Minimum Disclosure Document As of 31/03/2024

Truffle Asset Management

Truffle SCI* SA Equity Fund

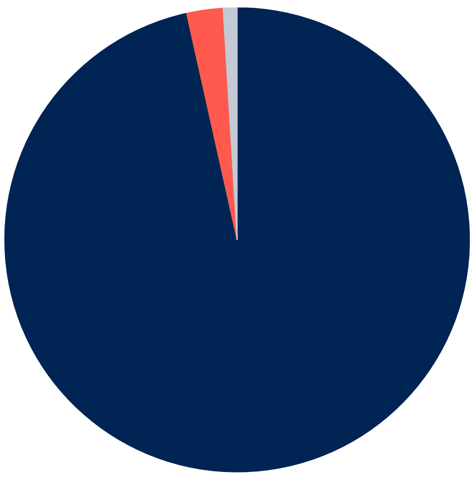
Fund Information

MDD Issue Date	18/04/2024
Ticker	TSCEFC
ISIN	ZAE000260634
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 5,538,833,373
Portfolio Launch Date	27/07/2012
Fee Class Launch Date	01/08/2018
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
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)	C-Class (%)
Maximum Initial Advice Fee	3.45
Maximum Annual Advice Fee	1.15
Manager Annual Fee	0.86
Total Expense Ratio	0.88
Transaction Cost	0.62
Total Investment Charge	1.50
TER Measurement Period	01 January 2021 - 31 December 2023

Top 10 Holdings (31/03/2024)	%
Naspers Ltd	9.09
Prosus (PRX)	6.24
Bid Corporation Ltd	4.95
Gold Fields Ltd	4.81
Absa Group Ltd	4.71
Anheuser-Busch Inbev SA	4.54
Anglo American Plc	4.48
British American Tobacco Plc	3.80
Firstrand Ltd	3.58
Glencore Plc	3.47

Asset Allocation (31/03/2024)



	%
Domestic Equity	96.51
Domestic Property	2.53
Domestic Cash	0.96
Total	**100.00**

Fund Objective

The Fund aims to maximise long term capital growth and intends to outperform the FTSE/JSE Capped Shareholder Weighted Index (SWIX) over a rolling 3-year period.

Investment Policy Summary

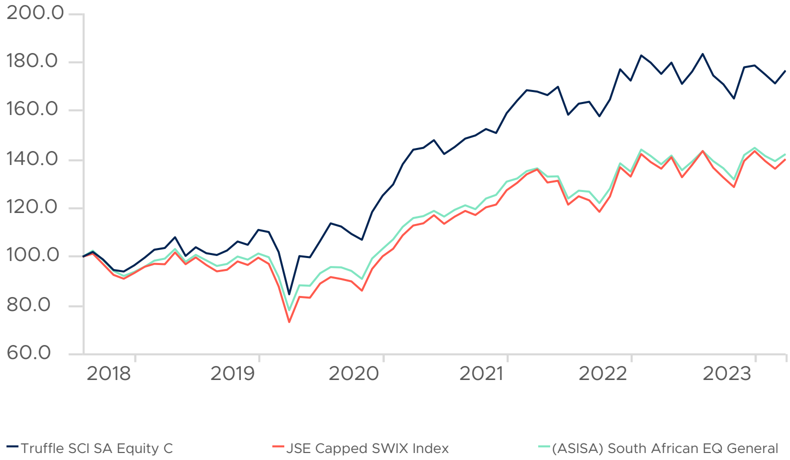
This is a South African equity fund which at any time will hold a minimum of 90% of the market value in South African equities. The manager remains cognisant of the weightings of the instruments in the FTSE/JSE Capped Shareholder Weighted Index (SWIX) and shall take active positions in the underlying securities of this index relative to their individual weightings. The fund may also invest in derivative instruments for efficient portfolio management purposes. The fund is not permitted to invest in offshore investments.

Why Choose This Fund?

1. An investment belief that generating sustainable investment returns means identifying winners, as well as avoiding value traps and unnecessary risk taking.
2. A disciplined equity process that focuses on investing in quality assets with long term valuation potential.
3. An agile team-based approach where opportunities are clearly identified and exploited.

Investment Growth**

Time Period: 02/08/2018 to 31/03/2024



Annualised Performance (%)

	Fund	Benchmark
1 Year	0.79	2.87
3 Years	7.02	7.48
5 Years	11.24	7.64
Since Inception	10.55	6.13

Risk Statistics (3 Year Rolling)

Standard Deviation	12.31
Sharpe Ratio	0.13
Max Drawdown	-10.00
Information Ratio	-0.10

Highest & Lowest Annual Returns

Time Period: Since Inception to 31/12/2023

Highest Annual %	27.07
Lowest Annual %	3.61

Monthly Returns (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2024	-2.08	-2.09	3.09										-1.16
2023	6.00	-1.62	-2.57	2.65	-4.86	2.97	4.10	-4.84	-2.08	-3.41	7.78	0.42	3.61
2022	3.25	2.60	-0.34	-0.86	2.05	-6.77	2.87	0.48	-3.64	4.38	7.53	-2.63	8.41
2021	3.67	6.38	4.34	0.54	2.17	-3.85	2.03	2.37	0.88	1.76	-1.07	5.40	27.07
2020	-0.80	-7.47	-17.04	18.58	-0.51	6.74	6.79	-1.15	-2.69	-2.20	10.68	5.68	12.69
2019	3.30	3.24	0.70	4.27	-7.12	3.56	-2.36	-0.72	1.82	3.62	-1.27	5.84	15.09
2018									-3.04	-4.39	-0.66	2.71	

***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.*

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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	4.87 cpu	31/12/2021	3.30 cpu	31/12/2019	2.80 cpu
30/06/2023	3.52 cpu	30/06/2021	3.10 cpu	30/06/2019	2.34 cpu
31/12/2022	6.67 cpu	31/12/2020	0.80 cpu	31/12/2018	2.67 cpu
30/06/2022	3.58 cpu	30/06/2020	1.90 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

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Truffle Asset Management

As at 31 March 2024

Economic Overview

The strength of the US economy continues to propel investor optimism even though interest rates appear set to stay higher for longer. China's annual parliamentary meeting did little to change sentiment as stimulus measures remain limited, while South African markets struggled amidst pre-election uncertainty. Fortunately, a commodities rally in March supported quarterly market performance.

Opportunities amidst relentless US strength

Recent data shows that US strength continues to reward wage earners and any indications of the economy losing resilience appear to have dissipated, driving market expectations further towards a soft (or even no) landing. Unemployment remains low and payrolls continue to exceed expectation while the PMI index has crossed the 50 threshold into expansionary territory at 50.3.

As economic strength persists, the downward inflation trajectory has come into question with some months in the quarter registering metrics above expectation. The risk remains that inflation settles above expectations of 2% or requires more aggressive monetary policy than the three rate cuts this year priced by the market.

Although long term rates have risen, the US equity market surged over the quarter as corporate earnings have proved resilient, resulting in a compressed Equity Risk Premium (ERP) of circa 1%. US market valuations remain elevated, and the likelihood that reasonable returns can be earned by the mega-caps seems low especially if one considers how lofty long-term earnings expectations are for this group of shares. However, with the manufacturing cycle bottoming out, and data still reflecting a strong economy, a pullback may not be imminent.

Outside of US equity, other markets or specific sectors are offering compelling value with a reasonable earnings outlook, notably:

- Certain Asian countries have cheaper exposure to the AI opportunity and would benefit from a turn in the manufacturing cycle.
- European equity markets offer some deep value opportunities, notably companies within the Financials and Energy sectors which are engaged in share buy backs.
- Fixed income markets are more fairly priced relative to 2023. Short dated US treasuries offer a 4-5% yield, which can be further enhanced by investing in credit.
- Short dated European credit also presents a real return opportunity.

Overall, Europe should benefit from an upturn in the manufacturing cycle and lower energy costs; however, this will need to be balanced against higher interest costs on sizable amounts of debt that are maturing this year.

China's Year of the Dragon

As China begins a new year, the lack of meaningful fiscal stimulus continues to hamper growth prospects while rebalancing China's economy from investment to consumption-led will be difficult even with stimulus. Like the US, the PMI has moved into expansionary territory, but employment gains are weak, and prices remain in deflation.

China's National People's Congress, an annual significant political event, held in March illustrated the country's ambition to compete with the US on technology; however, the lack of further stimulus measures disappointed markets with growth likely to slow more going forward as a result.

Chinese valuations are low relative to most regions. However, global investor appetite (and the prices investors are willing to pay) for Chinese assets remains uncertain given the weak growth prospects as well as the challenging regulatory and geopolitical outlook.

This risk should be balanced against the availability of well-run businesses that can produce decent cash flows. We therefore maintain a modest exposure to Chinese assets.

Glittering gold

Most commodities rallied strongly over March lifting commodity performance for the quarter. Copper is benefiting from an improved outlook for global manufacturing which has slumped over the last year. Lower supply guidance from major miners is also resulting in a continuation of expected deficits. Iron ore on the other hand, has underperformed due to reduced steel production and strong supply.

Gold has historically shown an inverse directional relationship with USD real interest rates however, despite range bound real rates, the shiny metal has reached record highs. This is potentially due to higher demand from Central Banks who are wary of geopolitical tensions and fear that the confiscation of USD reserves is becoming a meaningful risk. It is also possible, although less likely, that rising tail risk of inflation induced by US debt is becoming a concern. We currently maintain a position in gold given ongoing heightened geopolitical risk and elevated real rates.

Oil prices surged, mostly off the back of numerous supply issues, with US crude futures reaching $85 per barrel for the first time since October. Houthi attacks in the Red Sea resulted in delivery delays to European consumers while Mexico is curtailing crude exports to increase domestic refining; the likelihood of sanctions against Venezuela is also increasing. Amidst growing oil demand from China as manufacturing increases, numerous OPEC+ supply cuts have also driven prices up.

South Africa gaining energy

Uncertainty over election outcomes continues to drive weak appetite for risk assets and local investors remain uncertain amidst economic inertia. Some polls are indicating a lower result for the ANC than tabled earlier this year, and while changes are still possible just two months from election date, a coalition government remains likely.

Positively, updates from Rudi Dicks, Head of the Project Management Office within the Presidency are signalling much needed improvements to local infrastructure.

There is optimism that the worst of the energy crisis is behind us due to a combination of increased private sector power generation and better performance from Eskom's coal fleet. While loadshedding remains an issue, the average stage of loadshedding in the first two months of 2024 was 1.8, much better than the average of stage 3.8 that was recorded in the first two months of 2023. Eskom estimates that the rooftop solar capacity installed in the country was up to 5.4GW by the end January, with 2.4GW installed over the past year, resulting in YTD demand for Eskom power being down 7.1% vs the same period last year. Demand is down just over 9% from the equivalent period in 2019. Given the better performance in energy generation the focus has moved to transmission. Around 14 000km's of new grid capacity is required. Funding for this additional capacity will need to come from third parties who require generation assets to be split from the transmission and distribution assets. A split of this nature is dependent on debtholder approval which was recently obtained.

Poor logistics has also weighed heavily on the local economy - the University of Stellenbosch estimated that Transnet's inability to rail sufficient volumes of mostly coal and iron ore to ports could have cost the economy as much as R411bn in FY22 and a further R353bn in FY23. Economic reform is clearly highly dependent on a Transnet turnaround and the appointment of Michelle Phillips to a permanent position as CEO is a crucial step in their restructuring strategy.

Accumulating a maintenance backlog of an estimated R200bn whilst servicing expensive debt has added significant urgency to the implementation of a credible restructuring plan. Partnering with private sector companies to operate trains independently on the state-owned rail network across SA is therefore positive with the recent Freight Logistics Roadmap and the release of Transnet's draft network statement important steps in the process. If all goes well, trains run by private operators could be operational in the second half of the year provided tariffs encourage the transport of tonnage to move away from trucks and onto rail.

While Transnet progresses in the right direction, it is also pleasing to note that port operations have improved from a low point in 2023 and various initiatives support further improvements.

South Africa's economy grew 1.2% year on year to 31 December 2023, slightly ahead of market expectations. However short-term 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. While local valuations remain cheap, with significant long-term uncertainty it remains important to focus on companies offering strong cashflow and dividend yields.

Outlook

Overall global markets have experienced a good start to 2024 and while continued economic resilience with rate cuts implemented later in the year could sustain market strength, US equity valuations are elevated and at risk of falling. Within our global portfolios, we remain underweight the US equity market in our offshore positions but have increased pour exposure to European stock markets which are trading in fair value territory. We maintain an exposure to Japan given reasonable valuations and constructive changes to the Japanese economy.

Locally, we continue to adopt a defensive stance ahead of elections and given ongoing economic uncertainty. We prefer companies with exposure to offshore markets and stay focused on companies trading on generous valuations and with good dividend yields. In the short-term SA could benefit from a cyclical market recovery as global manufacturing strengthens and thus supports commodity prices. By next quarter we should have better visibility of the longer-term impact of election outcomes.

Performance & Positioning

Performance

Strong US economic data supported positive sentiment in Developed Markets driving global equities significantly higher over the quarter (MSCI World +12.9% in Rand terms). Emerging markets struggled in comparison (MSCI EM +2.4%) as investors remained concerned about China's growth prospects. South African equities rebounded in March; however quarterly performance remained negative (Capped SWIX: -2.3%). A surge in the gold price and better performance from other commodities drove the March rally. SA property remained the best performing asset locally for Q1 (SAPY: 3.8%).

The fund benefitted over the quarter from an underweight in MTN. Poor results from the telecommunications company were driven by significant currency losses in Nigeria and a weak SA market. An underweight in Standard Bank also benefitted with an overweight to ABSA Group detracting as SA Banks came under pressure.

An overweight position in MultiChoice benefited. Shareholders responded favourably to the local media company's announcement of a takeover bid from French company Canal+, at a healthy premium.

Sappi performed well over the quarter and an overweight in this counter added to performance.

The fund also benefitted from an overweight in AngloGold given solid returns from precious metals in March, however an underweight in Harmony Gold detracted from relative return. Harmony continues to be one of the best performing stocks into 2024.

Portfolio movements

We reduced exposure to SA banks in favour of those commodity companies which will benefit from improved global manufacturing. We added to an exposure in Glencore given the outlook for metals within their portfolio (especially copper), along with compelling valuation metrics. We have also added to a position in both Bidcorp and Bidvest given valuation metrics.

Portfolio Managers

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