

THE ROOTSTOCK RAND FUND

ROOTSTOCK SCI WORLDWIDE FLEXIBLE FUND

MINIMUM DISCLOSURE DOCUMENT (MDD)

WORLDWIDE FLEXIBLE MULTI ASSET

31 December 2022

PERFORMANCE

| | ANNUALISED | | | | CUMULATIVE | |
|-----------|------------|-----------|--------------|-----------------|------------|-----------|
| | Fund | Benchmark | Peer Average | Fund Percentile | Fund | Benchmark |
| 1 Year | -27.1% | 11.8% | -1.7% | 0 | -27.1% | 11.8% |
| 3 Year | 2.5% | 9.8% | 7.7% | 6 | 7.56% | 32.47% |
| 5 Year | 4.5% | 9.7% | 6.1% | 16 | 24.35% | 58.53% |
| 7 Year | 3.5% | 10.0% | 5.6% | 13 | 27.46% | 94.51% |
| 10 Year | 9.2% | 10.1% | 8.3% | 65 | 141.77% | 162.68% |
| Inception | 12.2% | 10.2% | 10.1% | 81 | 368.36% | 269.32% |

RISK STATISTICS

Annual Basis, Since Inception

| | |
|-------------------------|---------|
| Highest Annual Return % | 32.97% |
| Lowest Annual Return % | -27.10% |

Three-Year Rolling Basis

| | |
|--------------------|---------|
| Standard Deviation | 13.96% |
| Sharpe Ratio | 0.55 |
| Information Ratio | 0.13 |
| Maximum Drawdown | -33.90% |

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.

INVESTOR PROFILE

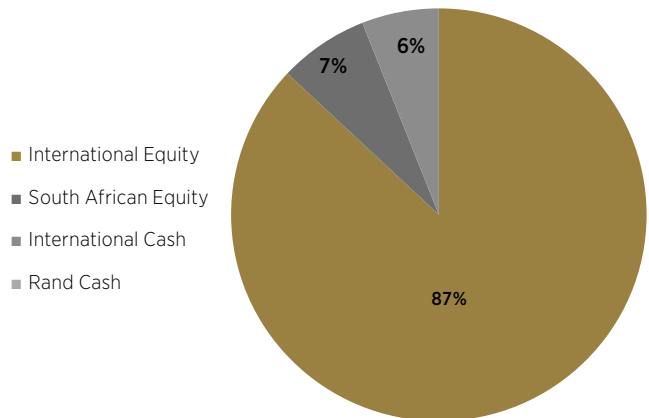
The fund is suitable for investors who:

- 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.

TOP HOLDINGS

| | | |
|----|-------------------------------------|------|
| 1 | Microsoft Corporation | 5.4% |
| 2 | Prosus NV | 5.2% |
| 3 | Alphabet Inc | 5.2% |
| 4 | Visa Inc | 5.1% |
| 5 | EssilorLuxottica SA | 4.8% |
| 6 | LVMH Moet Hennessy Louis Vuitton SE | 4.4% |
| 7 | Accenture Plc | 4.2% |
| 8 | Thermo Fisher Scientific Inc | 3.8% |
| 9 | Zoetis Inc | 3.7% |
| 10 | S&P Global Inc | 3.5% |

ASSET ALLOCATION



FUND INFORMATION

| | |
|-------------------------------------|--|
| Portfolio Manager | Johan Barkhuysen |
| ASISA Fund Classification | Worldwide - Multi Asset - Flexible |
| Risk Profile | Moderate |
| Benchmark | CPI + 5% |
| Fund Size | R 1,914,039,179 |
| 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 | 1 st business day of July & January |
| Portfolio Valuation Time | 15:00 |
| ISIN | ZAE000143244 |

FEES (INCLUDES VAT)

| | |
|---------------------------|----------------------------|
| Maximum Annual Advice Fee | 1.15% |
| Manager Annual Fee | 1.44% |
| Total Expense Ratio | 1.47% |
| Transaction Cost | 0.14% |
| Total Investment Charges | 1.66% |
| TER Measurement Period | 01 Oct 2019 - 30 Sept 2022 |

DISTRIBUTION HISTORY

| | | | |
|------------|-----------|------------|----------|
| 31/12/2022 | 0.00 cpu | 31/12/2019 | 2.62 cpu |
| 30/06/2022 | 0.00 cpu | 30/06/2019 | 3.46 cpu |
| 31/12/2021 | 0.00 cpu | 31/12/2018 | 6.08 cpu |
| 30/06/2021 | 0.00 cpu | 30/06/2018 | 3.22 cpu |
| 31/12/2020 | 0.00 cpu | 30/12/2017 | 0.00 cpu |
| 30/06/2020 | 14.31 cpu | 30/06/2017 | 0.00 cpu |

PORTFOLIO MANAGER COMMENT

This comment is updated quarterly and is correct as at 31 December 2022

Equity investors endured another volatile quarter to end 2022, capping a true annus horribilis. Returns were among the worst in modern history. For the quarter, a volatile S&P 500 leaped 7.6% in US dollar, somewhat improving the index's calendar-year total-return backslide to -18.1% measured in US dollar. The MSCI World Index, a measure of broader global equity performance, produced a US dollar total return of 4.1% for the quarter and -16.5% for the calendar year.

Energy, a sector we have historically eschewed on account of its cyclical nature and inscrutable nature, proved the only opportunity for positive return this calendar year.

Bond investors shared in the misery, with the Bloomberg US Treasury index, representing the \$10 trillion of US government debt, ended the year down 12.5%, its worst annual showing since records began in 1973. For context, the previous record dive was a -3.6% annual contraction in 2009. Combined with poor equity performance, the historically reliable return profile of the 60/40 stock-bond portfolio produced its worst performance in a century-and-a-half.

In South Africa, the JSE All Share Index proved a refuge in volatile markets, with a 2022 total return of 4.0% in rand. The local currency's 6.9% depreciation against the US dollar resulted in a -2.8% USD dollar fall, far better than developed markets. The JSE's performance may be substantially explained by its discounted valuation. The JSE All Share Index's forward-earnings multiple averaged 9.7 times earnings during 2022. Its 5-year and 10-year averages are respectively 12.1 and 13.9 times. The significant weight of cyclical commodity stocks, as well as Naspers/Prosus' 'accounting' earnings and index heft, make time-series analysis of JSE-wide price-earnings multiples somewhat dubious. Yet, the optically low multiple, even accounting for some elevated commodity profits, leaves the JSE attractively valued. Further, several high-quality companies with good growth prospects and responsible management are available at attractive valuations.

Performance Commentary

The Rootstock SCI Worldwide Flexible Fund, the 'Rand Fund', rose 1.2% in rand for the quarter. On a one-year basis, the Fund was down 27.1%, while our South African CPI + 5% benchmark rose 11.8%. Measured in US dollar, the Rand Fund was down 31.8% over 12 months.

We made several mistakes over the last year, the most significant of which were our overweight exposure to the technology sector and Chinese equity. In a concentrated portfolio with large over- and under-weights relative to an index, significant short-term performance divergence is likely to occur. Particularly trying market conditions have severely impacted performance. Notwithstanding, our shorter-term underperformance should make little difference to long-term returns for patient investors. The durable, attractively valued businesses in the Fund should prove their high quality in time.

Market Commentary

The confluence of many factors, including inflation, war in Ukraine, energy-price shocks, rapid monetary policy tightening, Chinese lockdowns, and recession fears, battered investor sentiment throughout 2022.

Despite it all, equity indices are not unequivocally cheap. For reference, the S&P 500 trades at a forward price-earnings multiple of 17.7 times against a 20-year average of 16.8 times. The MSCI World Index is about equal to its longer running average of 15.8 times year-ahead earnings. For both indices, analysts project earnings development of approximately 10% in 2023, reasonable relative to the last 30 years of annual earnings growth (outside of major dislocation events such as the dotcom bubble, Global Financial Crisis, and Covid-19 recession).

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.

The economic circumstances the world faces – waning-but-still-considerable inflation, a virtually unprecedented increase in interest rates, a wobbly China growth story, significant upward wage pressure and still-elevated corporate margins – logically make the coming year tricky to navigate. The tug-of-war between inflation and interest rates will remain contentious throughout 2023. Yet ever forward-looking markets are likely to steady themselves as conditions improve. Already, 'green shoots' are emerging.

Sans a deep recession, global corporate earnings are unlikely to retrace significantly, supporting equity valuations. Indeed, it appears market consensus that if a US recession is realised, it should prove mild. While we do expect some volatility in markets on noisy economic data, history has shown that markets recover before measures of economic activity. Moreover, in difficult economic circumstances, high-quality companies tend to focus on efficiency, while thoughtfully exercising pricing power, keeping earnings growth ticking along.

Business Update

The transaction with Stonehage Fleming is progressing well. Pleasingly, and notwithstanding unhurried regulators, we expect the transaction to close early in the first quarter.

As a reminder, the transaction is premised on allowing Rootstock to scale with a larger partner, while offering continuity and growth to clients and staff. To reiterate, Stonehage Fleming and Rootstock share similar business culture, values, and investment philosophy. Client capital will be safeguarded by an enhanced, more diversified, and collectively more experienced team.

The Rand Fund will retain its philosophy and mandate, with the majority of its assets remaining offshore. The Fund is already making use of the Stonehage Fleming Global Best Ideas Fund's (the GBI Fund) process and resources.

Good progress has been made to align the Rand Fund more closely with the GBI Fund, with several portfolio changes over the last quarter. See the Portfolio Composition for more detail. The Dollar Fund will be merged with the GBI Fund upon transaction close.

Overall, 2022 proved the most trying year for investors since the Global Financial Crisis. The global economy has made it through a war on European soil, an international energy crisis, surging inflation and the fastest rate hiking cycle in a generation. As ever, many risks, known and unknown, remain in waiting. Fortuitously, in the turmoil, some of the best businesses in the world, with significant growth prospects, excellent management teams, exceptional profitability, and strategically sound competitive positions, can be purchased at attractive valuations. As ever, a portfolio of high-quality companies shields investors from the vagaries of macro uncertainty.

We remain optimistic that growing economies and technological advance will pull equity markets higher over the long term. 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

REGULATED ENTITIES

1. Manager Information

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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.sanlamunitrustsmdd.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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