



Truffle SCI General Equity Fund

Fund Information

MDD Issue Date	14/08/2025
Ticker	TRGEA
ISIN	ZAE000152005
Portfolio Manager	Iain Power, Saul Miller, Nicole Agar & Sophié-Marié van Garderen
ASISA Fund Classification	South African - Equity - General
Risk Profile	Aggressive
Benchmark	FTSE/JSE Capped SWIX Index
Fund Size	R 3,440,292,413
Portfolio Launch Date	18/11/2010
Minimum Lump Sum Investment	R 10,000
Minimum Monthly Investment	R 500
Income Declaration Date	June & December
Transaction Cut Off Time	15:00
Portfolio Valuation Time	15:00
Daily Price Information	Local media & www.sanlamunittrusts.co.za
Repurchase Period	2-3 business days
Base Currency	Rand

Fund Objective

The Fund aims to achieve superior long term capital growth by investing primarily in local equities.

Investment Policy Summary

The fund employs a distinctive stock selection process to construct a portfolio of high quality local and offshore companies. The fund will invest a minimum of exposure to equities in line with the ASISA Standard on Fund Classification. Other investments may include units of other funds and offshore investments as legislation permits. The fund may also invest in derivative instruments for efficient portfolio management purposes.

Why Choose This Fund?

1. A disciplined stock selection process that focuses on investing in quality assets with long term valuation potential.
2. An agile team-based approach where opportunities are clearly identified and exploited.
3. Downside risk management forms a crucial component that aims to generate superior returns.

Fees (incl. VAT)

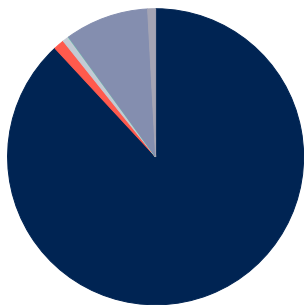
A-Class (%)

Maximum Initial Advice Fee	1.15
Maximum Annual Advice Fee	1.15
Manager Annual Fee	1.04
Total Expense Ratio	1.06
Transaction Cost	0.62
Total Investment Charge	1.68
TER Measurement Period	01 April 2022 - 31 March 2025

Top 10 Holdings (30/06/2025)

Naspers Ltd	9.52
Prosus (PRX)	5.81
Firststrand Ltd	5.61
Capitec Bank Holdings Ltd	5.02
Gold Fields Ltd	4.58
Bid Corporation Ltd	4.52
Anheuser-Busch Inbev SA	4.43
Anglogold Ashanti Ltd	4.39
Standard Bank Group Ltd	4.34
British American Tobacco Plc	4.17

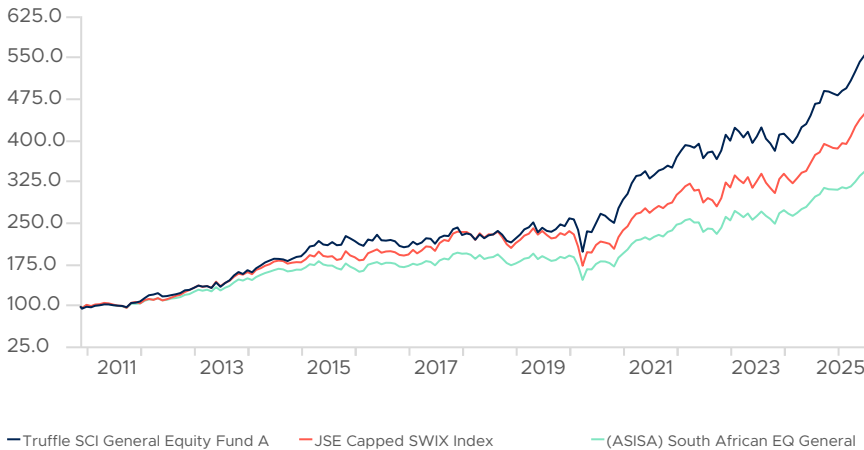
Asset Allocation (31/07/2025)



Domestic Equity	88.10
Domestic Property	1.18
Domestic Cash	0.68
Foreign Cash	0.03
Foreign Equity	9.15
Foreign Property	0.86
Total	100.00

Investment Growth**

Time Period: 19/11/2010 to 31/07/2025



Annualised Performance (%)

	Fund	Benchmark
1 Year	21.23	22.33
3 Years	14.34	15.63
5 Years	16.16	16.07
10 Years	10.09	9.15
Since Inception	12.51	10.90

Risk Statistics (3 Year Rolling)

Standard Deviation	11.39
Sharpe Ratio	0.57
Max Drawdown	-10.00
Information Ratio	-0.35

Highest & Lowest Annual Returns

Time Period: Since Inception to 31/12/2024	
Highest Annual %	26.19
Lowest Annual%	-4.47

Monthly Returns (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2025	1.74	0.92	2.83	3.20	3.37	2.01	2.17						17.40
2024	-2.07	-2.10	3.06	4.08	1.35	3.58	4.76	0.35	4.62	-0.22	-0.72	-0.71	16.80
2023	5.87	-1.62	-2.56	2.53	-4.88	2.96	4.01	-4.81	-2.13	-3.39	7.70	0.42	3.18
2022	3.28	2.59	-0.38	-0.86	1.90	-6.66	2.79	0.48	-3.63	4.28	7.46	-2.62	8.11
2021	3.61	6.26	4.09	0.48	2.11	-3.84	1.97	2.31	0.85	1.75	-1.05	5.36	26.19

**The investment performance is for illustrative purposes only. The investment performance is calculated taking the actual initial fees and all ongoing fees into account for the amount shown and income is reinvested on the reinvestment date.

Risk/Reward Profile

Aggressive

You can afford to take on a higher level of risk (i.e., have a greater exposure to equities) because of your investment time horizon and/or your appetite for risk. You know that in taking the risk, you need to be patient if you want to achieve the results. So you are willing to invest for the long-term and are prepared to tolerate some volatility in the short term, in anticipation of the higher returns you expect to receive in five years or beyond.

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. 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. Management of the portfolio is outsourced to Truffle Asset Management (Pty) Ltd, (FSP) Licence No. 36584, 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. Effective 1 December 2024, SCI will charge a monthly administrative fee of R23 (VAT Inclusive) on all 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. 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.

Distribution History (Cents per Unit)

30/06/2025	7.32 cpu	30/06/2023	4.01 cpu	30/06/2021	3.42 cpu
31/12/2024	3.67 cpu	31/12/2022	7.58 cpu	31/12/2020	0.79 cpu
30/06/2024	4.25 cpu	30/06/2022	3.92 cpu	30/06/2020	2.02 cpu
31/12/2023	5.50 cpu	31/12/2021	3.63 cpu	31/12/2019	3.64 cpu

Tax Free Savings Account

This Fund qualifies as a tax free investment according to section 12T of the Income Tax Act, with effect from 1 March 2015. South African individuals qualify for the associated tax benefits namely no tax on dividends, income or capital gains whilst still enjoying all the benefits of a unit trust. Note contributions to tax free investments are limited to R36 000 per tax year, with a lifetime limit of R500 000. Amounts invested in excess of these permissible thresholds are taxable.

Investment Manager Information

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For a detailed glossary, please visit website:
www.sanlamunittrusts.com

Trustee Information

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Portfolio Manager Comment

As at 30 June 2025

Economic Overview

The global investment landscape continues to shift under the weight of escalating geopolitical tensions, an increasingly inward-looking U.S. foreign policy, and unsustainable debt accumulation in the U.S.. While U.S. markets remain supported in the near term by a weaker dollar and softer energy prices, risks are rising. In contrast, South African assets, though not immune to global headwinds, offer relative value and some insulation amid higher global volatility.

U.S. foreign policy is negative for global growth and equity risk premia

The United States is increasingly inward-focused and no longer acting as the primary guarantor of the rules-based international order that has broadly prevailed since the Second World War. This shift towards a more multipolar world is likely to embolden other powerful countries to pursue their own interests, potentially at the expense of global stability. This rise in political and economic risk does not appear to be reflected in current market valuations.

Aside from the heightened risk of global conflict, countries will also need to allocate greater resources to their own defence, as evidenced by NATO members' renewed commitment to significantly higher military spending. Much of this expenditure, although increasing GDP, is unlikely to be as economically beneficial as investment directed towards more productive avenues.

Furthermore, much of the United States' inward focus appears to yield limited benefits. Defence spending has not been reduced, savings from cuts to foreign aid in areas such as food and health initiatives are minimal, and the adverse economic consequences of broad-based tariffs have been extensively demonstrated by reputable economists.

In contrast to these external policy shifts, several domestic policies under the current administration are also negative for long-term economic growth. Political attacks on what has historically been a relatively well-functioning and independent judicial system risk undermining institutional credibility and the rule of law, which are essential foundations for economic confidence and investment. Additionally, a non-evidence-based approach to aspects of health care policy, including politicisation of public health decisions, reduces the effectiveness and efficiency of health outcomes and spending.

U.S. current debt path unsustainable

The U.S. federal debt held by the public at the end of June 2025, stands at approximately \$36 trillion or 123% of the country's GDP, having more than doubled since 2000.

Trump's Big Beautiful Bill is estimated to add a further \$3 trillion to national debt over the next decade. On the surface, the bill provides a short-term boost to consumption, employment, and industrial activity, particularly in sectors tied to domestic construction, energy, and defence. However, the legislation will reduce tax receipts more than spending cuts, while diluted tariffs will fail to generate sufficient revenue to offset tax cuts. Concerningly, the next decade is likely to be far costlier than the last one, which was helped by ultra-low interest rates. Interest costs are now growing faster than any other budget category due to higher interest rates and debt accumulation.

Elevated debt levels limit fiscal flexibility and may raise borrowing costs if investor confidence wanes. While determining the threshold which bond markets deem an acceptable debt level remains extremely difficult, many market participants remain relatively unconcerned. This is likely due to the fact that concerns over rising U.S. debt have persisted for many years without triggering meaningful market dislocations.

At present, the debt burden appears manageable, largely because bond yields remain below the rate of GDP growth. However, if bond yields begin to rise above the pace of economic expansion—potentially triggered by investor concerns about overspending—the government could be forced into a painful fiscal consolidation involving significant tax hikes and spending cuts. Such measures would likely be negative for both GDP growth and broader U.S. market performance.

Whilst there is no viable alternative to the U.S. Dollar as the world's reserve currency, we expect the overvaluation of the dollar and concerns regarding U.S. policy discussed above, together with the unsustainable fiscal deficits, to continue weighing on the dollar.

In the near term, the U.S. market will be supported by a weaker dollar and lower oil price, which could provide some relief to growth and corporate margins. However, the tail risk of rising bond yields is growing as is the risk of eventual fiscal consolidation and a commensurate growth slowdown.

U.S. slowdown is likely despite resilient hard data

Soft high-frequency data, which includes surveys like consumer confidence, business sentiment, and the Purchasing Managers' Indices (PMIs), have highlighted broad-based weakness in U.S. economic sentiment.

On the other hand, hard economic data has remained relatively strong, with the unemployment rate remaining stable at 4.1%. Whilst other key metrics, such as payrolls and industrial production, show no signs of an imminent downturn, we have finally started to see signs of a slowdown in May consumer spending. Despite the above positive picture that the hard data paints, we expect the U.S. economy to slow into the back end of the year, as the hard data inevitably catches up with current soft data sentiment. In addition, Trump's reciprocal tariff deadline of July 9th is fast approaching, and businesses still don't know the size and scope of the tariffs they will face. This reduces their ability to operate and manage their supply chains. At a company level, U.S. corporate earnings outlooks have become increasingly opaque. Even if tariffs remain at current levels, businesses will still have to decide how much of the additional costs they can absorb in their margins and how much they will pass through to the end consumer. Despite the slowing economy, we expect the Fed to remain cautious about cutting rates without knowing the full impact of Trump's ever-changing tariffs on inflation.

SA assets remain a safe harbour in a stormy global sea

In South Africa, GNU stability has been tested in the first half of 2025, impacting positive sentiment and the growth outlook. The coalition's ability to manoeuvre through the inevitable challenges will determine whether it can sustain its momentum into 2026. For now, both investors and political analysts view the GNU as stable but fragile,

capable of pushing reforms but requiring careful management of inter-party dynamics.

SA focused companies' earnings growth prospects have reduced in 2025 on the back of slower than expected economic reform and a fragile and slowing global growth backdrop. Despite the slower than anticipated growth, SA should still deliver a better GDP performance than it did last year, enabling many of the locally focused companies to grow their earnings, albeit at a slower than expected rate.

Given South Africa's lower growth outlook and slow pace of economic reform, fiscal consolidation remains critical in preventing an unsustainable buildup of debt to GDP. While Moody's post-budget commentary reflected a marginally more optimistic view of South Africa's fiscal trajectory, the agency continued to warn about the risks of weak growth, elevated social spending, a bloated public sector wage bill, and low levels of fixed investment.

Despite these structural challenges, select SA focused companies' valuations have improved on the back of their underperformance over the last six months and are starting to look attractive once again. From a fixed income perspective, the decline in nominal yields and narrowing of the spread between South African and U.S. bond yields, combined with the growing tail risks associated with higher long-term global interest rates, particularly in the U.S., reinforces the case for maintaining a low duration bias within our portfolios.

In summary, given the increasing levels of geopolitical risk globally and rapidly shifting economic policies toward self-preservation, we anticipate volatility to rise as the market gains greater clarity around the impact of these policy changes on company profits and long-term interest rates. Despite continued uncertainty, Truffle continues to find good opportunities in both globally and domestically focused companies with significant margins of safety. This means we can construct well-diversified portfolios, which are able to withstand volatility and a range of different economic outcomes.

Portfolio Commentary

Performance

South African equity markets delivered another strong quarterly performance, with the Capped SWIX up 9.7%. A temporary easing in trade tensions, a more benign global backdrop, the finalisation of the SA national budget and a surprisingly cordial meeting between the South African and US presidents, supported stronger market performance in May and June. SA Industrials (11.8%) led local sector performance with good returns from Telcos and Naspers. SA Resources (9.2%) were once again supported by Platinum miners; however, Gold performance tapered in Q2 following a stellar first quarter.

Given global economic uncertainty, we continued to maintain a relatively defensive position in the second quarter. Having down-weighted exposure to some SA Inc, the fund's holdings are tilted towards foreign-exposed industrials including Anheuser Busch and Bidcorp.

We continue to favour SA banks on valuation grounds, supported by solid earnings forecasts. We have also maintained an overweight in PGM's as constrained supply has supported the platinum price. Gold stocks weakened over the quarter as the gold price softened when US tariff tensions eased. An underweight the sector, particularly Harmony, added to relative performance.

Our overweight in Prosus continued to contribute positively. Pleasing Tencent results with better earnings visibility were well received, but the key reason for the outperformance was Prosus financial results in June. These results demonstrated that the core e-commerce businesses were free cash-flow positive for the first time, meaning that a full passthrough of the Tencent dividend to Prosus shareholders is in sight.

Aspen was the largest performance detractor over the quarter. The share derated significantly following the surprise announcement of the loss of an mRNA manufacturing contract. No detail was provided, but it is probably fair to assume that the change to global tariffs would've played a role. Importantly however, this dispute is not related to Aspen's manufacturing capabilities or quality of their facilities. Aspen should be able to fill the excess capacity in future years, but clearly this will now take much longer than expected.

An underweight position in Telco's, and specifically MTN, also detracted from performance. As noted last quarter Telco's have rallied on an improving macro-outlook in many of the African operations where inflation and currencies have been punitive and earnings will recover from their very low base MTN was further supported by their ability to raise tariffs in Nigeria going forward. Whilst the share screens poorly on free cash flow yields, and concerns remain over their large Iranian exposure (30% of earnings in 2024) there is a higher conviction on the Nigerian earnings recovery coming through.

Portfolio movements

Over the quarter we sold a position in Richemont taking profits after the luxury business share price rerated. This was driven by strong financial results especially in jewellery, and resilience outside China. We anticipate a weak quarter of luxury earnings ahead as many luxury companies are still rebasing after excessive price increases in the last few years.

We further reduced positions in SA retailers and reweighted stock positions within the SA Banks exposure by adding to Capitec and ABSA and reducing a meaningful position in Standard Bank. We have also upweighted a position in Investec. We added diversified miner Glencore to the fund as we remain constructive on copper.

We also added to an exposure in Anheuser and the fund remains exposed to other large foreign exposed businesses given strong valuation metrics and dividend yields. This aligns to our relatively defensive positioning amidst continued global uncertainty.