

Element Islamic Balanced Sanlam Collective Investments Fund

Minimum Disclosure Document

As of 31/10/2024



INVESTMENT MANAGERS

MDD Issue Date: 15/11/2024

Fund Objective

The objective of the portfolio will be to offer investor long term capital growth while preserving capital over the medium to long term with a reasonable level of income that is halaal (permissible) for investors.

Fund Strategy

The portfolio will consist of investment in a mix of equity, bond and property markets, and money market instruments. The portfolio will invest in securities that comply with Shari'ah guidelines that govern Islamic Investment Funds. The Manager shall be permitted to invest on behalf of the portfolio in offshore investments as legislation permits. The portfolio will be managed in accordance with regulations governing pension funds.

Fund Information

Ticker	IBFA
Portfolio Manager	Keith McLachlan
ASISA Fund Classification	South African - Multi Asset - High Equity
Risk Profile	Moderate Aggressive
Benchmark	Average of Shari'ah General Balanced Funds
Fund Size	R 116,209,870
Portfolio Launch Date*	01/04/2010
Fee Class Launch Date*	01/04/2010
Minimum Lump Sum Investment	R 10,000
Minimum Monthly Investment	R 500
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 & www.sanlamunitrusts.co.za
Repurchase Period	2-3 business days

Fees (Incl. VAT)

A-Class (%)

Maximum Initial Advice Fee	3.5
Maximum Annual Advice Fee	—
Manager Annual Fee	1.7
Total Expense Ratio	2.0
Transaction Cost	0.1
Total Investment Charges	2.1
Performance Fee	—
TER Measurement Period	01 July 2021 - 30 June 2024

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.

Performance fees are incentive fees earned by the manager for performance in excess of the benchmark. Performance fees form part of the cost structure of the fund and are included in the Total Expense Ratio. Please visit www.sanlamunitrusts.co.za for a detailed list of our funds that charge performance fees together with their calculation methodologies.

Effective 1 December 2024, SCI will change a monthly administration fee of R23 (VAT Inclusive) on retail investors whose total investment value is less than R50 000. Clients with an active recurring monthly debit order will not be levied this fee.

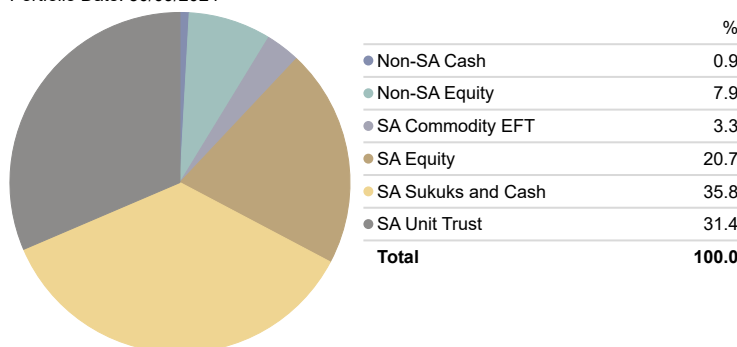
*The Element Islamic Balanced Sanlam Collective Investments Fund transitioned to Sanlam Collective Investments (RF) (Pty) Ltd on 08 July 2017.

Top Ten Holdings

	(%)
Element Islamic Global Equity SCI Fund	23.4
Element Islamic Equity SCI Fund	8.5
Absa Sukuk 08112024	4.6
Absa Sukuk 05092025	3.8
FirstRand Sukuk 10042025	3.7
NewGold ETF	3.5
AVI Ltd	2.9
Absa Sukuk 06122024	2.9
Absa Sukuk 06012025	2.8
FirstRand Sukuk 12032025	2.8

Asset Allocation

Portfolio Date: 30/09/2024



Annualised Performance (%)

	Fund	Benchmark
1 Year	13.2	14.6
3 Years	5.2	6.2
5 Years	7.0	8.4
10 Years	6.8	6.8
Since Inception	6.3	8.5

Cumulative Performance (%)

	Fund	Benchmark
1 Year	13.2	14.6
3 Years	16.5	19.8
5 Years	40.5	49.8
10 Years	93.1	92.9
Since Inception	142.2	225.8

Highest and Lowest Annual Returns

Time Period: Since Inception to 31/12/2023

Highest Annual %	20.7
Lowest Annual %	-5.5

Risk Statistics (3 Year Rolling)

Standard Deviation	6.4
Sharpe Ratio	-0.2
Information Ratio	-0.2
Maximum Drawdown	-6.9

Distribution History (Cents Per Unit)

30/06/2024	2.41 cpu	30/06/2022	0.27 cpu	30/06/2020	2.12 cpu
31/12/2023	1.44 cpu	31/12/2021	0.58 cpu	31/12/2019	2.33 cpu
30/06/2023	1.43 cpu	30/06/2021	0.66 cpu	30/06/2019	2.90 cpu
31/12/2022	2.72 cpu	31/12/2020	0.76 cpu	31/12/2018	1.59 cpu

Administered by



Risk Profile

Moderate Aggressive

Your primary aim is to achieve the required capital growth necessary to realise your longterm goals and objectives. You are prepared to tolerate fluctuations in your returns because you know that the longer-term picture is worth the short term pain, even if that means you lose money sometimes. While diversified across all the major asset classes, your portfolio will be tilted more towards equities because you know they offer the best long-term returns of all the asset classes and thus your wealth will grow over time.

Glossary Terms

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.

Cumulative Returns

Cumulative return is the total growth experienced over the period measured.

Distributions

The income that is generated from an investment and given to investors through monthly, quarterly, bi-annual or annual distribution pay-outs.

Diversification

This is a strategy designed to reduce risk within a portfolio by combining a variety of investments (or asset classes) such as equities, bonds, cash or property, which are unlikely to all move in the same direction at the same time. This is designed to reduce the risk (and protect against capital losses) within a portfolio. Diversification allows for more consistent performance under a wide range of economic conditions as it smoothes out the impact of negative market events. The positive performance of some investments or asset classes should neutralize the negative performance of others.

Financial Instruments

Derivatives also known as financial instruments (such as a future, option, or warrants) whose value derives from and is dependent on the change in value of an underlying asset (such as a commodity, currency, or security) to protect against risk (capital losses).

Fund Objective

The fund objective is the portfolio's core goal.

Fund Strategy

The fund strategy is the way that the fund is managed to achieve the fund objective.

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.

Collective Investment Schemes

Collective Investment Schemes (CIS) (also called unit trusts) are portfolios of assets such as equities, bonds, cash and listed property, in which investors can buy units. They allow private investors to pool their money together into a single fund, thus spreading their risk across a range of investments, getting the benefit of professional fund management, and reducing their costs.

Market Capitalization

Market capitalization is the total value of the issued shares of a publicly traded company; it is calculated by multiplying the share price by the number of shares in issue.

Maximum Drawdown

The maximum drawdown measures the highest peak to trough loss experienced by the fund.

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.

Portfolio Manager Comment

As at 30 September 2024

Following the positive outcome of the local elections earlier this year and the steady derisking of the local environment with the "Government of National Unity" (GNU), we have carefully allocated excess cash in the portfolio into South African-focussed investments.

Despite this, we are still concerned regarding the next six to twelve months of local consumer pressure, high local interest rates and fragile local infrastructure. And, thus, the invested capital was invested into **longer maturity sukuks**, bolstering this asset class weighting up a few percentage points as a more "defensive" investment than equities.

That said, in the short-term the locally-listed retailers and property stocks have performed strongly and our underweight position here has counted against us. While we are increasingly bullish on the local economy and local market, we think that the short-term realities of fiscally constrained consumers and Government should see this rally somewhat capped and, indeed, we may only look to add more here opportunistically.

Our core **gold** exposure has operated exactly how we would want it to over this period and, indeed, post-period too, though a progressively stronger Rand has taken some of the shine off this.

Separate to the South African recovery story—**Aspen Pharmcare's** results saw this share sell-off dramatically. Our view here differs to the market, as several one-offs, temporary headwinds that should reverse, excess manufacturing capacity that should be filled over the coming years, and a focussed management team all point to much improved results from this local pharma-giant over the next couple of years. When combined with an undemanding valuation and the attractive defensive characteristics of pharmaceuticals businesses, we used this sell-off as an opportunity to add materially to our investment in the Group. We believe that this action will payoff nicely in the coming years.

Finally, we maintained slightly higher liquidity over this period in the portfolio as the much written about "Two Pot" retirement systems kicked-off and wanted to ensure any redemptions from the portfolio were easily covered. Interestingly, though, we have seen no more than usual gross outflows over this period, which we interpret as you—our investors—remaining confident in our stewardship of your capital. We thank you for this vote of confidence and are working hard to ensure a positive outcome for you.

Portfolio Manager

Keith McLachlan
CA (SA)

Element Investment Managers (Pty) Ltd

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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 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 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 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 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. Management of the portfolio is outsourced to Element Investment Managers (Pty) Ltd, (FSP) Licence No. 663, an Authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002.

Sanlam Collective Investments (RF) (Pty) Ltd retains full legal responsibility for the conamed portfolio. Standard Bank of South Africa Ltd is the appointed trustee of the Sanlam Collective Investments scheme.

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.