

**OUR FOUR FUNDAMENTAL QUALITY PILLARS - IDENTIFYING GLOBAL BEST OF BREED BUSINESSES**




**SUSTAINABLE  
ORGANIC GROWTH**



**QUALITY  
MANAGEMENT**

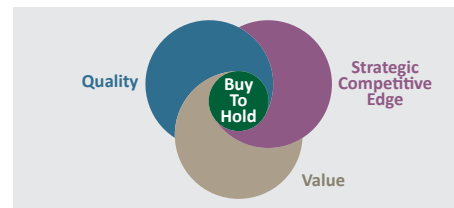


**EFFICIENCY**



**FREE CASH FLOW  
GENERATION**

**INVESTMENT PHILOSOPHY**



**INVESTMENT OBJECTIVE**

The Fund is a feeder fund investing only in the Stonehage Fleming Global Best Ideas Equity Fund (“Master Fund”), managed by Stonehage Fleming Investment Management Limited in the United Kingdom. The Master Fund seeks to achieve long-term growth in capital and income in a focused portfolio of high quality listed businesses from around the world.

**INVESTMENT PHILOSOPHY**

We invest in best of breed businesses for their quality, strategic competitive edge and value.

**INVESTMENT STRATEGY**

- Invest for sustainable organic growth
- Fundamental research driven
- Particular focus on quality of management, balance sheet strength, return on invested capital, free cash flow generation, ability to grow dividends each year
- Bottom-up approach to identify exceptional businesses
- Global orientation, with emerging market exposure
- High conviction concentrated portfolio
- Predominantly larger capitalisation businesses, also consider exceptional medium-sized ones
- Buy to hold and disciplined selling
- No benchmark orientation, no active trading, no leverage, no hedging

**FUND COMMENTARY**

World equity markets charted a typical course in October, delivering strong performance following a weak September. This time, though, both months deviated materially from the historic averages with September very weak with a -4.1% result, but October following with a strong +5.1% result for the MSCI AC index (USD terms).

The second quarter S&P 500 reporting season delivered an all-time record 87.1% positive earnings surprise result relative to consensus expectations. The third quarter earnings season having passed its half-way mark has thus far delivered +18% revenue growth and +39% growth in earnings, with the latter’s surprise factor still in excess of 80%. One year forward earnings expectations were revised +9% over the first quarter, +10% over the second quarter, and another +10% since then. Shareholders have little reason for disappointment with the delivery from their businesses.

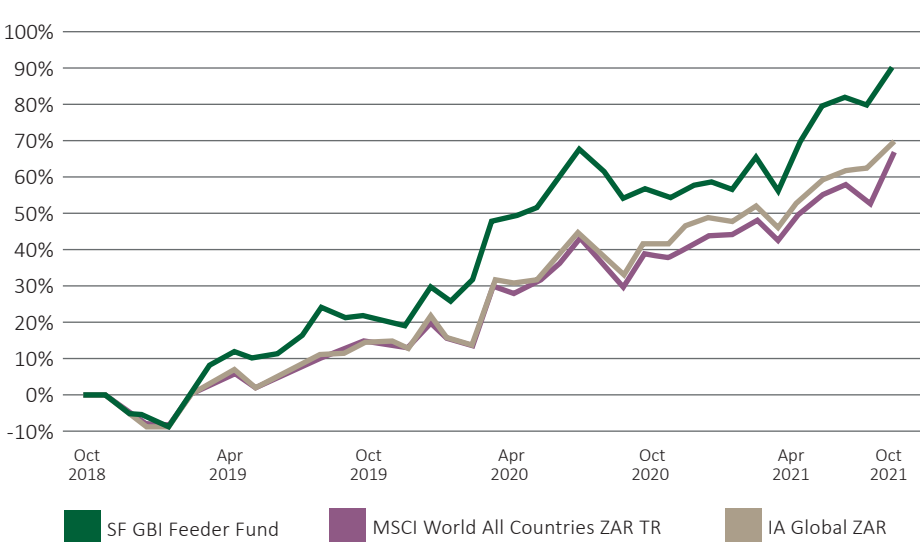
With some exceptions, the Technology sector stands out in terms of continued outstanding results despite a high base on which to continue performing. In our portfolio Microsoft, Adobe, Accenture and in particular Alphabet (Google) deserve to be highlighted in this context. We believe they are well placed to sustain their solid operational performance participating in the growth opportunities from the ‘fourth industrial revolution’. In addition to this growth potential, we also highlight their high level of free cash flow generation.

High new Coronavirus infection rates have affected consumer confidence and held back other health care procedures. This has negatively affected some of our Health Care businesses for the moment, but procedure pipelines are getting longer with solid business results expected to lie ahead.

Our portfolio’s expected three year compounded growth in revenue, earnings and dividends over the next three years are +13%, +19% and +10% per annum respectively. These solid projections, again, are off an already high base and reflect our focus on sustainable strong structural organic growth to continue delivering on our mandate.

*Data source: Bloomberg, Stonehage Fleming, October 2021. Forecasts may not be a reliable indicator of future performance.*

**CUMULATIVE PERFORMANCE (CLASS B1 ZAR)**



| ANNUALISED PERFORMANCE <sup>1</sup> (CLASS B1 ZAR)         | 1m  | YTD  | 1Y   | Since Inception <sup>2</sup> |
|--|-----|------|------|------------------------------|
| Stonehage Fleming SCI Global Best Ideas Equity Feeder Fund | 5.8 | 22.8 | 19.1 | 23.9                         |
| MSCI World All Countries ZAR TR                            | 5.8 | 21.2 | 22.9 | 18.7                         |
| IA Global ZAR TR   | 4.8 | 19.5 | 22.5 | 19.2                         |

| ACTUAL HIGHEST & LOWEST ANNUAL FIGURES <sup>3</sup> (%) | SF GBI FEEDER FUND ZAR |
|---|------------------------|
| Highest Annual (01 Feb 2019 - 31 Jan 2020)              | 41.6                   |
| Lowest Annual (01 Jun 2020 - 31 May 2021)               | 4.7                    |

| CALENDAR YEAR PERFORMANCE <sup>1</sup> (CLASS B1 ZAR)      | 2020 | 2019 |
|--|------|------|
| Stonehage Fleming SCI Global Best Ideas Equity Feeder Fund | 29.4 | 27.1 |
| MSCI World All Countries ZAR TR                            | 22.0 | 23.5 |
| IA Global ZAR TR   | 22.7 | 23.9 |

<sup>1</sup> For periods longer than one year, returns are annualised. Source for all performance is Sanlam Collective Investments, Bloomberg, Financial Express, MSCI and Stonehage Fleming Equity Management as at 31/10/2021. Third parties (including Bloomberg and Financial Express) whose data may be included in this document do not accept any liability for errors or omissions.

<sup>2</sup> Fund Inception Date: 1 November 2018.

<sup>3</sup> These are the highest or lowest consecutive 12-month returns over a 10 year period (or since inception where the performance history does not exist for 10 years). This is a measure of how much the Fund’s returns have varied per rolling 12-month period. The Fund’s highest annual return occurred during the 12 months ended 31 January 2020 and The Fund’s lowest annual return occurred during the 12 months ended 31 May 2021.

\* Stonehage Fleming Sanlam Collective Investments Global Best Ideas Equity Feeder Fund.

**INFORMATION PERTAINING TO THE MASTER FUND**

| SECTOR BREAKDOWN | % of Fund    |
|------------------|--------------|
| Technology       | 28.9         |
| Discretionary    | 21.2         |
| Health Care      | 18.8         |
| Communication    | 9.0          |
| Staples          | 8.9          |
| Financials       | 7.0          |
| Industrials      | 2.9          |
| Cash             | 3.2          |
| <b>Total</b>     | <b>100.0</b> |

Source: Link Fund Administrators (Ireland) Limited and Stonehage Fleming Investment Management Limited.

| REGIONAL BREAKDOWN | % of Fund    |
|--------------------|--------------|
| United States      | 81.6         |
| Continental Europe | 12.4         |
| Asia Pacific       | 2.8          |
| Cash               | 3.2          |
| <b>Total</b>       | <b>100.0</b> |

| PORTFOLIO CHARACTERISTICS                      |       |
|--|-------|
| Average Market Cap (Billions USD)              | 402.0 |
| Number of Holdings                             | 27    |
| Operating Margin                               | 27.3% |
| Return on Invested Capital                     | 19.3% |
| Net Debt/EBITDA <sup>1</sup>                   | 0.2   |
| Expected 3 Year Revenue Growth (p.a.)          | 13.0% |
| Expected 3 Year EPS <sup>2</sup> Growth (p.a.) | 18.7% |
| Expected 3 Year DPS <sup>3</sup> Growth (p.a.) | 9.5%  |
| Dividend Yield (gross) <sup>4,5</sup>          | 0.8%  |
| Price/Earnings Ratio <sup>6</sup>              | 36.0  |
| Free Cash Flow Yield <sup>5</sup>              | 2.8%  |
| PEG Ratio <sup>6,7</sup>                       | 2.9   |


<sup>1</sup> Earnings Before Interest, Taxes, Depreciation and Amortisation. <sup>2</sup> Earnings Per Share. <sup>3</sup> Dividend Per Share. <sup>4</sup> Of underlying holdings, and stated gross of withholding taxes and costs. <sup>5</sup> Estimated 12 months forward. <sup>6</sup> Median Portfolio Price/Earnings to Growth Ratio. <sup>7</sup> Applying Trailing P/E Ratio. Source: Stonehage Fleming Investment Management Limited, Bloomberg.

| TOP TEN HOLDINGS | % of Fund   |
|------------------|-------------|
| Alphabet         | 7.2         |
| Microsoft        | 5.8         |
| Adobe            | 5.4         |
| Nike             | 5.4         |
| PayPal           | 4.9         |
| Accenture        | 4.7         |
| EssilorLuxottica | 4.7         |
| Amazon           | 4.6         |
| Zoetis           | 4.6         |
| S&P Global       | 4.2         |
| <b>Total</b>     | <b>51.5</b> |

| ESTIMATED REGIONAL REVENUES <sup>8</sup> | % of Fund    |
|--|--------------|
| North America                            | 50.0         |
| Emerging Markets                         | 27.2         |
| Continental Europe                       | 18.0         |
| UK                                       | 4.8          |
| <b>Total</b>                             | <b>100.0</b> |

<sup>8</sup> Source: Based on where underlying companies in the Stonehage Fleming Global Best Ideas Equity Fund derive their revenues. Source: Bloomberg; Stonehage Fleming Investment Management Limited; Link Fund Administrators (Ireland) Limited. Due to rounding, values may not add up to 100%.

**FUND MANAGER**



**Gerrit Smit**  
Gerrit Smit is Head of the Equity Management team. He has overall responsibility for its Portfolio Management and Equity Research functions. The team invests for sustainable growth with a particular focus on quality of management, balance sheet strength, cash flow generation and the ability to grow dividends each year.

| ADDITIONAL INFORMATION |                |
|------------------------|----------------|
| Total Net Assets       | \$2,504.1m     |
| Fund Type              | UCITS          |
| Fund Domicile          | Ireland        |
| Inception Date         | 16 August 2013 |
| Range of Holdings      | 20-30 stocks   |

| FUND CHARACTERISTICS      |       |
|---------------------------|-------|
| Active Share <sup>9</sup> | 87.0% |
| Ex Post Tracking Error    | 7.2%  |
| 12 Month Turnover         | 8.7%  |
| Beta                      | 0.85  |

<sup>9</sup> Active Share measures how much the portfolio holdings differ from the benchmark index (MSCI World) i.e. a portfolio that is identical to the benchmark would have 0% Active Share.

**MASTER FUND'S RATINGS AND AWARDS**








• Source & Copyright. Morningstar and Morning star OBSR ratings © 2021 Morningstar. All Rights Reserved. Ratings are collected on the first business day of the month. Morningstar Sustainability Rating as of 31/10/21. Morningstar ratings refer to the B class rating for all USD denominated share classes and to the D class rating for all GBP denominated share classes. Sustainability provides company-level analysis used in the calculation of Morningstar's Sustainability Score. Sustainability Mandate information is derived from the fund prospectus. Morningstar Carbon Metrics cover all equity holdings as of 31/10/21. FE Crown Fund Ratings do not constitute investment advice offered by FE and should not be used as the sole basis for making any investment decision.

\* Stonehage Fleming Sanlam Collective Investments Global Best Ideas Equity Feeder Fund

**INFORMATION PERTAINING TO THE FEEDER FUND**

**ASSET ALLOCATION**

|   |       |
|---|-------|
| Stonehage Fleming Global Best Ideas Equity Fund | 99.5% |
| Cash  | 0.5%  |

**FEEDER FUND INFORMATION**

|   |  |
|---|--|
| Portfolio manager                         | Gerrit Smit  |
| ASISA fund classification                 | Global - Equity - General  |
| Portfolio launch date                     | 1 November 2018  |
| Fee class launch date                     | 1 November 2018  |
| Portfolio size                            | R740.2m  |
| Benchmark                                 | MSCI All Countries World Index (Total Return Version) measured in Rands  |
| Risk profile                              | Aggressive, the fund is not suitable for investors with a time horizon under five years or looking to preserve capital   |
| Income declaration dates                  | 31 December  |
| Last two distributions                    | N/A  |
| Income payment dates                      | 1 <sup>st</sup> working day in January   |
| Portfolio valuation time                  | 3pm (local time)   |
| Transaction cut-off                       | 3pm (local time)   |
| Repurchase period                         | 3 working days   |
| Availability of daily pricing information | Local newspapers<br>www.sanlamunitrusts.co.za  |
| Investment manager                        | Stonehage Fleming Investment Management (South Africa) (Pty) Ltd   |
| Trustee                                   | Standard Bank of South Africa Ltd<br>021 441 4100<br>compliance-sanlam@standardbank.co.za  |
| Management company                        | Sanlam Collective Investments (RF) (Pty) Ltd<br>2 Strand Road, Bellville, 7530<br>PO Box 30, Sanlamhof, 7532<br>021 916 1800<br>service@sanlaminvestments.com<br>www.sanlamunitrusts.co.za |

**INVESTMENT MANAGER INFORMATION**

|            |   |
|------------|---|
| Manager    | Stonehage Fleming Investment Management (South Africa) (Pty) Ltd  |
| FSP Number | 42847   |
| Address    | First Floor North Block, Waterway House<br>3 Dock Road, Victoria & Alfred Waterfront<br>Cape Town, South Africa |
| Website    | www.stonehagefleming.com/investments  |
| Telephone  | +27 21 446 2100   |
| Email      | GBIFeederFund@stonehagefleming.com  |

Stonehage Fleming Investment Management is the specialist investment division of the Stonehage Fleming Group. Stonehage Fleming is one of the world's leading independently owned family offices with 11 offices situated in 8 global jurisdictions. The Master Fund is managed by Gerrit Smit, Head of the Equity Management team. He has overall responsibility for its Portfolio Management and Equity research functions. The team invests for sustainable growth with a particular focus on quality of management, balance sheet strength, cash flow generation and the ability to grow dividends each year.

| FEES <sup>1</sup>                           | B1           |
|---|--------------|
| Minimum Investment                          | R 65,000,000 |
| Advice Initial Fee (max)                    | N/A          |
| Advice Annual Fee (max)                     | N/A          |
| Investment Manager Initial Fee              | N/A          |
| Investment Manager Annual Fee (Feeder Fund) | 0.14%        |
| Investment Manager Annual Fee (Master Fund) | 0.75%        |
| Total Expense Ratio (TER)                   | 1.14%        |
| Estimated Transaction Costs (TC)            | 0.12%        |
| Total Investment Charges (TIC)              | 1.26%        |

<sup>1</sup> Advice fees are negotiable between the client and their adviser. Annual advice fees are paid through a re-purchase of units from the investor. The fund is available through certain LSPs which levy their own fees. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The TER displayed, which is calculated using data for the period 1 November 2018 to 30 June 2021, is based on the ASISA methodology, is higher than the expected TER of the fund due to the high weight allocated to past costs prior to the increase in fund size. The estimated actual TER payable by a client investing into the fund today would be 1.04%. 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. Disclosed performance information is calculated after all fees and costs deducted. <sup>2</sup> All fees inclusive of VAT where applicable.

**DISCLOSURES AND ADDITIONAL INFORMATION**

A Feeder Fund is a portfolio that invests in a single portfolio of a collective investment scheme, which levies its own charges and which could result in a higher fee structure for the Feeder Fund. The management of investments is outsourced to Stonehage Fleming Investment Management (South Africa) (Pty) Ltd, FSP 42847 an authorized Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002.

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 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 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, 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. Source: Money Mate. 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 invests 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 Manager retains full legal responsibility for the co-named portfolio.

ADMINISTERED BY

