



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.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	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.

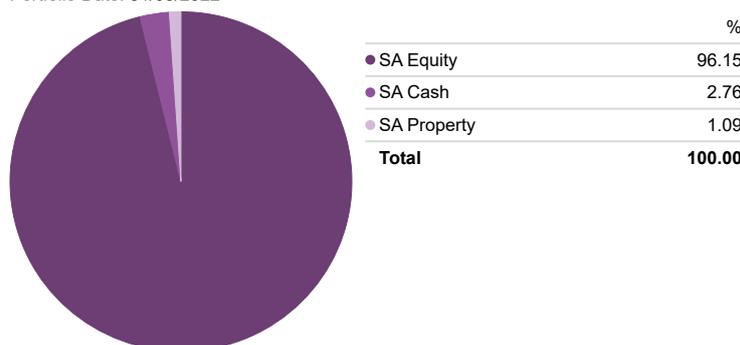
*The Perpetua Sanlam Collective Investments Equity Fund transitioned to Sanlam Collective Investments (RF) (Pty) Ltd on 24 November 2017.

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



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



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

Investment Manager Information

Perpetua Investment Managers (Pty) Ltd
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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%; Industrials 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

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