

Fund Objective

The fund aims to deliver long-term capital and income growth in excess of the market index while offering a higher degree of capital protection to investors by limiting its universe to listed equities of low fundamental risk.

Fund Strategy

Aiming for high returns with lower fundamental risk - We invest in high quality companies as this strategy has been shown to outperform the market most consistently and with low risk over long periods of time. The idea is to reduce the probability of permanently impairing shareholder capital by desisting from taking risky bets. Our franchise value lies in differentiated research into the industry dynamics that drive company profitability. The portfolio may invest in participatory interests of underlying unit trust portfolios. The portfolio may also invest in collective investment schemes in property as well as any other securities that the Act may allow from time to time. When investing in derivatives, the manager will adhere to prevailing derivative regulations.

Fund Information

Ticker	FASB1
Portfolio Manager	Hlelo Giyose
ASISA Fund Classification	South African - Equity - General
Risk Profile	Aggressive
Benchmark	FTSE/JSE Shareholder Weighted Index (SWIX) (J403T)
Fund Size	R 187 787 128
Portfolio Launch Date*	2011/07/01
Fee Class Launch Date*	2011/07/01
Minimum Lump Sum Investment	R 100 000
Minimum Monthly Investment	R 1 000
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
Repurchase Period	2-3 business days

Fees (Incl. VAT)

A-Class (%)

Maximum Initial Advice Fee	3,45
Maximum Annual Advice Fee	1,15
Manager Annual Fee	1,43
Total Expense Ratio	1,47
Transaction Cost	0,21
Total Investment Charges	1,68
Performance Fee	—
TER Measurement Period	01 July 2017 - 30 June 2020

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. Cost figures are not yet available.

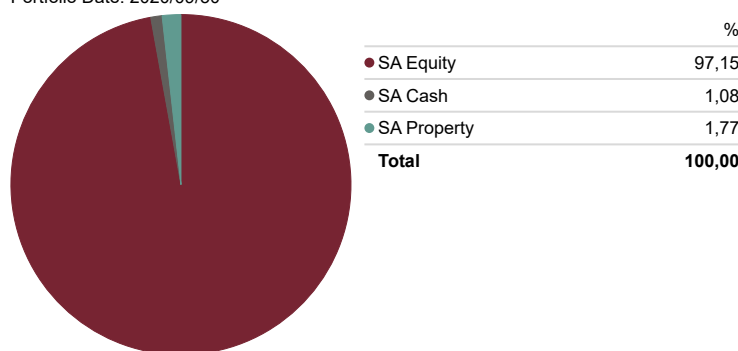
*The First Avenue Sanlam Collective Investments Focused Quality Equity Fund transitioned to Sanlam Collective Investments (RF) (Pty) Ltd on 17 February 2018.

Top Ten Holdings

	(%)
Naspers Ltd	20,24
Prosus (PRX)	9,53
Standard Bank Group Ltd	5,64
Firststrand Ltd	4,95
British American Tobacco Plc	4,53
BHP Billiton Plc	3,88
Discovery Holdings Ltd	3,04
Compagnie Financiere Richmond SA	3,01
Bid Corporation Ltd	2,77
Capitec Bank Holdings Ltd	2,68

Asset Allocation

Portfolio Date: 2020/09/30



Annualised Performance (%)

	Fund	Benchmark
1 Year	-11,20	-2,19
3 Years	-7,80	-0,39
5 Years	-3,72	2,89
Since Inception	4,35	8,88

Cumulative Performance (%)

	Fund	Benchmark
1 Year	-11,20	-2,19
3 Years	-21,64	-1,17
5 Years	-17,27	15,32
Since Inception	48,29	119,73

Highest and Lowest Annual Returns

Time Period: Since Inception to 2019/12/31

Highest Annual %	26,28
Lowest Annual %	-17,92

Risk Statistics (3 Year Rolling)

Standard Deviation	15,97
Sharpe Ratio	-0,85
Information Ratio	-1,51
Maximum Drawdown	-35,89

Distribution History (Cents Per Unit)

2020/06/30	8.88 cpu	2019/06/30	15.88 cpu	2018/06/30	16.28 cpu
2019/12/31	21.98 cpu	2018/12/31	12.37 cpu	2017/12/31	11.40 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 total returns

Annualised return is the weighted average compound growth rate over the period measured.

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.

Equities

An equity or share represents an institution/individual's ownership in a listed company and is the vehicle through which they are able to 'share' in the profits made by that company. As the company grows, and the expectation of improved profits increases, the market price of the share will increase and this translates into a capital gain for the shareholder. Similarly, negative sentiment about the company will result in the share price falling. Shares/equities are usually considered to have the potential for the highest return of all the investment classes, but with a higher level of risk i.e. share investments have the most volatile returns over the short term. An investment in this type of asset should be viewed with a 7 to 10 year horizon.

Fundamental analysis

This is a method of evaluating a share that involves attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the share's value, including macroeconomic factors (like the overall economy and industry conditions) and company-specific factors (like financial statements, cashflow and management).

Sharpe ratio

The Sharpe ratio measures 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 amount of expected volatility in an investment.

Total Expense Ratio (TER)

This is the total costs associated with managing and operating an investment (excluding administration, financial planning and servicing fees). These costs consist primarily of management fees and additional expenses such as trading fees, legal fees, auditor fees and other operational expenses. The total cost of the fund is divided by the fund's total assets under management to arrive at a percentage amount, which represents the TER.

Volatility

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

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 performance is not necessarily a guide to future performance, 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 other unit trust portfolios which 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 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. The Manager has the right to close any portfolios to new investors to manage them more efficiently in accordance with their mandates. The portfolio management of all the portfolios is outsourced to financial services providers authorized in terms of the Financial Advisory and Intermediary Services Act, 2002. Standard Bank of South Africa Ltd is the appointed trustee of the Sanlam Collective Investments Scheme.

The Manager retains full legal responsibility for the co-named portfolio. First Avenue Investment Management (Pty) Ltd is responsible for the management of the investments held in the Fund. The management of investments are outsourced to First Avenue Investment Management (Pty) Ltd, FSP 42693, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002.

Investment Manager Information

First Avenue Investment Management (Pty) Ltd (FSP)
License No. 42693
Physical Address: 21 Fricker Road, Ground Floor, Illovo, 2196
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Portfolio Manager Comment

As at 30 September 2020

The FTSE JSE SWIX Index recovered significantly over the past few months delivering a total return of -3.9% for the year after being down more than 35% at the peak of the Covid lockdown during March. During the third quarter of 2020, the index lost some of the recovery momentum and ended -0.33% for the quarter. The fund performance delivered a return of -0.23% for the quarter. A recovery in sectors that have previously been sold down by the market such as banks, insurers, beverages and retail benefitted the fund significantly. Capitec, which is one of our larger bank holdings, delivered a 21% return in the quarter. Panic surrounding weaker economic growth, job losses and fiscal challenges in SA have driven the pessimism toward these sectors to extreme levels. These sectors experienced a relief rally during the quarter as information flow pointed to a recovery in domestic economic activity. Life assurance and bank contributed +1.53 toward our total return. Despite reducing our underweight in the basic material sector, the sector remained the largest detractor against our returns specifically in the precious metals sub-sectors. Concern around inflation and a weakening US Dollar together with the emergence of the hydrogen economy have driven these underlying commodities to new highs. We believe the portfolio is well positioned for a continuance in the abovementioned trends. We will continue to also selectively add weight to heavily oversold domestic companies to benefit from the high margin of safety available in these sectors – eventually, these will be priced more in line with history as risk abates in these sectors.

Portfolio Manager

Hlelo (Lo) Giyose
B.Sc.Msc