31 December 2018

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.

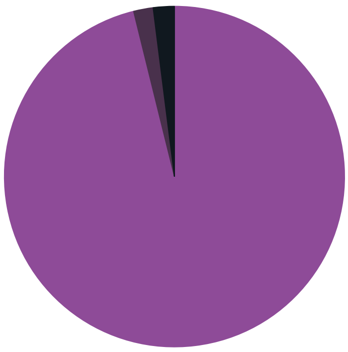
Top Ten Equity Holdings

Portfolio Date: 2018/12/31

British American Tobacco Plc	6.08
Woolworths Holdings Ltd	5.91
Absa Group Ltd	5.02
Tiger Brands Ltd	4.00
Standard Bank Group Ltd	3.40
Pioneer Foods Ltd	3.32
Netcare Ltd	3.05
MTN Group Ltd	2.99
Tsogo Sun Holdings Ltd	2.94
Sun International Ltd	2.57

Asset Allocation

Portfolio Date: 2018/12/31



	%
SA Equity	96.14
SA Cash	1.86
SA Property	2.00
Total	**100.00**

Annualised Performance (%)

	Fund	Benchmark
1 Year	-10.48	-8.31
3 Years	5.93	5.57
Since Inception	-1.32	3.97

Cumulative Performance (%)

	Fund	Benchmark
1 Year	-10.48	-8.31
3 Years	18.89	17.65
Since Inception	-5.65	18.52

Highest and Lowest Annual Returns

Time Period: Since Inception to 2018/12/31

Highest Annual %	21.02
Lowest Annual %	-13.61

3 Year Risk Statistics

Standard Deviation	11.94
Sharpe Ratio	-0.06
Information Ratio	-0.04
Maximum Drawdown	-12.88

Distribution History (Cents Per Unit)

2018/12/31	1.37 cpu	2017/06/30	1.45 cpu	2015/12/31	1.39 cpu
2018/06/30	1.84 cpu	2016/03/31	0.87 cpu		
2017/12/31	0.08 cpu	2016/12/31	0.83 cpu		
2017/11/24	0.68 cpu	2016/06/30	1.12 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.

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

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 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 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 instruments which could be accompanied by additional risks as well as potential limitations on the availability of market 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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Perpetua INVESTMENT MANAGERS

Portfolio Manager Comment

As at 31 December 2018

Market overview

2018 has been a particularly volatile year for South African investors. From the highs it experienced in the first quarter, the SWIX was down 4% for Q4 2018 dragging 2018's return down to -11.7%. All major sectors were down for the quarter whilst for the year, only the resources sector delivered positive returns with 15.5% for the 12 months. The healthcare, property and consumer goods sectors were the worst performers for the 12 months.

Longer term, it has been a disappointing 5 years for the South African equity market with the All Share index failing to beat cash returns. Our market remains skewed by Naspers which has crowded out other large companies in the benchmark. If you strip out Naspers, the ALSI is trading at a similar level it did in 2014.

Portfolio overview

For the year, the portfolio returned -10.7% versus the -11.7% for the SWIX. Our non-holding in Naspers for most of the year was the most significant contributor to relative performance for 2018. Our overweight positions in Netcare, Anglogold, Angloplat and Telkom all added to the relative outperformance. Detractors to relative performance include overweight positions in British American Tobacco, Blue Label, Pioneer and Aspen.

Portfolio Positioning

Whilst the sell-off has been broad-based, there have also been many stocks that have fallen by over 30%. Some of these are large, substantial companies who either through own goals, regulation and/or deteriorating trading environments, have disappointed investors and fallen out of favour with the market.

The recent sharp sell-off has happened across different sectors and company sizes. Our opportunity set from the market is now broad and diverse, as well as across our True Value Continuum. Whilst it is always disappointing delivering short-term negative returns, we are excited about the prospective absolute returns from the stocks in our portfolio – now the highest 4-year projected return since we have commenced managing client funds in 2012.

The portfolio remains overweight the food producers, health care sector and travel and leisure sector and underweight media and property. Our largest overweight positions relative to the benchmark include Woolworths, British American Tobacco, Tiger Brands and Pioneer Foods.

Portfolio Managers
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