

30 NOVEMBER 2020



# GRAYSWAN SANLAM COLLECTIVE INVESTMENTS AGGRESSIVE FUND OF FUNDS

MINIMUM DISCLOSURE DOCUMENT

ISSUE DATE: 14/12/2020

## FUND OBJECTIVE

To outperform the ASISA South African Multi Asset High Equity Category over any 3-year rolling period. The portfolio will consist of a mix of collective investment scheme portfolios investing in equity, bond, property markets and money market instruments. The fund is ideally suited to the investor looking to maximise long term capital and requires a well-diversified, actively managed multi asset and multi manager investment portfolio

## FUND STRATEGY

Investments to be included in the portfolios will, apart from assets in liquid form, consist solely of participatory interests in portfolios of collective investment schemes registered in the Republic of South Africa or of participatory interest in collective investment schemes or other similar schemes operated in territories with a regulatory environment which is to the satisfaction of the Manager and Trustees of a sufficient standard to provide investor protection at least equivalent to that in South Africa. The portfolio will be allowed to invest in offshore investments as legislation permits. The portfolio will also be allowed to invest in listed and unlisted financial instruments (derivatives) as allowed by the Act from time to time.

## RISK PROFILE



**ASISA FUND CLASSIFICATION** ASISA SA Multi Asset High Equity

**REGULATION 28** Compliant

**BENCHMARK** ASISA South African Multi Asset High Equity

**CLASS A**

**INCEPTION** 01 July 2017

**FUND SIZE** R105.64 million

**NAV** 1,029.77

**MINIMUM INVESTMENT** LISP Platform Dependent

**JSE CODE** GSAFA

**INCOME DECLARATION DATE** June & December

**INCOME PAYMENT DATE** 1st business day of July & January

**PORTFOLIO VALUATION TIME** 17:00

**TRANSACTION CUT OFF TIME** 17:00

**DAILY PRICE INFORMATION** www.sanlam.co.za

**REPURCHASE PERIOD** 2 – 3 business days

### DISTRIBUTION HISTORY

2020/06/30 21.51 cent per unit

2019/12/31 12.96 cent per unit

2019/06/30 12.77 cent per unit

### FEES (Incl. VAT)

Manager Annual Fee 0.69%

Total Expense Ratio 1.43%

Transaction Cost 0.15%

Total Investment Charges 1.58%

TER Measurement Period: 01 July 2017 - 30 September 2020

**Data Source:** ProfileData **Source date:** 14/12/2020

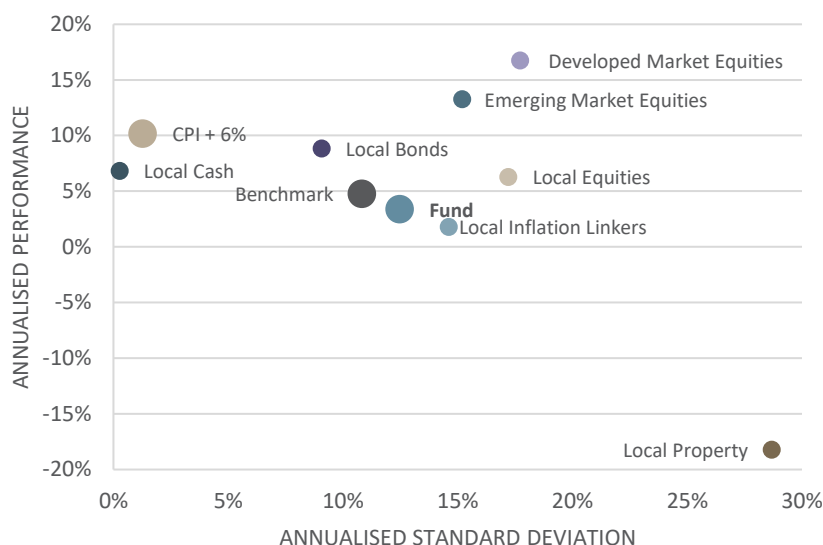
<sup>i</sup>Investment performance is calculated for the portfolio and may differ per investor as a result of fees, actual investment date, reinvestment date and dividend withholding tax.

<sup>ii</sup>For illustrative purposes only. Investment performance is calculated by taking the actual initial fee and all ongoing fees into account for the amount shown and income is reinvested on the reinvestment date.

## PERFORMANCE STATISTICS<sup>i</sup>

	FUND	BENCHMARK	CPI + 6%
<b>CUMULATIVE PERFORMANCE</b>			
Month to Date	7.38%	6.67%	0.74%
Last 3 Months	3.95%	2.01%	2.08%
Last 6 Months	10.60%	8.66%	4.84%
Year to Date	-0.57%	3.81%	8.83%
Last 1 Year	0.98%	5.07%	9.46%
<b>ANNUALISED PERFORMANCE</b>			
Last 3 Years	0.21%	2.43%	10.24%
Since Inception	3.37%	4.76%	10.15%

## SINCE INCEPTION SCATTER PLOT (AFTER FEES)<sup>ii</sup>



30 NOVEMBER 2020



**GRAYSWAN SANLAM COLLECTIVE INVESTMENTS  
AGGRESSIVE FUND OF FUNDS**

MINIMUM DISCLOSURE DOCUMENT

ISSUE DATE: 14/12/2020

**ASSET ALLOCATION**

ASSET CLASS	ALLOCATION
Local Cash	7.50%
Local Fixed Income	19.70%
Local Equities	40.04%
Local Listed Property	3.62%
Foreign Fixed Income	8.96%
Foreign Equities	20.17%
Total	100.00%

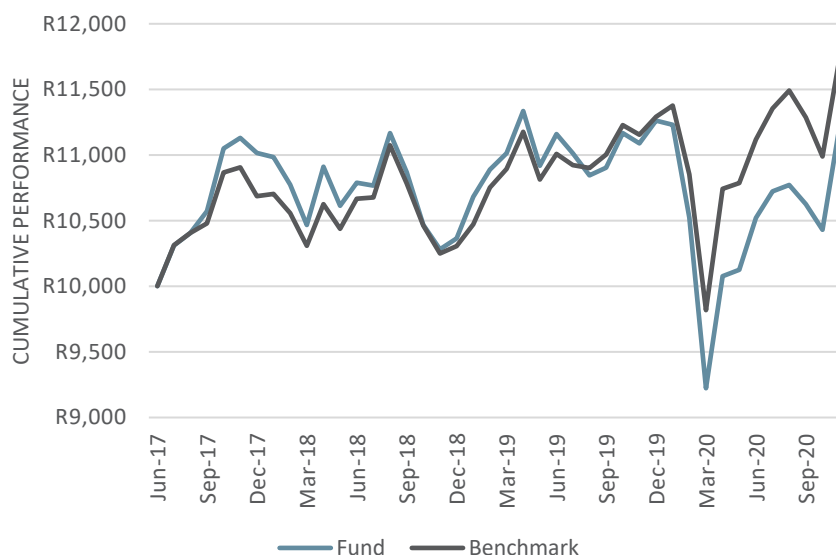
**SINCE INCEPTION RISK STATISTICS <sup>i</sup>**

	FUND	BENCHMARK	CPI + 6%
Standard Deviation	12.49%	10.84%	1.28%
Sharpe Ratio (Rf : STeFI)	-0.28	-0.19	2.59
Maximum Drawdown	-18.63%	-13.70%	-0.16%
Best 12 Months Period	8.65%	9.56%	11.49%
Worst 12 Months Period	-16.25%	-9.89%	8.18%

**TOP TEN HOLDINGS**

FUND MANAGER	ALLOCATION
Satrix Top 40 Fund	14.71%
Prudential SA Equity Fund	10.33%
Satrix MSCI World Index Fund	9.28%
Coronation Top 20 Fund	7.55%
Old Mutual MSCI World ESG Index Tracker	6.79%
Prescient Income Provider Fund	6.30%
Coronation Strategic Income Fund	6.27%
Coronation Global Strategic USD Income FF	6.19%
Fairtree Flexible Income Plus Prescient Fund	5.05%
Nedgroup Investments Entrepreneur Fund	3.85%

**SINCE INCEPTION GROWTH OF A R10,000 INVESTMENT (AFTER FEES)<sup>ii</sup>**



Portfolio date: 30/11/2020

**FUND MANAGERS**

LOCAL EQUITY	LOCAL PROPERTY	LOCAL INTEREST BEARING	OFFSHORE

Data Source: ProfileData Source date: 14/12/2020

<sup>i</sup>Investment performance is calculated for the portfolio and may differ per investor as a result of fees, actual investment date, reinvestment date and dividend withholding tax.

<sup>ii</sup>For illustrative purposes only. Investment performance is calculated by taking the actual initial fee and all ongoing fees into account for the amount shown and income is reinvested on the reinvestment date.



30 NOVEMBER 2020

# GRAYSWAN SANLAM COLLECTIVE INVESTMENTS AGGRESSIVE FUND OF FUNDS



MINIMUM DISCLOSURE DOCUMENT

ISSUE DATE: 14/12/2020

## 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.

### 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.

### DISTRIBUTIONS

The income that is generated from an investment and given to investors through monthly, quarterly, bi-annual or annual distribution pay-outs.

### LIQUIDITY

The ability to easily turn assets or investments into cash.

### LISP (LINKED INVESTMENT SERVICE PROVIDER)

A Linked Investment Service Provider is a financial institution which packages, distributes and administers a broad range of unit trust-based investments. Any investment made through these products gives an investor a single point of entry into a selection of different investments.

### 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.

### REGULATION 28

Regulation 28 of the Pension Funds Act sets out prudent investment limits on certain asset classes in investment funds. It applies specifically to investments in Retirement Annuities and Preservation Funds. The allowed maximum exposures to certain asset classes is: 75% for equities, 25% for property, 30% for foreign (offshore) assets and 10% African assets.

### RISK-ADJUSTED RETURNS

Risk-adjusted return refines an investment's return by measuring how much risk is involved in producing that return, which is generally expressed as a number or rating.

### 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.

### TOTAL EXPENSE RATIO (TER)

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. The TER presented above is a best estimate of the fund's TER. Calculations are based on actual data where possible and best estimates where actual data is not available.

### TOTAL INVESTMENT CHARGES (TER + TC)

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.

### TRANSACTION COST (TC)

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.

### BEST & WORST 12 MONTHS PERIOD

The highest & lowest growth rate generated over 12 consecutive calendar months, in the period measured. The growth rate is not annualised.

### DISCLAIMER:

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. International investments or investments in foreign securities could be accompanied by additional risks such as potential constraints on liquidity and the repatriation of funds, macroeconomics risks, political risks, foreign exchange risks, tax risks, settlement risks as well as potential limitations on the availability of market information. The Fund may invest in financial instruments (derivatives) for efficient portfolio management purposes. A fund of funds portfolio is a portfolio that invests in portfolios of collective investment schemes that levy their own charges, which could result in a higher fee structure for the Fund of Funds. 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 GraySwan Financial Services (Pty) Ltd, (FSP) License No. 42290, 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: ProfileData and INET BFA. 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.

The third quarter of 2020 supported both the bull and the bear cases for the markets, with the bulls firmly in control in July and August and the bears staging a comeback in September. The first two months of the quarter were dominated by monetary support from central banks and strength from big tech in the post Covid-19 economy. September saw a resurgence of Covid-19 cases in Europe and fears that fiscal and monetary support for the economy has likely peaked.

US equities ended the quarter up high single digits 8.9% and 5.6% for the year, despite a decline in risk appetites by September. In an effort to remain as accommodative as possible the Fed adopted an average inflation targeting ("AIT") methodology, implying rate will remain lower for longer. The Fed also reiterated that more fiscal stimulus will be needed to keep the US economic recovery on track. US 10-year Treasuries ended the quarter with a yield of 0.7%, broadly flat over the quarter but down from 1.9% at the start of the year.

The third quarter made a strong argument for geographic diversification. Asian markets gained 12.1%, while the United Kingdom lost -0.2% and European markets made low single digits 4.6%, bringing these three regions to 8.3%, -23.4% and -8.4% respectively, for the year in Dollar terms.

Early in the quarter the European Union approved a €750 billion fund to help member states recover from the pandemic. The fund will be made up of €390 billion of grants and €360 billion of loans to be distributed among EU member states. Covid-19 infections rose rapidly in several countries as the quarter progressed. Germany extended their furlough schemes which are designed to support jobs through the crisis. Within Europe, Portugal and Spain posted among the lowest returns for the quarter -3.3% and -3.7% respectively. While Denmark and Sweden stood-out for the quarter with 15.4% and 14.6%, respectively in Dollar terms.

The United Kingdom lagged other regions during the period, due to a revival of fears around a disorderly Brexit and a second wave in Covid-19 infections. The strengthening of the Pound over the quarter also added pressure to an already battered Oil and Financial sector.

Japan ended the quarter positively returning 7.1% for the quarter, bringing it to -0.3% for the year in Dollar terms. Shinzo Abe announced his resignation, citing long-standing health problem. Yoshihide Suga took over the mantle of prime minister. The change in prime minister did not impact market much, as Suga was Chief Cabinet Secretary under Abe and wishes to carry on with Abe's economic policies.

Asian markets posted strong Dollar returns over the quarter lead by India 15.9%, Pakistan 15.6% and Taiwan 14.8%. China, which arguable managed the pandemic the most pro-actively posted 12.4% for the quarter. China economic data signalled ongoing recovery and Q2 corporate earnings results were positive. However, tensions with the US escalated including new restrictions on Chinese telecoms company Huawei and as President Trump signed an executive order to prevent US companies from doing business with TikTok and WeChat.

The MSCI Emerging Markets Index increased in value by 9.6% and outperformed the MSCI Develop World Index which made 8.0% for the quarter in Dollar terms, but for the year ending September emerging markets still lag by 3%.

For the third quarter emerging markets were driven by strong Chinese economic data as well as US Dollar weakness playing a key role in the strong quarter for emerging markets, with the South African Rand being among the top performers. Leading the emerging market currency recovery was the Mexican Peso 4.67%, South African Rand 4.17% Chinese Renminbi 3.87% and Korean Won 2.85%.

Locally, the All Bond Index posted a total return gain of 1.5% compared to a gain of 9.9% for the previous quarter. The All Share Index posted a total return of just 0.67% for the third quarter compare the 23.2% in the previous quarter. For the quarter SA Resources made 6.0%, while SA Financials and SA Industrials lost 1.6% and 2.3% respectively. The SA Property Index lost 14.1% in the quarter compared to the last quarter gain when it made 20.4%

For the year ending September cash remained king as it was the best performing asset class with a total return of +4.4%. The All Bond Index has posted a total return gain of 1.8%, while the All Share Index is lagging (-2.5%). The SA Property Index has lost 46.4%.

\*International market data is in US Dollar terms and reflects MSCI Total Return indices.

#### INVESTMENT MANAGER INFORMATION

GraySwan Financial Services (Pty) Ltd  
(FSP) License No. 42290  
Physical Address: Keystone House, Stonemill Office Park, 300 Acacia Road, Darrenwood, 2194  
Postal Address: Keystone House, Stonemill Office Park, 300 Acacia Road, Darrenwood, 2194  
Johannesburg Tel: +27 (11) 431 0141  
Somerset West Tel: +27 (21) 852 9092  
Email: greg@grayswan.co.za  
Website: www.grayswan.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.sanlamunitrusts.co.za

#### TRUSTEE INFORMATION

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