

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




**SUSTAINABLE  
ORGANIC GROWTH**



**QUALITY  
MANAGEMENT**

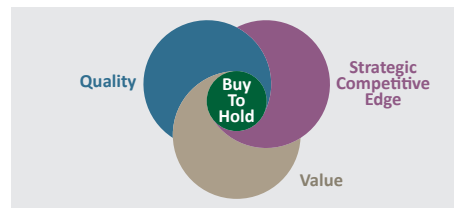


**EFFICIENCY**



**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**

This September has lived up to its historic reputation as the weakest month of the year. The MSCI ACTR index lost -4.1% over the month, bringing the year-to-date return to a still solid +11.1%.

This year there are more than just normal seasonal factors causing this weakness. Investors are climbing a wall of worry on several fronts. Central Bank tapering seems to be closer than previously thought. The US government is struggling to lift its debt ceiling in time and has risk of running out of funds to pay normal operational costs. Forces are building to replace Powell as the Federal Reserve Chair. Continuing major supply chain issues may extend the high inflation transitory phase, with views of potential stagflation gaining some traction.

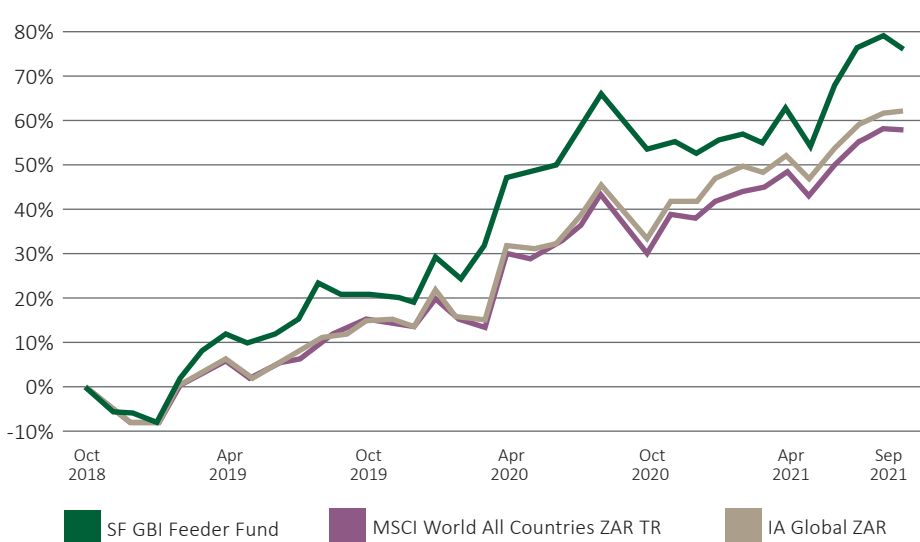
China is also playing a major role in the current market volatility. Continued regulatory clampdowns have caused material investor uncertainties. The Evergrande debacle has elevated the risk of some China property sector related debt defaults. The Chinese economy experiences material power shortages. This is restraining the world's second largest economy with the September Manufacturing PMI dropping below the neutral 50 level. These power shortages can contribute to keep energy and shipping costs higher for longer, further negatively affecting the economy and global trade.

We do not believe a major portion of these issues are structural in nature, and that continuing effects from the pandemic are the dominant cause for the supply line disruptions manifesting in different ways. On this front, we can already see clearly how effective the vaccines have been in containing the virus' negative health effects and that the world can live with it.

The last quarter of the year has historically been a strong one. Whilst the current immediate economic outlook seems uncertain, the main issue for us remains to invest for structural growth in quality businesses. In some cases, we can now do so at more attractive valuations than a month ago.

*All returns in commentary above are stated in USD.*

**CUMULATIVE PERFORMANCE (CLASS A1 ZAR)**



ANNUALISED PERFORMANCE <sup>1</sup> (CLASS A1 ZAR)	1m	YTD	1Y	Since Inception <sup>2</sup>
Stonehage Fleming SCI Global Best Ideas Equity Feeder Fund	-1.6	15.5	11.6	21.5
MSCI World All Countries ZAR TR	-0.2	14.3	15.9	16.9
IA Global ZAR TR	0.4	14.5	17.4	18.1

ACTUAL HIGHEST & LOWEST ANNUAL FIGURES <sup>3</sup> (%)	SF GBI FEEDER FUND ZAR
Highest Annual (01 Feb 2019 - 31 Jan 2020)	40.7
Lowest Annual (01 Jun 2020 - 31 May 2021)	4.0

CALENDAR YEAR PERFORMANCE <sup>1</sup> (CLASS A1 ZAR)	2020	2019
Stonehage Fleming SCI Global Best Ideas Equity Feeder Fund	28.5	26.4
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 30/09/2021. 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	27.4
Discretionary	21.1
Health Care	18.8
Communication	10.0
Staples	9.0
Financials	7.0
Industrials	2.7
Cash	3.9
<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	80.7
Continental Europe	11.0
Asia Pacific	4.3
Cash	3.9
<b>Total</b>	<b>100.0</b>

PORTFOLIO CHARACTERISTICS	
Average Market Cap (Billions USD)	383.6
Number of Holdings	27
Operating Margin	27.2%
Return on Invested Capital	18.7%
Net Debt/EBITDA <sup>1</sup>	0.2
Expected 3 Year Revenue Growth (p.a.)	13.3%
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>	33.9
Free Cash Flow Yield <sup>5</sup>	2.9%
PEG Ratio <sup>6,7</sup>	2.7

<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	6.7
PayPal	5.9
Microsoft	5.3
Nike	4.9
Adobe	4.9
Amazon	4.9
EssilorLuxottica	4.7
Zoetis	4.4
Accenture	4.4
Visa	4.2
<b>Total</b>	<b>50.3</b>

ESTIMATED REGIONAL REVENUES <sup>8</sup>	% of Fund
North America	49.9
Emerging Markets	27.6
Continental Europe	17.7
UK	4.9
<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	\$2,323.4m
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	7.1%
12 Month Turnover	6.0%
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**



**ALPHA  
MANAGER 2020**  
Gerrit Smit



Low  
Carbon



\* Source & Copyright. Morningstar and Morning star OBSR ratings © 2020 Morningstar. All Rights Reserved. Ratings are collected on the first business day of the month. Morningstar Sustainability Rating as of 30/09/21. 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 30/09/21. 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

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**INFORMATION PERTAINING TO THE FEEDER FUND**

**ASSET ALLOCATION**

Stonehage Fleming Global Best Ideas Equity Fund	99.0%
Cash	1.0%

**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	R681.9m
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 www.sanlamunitrusts.co.za
Investment manager	Stonehage Fleming Investment Management (South Africa) (Pty) Ltd
Trustee	Standard Bank of South Africa Ltd 021 441 4100 compliance-sanlam@standardbank.co.za
Management company	Sanlam Collective Investments (RF) (Pty) Ltd 2 Strand Road, Bellville, 7530 PO Box 30, Sanlamhof, 7532 021 916 1800 service@sanlaminvestments.com 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 3 Dock Road, Victoria & Alfred Waterfront 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>	A1
Minimum Investment	R 10,000
Advice Initial Fee (max)	N/A
Advice Annual Fee (max)	N/A
Investment Manager Initial Fee	N/A
Investment Manager Annual Fee (Feeder Fund)	0.81%
Investment Manager Annual Fee (Master Fund)	0.75%
Total Expense Ratio (TER)	1.82%
Estimated Transaction Costs (TC)	0.12%
Total Investment Charges (TIC)	1.94%

<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 LISPs 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 31 March 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 1.70%. 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.

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