THE ROOTSTOCK RAND FUND

ROOTSTOCK SCI WORLDWIDE FLEXIBLE FUND

MINIMUM DISCLOSURE DOCUMENT (MDD)

WORLDWIDE FLEXIBLE MULTI ASSET — **30 June 2021**

PERFORMANCE

	ANNUALISED				CUMULATIVE	
	Fund	Benchmark	Peer Average	Fund Percentile	Fund	Benchmark
1 Year	7.1%	8.0%	15.4%	11	7.1%	8.0%
3 Year	12.6%	8.6%	6.9%	96	42.6%	28.0%
5 Year	10.3%	9.1%	5.9%	97	62.9%	54.7%
7 Year	9.6%	9.4%	6.6%	86	90.5%	87.6%
10 Year	14.5%	9.8%	9.7%	96	287.5%	155.0%
Inception	15.4%	9.8%	10.5%	95	458.9%	207.7%

TOP HOLDINGS

1	Facebook Inc	7.5%
2	Microsoft Corporation	6.4%
3	Alphabet Inc	5.9%
4	Mastercard Inc	5.2%
5	Naspers Limited	5.0%
6	Adobe Inc	4.9%
7	Amazon.com Inc	4.6%
8	Alibaba Group Holdings	4.5%
9	Electronic Arts Inc	4.0%
10	Intuit Inc	4.0%

RISK STATISTICS

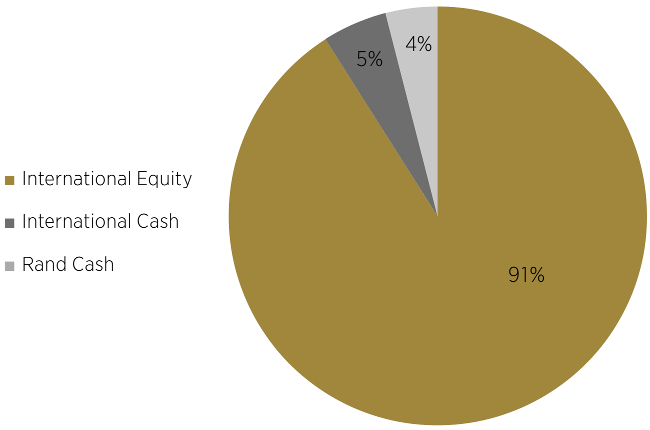
Annual Basis, Since Inception

Highest Annual Return %	32.97%
Lowest Annual Return %	-10.21%

Three-Year Rolling Basis

Standard Deviation	13.73%
Sharpe Ratio	0.35
Information Ratio	0.13
Maximum Drawdown	-11.92%

ASSET ALLOCATION



INVESTMENT OBJECTIVE

The portfolio will aim to maximize total return for investors by way of a flexible worldwide portfolio actively investing across different asset classes, both locally and internationally.

INVESTMENT POLICY

The portfolio may invest in global and local securities, government, corporate and inflation-linked bonds, debentures, non-equity securities, property shares, property related securities, preference shares, money market instruments and assets in liquid form. The portfolio may also invest in participatory interests and other forms of participation in portfolios of collective investment schemes or other similar schemes operated in territories with a regulatory environment. The manager may make active use of listed and unlisted financial instruments to reduce the risk that a general decline in the value of equity, property and bond markets may have on the value of the portfolio. The manager shall have the maximum flexibility to vary assets between the various markets, asset classes and countries to reflect the changing economic and market conditions. The manager will be permitted to invest on behalf of the portfolio in offshore investments as legislation permits.

FUND INFORMATION

Portfolio Manager	Johan Barkhuysen
ASISA Fund Classification	Worldwide - Multi Asset - Flexible
Risk Profile	Moderate
Benchmark	CPI + 5%
Fund Size	R 2,585,760,659
Portfolio Launch Date	01/07/2009
Min. Investment (Platform Investor)	No Minimum
Min. Investment (Direct Investor)	R 10,000,000
Income Declaration Date	June & December
Income Payment Date	1st business day of July & January
Portfolio Valuation Time	15:00
ISIN	ZAE000136420

INVESTOR PROFILE

The fund is suitable for investors who:

- have discretionary wealth and require little short-term income;
- can tolerate short-term market and currency fluctuations in pursuit of maximising long-term total return;
- seek domestic and international asset exposure; and
- are comfortable to grant the portfolio manager a wide degree of investment discretion.

FEES (INCLUDES VAT)

Maximum Annual Advice Fee	1.15%
Manager Annual Fee	1.44%
Total Expense Ratio*	1.50%
Transaction Cost	0.20%
Total Investment Charges	1.70%
TER Measurement Period	01 Apr 2018 - 31 Mar 2021

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rootstock INVESTMENT MANAGEMENT

DISTRIBUTION HISTORY

30/06/2021	0.00 cpu	31/12/2018	6.08 cpu
31/12/2020	0.00 cpu	30/06/2018	3.22 cpu
30/06/2020	14.31 cpu	30/12/2017	0.00 cpu
31/12/2019	2.62 cpu	30/06/2017	0.00 cpu
30/06/2019	3.46 cpu		

RISK PROFILE

Moderate

This is a moderate-risk portfolio that aims to maximize total return for investors by way of a flexible worldwide portfolio actively investing across different asset classes, both locally and internationally. Currency risk is not actively managed. The recommended term for this investment is five years and longer.

PORTFOLIO MANAGER COMMENT

This comment is updated quarterly and is correct as at 30 June 2021

Over the past quarter, the robust global economic recovery continued alongside buoyant equity markets. The so-called rotation trade, buying 'cheap' cyclicals in favour of pricier and sustainably growing businesses, has seen the valuations of resources and industrials rise considerably. Commodity prices have rallied, providing welcome respite to many export-reliant emerging economies ravaged by the pandemic, South Africa included. Our portfolio, which consists of high-quality, faster growing companies, has underperformed the broad global market, proxied by the MSCI World index, over the past 12 months.

The Rootstock SCI Worldwide Flexible Fund, the 'Rand Fund', returned 6.9% in rand for the quarter. On a one-year basis the Fund returned 7.1% while our South African CPI + 5% benchmark rose 8.0%. For what its worth, measured in US dollar, the Rand Fund returned 30.0% over the past 12 months, mirroring the ever-volatile local currency's appreciation against the US dollar. We place no stock in the short-term fluctuations of the rand, vulnerable as it is to local political woes, economic decline, and commodity price variations. Over time, the rand's steady downward slide should resume as the South African economy loses ground relative to global peers. Despite recent weak returns, measured over the longer term, the Fund has delivered top-decile performance.

We hold several extraordinary businesses that consistently provide superior products and services, do so profitably, and have significant multi-year growth opportunities. Positively, despite recent underperformance, our holdings have in aggregate considerably improved their profitability. Concentrated portfolios by their nature tend to have lumpy returns, interspersed by periods of underperformance. We are reassured that our holdings are more attractively valued than they have been for some time.

Market commentary

Another quarter has come and gone with major market themes unchanged. The busiest IPO market in decades raised a first-half record of $350 billion. Several imminent blockbuster debuts are sure to push full-year IPO proceeds above the $420 billion high-water mark set in 2007. The speculative frenzy in so-called meme stocks, along with elevated general-market and spectacular stock-specific valuations continued to grab headlines.

With the market surging, it is noteworthy the Federal Reserve (the Fed) is plainly signalling its intent to gradually turn off the monetary taps over the coming year. Experience has taught us that this transition must be delicately managed, and the risks of accidents along the way are real. Notwithstanding rising global Covid-19 infections, the worst of the public health crises appear to have passed. A financial crisis so far has been avoided, but the trickiest stage has now arrived.

We focus on improved global growth prospects. The primary long-term driver of GDP, productivity growth, appears at an inflection point. The 'productivity J-curve' describes a repeating historical phenomenon of at first slow productivity growth after a technological breakthrough, followed years later by a sharp acceleration. The business processes, tangible capital and know-how necessary to harness novel technologies take time to diffuse through the broad economy. For example, US factory productivity was stagnant for over two decades after the advent of electricity. It took a complete reinvention of production lines, using distributed electric machinery, before productivity surged.

Over the past decade, an astonishing number of technological breakthroughs have been commercialised, most significantly the internet and the miniature supercomputers in everyone's pockets. More recently, machine learning and cloud computing have gained broader traction. The Biosciences and Energy industries have seen similarly rapid progress, illustrated by the novel mRNA vaccines, and the dramatic decade-long fall in the cost of solar cells. With a bounty of recent technological advances, a compressed digitalisation timetable brought on by Covid-19, and a global economy running at full capacity, the ingredients are in place for a productivity boom.

Portfolio commentary

During the quarter, the Rand Fund's equity exposure rose from 87.0% to 90.8%. The Fund's holdings remained largely constant, with Facebook, Microsoft, Alphabet and Mastercard firm cornerstones of the portfolio. Some housekeeping saw the sales of MTU Aero, the commercial aircraft engine manufacturer and service business, and Ulta Beauty, the largest stand-alone beauty retailer in the US. They remain high-quality, well-managed businesses, however both have approached our estimates of fair value. We redeployed the capital into existing holdings Lonza, Paycom and Autodesk, as well a new entry, Otis Worldwide Corp.

Otis is the world's largest elevator and escalator company measured by revenue and units under maintenance. It was recently unbundled from United Technologies, an old-world industrial conglomerate. Elevator businesses are predicated on selling hardware at near breakeven, with the lion's share of profit, around 80%, coming from its long-term upkeep. Otis, stymied by the divergent incentives of its parent, has for years focussed on growing its installed base to the detriment of the highly profitable maintenance business.

The $88 billion annual elevator market has three primary revenue streams: maintenance (51%), new-equipment sales (39%), and modernisation (read: upgrades to existing elevators, 10%). Otis has an approximately15% market share, while the top five companies control roughly two-thirds of the market. Long-duration forces, including urbanisation, population densification and rising GDP per capita, have created a steady need to build up rather than out. The slow-moving industry has maintained a consistent 5% revenue growth rate for well over a decade.

Otis maintains 2m of the global 17m unit elevator-and-escalator installed base. This highly predictable revenue stream accounts for 48% of Otis' top line, well ahead of peers with a mid-30% maintenance mix. New installations, at 42%, and modernisation at 10%, make up the balance. Pleasingly, there are over 3.5m Otis elevators installed globally, suggesting a significant take-back opportunity. After less than a year as a stand-alone company, an unshackled Otis has set recapturing its lost maintenance flock as its primary objective. Incentives matter.

Fortuitously, a broad shift towards software-enabled, connected elevators is underway. Software-defined management systems allow for pre-emptive maintenance, lowering costs for building managers and improving elevator uptime. Large Original Equipment Manufacturers generally, and Otis in particular, stand to benefit. Small-scale, hyper-local independent service providers - who presently capture over 50% of the global maintenance market - lack the scale or sophistication to offer a fully featured competing product. Otis will leverage its greater scale and superior economics to reclaim maintenance market share from these independents.

As far as we can discern, Otis is set to accelerate its revenue and earnings growth over the next five years, outpacing peers. Curiously, the company changes hands at 28-times its next-twelve-months earnings, a 15% discount to its listed competition. As an improved service offering bears fruit, Otis should expand its industry-leading margins. We believe the present margin of safety and its defensive earnings profile will handsomely reward patient investors over the long term.

In closing, with our portfolio of high-quality companies looking comparatively cheap, we are confident our top-quartile long-term performance track record should remain intact over the full investment cycle. As the market liquidity glut begins to dissipate, we are alert to the risks of heightened equity valuations. In such environments our stringent valuation framework has served us well. We remain optimistic that growing economies and productive efficacy, amplified by technological advance, will pull equity markets higher over the long term. We continue to identify and invest in high-quality companies with large and growing opportunity sets at reasonable valuations. We thank you for your continued support and stand ready to assist. As ever, we strive to grow your, and our, capital as best we can.

Portfolio Manager
Johan Barkhuysen, CFA

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ADDITIONAL INFORMATION

All reasonable steps have been taken to ensure the information on this MDD is accurate. The information 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 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 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, 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 instruments which could be accompanied by additional risks as well as potential limitations on the availability of market 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. Sanlam Collective Investments (RF) (Pty) Ltd retains full legal responsibility for the co-named portfolio. 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.

GLOSSARY

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.

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.

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