



**PORTFOLIO OBJECTIVE:** The portfolio seeks investment opportunities that meet the objective of delivering an enhanced level of income and stability on capital invested.

**INVESTMENT STRATEGY & POLICY:** The portfolio will invest across the full spectrum of income generating assets including interest bearing securities (including, but not limited to bonds, convertible bonds, debentures, corporate debt, cash deposits and money market instruments) as well as inflation-linked bonds and corporate bonds. The portfolio will be actively managed with exposure to various asset classes to reflect changing economic and market circumstances, in order to maximise returns to investors. For efficient portfolio management purposes, the Manager may invest in financial instruments (listed and unlisted derivatives) allowed by the Act in order to achieve its investment objective. The portfolio will also invest in participatory interests and offshore investments as permitted by legislation.

**FUND INFORMATION**

ASISA Fund Classification	SA Interest Bearing Short Term	Bloomberg Ticker	TSSCIB1
Risk Profile	Conservative		
Benchmark	STeFI Composite Index		
Yield	5.79%		

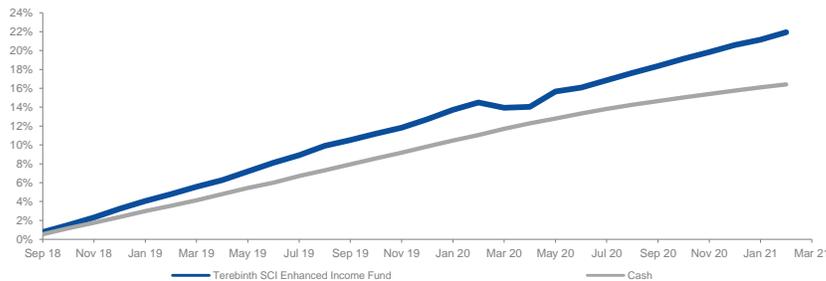
**TOP 5 EXPOSURE**

Issuer	% Holding
REPUBLIC OF SOUTH AFRICA	13%
NEDBANK LTD	9%
ABSA BANK LTD	9%
INVESTEC BANK LTD	8%
FIRSTRAND BANK LTD	8%

**ASSET ALLOCATION**

Product Type	% Holding
Corporate FRN	66%
Bond	21%
Floating NCD	7%
Fixed NCD	0%
Cash	6%
Derivatives	0%

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	STeFI
2018								0.85%	0.77%	0.73%	0.80%	0.90%	4.11%	2.97%
2019	0.79%	0.71%	0.73%	0.67%	0.86%	0.86%	0.74%	0.91%	0.56%	0.62%	0.56%	0.81%	9.19%	7.29%
2020	0.87%	0.69%	-0.48%	0.09%	1.41%	0.36%	0.67%	0.66%	0.62%	0.67%	0.58%	0.62%	6.96%	5.39%
2021	0.47%	0.65%											1.13%	0.57%

**CUMULATIVE GROWTH SINCE INCEPTION****MARKET OUTLOOK AS AT 28 Feb 2021**

February, the month of love, was accompanied by an element of anxiety following the experience of 2020. Like a tragic ending to a typical Shakespearean love story, the signs are there as the story builds up to the conclusion, but the characters are oblivious to their eventual fate. We can learn from these experiences and manage the risks.

The reflation theme continued as headline inflation increased slightly to 3.2% in January from 3.1% in December. The increase was driven primarily by food and housing inflation. Inflation is expected to normalise given general base effects and the uptick in fuel prices as oil prices increase on the expectations of an improving growth environment.

National Treasury tabled the Budget in the last week of February. Higher than forecasted revenue, compared to the MTBPS, was not a surprise given the improved monthly budget figures that preceded the Budget. The main concern was on how exactly National Treasury would deal with the "windfall". The Budget illustrated how National Treasury selected a more balanced approach of permanently reducing the debt-to-GDP ratio while allowing for an increase in expenditure from COVID-19 related support measures. National Treasury may be more optimistic in the projections over the medium-term expenditure framework in terms of GDP expectations, tax buoyancy and expenditure reduction. This means that the Budget faces high implementation risk especially as we approach the much-anticipated negotiation of the public sector wage bill. The unions have indicated they are prepared to fight for higher wage increases.

The implementation risk on the Budget is an important factor for assessing the risk of further rating action by rating agencies. Although the South African National Credit rating is below investment grade, the risk of slipping further into sub-investment grade and possibly to speculative grade status is not ideal given the debt spiral effect of increasing cost of funding and budget deficits.

The rest of the month anchored on nervousness about March, given the anniversary of when the country was moved to a full lockdown and all major economic activities came to a standstill. The COVID-19 health crisis escalated locally and globally and eventually culminated into a global liquidity crisis that brought the bond market to its knees. The trading sessions leading to March 2021 were good examples of the phenomenon of psychology playing a factor in driving markets. The announcement of a potential further US stimulus package of up to two trillion dollars saw the market focusing more on the funding implications thereof instead of the implications of balancing potential growth stimulus. The Rand and local bond market sold-off in sympathy and we expect March 2021 to be a very volatile trading environment once again.

From a portfolio implication perspective, risk management becomes the focus area. However, we recognise from March 2020 that there were very limited areas to hide in the income space over that period given the universal sell-off. Therefore, having a balanced portfolio and sticking with the longer-term strategic allocation view is key.

Investment Manager: Terebinth Capital (Pty) Ltd (Willowbridge Place, Cnr Carl Cronje Drive and Old Oak Road, Tygervalley, Bellville), is an Authorised Financial Services Provider (No. 47909)  
 Manager Information: Sanlam Collective Investments (RF) (Pty) Ltd, Physical Address: 2 Strand Road, Bellville, 7530, Postal Address: P.O. Box 30, Sanlamhof, Bellville, 7532, Tel: +27 (21) 916 1800, Email: service@sanlaminvestments.com  
 Trustee Information: Standard Bank of South Africa Ltd, Tel: +27 (21) 441 4100, Email: compliance-sanlam@standardbank.co.za

**KEY FACTS**

**INVESTMENT MANAGER**  
Terebinth Capital (Pty) Ltd.

**PORTFOLIO MANAGERS**  
Nomathibana Matshoba CFA

**PORTFOLIO SIZE**  
ZAR 431m

**INCEPTION DATE**  
1 Aug 2018

**FEE CLASS LAUNCH DATE**  
1 Aug 2018

**MINIMUM INVESTMENT**  
R100,000

**MINIMUM MONTHLY INVESTMENT**  
R10,000

**PORTFOLIO VALUATION TIME**  
15:00

**TRANSACTION CUT-OFF TIME**  
15:00

**INCOME DECLARATION DATE**  
March, June, September & December

**INCOME PRICING DATE**  
1st business day of April, July, October & January

**DISTRIBUTION HISTORY (CPU)**

Jun-19: 0.20487

Sep-19: 0.20385

Dec-19: 0.20059

Mar-20: 0.19825

Jun-20: 0.19543

Sep-20: 0.17

Dec 20: 0.1394

**DAILY PRICE INFO**

www.sanlamunitrusts.co.za

**FEES (INCL. VAT)**

TER\*: 0.51%

TC: 0.04%

TIC: 0.55%

\*as at 01-Aug-2018 to 31-Dec-2020

Annual management fee: 0.46%^

Annual advise fee (max): 1.15%^

Initial advise fee (max): 3.45%^

Initial management fee: 0%^

^ Includes VAT.

**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 indifferent asset classes (i.e. equities, bonds, property, etc.). It is used to determine the level of diversification in a portfolio.

**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.

**Money Market Instrument**

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.

**Risk-adjusted returns**

Risk-adjusted return refines an investment's return by measuring how much risk is involved in producing that return, which is generally expressed as a number or rating.

**Risk Profile - Conservative**

You prefer to receive stable income flows and are determined to keep your capital intact at all times. You understand that comfort means that you may not receive outside returns but that your capital will be safe and the likelihood of losing money slim. The portfolio that gives you the most comfort consists primarily of income-oriented asset classes such as cash, nominal and inflation-linked bonds and property. You shy away from too much exposure to equities because of their higher volatility.

**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.

**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 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. International investments or investments in foreign securities could be accompanied by additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk, fluctuations in exchange rates which may cause the value of the fund to go up or down as well as potential limitations on the availability of market information. The fund may invest in financial instruments (derivatives) for efficient portfolio management purposes. Income funds derive their income primarily from interest-bearing instruments.

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 out sourced to Terebinth Capital (Pty) Ltd, (FSP) Licence No. 47909, 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 co-named 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](http://www.sanlamunittrustsmdd.co.za) and using our Effective Annual Cost (EAC) calculator. Alternatively, contact us at 0860 100 266.

Issue Date: 15 Mar 2021

\*The legal registered name of this portfolio is: Terebinth Sanlam Collective Investments Enhanced Income Fund