

### Fund Objective

The portfolio's objective is to maximise returns in excess of the FTSE/JSE ALSI over time, particularly during periods of weaker equity market growth. The portfolio aims to have a slightly lower risk profile than typical equity funds by mainly investing in shares with a low price to earnings ratio, shares trading at a discount to their net asset value and shares whose prices do not reflect future earnings potential.

### Fund Strategy

The portfolio will be a specialist equity portfolio with a valuation bias and will consist of financially sound equity securities listed on exchanges and assets in liquid form. The portfolio may invest in listed and unlisted financial instruments that will only be limited by the statutory limitations placed on the inclusion of financial instruments in portfolios. At all times at least 80% of the portfolio's investments will be in listed equity securities. The Funds limits will be aligned with that of the Asisa Fund Classification: SA - Equity - General. The portfolio may invest in financial instruments, in accordance with the provisions of the Act, and the Regulations thereto, as amended from time to time, as well as in offshore investments as permitted by legislation, in order to achieve the portfolio's investment objective. The manager may from time to time invest in participatory interests in portfolios of collective investment schemes registered in the Republic of South Africa and which are consistent with the portfolio's investment policy

### Fund Information

Ticker	MVAL
ISIN	ZAE000163507
Portfolio Manager	Piet Viljoen, Sam Houlie & Ray Shapiro
ASISA Fund Classification	South African - Equity - General
Risk Profile	Aggressive
Benchmark	FTSE/JSE ALSI
Fund Size	R 72 211 301
Portfolio Launch Date*	2012/01/03
Fee Class Launch Date*	2012/01/03
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)

#### A1-Class (%)

Maximum Initial Advice Fee	3,45
Maximum Annual Advice Fee	—
Manager Annual Fee	1,40
Total Expense Ratio	1,97
Transaction Cost	1,12
Total Investment Charges	3,09
Performance Fee	—
TER Measurement Period	01 July 2017 - 30 June 2020

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.

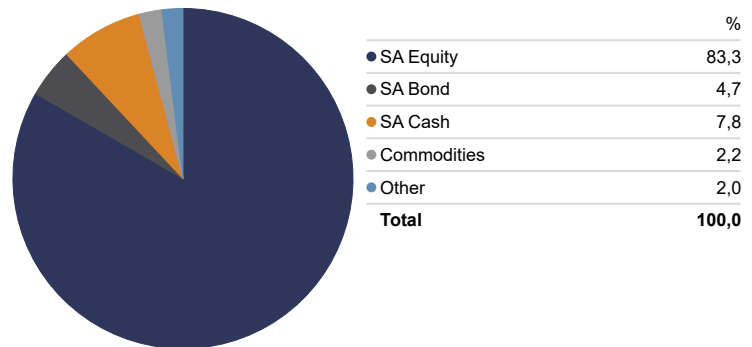
\*The Counterpoint Sanlam Collective Investments Value Fund transitioned to Sanlam Collective Investments (RF) (Pty) Ltd on 2 December 2017.

### Top Ten Holdings

	(%)
RE:CM Equity Fund	19,6
Discovery	4,0
ABSA	4,0
British American	4,0
MTN Group Ltd	4,0
Netcare Limited	3,9
Nedbank	3,8
African Bank (ABKI04 5.75% 130324)	3,6
Sibanye Stillwater Ltd	3,5
Harmony Gold Mining Company Ltd	3,2

### Asset Allocation

Portfolio Date: 2020/09/30



### Annualised Performance (%)

	Fund	Benchmark
1 Year	10,7	2,0
3 Years	6,2	2,4
5 Years	4,7	4,7
Since Inception	8,8	9,6

### Cumulative Performance (%)

	Fund	Benchmark
1 Year	10,7	2,0
3 Years	19,8	7,4
5 Years	25,8	26,1
Since Inception	108,4	122,4

### Highest and Lowest Annual Returns

Time Period: Since Inception to 2019/12/31

Highest Annual %	20,6
Lowest Annual %	-4,9

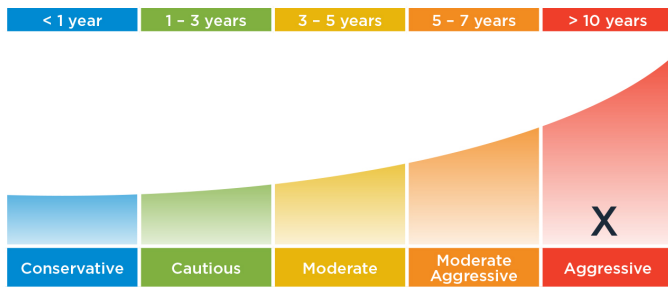
### Risk Statistics (3 Year Rolling)

Standard Deviation	11,6
Sharpe Ratio	0,0
Information Ratio	0,5
Maximum Drawdown	-11,0

### Distribution History (Cents Per Unit)

2020/06/30	33.85 cpu	2018/06/30	3.48 cpu	2016/12/31	1.74 cpu
2019/12/31	1.98 cpu	2017/12/31	0.65 cpu	2016/06/30	0.96 cpu
2019/06/30	3.40 cpu	2017/12/01	1.38 cpu	2016/04/30	1.57 cpu
2018/12/31	2.78 cpu	2017/06/30	2.15 cpu		

### Risk Profile



### 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.

#### 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 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, 25% for foreign (offshore) assets and 5% 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.

### 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 Counterpoint Boutique (Pty) Ltd, (FSP) Licence No. 44508, 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.

#### Investment Manager Information

Counterpoint Boutique (Pty) Ltd  
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#### Manager Information

Sanlam Collective Investments (RF) (Pty) Ltd  
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#### Trustee Information

Standard Bank of South Africa Ltd  
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Email: [compliance-sanlam@standardbank.co.za](mailto:compliance-sanlam@standardbank.co.za)

### Portfolio Manager Comment

As at 30 September 2020

#### Portfolio overview

For the quarter, the ALSI was up by 0.7% with resources continuing to be the strongest performing sector, driven mainly by the gold subsector. Property continues to bring up the rear, continuing its 8-year losing streak.

For the year to date, the market is down by 2.7%. This slightly-worse-than-flat performance hides some huge discrepancies: Gold shares are up by over 80%, while Travel and Leisure shares are (unsurprisingly) down by over 60%. The Resources Index is up by 12%, while the Financials Index is down 32%.

The top performing shares for the quarter are an interesting mix of metals and retailers: Northam and Implats, as well as Foschini and Shoprite - all of which are up by 30% or more. The worst-performing share list was dominated by the property counters: Fortress, Redefine, Capco and NEPI Rockcastle - illustrating that property woes are not limited to South Africa.

#### Management Process

During the quarter, the Fund lightened its banking and gold exposure marginally, taking advantage of some intra-quarter relative strength. At the same time, Gold Fields was switched into Harmony, as it has a more leveraged exposure to a higher gold price. FirstRand was also switched into Nedbank on valuation grounds.

The Fund's manager remains constructive on the bank sector, while recognising the risks. An economic recovery will be accompanied by growth in credit extension. At the same time, there are existential risks, which - for now - prohibit a full weighting.

The Fund continued to accumulate a diverse grouping of massively undervalued, high quality South African businesses. In the retail sector it bought Lewis Stores and Cashbuild, and in the property sector it bought Balwin and CalgroM3. In the general industrial sector the Fund acquired shares in AdvTech, Metrofile and CMH. The Fund's manager continues to believe that the South African small cap sector is one of the cheapest in the world.

Although the Fund is very overweight small caps, it has not ignored large cap value. During the quarter, it added to its positions in ABInbev, British American Tobacco and Discovery Health. It also added to its holdings of high quality midcaps Netcare and Transaction Capital.

The Fund continues to avoid property REITs. A poor corporate structure, optimistic valuations and converting capital (both equity and debt) into income has proven to undermine intrinsic valuations of the businesses, as well as investor confidence. Things might well get worse here, before they get better.

Another weak point in the market is the investment trust sector, where an abyss has opened up between market values and NAVs. The Fund increased its exposure to the better-managed investment trusts such as PSG, HCL, Sabvest and RACP. These are all companies which have grown their NAV in line with or more than the ALSI, at a reasonable fee, with shareholder-orientated management.

#### Performance outcome

For the quarter, the Fund returned 4.4%, compared to the median fund in the South African General Equity Sector of 1.3% and the ALSI's return of 0.7%. The Funds' increasingly domestic value focus has started to pay off.

For the year-to-date the Fund returned a positive 6.1%, compared to a negative 7.0% from the general equity sector and a negative 2.5% for the ALSI. This was achieved by conservative positioning going into the coronavirus-induced sell-off in March.

Over the past 5 years, the Fund has managed to stay abreast of the ALSI, retuning 0.1% less than the ALSI's 4.8% per annum. The average fund in the sector has returned over 3% p.a. less than this. This solid performance was achieved by avoiding the brunt of the domestic sell-off in 2018/19.

The Fund's manager continues to believe the pragmatic value-based approach will continue to differentiate it from most other South African General Equity funds, as well as serve to continue building its strong historical track record.

#### Portfolio Managers

Piet Viljoen  
B Com (Hons), CFA

Sam Houlie  
CA(SA) & CFA

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B.Bus.Sc (Finance), PGDA, CA(SA) & CFA