

GIPS Composite Name: Vunani Domestic Active Equity Capped SWIX _J433xProperty

Jun 2021

Benchmark: J433 without Property

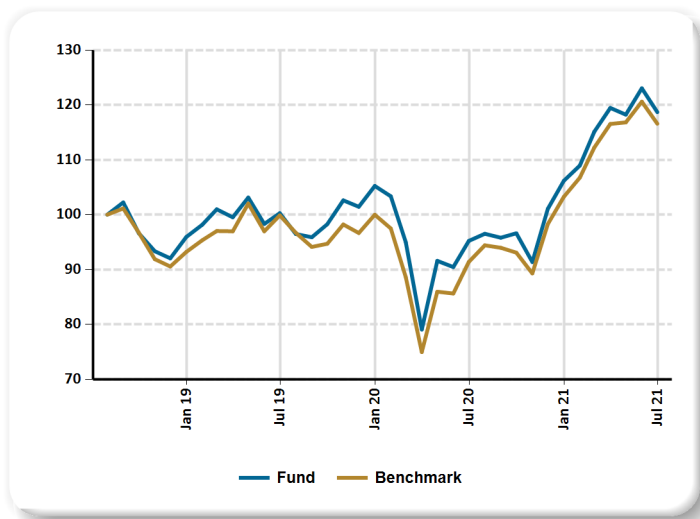
Composite Creation Date: 31 Jul 2018

Period	Gross return	Bmk return	No of Portfolios	Total Assets (million)	% of Firm Assets	Total Firm Assets (million)	Dispersion	3 yr Ann Std Dev	Bmk 3 yr Ann Std Dev
01 Aug 2018 to 31 Dec 2018	-4.06%	-6.79%	1	854.29	3.21%	26,600.26	N/A	N/A	10.68%
01 Jan 2019 to 31 Dec 2019	9.69%	7.28%	1	930.97	2.33%	40,000.45	N/A	N/A	10.93%
01 Jan 2020 to 31 Dec 2020	0.90%	3.27%	1	933.09	1.92%	48,623.29	N/A	N/A	18.31%
01 Jan 2021 to 30 Jun 2021	11.78%	12.90%	1	1,040.41	1.90%	54,724.95	N/A	N/A	18.31%

Vunani Fund Managers (Pty) Ltd has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®)

SUPPLEMENTAL INFORMATION

FUND PERFORMANCE



FUND MANAGEMENT COMMENT

Global vaccination rates continue to increase and the rise in new cases in many developed markets appear under control; however, several regions like the UK, are seeing a resurgence in new infections. South Africa re-introduced stricter lockdown regulations, after new infections started increasing due to the rapidly spreading Delta variant.

The flattening US yield curve in June however suggests that inflation fears are easing, notwithstanding the elevated US inflation print of 5% in May. The Federal Reserve adopted a slightly more hawkish stance, while still maintaining the transitory narrative, pulling forward the anticipated rate increases to 2023. These conditions were favourable for risk assets, evidenced by the S&P reaching new record highs in June. Locally, the unemployment rate reached a new record at 36.2%, while first quarter GDP grew at 4.6%. While growth was broad based, the mining sector was the top performer supported by elevated commodity prices. Inflation for May was 5.2%, driven by higher fuel costs, breaching the mid-point of the MPC's target range.

SA equity performance was down 2.4% in June, and flat for quarter 2 (Q2). Energy (+8.1%) added while Basic Materials (-6.7%) underperformed during June; returned 2.2% and -5.1% over Q2. Standout performer over Q2 was Consumer Discretionary returning 20.1% supported by strong performance by General Retailers like Pepkor (+25%) and Foschini (+29%). The Technology sector was worst performing in Q2 returning -15% due to weaker performance by Naspers and Prosus.

Your fund marginally underperformed the benchmark in June as Base Materials detracted while retailers, led by Truworths, added most to performance. We remain constructive on SA inc but note potential headwinds from stricter lockdown regulations and slow vaccine roll-outs. The portfolio, whilst geared to SA Inc remains exposed to an element of non-SA focussed companies which should serve to mitigate potentially weaker local performance over

NOTES:

1. **COMPOSITE DESCRIPTION** : To deliver consistent and incremental outperformance of the benchmark over a long-term period.
2. **BENCHMARK CREATION** : Published Index: J433 excluding Property
3. **FIRM DEFINITION** : Vunani Fund Managers (Pty) Ltd is registered with the Financial Sector Conduct Authority (FSCA) as a discretionary Financial Service Provider, License 608. The GIPS firm includes all portfolios managed by Vunani Fund Managers.
4. **MINIMUM ASSET LEVELS** : Vunani Fund Managers excludes all portfolios with an asset value less than R20 million.
5. **CURRENCY** : Vunani Fund Managers uses South African Rand to express all performance.
6. **PERFORMANCE CALCULATION** : Performance results are presented gross of management and performance fees, after deducting trading expenses, custodial fees and bank charges. Trading expenses include brokerage, trade settlement fees, taxes and trading levies as well as VAT thereon. The aggregate return method is used which combines all the composite assets and cash flows to calculate composite performance as if the composite were one portfolio.
7. **LIST AND DESCRIPTION OF COMPOSITES** : A complete list and description of all composites is available by emailing a request to info@vunanifm.co.za.
8. **LEVERAGE AND DERIVATIVES** : The use of derivatives is limited to exchanged traded futures and options for the purpose of maintaining the correct exposure to asset classes whilst providing liquidity.
9. **LEVERAGE AND DERIVATIVES** : Derivatives may be employed as risk mitigating strategies.
10. **INCONSISTENCIES IN EXCHANGE RATES** : Vunani Fund Managers use I-Net quotations for foreign exchange (FX) rate conversions. Due to timing differences, FX rates used to value instruments in the individual client portfolios may differ from the FX rates used by Vunani Fund Managers for benchmark conversion to local currency. Vunani Fund Managers accepts this variance in FX rates as immaterial and do not make any adjustments for such variances.
11. **DISPERSION** : Vunani Fund Managers uses the standard deviation across portfolio returns represented within the composite for the full year to calculate dispersion. Portfolios must be in a composite for the full period for which dispersion is being measured.
12. **FEE STRUCTURE** : A fee of 30 bps on daily market value.
13. Vunani Fund Managers negotiates fees with each individual client in line with the standard company fee schedule.
14. **WITHHOLDING TAXES** : Proceeds on sales and income are accounted for net of any withholding taxes until such time as any reclaimable portion is received.
15. Additional information regarding policies for calculating and reporting returns is available on request.
16. **CASH FLOWS** : A fund may be removed from the composite, should a cash flow be greater than 5% of that fund. Once the fund has been realigned, it will be included again.
17. Benchmark components, weights, and the rebalancing process is available on demand.
18. **VERIFICATION** : Vunani Fund Managers claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. Vunani Fund Managers has been independently verified for the periods 2004 to 2019. The verification report(s) is/are available on request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.
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