

## Minimum Disclosure Document

As of 31/08/2024

## Fund Objective

The objective of the portfolio is to provide income to the investor, from a diversified capital base that maintains its real value.

## Fund Strategy

This is an actively managed fund which invests in local and international asset classes. The fund may include participatory interests of collective investment schemes, listed and unlisted financial instruments (derivatives), unlisted forward currency, interest rate and exchange rate swap transactions for efficient portfolio purposes. The Manager shall be permitted to invest on behalf of the portfolio in offshore investments as legislation permits.

To maximise returns for investors, exposure to asset classes varies while the fund can invest up to 40% in equities. This fund is managed in accordance with Regulation 28.

## Tax Free Savings Account

This Fund qualifies as a tax free investment according to section 12T of the Income Tax Act, with effect from 1 March 2015. South African individuals qualify for the associated tax benefits namely no tax on dividends, income or capital gains whilst still enjoying all the benefits of a unit trust. Note contributions to tax free investments are limited to R36 000 per tax year, with a lifetime limit of R500 000. Amounts invested in excess of these permissible thresholds are taxable.

## Fund Information

Ticker	DSISF
Portfolio Managers	Madalet Sessions & Jan Meintjes
ASISA Fund Classification	South African - Multi Asset - Low Equity
Risk Profile	Cautious
Benchmark*	ASISA Category Avg: SA - Multi Asset - Low Equity
Fund Size	R 166,032,966
Portfolio Launch Date	02/05/2017
Fee Class Launch Date	02/05/2017
Minimum Lump Sum Investment	R 10,000
Minimum Monthly Investment	R 1,000
Income Declaration Date	March, June, September & December
Income Pricing Date	1st business day of April, July, October & January
Portfolio Valuation Time	15:00
Transaction Cut Off Time	15:00
Month End Price	10.98
Daily Price Information	Local media & www.sanlamunitrusts.co.za
Repurchase Period	2-3 business days

## Fees (Incl. VAT)

## A1-Class (%)

Maximum Initial Advice Fee	3.45
Maximum Annual Advice Fee	1.15
Manager Annual Fee	0.86
TER	0.93
TC	0.08
TIC	1.01
TER Measurement Period	01 July 2021 - 30 June 2024

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 and Transaction Costs cannot be determined accurately because of the short life span of the Financial Product. Calculations are based on actual data where possible and best estimates where actual data is not available.

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.

Effective 1 October 2024, Sanlam Collective Investments will charge a monthly administration fee of R20 excluding VAT on retail investors whose total investment value is less than R50,000.

\*The benchmark has changed on 1 November 2023 from CPI + 4% to ASISA Multi Asset Low Equity Category average. Although these benchmark changes were implemented on 1 November 2023, we are quoting performances of the ASISA category average and not the composite benchmarks since inception.

MDD Issue Date:

16/09/2024

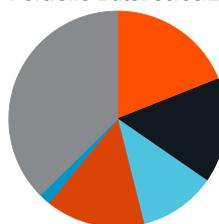
## Top Ten Holdings

Portfolio Date	30/06/2024	(%)
MSCI World		14.7
FTSE/JSE Capped Swix Top 40		14.2
USD Cash		11.4
R213 7.0% bond		6.1
I2029 1.875% ILB		4.9
R2030 8.0% bond		4.8
I2025 2.0% ILB		4.8
R210 2.6% ILB		4.8
FirstRand Bank F/R		4.3
Investec F/R		4.3

The information above shows the largest exposures of investors in the fund. Some of these exposures may represent derivatives as well as their cash instruments which is why the percentages may add up to more than 100%.

## Asset Allocation

Portfolio Date: 30/06/2024



	%
Domestic Cash and Money Market	18.95
Domestic Equity	15.72
Offshore Cash	11.44
Offshore Equity	14.74
Domestic Property	1.70
Domestic Bonds	37.45
<b>Total</b>	<b>100.00</b>

Domestic Equity, Offshore Equity and Offshore Cash may include hedged positions from time to time.

## Annualised Performance (%)

	Fund	Benchmark
1 Year	11.20	12.33
3 Years	8.81	8.47
5 Years	8.22	8.29
Since Inception	7.64	7.38

## Cumulative Performance (%)

	Fund	Benchmark
1 Year	11.20	12.33
3 Years	28.84	27.64
5 Years	48.45	48.94
Since Inception	70.54	67.52

## Highest and Lowest Annual Returns

Time Period: 01/01/2018 to 31/12/2023

Highest Annual %	12.52
Lowest Annual %	2.08

## Risk Statistics (3 Year Rolling)

Standard Deviation	4.69
Sharpe Ratio	0.44
Information Ratio	0.23
Maximum Drawdown	-2.71

## Distribution History (Cents Per Unit)

30/06/2024	18.59 cpu	30/09/2023	19.84 cpu
31/03/2024	17.75 cpu		
31/12/2023	18.09 cpu		

Administered by

## Risk Profile

### Cautious

This portfolio aims to protect capital in real (after inflation) terms, while providing a reasonable level of income. The portfolio displays low volatility levels, designed to reduce the probability of capital losses. This portfolio has limited exposure to equities. It is designed for capital protection and aims to ensure a stable income and/or income growth.

## 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.

### Debt instrument

A debt instrument (e.g. a bond) is an electronic promise to repay a debt. It is issued by a corporation or government and sold to investors. A bond is an interest-bearing debt instrument, traditionally issued by government as part of their budget funding sources, and now also issued by local authorities (municipalities), parastatals (Eskom) and companies. Bond issuers pay interest to the bondholder every 6 months. The price/value of a bond has an inverse relationship to the prevailing interest rate, so if the interest rate goes up, the value goes down, and vice versa. Bonds generally have a lower risk than shares because the holder has the security of knowing that it will be repaid in full by government at a specific time in the future.

### Distributions

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

### Dividend income

The investor's share of a company's profits, given to him or her as a part-owner of the company.

### Equities

Equities are shares that represent an institution's or individual's ownership in a listed company. These shares are also the "vehicle" through which they are able to "share" in the profits made by that company. As the company grows, and the expectation of improved profits increases, the market price of the share will increase which translates into a capital gain for the shareholder. Similarly, negative sentiment about the company will result in the share price falling. Shares / equities are usually considered to have the potential for the highest return of all the investment classes but also have the highest level of risk i.e. share investments have the most volatile returns over the short term. An investment in equities should be viewed with a 7 to 10 year horizon.

### 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.

### 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.

### 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. 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 Denker Capital (Pty) Ltd, (FSP) Licence No. 47075, 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](http://www.sanlamunittrustsmdd.co.za) and using our Effective Annual Cost (EAC) calculator. Alternatively, contact us at 0860 100 266.

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## Minimum Disclosure Document

As of 31/08/2024

### Portfolio Manager Quarterly Comment

Quarter to June 2024

#### Market review

##### Global markets

Global equity markets delivered more modest returns in Q2. The S&P 500 and MSCI World indices gained 4.3% and 2.6%, respectively, in US dollar terms. AI was again a major driver of returns. According to the Wall Street Journal, *"within the S&P500, companies related to the theme gained 14.7% in market value this past quarter, whereas the rest lost 1.2%"*. Inflation showed further signs of easing, but markets have not regained confidence that interest rates will be cut aggressively between now and year end. Yields on US government bonds were modestly higher over the quarter. Geopolitical tensions and political developments in the European Core economy created bouts of market volatility.

At a global equity sector level, technology (+11.4%), communication services (+8.1%), and utilities (+3.2%) were the strongest performers. On the other hand, materials (-3.4%), real estate (-3.3%), and consumer discretionary (-2.3%) were the weakest performers.

##### South African markets

The second quarter saw no loadshedding in South Africa. The suspension of loadshedding has been attributed to a reduction in unplanned outages and an improvement in the energy availability factor. Strategic utilisation of the Open Cycle Gas Turbines remains lower than in the past two years. Eskom continued to anticipate loadshedding limited to Stage 2 over the winter months.

The result of the national elections held on 29 May came as a surprise to markets. On the day after the election the rand weakened to R18.74 to the US dollar. Three weeks later the rand traded briefly below R18.00 to the dollar. The Government of National Unity (GNU) will need to navigate a range of political and economic challenges to accelerate reform and get the economy growing.

The FTSE/JSE All Share Index gained 8.2%, the FTSE/JSE Property Index gained 5.5%, the domestic bond market (represented by the FTSE/JSE All Bond Index) gained 7.5%. The rand strengthened modestly against the US dollar from R18.92 at the beginning of the quarter to R18.19.

#### Performance

South African assets delivered attractive returns as election results proved popular with investors. Rand strength, associated with the positive election results, was a drag on returns from offshore assets. The US bond market closed marginally lower in dollars in a directionless market.

#### Portfolio review

We maintained the fund's exposure to offshore equity and cash markets, but it has no exposure to developed market fixed interest assets.

The risk/return trade-off remains skewed in favour of higher yielding domestic fixed interest assets, but following the strong run in the market and the much lower yields available today, this risk/return skew is now less attractive. The inflation linked bond market continues to offer attractive yields, but capital values can be very volatile. Consequently, we own shorter maturity instruments. This strategy of diversifying risk exposures was a drag on performance in the quarter, as domestic assets outperformed substantially.

We believe that owning assets that deliver negatively correlated returns (go up when markets go down and vice versa) is the appropriate strategy for investors in lower risk portfolios. The value of this approach is to protect investors' capital by mitigating exposure to negative shocks in asset values. It is fundamental to our portfolio construction philosophy to make these trade-offs in order to protect capital.

We remind investors that we do not seek to generate alpha from our equity portfolios. Our equity allocations are indexed and will generate indexed returns.

#### Portfolio Managers

Madalet Sessions  
M.Comm. Economics

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