



Fund Objective

The portfolio is a general equity portfolio that seeks to sustain high long-term capital growth.

Fund Strategy

The portfolio's investment universe consists of equity securities, preference shares, debentures, debenture bonds, money market instruments, property shares and property related securities listed on exchanges, and assets in liquid form. The manager may from time to time invest in participatory interests in portfolios of collective investment schemes registered in the Republic of South Africa which are consistent with the portfolio's investment policy. The portfolio's equity exposure will always exceed 80% of the portfolio's net asset value. The portfolio will also be allowed to invest in listed and unlisted financial instruments (derivatives) as allowed by the Collective Investment Schemes Control Act from time to time. The Manager shall be permitted to invest on behalf of the portfolio in offshore investments as legislation permits.

Fund Information

Ticker	PMECA
Portfolio Managers	Delphine Govender, Lonwabo Maqubela, & Patrick Ntshalintshali
ASISA Fund Classification	South African - Equity - General
Risk Profile	Aggressive
Benchmark	FTSE/JSE Capped SWIX Index
Fund Size	R 126,152,427
Portfolio Launch Date*	22/09/2014
Fee Class Launch Date*	22/09/2014
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 & 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	—
Annual Investment Management Fee	0.86
Total Expense Ratio	1.01
Transaction Cost	0.23
Total Investment Charges	1.24
TER Measurement Period	01 January 2022 - 31 December 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.

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 December 2024, SCI will change a monthly administration fee of R23 (VAT Inclusive) on retail investors whose total investment value is less than R50 000. Clients with an active recurring monthly debit order will not be levied this fee.

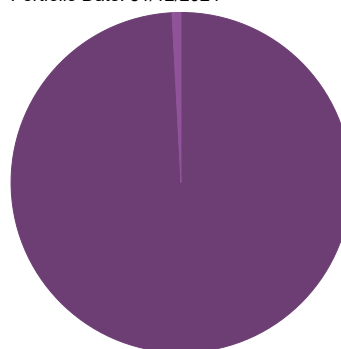
**Highest and Lowest annual returns are updated annually at year end.

Top Ten Equity Holdings

Portfolio Date: 31/12/2024	
Prosus (PRX)	6.94
Absa Group Ltd	6.93
British American Tobacco Plc	6.72
Standard Bank Group Ltd	6.41
Firststrand Ltd	5.25
Anglo American Plc	4.42
Anglogold Ashanti Plc	4.20
Spar Group Ltd	3.63
Naspers Ltd	3.35
Anheuser-Busch Inbev SA	3.04

Asset Allocation

Portfolio Date: 31/12/2024	
	%
SA Equity	99.16
SA Cash	0.84
Total	100.00



Annualised Performance (%)

Since Inception to 31/12/2024	Fund	Benchmark
1 Year	14.20	13.41
3 Years	10.30	8.50
5 Years	10.67	10.60
Since Inception	4.59	7.38

Cumulative Performance (%)

Since Inception to 31/12/2024	Fund	Benchmark
1 Year	14.20	13.41
3 Years	34.19	27.73
5 Years	66.07	65.54
Since Inception	58.70	108.05

Highest and Lowest Annual Returns**

Time Period: Since Inception to 31/12/2024	
Highest Annual %	33.18
Lowest Annual %	-13.61

3 Year Risk Statistics

Standard Deviation	11.54
Sharpe Ratio	0.27
Information Ratio	0.36
Maximum Drawdown	-7.41

Distribution History (Cents Per Unit)

31/12/2024	2.01 cpu	31/12/2022	2.37 cpu	31/12/2020	0.55 cpu
30/06/2024	2.83 cpu	30/06/2022	1.18 cpu	30/06/2020	1.36 cpu
31/12/2023	2.04 cpu	31/12/2021	1.26 cpu	31/12/2019	1.91 cpu
30/06/2023	1.38 cpu	30/06/2021	0.85 cpu	30/06/2019	1.59 cpu



Risk Profile

Aggressive

You can afford to take on a higher level of risk (i.e., have a greater exposure to equities) because of your investment time horizon and/or your appetite for risk. You know that in taking the risk, you need to be patient if you want to achieve the results. So you are willing to invest for the long-term and are prepared to tolerate some volatility in the short term, in anticipation of the higher returns you expect to receive in five years or beyond.

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.

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.

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.

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.

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.

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 Perpetua Investment Managers (Pty) Ltd, (FSP) Licence No. 29977, 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

Perpetua Investment Managers (Pty) Ltd
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Portfolio Manager Comment

As at 31 December 2024

Market Overview

In the final quarter of 2024, global markets were heavily influenced by Donald Trump's re-election as President of the United States. US shares were amongst the few markets to generate positive returns, with the S&P500 returning 2.3% in USD terms in the quarter, buoyed by prospects of higher economic growth, lower taxes and relaxed corporate regulation under his administration. On the other hand, the rest of the world's markets came under pressure amid fears over trade tariffs. The Eurozone had a particularly challenging quarter as Germany and France, its two largest countries, were marred by political instability and recurring recession fears. The MSCI Europe ex UK fell by -10.6% in USD. UK equities (FTSE 100) also declined by -6.8% in USD, reflecting growing macroeconomic concerns and the impact of the new UK government's fiscal policies in the Autumn Budget. Emerging market (EM) equities faced headwinds, particularly in China where the MSCI China Index declined by -7.7%, as geopolitical risks over trade and technology escalated.

South African markets mirrored these challenges, with the JSE Capped SWIX contracting by -2.1% during the quarter. The Rand weakened against the dollar by 9.5% over the quarter, ending the year at R18.89/\$1, despite having reached a low of R17.21/\$1 in the calendar year. Nevertheless, the South African economy showed signs of improvement in Q4 2024. Inflation remained below the mid-point of the SARB's 3%-6% target range since August 2024, marking its lowest levels since pre-COVID. In response, the SARB cut interest rates by 25bps in both September and November.

Within the components of the JSE Capped SWIX's decline of -2.1% during the quarter, Industrials returned 0.3% for the quarter while Property, Financials and Resources declined by -1.1%, -1.2% and -9.1%, respectively. Consumer-facing sectors, including food producers, retailers and service providers performed well, but this was outweighed by weakness in the Resources sector driven by China's slowdown, and challenges in the UK which similarly weighed down dual-listed stocks.

Despite a weaker Q4, South African markets ended the year on a strong note, with the JSE Capped SWIX delivering a 13.4% return for 2024. Sector-wise, Property led gains with a 28.0% return, followed by Financials (+22.2%) and Industrials (+18.8%). Resources were the notable laggard, declining -9.5% for the year. At the subsector level, Non-life Insurance, Construction and Materials, Food Producers, and Retailers were standout performers, while Alternative Energy, Chemicals, Automobiles & Parts, and Beverages underperformed.

Portfolio Performance

The Perpetua SCI Equity portfolio ("the Fund") delivered a net return of -2.7% over the fourth quarter of 2024 while the JSE Capped SWIX ("the benchmark") returned -2.1%. Over the 1-year period ended 31 December 2024 the Fund generated a net return of 14.2%, outperforming the benchmark's return of 13.4%. The Fund outperformed the benchmark over the longer 3-year period returning 10.3% p.a., exceeding the benchmark's return of 8.5% p.a. on a net basis.

The top contributors to the Fund's relative performance for Q4 2024 were our overweight positions in Datatec, Absa, British American Tobacco, PPC and Super Group. Detractors from the Fund's performance included our overweight positions in Tsogo Sun Gaming, AB InBev and Sasol, as well as our underweights in Discovery, Capitec and Pepkor.

Notwithstanding the fund's strong performance, the fund remains attractively priced and offers significant upside.

Portfolio Positioning

Q4 2024 marked a reversal of much of the year's improvements in global macroeconomic conditions and market performance, setting the stage for an uncertain 2025. A key focus is Trump's second presidential term with his policy programme for the world's largest economy expected to ripple across global markets, particularly in emerging economies. At the Federal Reserve's most recent meeting, Chair Jerome Powell signalled fewer rate cuts in 2025 than initially anticipated. He attributed this to persistent inflationary pressures and a stronger-than-expected labour market. Despite three consecutive rate cuts, US bond yields have increased, reflecting market concerns about Trump's proposed policies including rate pauses, reduced fiscal restraints, and tax cuts. These measures are likely to widen fiscal deficits, further weakening the US and global economic outlook.

Geopolitical tensions are also expected to escalate in 2025 with China, the world's second-largest economy, being particularly vulnerable. China continues to grapple with deflationary pressures, driven by a slowdown in its real estate and manufacturing sectors, which weigh heavily on its overall economy and pose risks to global growth. While the Eurozone has successfully curbed inflation, the region remains burdened by political instability, stagnant growth forecasts, and weakening domestic demand. Meanwhile, the UK is likely to face persistent inflationary pressures and challenges in its labour market, adding to the overall fragility of the global economy.

On the local front, economists forecast that South Africa's Gross Domestic Product (GDP) growth will be close to 1.6% in 2025, supported by the foundation laid in 2024 through lower inflation and two interest rate cuts. Rating agency S&P has also issued a positive outlook for South Africa in 2025. However, concerns surrounding slowing global growth and geopolitics are potential headwinds to the South African economy in the year to come.

Notwithstanding the strong SA Inc rally over the last year there continues to be attractive investment opportunities, with some shares trading at price-to-earnings ratios below 9x while offering attractive dividend yields of around 5%. We are, however, reducing our active exposure to stocks that are tending towards their bull case valuations such as Mr Price and WBHO. Banks continue to trade at compelling valuations, while the underperformance in the resources sector has revealed opportunities. We are selectively increasing exposure within the sector, focusing on stocks that offer strong value with relatively lower operational and financial leverage, providing a more balanced risk profile.

We continue to identify good quality stocks with modest valuations in a range of industries including Banks, Asset Managers, Retailers, Diversified Miners, Precious Metals, and Consumer Staples. We believe that the fund is well-positioned to deliver resilient performance across a range of global macro-economic conditions. Additionally, we favour businesses with lower levels of financial and operational leverage, further enhancing the stability of the portfolio. Whilst it is difficult to predict what will cause sentiment to change, we believe that as our portfolio companies improve balance sheets, increase shareholder payouts, and deliver earnings that continue to improve, it is probable that sentiment towards them will be positive.

Portfolio Manager

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 CA(SA), CFA

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