

NMRQL SCI* Balanced Fund

Minimum Disclosure Document

As of 2021/08/31



Fund Objective

This is a portfolio with moderate aggressive risk qualities with a primary objective to deliver capital growth over the long term and where the asset allocation and stock selection is systematically managed using quantitative models. The manager focusses less on income generation, being a secondary goal to capital growth.

Investment Policy

The portfolio will invest in a combination of equities, bond, money market instruments, listed property as well as international equities and fixed interest investments. The portfolio will be broadly diversified across asset classes. Active asset allocation and securities selection appropriate to the needs of moderate investors will be followed. The exposure to equities will not exceed 75%. This portfolio will be managed in accordance with regulations governing pension funds.

Fund Information

Ticker	NSCBF
Portfolio Manager	Thomas B Schlebusch
ASISA Fund Classification	South African - Multi Asset - High Equity
Risk Profile	Moderate Aggressive
Benchmark	ASISA Category Avg: SA - Multi Asset - High Equity
Fund Size	R 71 570 791
Portfolio Launch Date*	2017/10/01
Fee Class Launch Date*	2017/10/01
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	17:00
Transaction Cut Off Time	15:00
Daily Price Information	Local media & www.sanlamunitrusts.co.za
Repurchase Period	2-3 business days

Fees (Incl. VAT)

	A-Class (%)
Maximum Initial Advice Fee	3,45
Maximum Annual Advice Fee	—
Manager Initial Fee	—
Manager Annual Fee	1,04
Total Expense Ratio	1,29
Transaction Cost	1,48
Total Investment Charges	2,77
Performance Fee	—
TER Measurement Period	01 July 2018 - 30 June 2021

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.

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.

Manager Performance Fee

: Performance fees are incentive fees earned by the manager for performance in excess of the benchmark. Performance Fee Benchmark: ASISA Category Average: South African -Multi Asset - High Equity, Sharing Ratio: 10%, Minimum Fee: 1.02%, Maximum Fee: 3.13%. All fees are inclusive of VAT. Example: If the fund performs in line with its performance fee benchmark, the fee will be 1.02%.

*NMRQL Sanlam Collective Investments Balanced Fund.

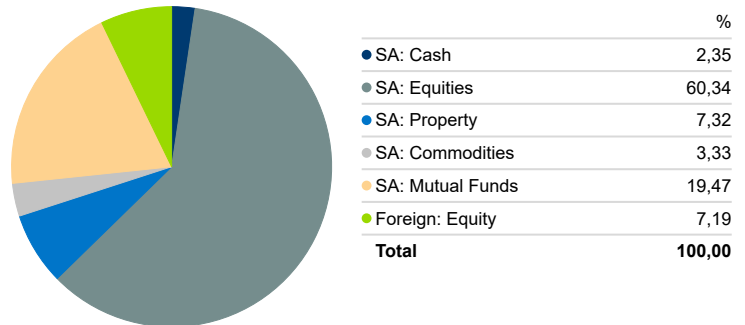
MDD Issue Date: 2021/09/17

Top Ten Holdings

	(%)
Sygnia Itrix Gbl Pro ETF	8,86
MTN Group Ltd	5,16
Africagold EFT	5,14
Satrix Nasdaq 100 ETF	5,06
Sygnia Itrix S&P 500 ETF	4,97
Distell Group Holdings Ltd	4,93
Stanlib SA Bond ETF	4,92
Liberty Holdings Ltd	4,83
Pepkor Holdings Ltd	4,80
Truworths International Ltd	4,72

Asset Allocation

Portfolio Date: 2021/06/30



Annualised Performance (%)

	Fund	Benchmark	JSE ALSI J203T
1 Month	2,00	1,19	-1,74
3 Months	2,06	3,26	-0,12
6 Months	4,31	6,53	4,04
1 Year	10,99	17,35	25,18
3 Years	3,18	6,51	8,19
Since Inception	2,47	6,42	8,19

Cumulative Performance (%)

	Fund	Benchmark	JSE ALSI J203T
1 Month	2,00	1,19	-1,74
3 Months	2,06	3,26	-0,12
6 Months	4,31	6,53	4,04
1 Year	10,98	17,34	25,16
3 Years	9,84	20,85	26,64
Since Inception	10,01	27,58	36,05

Highest and Lowest Annual Returns

Time Period: Since Inception to 2020/12/31

Highest Annual %	3,20
Lowest Annual %	-12,05

Risk Statistics (3 Year Rolling)**

Standard Deviation	10,37
Sharpe Ratio	-0,20
Information Ratio	-0,63
Maximum Drawdown	-14,24

Distribution History (Cents Per Unit)

2021/06/30	7.19	2020/12/31	7.57	2020/06/30	7.75	2019/12/31	1.42
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Administered by



Risk Profile

Moderate Aggressive

In this portfolio, capital growth is of primary importance and results in a higher allocation to equities. The portfolio may display capital fluctuations over the shorter term, however, volatility levels should be lower than a pure equity fund. While diversified across all the major asset classes, this portfolio is tilted more towards equities and other risky asset classes to ensure the best long-term returns of all the asset classes. Fixed income positions are minimized.

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 Volatility Volatility is a measure of 'risk' and refers to the extent to which the price of an investment or capital value fluctuates over a certain period of time. Funds with high volatility usually offer the potential for higher returns over the longer term than low volatility funds.

Cumulative Returns Cumulative return is the total growth experienced over the period measured. **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.

Diversification This is a strategy designed to reduce risk within a portfolio by combining a variety of investments (or asset classes) such as equities, bonds, cash or property, which are unlikely to all move in the same direction at the same time. This is designed to reduce the risk (and protect against capital losses) within a portfolio. Diversification allows for more consistent performance under a wide range of economic conditions as it smooths out the impact of negative market events. The positive performance of some investments or asset classes should neutralize the negative performance of others.

Financial Instruments Derivatives also known as financial instruments (such as a future, option, or warrants) whose value derives from and is dependent on the change in value of an underlying asset (such as a commodity, currency, or security) to protect against risk (capital losses).

Fund Objective The fund objective is the portfolio's core goal.

Fund Strategy The fund strategy is the way that the fund is managed to achieve the fund objective.

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.

Collective Investment Schemes Collective Investment Schemes (CIS) (also called unit trusts) are portfolios of assets such as equities, bonds, cash and listed property, in which investors can buy units. They allow private investors to pool their money together into a single fund, thus spreading their risk across a range of investments, getting the benefit of professional fund management, and reducing their costs.

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 investments.

Market Capitalization Market capitalization is the total value of the issued shares of a publicly traded company; it is calculated by multiplying the share price by the number of shares in issue.

Maximum Drawdown The maximum drawdown measures the highest peak to trough loss experienced by the fund.

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 ...

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 NMRQL Research (Pty) Ltd, (FSP) Licence No. 45782, 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.

Investment Manager Information

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NMRQL SCI Balanced - Fund Commentary

As at 30 June 2021

Q2 2021 again saw global and emerging market equities continue the rally, starting in Q1. The S&P500 (in ZAR) rallied just over 5%, while SA nominal government bonds rallied by just over 6.5%. The South African property market also saw a recovery of more than 10% for the quarter. South African equities as measured by the JSE All Share Index (ALSI) and the JSE Shareholder Weighted Index (SWIX), however, struggled over the quarter, with the ALSI losing just over 1% and the SWIX losing 2.8% for the quarter.

On the commodity front, gold only managed to squeeze out a meagre 0.1% for the quarter, while rhodium returned a staggering 17% for the quarter. Platinum and oil, however, gave up much of their earlier returns with platinum ending the quarter down around 8.5% and oil ending the quarter down around 29%.

The "tussle" between inflation-linked bonds and nominal bonds also continued over the quarter with news around expected increases in US inflation creating some volatility in the bond market. While inflation-linked bonds have outperformed nominal bonds since the beginning of the year, nominal bonds outperformed over the past quarter. While inflation-linked bonds only returned around 2% for the quarter, nominals returned around 6.5%.

In contrast, the NMRQL SCI Balanced Fund performed roughly in line with our peer group benchmark, returning around 1.5% for the quarter. Over the quarter, we have slowly increased our offshore exposure and taken profit from some of the commodity ETFs. Structurally, there remain supply shortages in commodities like copper and iron ore. Commodities like platinum and oil have also started to see their returns run out of momentum.

Looking ahead, we remain cognizant of concerns around inflation as well as the fact that many stocks are quite overpriced. We believe that over the next few months, with the rapid increase of global vaccinations, that the discussions will again return from COVID-19 driven topics to economic and price fundamentals, as things start to normalise.

Portfolio Managers

Thomas Schlebusch
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