Perpetua SCI* Flexible Fixed Interest Fund

Minimum Disclosure Document

As of 31/12/2024

MDD Issue Date: **22/01/2025**

Fund Objective

The primary objective of this portfolio is to seek above average income with some potential for capital growth.

Investment Policy Summary

Apart from assets in liquid form, the portfolio will invest in bonds and other interest-bearing securities which are short, intermediate, and long-dated. The portfolio may invest in listed and unlisted financial instruments (derivatives). The portfolio may also invest in offshore investments as permitted by legislation. The portfolio may also include participatory interest of collective investment schemes registered in the Republic of South Africa or any other form of participatory interests of collective investment schemes or similar schemes operated in territories with a regulatory environment which is to the satisfaction of the manager and trustee of sufficient standard to provide investor protection at least equivalent to that in South Africa.

Fund Information

Ticker	PPCFA1
Portfolio Manager	Pooja Tanna
ASISA Fund Classification	South African : Interest Bearing : Variable Term
Risk Profile	Conservative
Benchmark	SteFI x 120%
Fund Size	R 51,227,082
Portfolio Launch Date*	18/03/2024
Fee Class Launch Date*	18/03/2024
Minimum Lump Sum Investment	R 10,000
Minimum Monthly Investment	R 500
Income Declaration Date	March, June, September & December
Income Payment Date	1st business day of April, July, October & January
Portfolio Valuation Time	15:00
Transaction Cut Off Time	15:00
Daily Price Information	Local media & www.sanlamunittrusts.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	0.63
Total Expense Ratio*	0.97
Transaction Cost*	—
Total Investment Charges*	0.97
TER Measurement Period	18 March 2024 - 30 September 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.

**As the fund's track record is shorter than a year, the TER and TC cannot be accurately determined. Calculations are based on actual data where possible, and on best estimates where data is not available.*

**These figures will become available once sufficient performance history has been met.

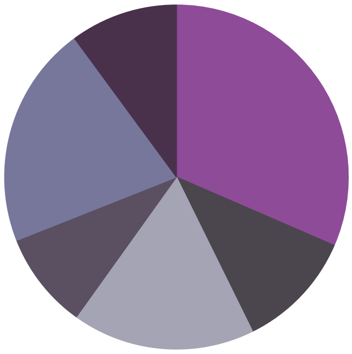
Allocation Exposure

Portfolio Date: 31/12/2024

Allocation Exposure	Weight (%)
RSA Government Bonds	40.10
US Treasury Bonds	40.20
SA Cash and Money Market	19.70

Maturity Profile

Portfolio Date: 31/12/2024



	%
SA 7-12	31.50
SA 3-7	11.20
SA 12+	17.20
Non-SA 7-12	9.10
Non-SA 3-7	20.90
Non-SA 0-1	10.10
Total	**100.00**

Annualised Performance (%)**

Since Inception to 31/12/2024	Fund	Benchmark
1 Year	—	—
3 Years	—	—
5 Years	—	—
Since Inception	—	—

Cumulative Performance (%)**

Since Inception to 31/12/2024	Fund	Benchmark
1 Year	—	—
3 Years	—	—
5 Years	—	—
Since Inception	—	—

Highest and Lowest Annual Returns**

Time Period: Since Inception to 31/12/2024	
Highest Annual %	—
Lowest Annual %	—

3 Year Risk Statistics**

Standard Deviation	—
Sharpe Ratio	—
Information Ratio	—
Maximum Drawdown	—

Distribution History (Cents Per Unit)**

31/12/2024	15.06 cpu	—	—	—	—
30/09/2024	14.99 cpu	—	—	—	—
30/06/2024	5.99 cpu	—	—	—	—
—	—	—	—	—	—

Administered by

Perpetua SCI* Flexible Fixed Interest Fund

Minimum Disclosure Document

As of 31/12/2024

Perpetua
INVESTMENT MANAGERS

Risk/Return Profile

Conservative
This portfolio aims to ensure stable income flows and capital preservation is of primary importance. The portfolio invests in a combination of low-risk asset classes, but exposure to equities is limited to protect against volatility and risk of capital losses. It aims to provide a high level of income, while maximizing returns above cash. Capital preservation is achieved through diversification across a variety of high yielding assets.

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 foreignbased 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 portionscalled 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.

Additional Information

Investment Manager Information
Perpetua Investment Managers (Pty) Ltd
(FSP) License No. 29977
Physical Address: 5th Floor, The Citadel, 15 Cavendish Street, Claremont 7708
Postal Address: PO Box 44367, Claremont 7735, South Africa
Tel: +27 (21) 674 4274
Email: Info@perpetua.co.za
Website: www.perpetua.co.za

Manager Information
Sanlam Collective Investments (RF) (Pty) Ltd
Physical Address: 55 Willie van Schoor Avenue, Bellville, South Africa, 7530
Postal Address: Private Bag X8, Tygervalley, 7536
Tel: +27 (21) 916 1800
Email: service@sanlaminvestments.com
Website: www.sanlamunittrusts.co.za

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

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Portfolio Manager Comment

As at 31 December 2024
Market Review
In the final quarter of 2024, global fixed income markets experienced a lot of turbulence, heavily influenced by Donald Trump's re-election as the President of the United States and the economic data releases emanating from the U.S. given its potential impact on other economies. The period was characterised by notable selloffs in major government bond markets, with various factors influencing investor sentiment. U.S. inflation proved stubborn over the quarter, leading to a rise in bond yields as markets priced in fewer rate cuts for 2025. Despite the Federal Reserve (Fed) having cut rates three times in a row, Chair Jerome Powell emphasized that fewer cuts would follow in future due to sticky inflation. 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 UK's 10-year gilt yields rose, reflecting growing macroeconomic concerns and the impact of the new UK government's fiscal policies in the Autumn Budget. While both the European Central Bank and Bank of England cut rates during the quarter, hopes for further cuts have been dampened by the economic slowdown in Europe.

South African markets mirrored these challenges, with the ALBI relatively flat at 0.4% for the quarter versus Q3 2024's return of 10.6%. The Rand weakened against the dollar by 9.5% over the quarter, ending the year at R18.89/$1, despite having reached R17.21/$1 earlier 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.

Portfolio Performance

The Perpetua SCI Flexible Fixed Interest Fund ("the Fund") generated a return of 1.1% net of fees over the fourth quarter of 2024, while the benchmark (STeFI x 120%) rose 2.4%. The Fund generated alpha of 1.4% after fees in the last half of 2024, returning 6.5% while the benchmark yielded 5.0%.

Market Outlook and 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. Despite three consecutive rate cuts, U.S. bond yields have increased, reflecting market concerns about stubborn inflation and 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.

In terms of positioning we maintain our long position in SAGBs, focusing on the belly of the curve, while retaining our cash position in offshore fixed income (3-month T-bills) and remaining underweight U.S. Treasuries due to anticipated heightened volatility in the U.S. Additionally, we expect the ZAR to strengthen in the coming months and plan to capitalise on its current weakness by instituting fresh currency hedges to mitigate exposure. Under our base case scenario, SAGBs have room to rally further; however, in a bear case, the curve appears closer to fair value or slightly expensive. Nonetheless, with a positive domestic growth outlook, contained inflation, and lower interest rates, South Africa's fixed income landscape remains more favourable compared to the global environment.

Portfolio Manager
Pooja Tanna
BSc (Hons), Mathematical Statistics