

**GIPS Composite Name:** **Vunani Global Active Equity [IPGLBFEXTBMK]**

**Jun 2021**

**Benchmark:** **80% MSCI; 15% US\$ Cash; 5% STeFI**

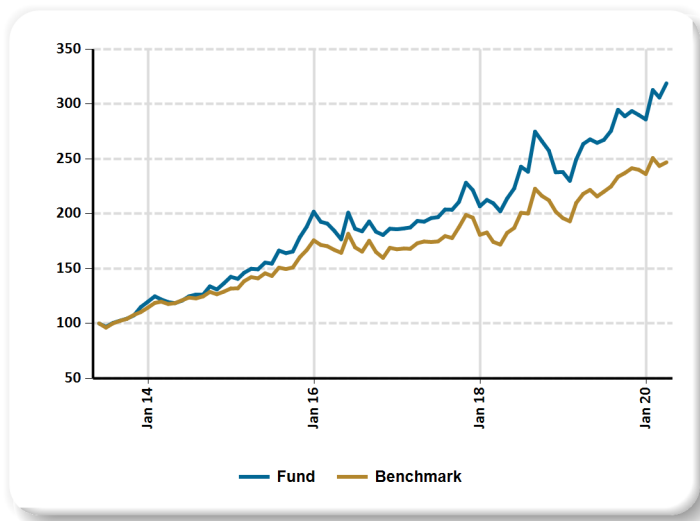
**Composite Creation Date:** **31 May 2013**

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 Jun 2013 to 31 Dec 2013	19.72%	14.35%	1	131.28	1.08%	12,130.48	N/A	N/A	
01 Jan 2014 to 31 Dec 2014	19.02%	15.29%	1	216.85	1.72%	12,612.31	N/A	N/A	
01 Jan 2015 to 31 Dec 2015	41.65%	33.28%	2	674.53	4.70%	14,362.23	N/A	N/A	
01 Jan 2016 to 31 Dec 2016	-7.93%	-4.63%	2	621.08	4.25%	14,597.04	N/A	15.04%	12.47%
01 Jan 2017 to 31 Dec 2017	11.27%	7.90%	2	968.39	4.80%	20,191.39	N/A	15.65%	13.91%
01 Jan 2018 to 31 Dec 2018	15.12%	8.40%	2	1,423.56	5.35%	26,600.26	N/A	18.26%	15.79%
01 Jan 2019 to 31 Dec 2019	20.13%	20.51%	2	2,098.39	5.25%	40,000.45	N/A	16.13%	13.64%
01 Jan 2020 to 31 Dec 2020	23.46%	19.01%	3	3,760.30	7.73%	48,623.29	N/A	16.97%	15.53%
01 Jan 2021 to 30 Jun 2021	4.86%	8.33%	3	3,698.30	6.76%	54,724.95	N/A	16.38%	14.87%

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

While the jury is out on whether inflation will raise its head in 2022 and stifle growth, we remain of the view that a “goldilocks” scenario is more likely as the baseline. Under this scenario growth and inflation peak sooner than expected but no recession emerges. This world is very similar to the world that prevailed in 2019 and for 10 years prior. The impact of this scenario is important for equity and bond investors as it lays the foundation for lower yields and higher prices for growth stocks. The paradox to consider here is that if inflation is anchored at between 1 to 2 percent then inflation is good for stocks as it provides the level of pricing power companies require to maintain margins. It is when inflation anchors above 3 percent that, correlations and returns become unglued.

While current job indicators are very buoyant as economies “return to normal”, the combination of fiscal drag in the US and a reduction in stimulus in China are the most likely contributors to slower growth in 2022. US bond yields are expected to stay at low levels over the short term with some yield curve flattening as short rates rise in response to tighter Fed policy in the months ahead and long rates decline as the inflation scare dissipates.

Our focus has shifted from “value” to services and growth as those companies able to maintain margins in a lower growth environment should continue to do well in a low interest rate, low growth environment.

**NOTES:**

1. **COMPOSITE DESCRIPTION** : Includes portfolios that are invested primarily in foreign markets, in particular foreign equity, with appropriate risk controls. The objective to achieve capital appreciation over the medium to long term. There is no limitation on the relative exposure of the portfolio to any asset class.
2. **BENCHMARK CREATION** : Published Index: 80% MSCI; 15% US\$ Cash; 5% STeFI
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](mailto: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 85 bps on 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 or 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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