Minimum Disclosure Document

As of 29/02/2024

Truffle SCI* General Equity Fund

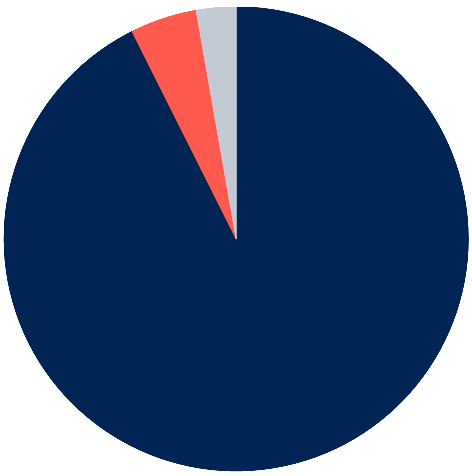
Fund Information

MDD Issue Date	15/03/2024
Ticker	TRGEA
ISIN	ZAE000152005
Portfolio Manager	Iain Power, Saul Miller, Nicole Agar & Sophié-Marié van Garderen
ASISA Sector (South Africa)	(ASISA) South African EQ General
Risk Profile	Aggressive
Benchmark	FTSE/JSE Capped SWIX Index
Fund Size	R 2,839,169,232
Portfolio Launch Date	18/11/2010
Fee Class Launch Date	18/11/2010
Minimum Lump Sum Investmen	R 10,000
Minimum Monthly Investment	R 500
Income Declaration Date	June & December
Income Payment Date	1st business day of July & January
Transaction Cut Off Time	15:00
Portfolio Valuation Time	15:00
Daily Price Information	Local media & www.sanlamunittrusts.co.za
Repurchase Period	2-3 business days
Base Currency	South African Rand

Fees (incl. VAT)	A-Class (%)
Maximum Initial Advice Fee	3.45
Maximum Annual Advice Fee	1.15
Manager Annual Fee	1.04
Total Expense Ratio	1.07
Transaction Cost	0.70
Total Investment Charge	1.77
TER Measurement Period	01 January 2021 - 31 December 2023

Top 10 Holdings (31/12/2023)	%
Firstrand Limited	7.20
Naspers Limited	6.99
Absa Group Limited	6.25
Prosus Nv	5.76
Anheuser-Busch Inbev SA/N.V.	4.82
Standard Bank Group Limited	4.81
Gold Fields Limited	4.53
Investec Limited	4.38
Bid Corp Limited	3.89
British American Tobacco plc	3.41

Asset Allocation (29/02/2024)



	%
Domestic Equity	92.60
Domestic Property	4.64
Domestic Cash	2.76
Total	**100.00**

Fund Objective

The Fund aims to achieve superior long term capital growth by investing primarily in local equities.

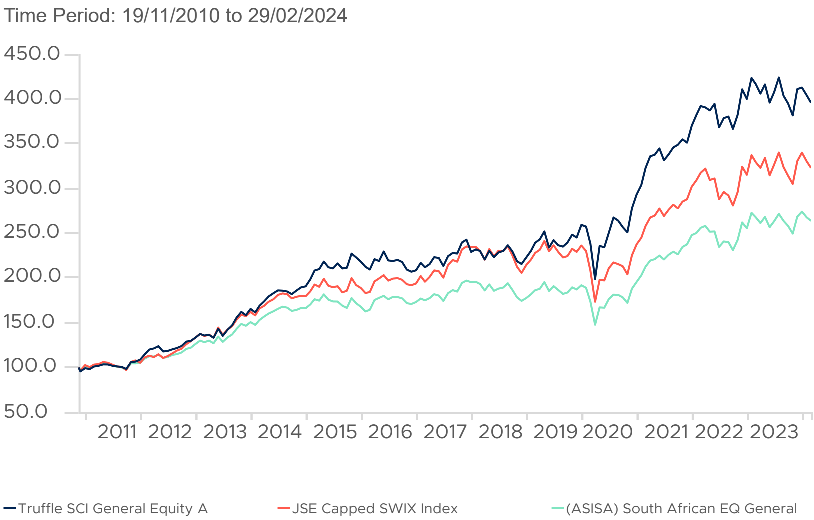
Investment Policy Summary

The fund employs a distinctive stock selection process to construct a portfolio of high quality local and offshore companies. The fund will invest a minimum of exposure to equities in line with the ASISA Standard on Fund Classification. Other investments may include units of other funds and offshore investments as legislation permits. The fund may also invest in derivative instruments for efficient portfolio management purposes.

Why Choose This Fund?

1. A disciplined stock selection process that focuses on investing in quality assets with long term valuation potential.
2. An agile team-based approach where opportunities are clearly identified and exploited.
3. Downside risk management forms a crucial component that aims to generate superior returns.

Investment Growth**



Annualised Performance (%)

	Fund	Benchmark
1 Year	-5.02	-1.97
3 Years	7.02	7.77
5 Years	10.58	7.21
10 Years	8.88	6.88
Since Inception	10.91	9.22

Risk Statistics (3 Year Rolling)

Standard Deviation	12.27
Sharpe Ratio	0.14
Max Drawdown	-10.00
Information Ratio	-0.17

Highest & Lowest Annual Returns

Time Period: Since Inception to 31/12/2023	
Highest Annual %	26.19
Lowest Annual%	-4.47

Monthly Returns (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2024	-2.07	-2.10											-4.12
2023	5.87	-1.62	-2.56	2.53	-4.88	2.96	4.01	-4.81	-2.13	-3.39	7.70	0.42	3.18
2022	3.28	2.59	-0.38	-0.86	1.90	-6.66	2.79	0.48	-3.63	4.28	7.46	-2.62	8.11
2021	3.61	6.26	4.09	0.48	2.11	-3.84	1.97	2.31	0.85	1.75	-1.05	5.36	26.19
2020	-0.73	-7.41	-16.58	18.61	-0.63	6.92	6.81	-1.32	-2.75	-2.26	10.63	5.57	13.07
2019	3.27	3.96	1.63	3.63	-7.17	3.54	-2.33	-0.67	1.95	3.68	-1.28	5.75	16.34
2018	1.24	-0.78	-4.14	4.34	-3.00	2.35	0.72	2.77	-2.88	-4.82	-1.39	3.37	-2.71
2017	3.97	-2.26	1.67	3.60	-0.42	-4.02	5.13	1.61	-0.31	5.46	1.31	-5.64	9.85
2016	-2.65	-1.43	5.50	-0.92	4.87	-4.37	-0.29	0.56	-1.07	-3.88	-1.14	0.75	-4.47
2015	4.14	4.91	0.79	3.98	-2.91	-0.61	2.66	-2.61	0.36	7.48	-1.84	-2.12	14.49
2014	-2.37	4.56	2.95	3.17	1.97	1.75	-0.15	-0.52	-1.58	2.19	1.89	0.64	15.23
2013	3.08	-1.30	0.60	-2.44	7.50	-5.49	4.96	3.55	5.95	4.00	-2.24	4.42	24.04
2012	5.57	4.49	1.08	2.05	-4.79	0.51	1.51	1.27	1.80	3.97	0.62	2.82	22.58
2011	-0.96	2.84	0.86	1.53	-0.10	-1.36	-0.75	-0.60	-2.20	7.73	0.57	2.07	9.68
2010												3.71	

***The investment performance is for illustrative purposes only. The investment performance is calculated taking the actual initial fees and all ongoing fees into account for the amount shown and income is reinvested on the reinvestment date.*

administered by Sanlam

Minimum Disclosure Document

Truffle Asset Management

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.

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, 45% for foreign (offshore) 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.

Distribution History (Cents per Unit)

31/12/2023	5.50 cpu	31/12/2021	3.63 cpu	31/12/2019	3.64 cpu
30/06/2023	4.01 cpu	30/06/2021	3.42 cpu	30/06/2019	2.75 cpu
31/12/2022	7.58 cpu	31/12/2020	0.79 cpu	31/12/2018	2.61 cpu
30/06/2022	3.92 cpu	30/06/2020	2.02 cpu	30/06/2018	1.74 cpu

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 Truffle Asset Management (Pty) Ltd, (FSP) Licence No. 36584, 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. *SCI is the abbreviation for Sanlam Collective Investments.

Investment Manager Information

Truffle Asset Management (Pty) Ltd
(FSP) License No. 36584
Physical Address: 0B Hyde Ln, Hyde Park, Sandton, 2196
Postal Address: 0B Hyde Ln, Hyde Park, Sandton, 2196
Tel: +27 (11) 325 0030
Email: info@truffle.co.za
Website: www.truffle.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.sanlamunittrusts.com

Trustee Information

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

administered by Sanlam

Truffle Asset Management

Portfolio Manager Comment

As at 31 December 2023

Economic Overview

Equity markets make a comeback

Global equity markets (except for China) made a comeback in the fourth quarter, spurred by fresh optimism of imminent US rate cuts following a two-year hiking cycle. Once again, the broader US economy failed to succumb to pressure from higher rates while China continued to disappoint.

South Africa's market performance remains sensitive to global and local economic data and newsflow as investors seek positive outcomes for deep idiosyncratic challenges.

US headwinds building

The US is yet to slow down. Inflation continued to fall with buoyant but lower wage growth while employment and GDP growth stayed resilient. Pandemic savings, fiscal spending, fixed mortgages, and the wealth effect benefit from higher property prices and equity markets more than offset the impact of higher rates.

The factors driving economic resilience in 2023, are likely to become headwinds into 2024. Consumers' excess savings for middle to lower income groups are now largely depleted and credit card delinquencies and defaults are accelerating. The lagged effect of a tight monetary policy may well be more extreme in the US in 2024 given the long term of their mortgage debt. US monetary policy is tight with one-year real rates at 2.8% relative to median rates of the last decade that were only marginally positive. Unless rates go back to zero real, even lower rates than today will still be a headwind as long-term debt reprices.

High levels of government spending growth in 2023 will likely detract from US GDP growth going forward. Falling job openings increases the risk of the unemployment rate rising from current low levels which will be negative for consumption.

The bond market is pricing 1.3% of rate cuts in 2024 and reaching a rate of 3.3% by the end of 2025. This implies the market is pricing in a soft landing and inflation stabilising back to a long-term trend in the low 2% range. US equity markets appear to be pricing in an optimistic outlook with Price Earnings (PE) ratios of more than 19.5 and punchy EPS growth expectations of 10% p.a. over the next 2 years.

US expected real returns are about 3.3% vs real bond returns of 1.8% meaning a paltry 1.5% equity risk premium. The S&P500 may have risen 25% in 2023 however the top 10 stocks accounted for 75% of this return and now comprise 35% of the index representing significant concentration risk. The equal weighted S&P500 is more reasonably priced but also offers a low return of 4.3% real relative to 1.8% from US bonds.

The US Fed estimates that 50% of real corporate profit growth between 1984 and 2020 was from a secular fall in interest rates and corporate tax cuts. This will not be repeated. A further long-term concern for markets is the significant level of future bond issuance which places downward pressure on yields.

China's prospects uncertain

China stood out as the underperforming economy and market in 2023 and continues to face significant structural challenges. Geopolitics is weighing heavily, and inbound foreign direct investment is at multi-decade lows. The Chinese consumer remains depressed and saved more in the first 10 months of 2023, despite the economy opening.

Overall Fixed Asset Investment in China grew 2.5% year on year, helped by manufacturing and infrastructure. However, the key driver of metal demand historically has been China's growth in property investment which declined 9%.

The Chinese Economic Work Conference in December recommitted to the "industrial economy". There was emphasis on quality of growth and recognition that the property sector is a major economic and financial risk. Again, they reiterated that housing is for living and not speculation. Regulatory policy seemed to be easing although not consistently, as evidenced by a further gaming regulatory crackdown in December. Furthermore, a reduction of available economic data and concerns regarding the accuracy of GDP data adds additional risk to the Chinese investment thesis.

While the risks to investing in China remain high, Japanese equity is well positioned to benefit from structural and cyclical factors arising in Japan over 2023. Business friendly stock market reforms are supportive of unlocking value. Companies could face delisting if they do not improve capital allocation to boost valuations and returns. Unwinding of cross holdings should also be a positive catalyst. Returns on capital already appear to be improving and valuations are reasonable with PE's trading in line with long run history.

Japanese wages reached a 26-year high in 2023 and are expected to remain above 2% over 2024. The Bank of Japan will maintain accommodative monetary policy unless wages exceed 3%. Against a backdrop of economic strength, the Japanese yen is one of the most undervalued currencies on a purchasing power of parity basis.

South Africa's elections pivotal for growth

By the fourth quarter of 2023, South Africa's idiosyncratic challenges including load-shedding had been well established with the focus shifting from short term crisis management to long term reform. The local equity market rallied in Q4 supported by global sentiment and prospects of lower interest rates however local economic challenges persist.

The outcome of South Africa's 2024 elections, likely to be held in May, will be critical. Voter turnout and the youth vote are two key unknowns and while polls are notoriously noisy, at this stage there is alignment around an ANC outcome of between 43% and 46%. Many changes are possible before election day, but it appears likely that the result will be some form of coalition government.

SA's economic headwinds remain unchanged with tight monetary policy likely to be in place until after the election and/or when the US Fed starts cutting rates. A reduction and stabilisation of load-shedding is beneficial for business outlook however other than tourism strength over December, consumer data remains subdued and logistics challenges weigh heavily on economic growth prospects. Transnet's turnaround efforts are positive although complex and will take time following years of poor management.

Low economic growth continues to place pressure on fiscal consolidation, and SA will need to reduce SOE debt or grow GDP to reach a healthier sovereign balance sheet.

Low valuations across both SA's equity and bond markets continue to partly take account of the above-mentioned macroeconomic risks. Credit spreads on SA bonds reduced over the quarter to trade in line with the median of the last 5 years. Any further strength will likely require a decline in global rates.

Summary and outlook

As interest rates peak globally, markets are optimistic around the speed and magnitude of a rate cutting cycle in 2024. However, central banks are likely to be cautious in their approach, avoiding any chance of inflation spiking once again.

Locally, we remain exposed to Financials where we still think absolute valuations are compelling. The dividend yield of our aggregate holding is circa 8%. Domestic small and mid-cap industrials are also reflecting compelling value with a few counters trading on PE multiples of 5-6 including Motus and Supergroup. Several high quality offshore exposed ALSI listed companies are also trading on generous valuations including Bidcorp and Anheuser Busch.

We remain underweight the US equity market in our offshore positions and prefer to hold short dated fixed income given the stretched US equity market valuations. European stock markets are trading in fair value territory while we have increased our exposure to Japan given reasonable valuations and constructive changes to the Japanese economy.

Performance & Positioning

Performance

Q4 was a strong quarter for both global and local equity markets as market expectation of interest rate cuts in 2024 boosted sentiment. This was particularly evident in the real estate sector and SA Property (SAPY) outperformed all other asset classes for the quarter delivering a 16.4% total return. Capped SWIX rose 8.2% over Q4 mostly driven by performance from Financials.

The fund benefitted over the quarter from an underweight in MTN. The Telecommunications sector delivered losses across the board and an underweight to this sector contributed to relative performance.

The fund also gained from an overweight position in select banks including Investec, however an underweight position in Capitec detracted while a relatively high exposure to ABSA also detracted as the share underperformed its SA banking peers. We retained a relatively high exposure to ABSA, given the banking group's strong dividend yield and compelling valuation metrics.

Anheuser Busch performed well over the quarter and the fund benefitted from an overweight in this counter. An underweight exposure to Bidvest also added to relative fund performance. Bidvest delivered a poor trading update indicating weak operating performance.

December was a strong month for many of the miners however quarterly performance remained weak. The fund benefitted from an underweight to Sibanye Stillwater however an underweight in Harmany Gold detracted. Harmony has been one of the best performing stocks over 2023.

Naspers & Prosus lost value over the quarter despite good performance in November when Chinese tech company, Tencent delivered better than expected financial results. A swift weakening in December was driven by the introduction of further regulation for the Chinese gaming sector. We continued to hold an overweight position in Naspers & Prosus, however, given the tough macro-economic environment and uncertainty in respect of Chinese markets, we have purchased downside protection through derivatives which benefitted the fund over the quarter.

Pick 'n Pay lost value over the quarter given a poor set of results and uncertainty around the growth strategy. The fund's overweight position therefore detracted. New management are embarking on a turnaround strategy which should unlock value.

Portfolio movements

We added to an exposure in FirstRand over the quarter as valuations remain attractive post share price weakness. Locally we believe the larger banks offer attractive valuations and relative resilience in the current environment and we maintain exposures in Absa and Standard Bank. We have also added to a position in Sanlam given compelling valuation metrics.
BTI has struggled to perform through 2023, despite strong cashflow yields. In December the company announced weakening profitability from their tobacco division. We have decreased exposure to the counter over the quarter.
While SA valuations are compelling, the economic growth outlook remains uncertain as rising fiscal challenges and global uncertainty continue to weigh on economic activity and business sentiment. We remain focused on select stocks with high free cash flow yields, attractive dividend yields, and which are trading at significant discounts to their intrinsic value.

Portfolio Managers
Iain Power
B.Com. (Hons)

Saul Miller
M Bus Sci, FFA

Nicole Agar
CA (SA)

Sophié-Marié van Garderen
M.Com., CFA