



FG INVESTMENT PARTNERS

GLOBAL BRIEF

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EDITORIAL COMMENT

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CONTENTS

Editorial comment By Sarah Crone	1-2
Market Insights Timing the Rand When Investing Offshore Adapted from an article by Cornelius Zeeman	3-4
Part 1: Understanding your tax obligations on leaving South Africa Adapted from an article by Carla Rossouw	5-6
Part 2: Unpacking South African tax obligations for non-resident living annuitants Adapted from an article by Ebrahim Southgate	7-8
A tribute to my mother and sister's financial journeys Adapted from an article by Albert Coetzee	9-10
Lesson 1: Inflation is your enemy Adapted from an article by John Orford	11-12

"He who lives by the crystal ball will eat shattered glass"
-Ray Dalio

Global bonds and equities underperformed this past quarter

It's difficult to make forecasts at the best of times and betting the house on any given outcome is probably not the wisest thing an investor can do. Trying to understand the present while thinking about the probabilities of various scenarios is usually more fruitful in the long run. The investment back-drop going into the third quarter was always going to be quite challenging. The inflation dragon had not yet been slayed, and the prospect of interest rates staying higher for longer remained a significant probability. Notwithstanding a resilient US economy, leading indicators continued to suggest slow movement for developed market economies, further down the line. As it turns out, bond yields continued to rise driven by rising real yields and significant supply (governments continue to borrow a lot). These headwinds indeed proved too much for most asset classes other than cash over the September quarter. Global equities finally started to reflect these challenges with a return of negative 3.4% (in US dollar terms). Global bonds performed even more poorly in this rising interest rate environment at -4.3% (in US dollar terms).

Locally, the rand was slightly weaker, the FTSE/JSE All Share Index recorded a negative performance of 3.4% while bond returns were slightly negative over the 3-month period at -0.3%. Local inflation-linked bonds were slightly positive at +0.8%.

What can be expected in the coming quarter?

Going forward, financial market conditions will probably remain quite restrictive for a while. The impact of high rates has also yet to be fully felt by the real economy. While this will continue to constitute a headwind for growth assets in particular, relatively high real yields make both offshore inflation-linked and nominal bonds somewhat more attractive than they used to be.

Locally, while loadshedding has been a little less severe the economic and fiscal challenges remain daunting. On balance, an ongoing cautious disposition with a good spread of high-quality assets makes sense to us for now and we continue to remain well diversified from an asset, manager, and style perspective.

INDEPENDENT TRANSPARENT COMPETENT

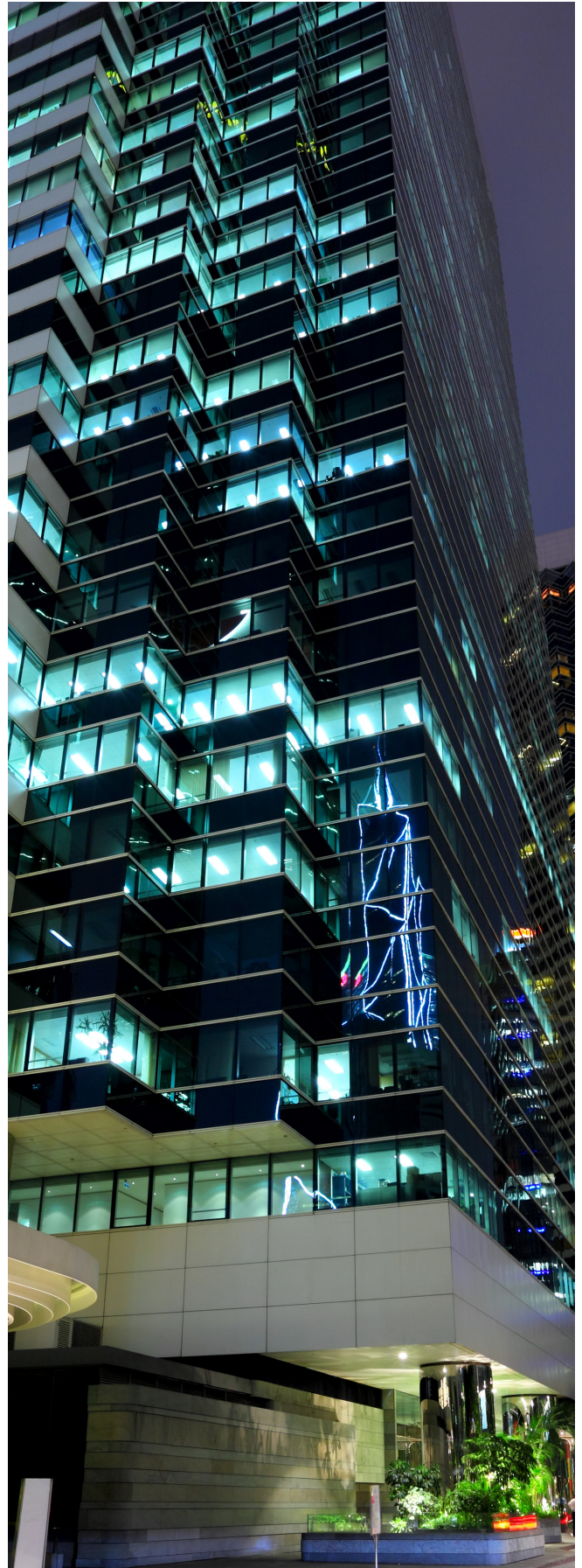
What you can look forward to in this edition

Cornelius Zeeman; Portfolio Manager at Fairtree opens our edition with considerations for investing offshore when it comes to timing the rand. He does this by discussing South Africa's financial landscape, setting the stage for financial and tax-related discussions to follow. Allan Gray's Head of Tax; Carla Rossouw then explains the concept of South African tax residency, essential for both residents and non-residents. Exemplifying the concept of tax residency, Allan Gray, Tax Specialist; Ebrahim Southgate goes on to address the implication of having living annuitants in South Africa. Albert Coetzee; Head of the Global Investment Platform at Ninety One, provides a more personal and strategic perspective on financial planning, touching on diversification and estate duty. Finally, John Orford; Portfolio Manager at Old Mutual Investment Group, elaborates on the broader financial challenge of inflation and its impact on retirement planning — which you can look forward to as a key takeaway from this edition.

We hope that you enjoy these articles.

As always, let sense prevail.

The FG Asset Management Investment Team



TIMING THE RAND WHEN INVESTING OFFSHORE



Adapted from an article by
Cornelius Zeeman

Portfolio Manager
Fairtree

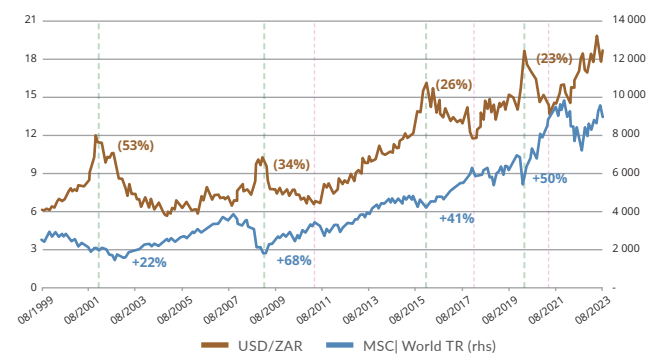
Volatility of the rand exchange rate

The South African rand is one of the most volatile currencies globally compared to advanced economies and emerging market peers. Only the Russian rouble and Argentinian peso have been more volatile in the last decade. South Africa's rand is traded in large volumes globally and is seen as a proxy for emerging market investment. It makes the currency highly exposed to external shocks and, thus, highly volatile. It is in most people's best interests to diversify and invest in offshore equities, but trying to time the investment can be very nerve-wracking, even more so if it is your role to advise someone or do it on their behalf. What if the rand strengthens and the investment loses value in rand terms?

The good news is that if you look at the last 25 years, it is rare for the exchange rate movement to dominate the equity returns. Equities and emerging market currencies, like the rand, are assets that perform well in risk-on environments. It is, therefore, unusual for the rand to strengthen when global equities sell-off. If you were unlucky or panicked at the four points in history (green dotted lines in figure 1) where the rand was extremely undervalued, you would have ended with a positive return in rand terms in three instances. The rand strengthened by 23-53% over these four periods, while global equities rallied 22-68%.

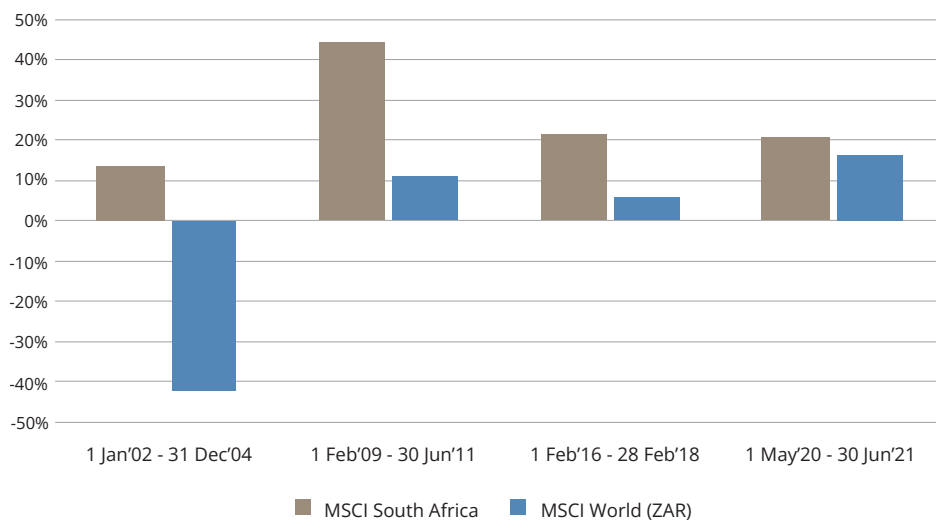
Clearly, investing offshore before the rand strengthens by more than 20% is not optimal, but it is not a disaster. You also need to consider the alternative if you are trying to time the exchange rate. Do you wait in cash, which generally offers a low real return, or will you deploy the money in local equities? Investing in the local equity market would have been a better decision over all four periods. Investing in equities with such a short time horizon is usually not advisable.

Figure 1: Rand exchange rate versus global equities



Source: Fairtree, Bloomberg (as at 25 August 2023)

Figure 2: Relative equity returns



Source: Fairtree, Bloomberg

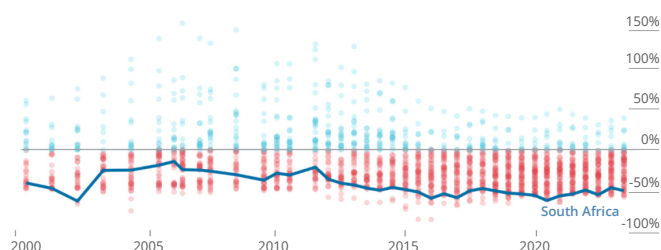
The South African Rand is undervalued

If we look at the latest Big Mac Index from July, a Big Mac costs R49.90 in South Africa and \$5.58 in the US. The implied exchange rate is 8.94. The difference between this and the actual exchange rate at the time, R17.78, suggests the South African rand was 49.7% undervalued – this looks extreme, and you would not find any economists calling for the rand to strengthen to this level.

The rand has always screened as undervalued in the Big Mac Index (as shown in figure 3 below). Due to our lack of sufficient electricity supply and logistics capacity, our economy cannot react to exploit this rand weakness by ramping up production for exports.

Figure 3: Big Mac Index – Historic relative cost in South Africa versus the US

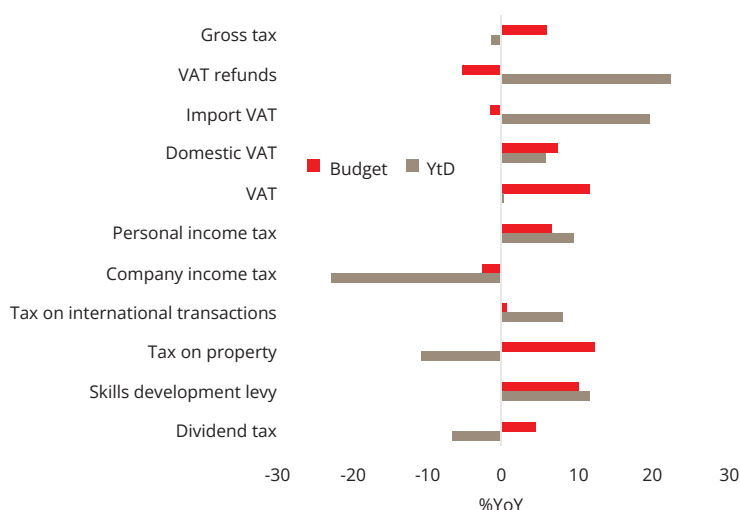
2000-2023



Source: The Economist (downloaded on 29 August 2023 from <https://www.economist.com/big-mac-index>)

Looking at South Africa's rising debt/GDP and debt service costs, our fiscal situation is precarious. When looking at year-to-date tax collections versus the budget in figure 5 below, our fiscus is in a worse position than planned – this means foreigners remain net sellers of our government bonds. The relaxation of Regulation 28 has meant that locals have been net sellers of South African equities over the last year. These portfolio flows have led to further pressures on the rand. Fortunately, this headwind should fade going forward or even turn positive.

Figure 5: Gross tax undershooting Treasury's full-year forecast growth as VAT refunds overshoot and company income taxes collapse



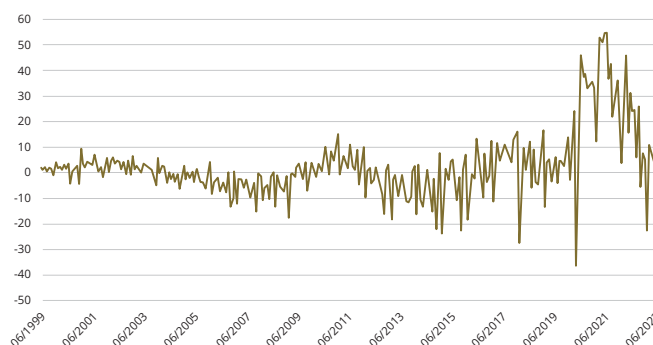
Source: Treasury, Standard Bank Research (dated 31 July 2023)

In conclusion

The rand is undervalued at R18.53, but no clear catalysts are on the horizon for it to strengthen significantly. It is difficult to time equity markets and exchange rates, so it is often best to stick to your strategic asset allocation unless we are at extreme levels. If that requires you to invest in offshore equities, it probably does not help to worry too much about getting the optimal rand exchange exit point because it might mean you are foregoing equity returns.

This is evidenced by our trade balance (see figure 4 below), which swung back into deficit in June. Our trade balance was supported by robust commodity prices over the last three years. This export tailwind has now faded. In addition to eroding your spending power, inflation also causes the prices of goods to go up. A look back in time shows how much some South African favourites cost compared with today's prices.

Figure 4: South African trade balance (rand in billions)



Source: Fairtree, Bloomberg (as at 30 June 2023)

PART ONE: UNDERSTANDING YOUR TAX OBLIGATIONS ON LEAVING SOUTH AFRICA



Adapted from an article by Carla
Rossouw

Head of Tax
Allan Gray



In part one of Allan Gray's four-part Offshore advice chapter, Carla Rossouw, Head of Tax, untangles the tax complexities you may encounter when you end your tax residency and answers some frequently asked questions regarding your obligations.

How do you determine whether you are a South African tax resident?

There are legal parameters that determine whether or not you are a South African tax resident. You are classified as a South African tax resident if you are "ordinarily resident" in South Africa. According to case law, you are ordinarily resident if South Africa is the country which you will, naturally and as a matter of course, return to after your wanderings – in other words, if it is your "real home".

You can remain ordinarily resident for tax purposes even if you leave the country for a substantial period, and intend to eventually return to South Africa after your travels. Your intention is a subjective matter, and if you claim to be ordinarily resident, all your relevant actions and circumstances must support this claim.

The South African Revenue Service (SARS) takes various factors into account to determine whether or not you are a resident for tax purposes. These include:

- your place of business and personal interests;
- your most fixed and settled place of residence;
- family and social relationships, schools, places of worship;
- social clubs; and
- where you stay most often (measured over time).

If you are not ordinarily resident in South Africa, you may still be considered a South African tax resident during a particular tax year and be liable for tax.

This happens if you have been in South Africa for more than 91 days in a particular tax year, and each of the preceding five tax years, and have been in South Africa for a total of more than 915 days in the preceding five tax years. This is referred to as the "physical presence" test.

Unravelling your tax liability

South African tax residents are liable for tax in South Africa on worldwide income. Non-residents are only liable for tax in South Africa on what is considered South African-sourced income.

The Common Reporting Standard (CRS) is a regime developed by the Organisation for Economic Co-operation and Development to facilitate and standardise the exchange of information about residents' assets and income between numerous jurisdictions, primarily for tax purposes. This regime enables tax authorities, including SARS, to share information with each other. When due process is followed, this should ensure that you are taxed fairly. However, if you fail to inform SARS of your change in tax status, SARS is within its right to continue to recognise you as a tax resident and tax you on all income (local and foreign) in South Africa. This may lead to the same income being taxed twice, i.e., in South Africa as well as in your new country of residence.

Non-South African residents do not pay capital gains tax (CGT) on unit trust proceeds in South Africa; instead, the taxation of these gains is governed by the investor's country of tax residence. It is your responsibility to declare any capital gains or investment income to your relevant tax authority.

As far as taxes within discretionary unit trust investments are concerned, your investment manager administers withholding taxes on investment returns such as dividends and interest at a tax rate of 20% and 15% respectively, or at a lower rate if the double taxation agreement (DTA) between South Africa and your country of tax residence provides for this. A DTA is an agreement between the tax administrations of two countries to avoid or alleviate double taxation of the same income by the two countries.

Proceeds from South African retirement funds, living annuities and endowments are generally taxable in South Africa, but you would need to refer to the applicable DTA between South Africa and your new country of tax residence to determine which country has the taxing rights in each instance. Living annuity income, for example, may be exempt from pay-as-you-earn (PAYE) tax in South Africa if you are a tax resident in a country such as the United Kingdom or Australia whose DTA with South Africa provides for this (and in this instance, you would need to apply for a tax directive from SARS to provide to your annuity provider). Please refer to part two for more information on tax implications for non-resident living annuitants.

What happens if you plan to leave South Africa permanently?

The standard procedure for individuals wanting to permanently leave South Africa and cease to be South African residents for tax purposes, is to inform SARS – a process often referred to as ‘tax emigration’ – by following these steps:

1. Complete the “Registration, Amendments and Verification” (RAV01) form on SARS eFiling.
2. Ensure you capture the correct date on which you ceased to be a tax resident under the “Income Tax Liability Details” section.
3. The RAV01 must be updated prior to the submission of your annual tax return to avoid the tax return being selected for manual intervention by SARS.
4. Look out for a letter from SARS in response to this form and submit the supporting documents that SARS requests, which will include the “Declaration of Ceasing to be a Tax Resident”.
5. Refer to the “Cease to be a Resident” page on the SARS website for more information.

When you break your tax residency, SARS considers you to have disposed of your worldwide assets, excluding immovable property in South Africa, and therefore to be liable for CGT at the prevailing rates. At present, worldwide assets used for this calculation include discretionary unit trust investments but not retirement fund savings. This is often referred to as an “exit tax” and is regarded as SARS’s way of ensuring it still gets its slice of the “tax pie” – tax it would have received had you remained a South African tax resident

Double taxation risk

It is important to understand the risks and tax implications in terms of double taxation (as discussed above), the risks in terms of access to retirement savings (as discussed below) and the penalties. For example, if there are any taxes due to SARS because of your change in tax residency which were not declared and paid at the time, SARS may impose administrative penalties and interest.

SARS has also recently introduced certain changes to the information they require for international fund transfers – they may require more information in some circumstances.

The decisions you make on exit can have an impact in the future. For example, if you wish to access your retirement annuity funds after leaving South Africa, you will need to provide proof that you have been a tax resident in another country for three consecutive years and if the SARS system still recognises you as a South African tax resident, access to your retirement annuity funds will be denied.

Can non-South African residents invest in South African investment products?

Some investors may worry that a change in residency may impact their ability to invest locally, but this is not the case. Both South African and non-South African residents can invest in most South African investment products.



Ensure your tax obligations are up to date

Much like filing your own taxes via the SARS eFiling system, letting the authorities know that you are changing your tax residency status is a relatively simple process you can do yourself via eFiling – particularly if your taxes are straightforward. However, managing your tax affairs across jurisdictions can become complex. If you require guidance on the tax implications of your investments in your country of tax residence or further advice on how to proceed to become a non-resident for tax purposes, you should seek the assistance of an independent financial advisor or registered tax practitioner.



PART TWO: UNPACKING SOUTH AFRICAN TAX OBLIGATIONS FOR NON-RESIDENT LIVING ANNUITANTS



Adapted from an article by
Ebrahim Southgate

Senior Tax Specialist
Allan Gray



Non-residents who hold South African living annuities could be taxed incorrectly

South African legislation specifically prohibits the transfer of living annuities to other financial service providers abroad. Therefore, South Africans who permanently leave the country and cease to be resident taxpayers could find themselves liable for tax on income earned from living annuities registered in South Africa. In part two of Allan Gray's four-part Offshore advice chapter, Ebrahim Southgate, Senior Tax Specialist, unpacks some of the key tax considerations for non-resident living annuitants.

As discussed in part one, there are tax implications when you leave South Africa permanently, and it is important that you inform SARS and get your tax affairs in order. If you fail to inform SARS of your change in tax status, you may be taxed incorrectly. Non-residents are liable for tax on South African-sourced income. Below we explain why living annuities fall into this category and look at what you can do to make sure you are correctly taxed.

Why are non-residents subject to South African income tax?

An important distinction must be made between changing your tax residency, which is done through SARS, and changing your nationality or citizenship, which is done through the Department of Home Affairs. It is possible for an emigrant to have formally changed their nationality but still be considered a South African tax resident. Please refer to part one to learn more about how to determine if you are a South African tax resident. As mentioned in part one, South African tax residents are liable for tax in South Africa on worldwide income. Non-residents are only liable for tax in South Africa on what is considered South African-sourced income. This is important when it comes to understanding your tax liability as a living annuitant.

The "source" of income is driven by where the activities or combination of activities resulted in the income generation, not where it was received. The income-generating activity of a living annuity is the active management of the underlying portfolio. Therefore, the annuity income earned by non-residents on living annuity investments is considered South African-sourced income.

Non-resident living annuitants could apply for tax relief through a double taxation agreement

Like South Africa, most countries impose tax on the worldwide income earned by a resident of that country as well as on income earned by non-residents on locally earned income. This inconsistency between residence and sourced-based tax can result in individuals being taxed twice on the same income. As discussed

in part one, double taxation agreements (DTAs) are agreements between the tax administrations of two countries that enable the administrations to eliminate or reduce this double taxation.

Living annuity income earned by non-residents may be subject to tax in South Africa and their country of residence. To avoid this, you should apply for relief through a DTA directive from SARS. The extent of the tax relief depends on the specific DTA between South Africa and your country of residence.

You can apply for and use a DTA directive by submitting the required information to SARS

The DTA directive application process is described in detail on the SARS website. It requires an applicant to complete an "RST01" form that is submitted to SARS along with other required information. SARS is within its rights to reject an application if certain requirements of the application are not met.

The administrator of your fund would need to receive your valid DTA directive prior to the annuity payment date in order to apply the reduced tax rate to your income. Effective 1 March 2023, a SARS DTA directive is valid for a period of three years.

Non-residents are still required to provide their fund administrator with a certificate of residence annually and confirm that their place of residence remains the same during the period for which the DTA directive is valid. If you change your residence to a tax jurisdiction other than the one for which the DTA directive was issued, the directive automatically becomes invalid from the date of the change.

After following the process, you may qualify for a tax refund

If you only provide your fund administrator with a valid DTA directive after you have received your annuity payments, or where you were unaware that you could apply for double tax relief and tax has been withheld at too high a rate, you may be eligible for a refund from SARS.



Are non-residents required to file a tax return with SARS?

Tax on annuity income is withheld by your fund administrator and paid over to SARS on behalf of living annuitants when the income is distributed. As they do not have a full picture of your income, you may also be liable for additional tax when you submit your annual tax return. Tax submissions usually open from early July each year.

Non-residents may be exempt from filing a tax return with SARS if their living annuity is their only source of remuneration, their income from their living annuity does not exceed R500 000 for that year of assessment and their investment manager has correctly withheld employees' tax on their annuity payments.

Remember, your fund administrator is not privy to your personal tax records and therefore you will need to determine whether or not you are required to file a tax return. As discussed in part one, we distribute tax certificates to all clients (where applicable), irrespective of their tax residency status.

South African estate duty implications for non-residents

Living annuities are not subject to South African estate duty on the annuitant's death regardless of whether the benefit was payable to the annuitant's estate or a nominated beneficiary. If the beneficiary is a non-resident and elects to have the policy paid out as a cash lump sum upon the death of the annuitant, the lump sum will be taxed in South Africa according to the retirement lump sum tax table. If the beneficiary does not opt for a lump sum, a new policy will be issued in the name of the beneficiary, and they will receive the annuity income from this policy. The tax implications of this annuity income in the hands of the new client would be the same as discussed above.

Consider getting advice

Navigating your tax obligations in South Africa can be a complicated and daunting task that is further exacerbated by not being physically present in the country. It is recommended that you enlist the services of a South African tax practitioner to act as your agent in the country and assist you in addressing complex matters such as determining your tax residence status, completing your tax returns and obtaining all necessary supporting information as required by SARS.

Track your expenses...
☐ Clothing
☐ Credit Card
☐ Entertainment
☐ Food
☐ Insurance
☐ Utilities
☐ Transportation
☐ Mortgage
☐ Other
☐ TAX DEDUCTIBLE ITEM

BALANCE
FORWARD
THIS ITEM
BALANCE

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A TRIBUTE TO MY MOTHER AND SISTERS' FINANCIAL JOURNEYS



Adapted from an article by
Albert Coetzee

Head of the Global Investment
Platform
Ninety One



Albert Coetzee, Head of Ninety One's Global Investment Platform, honours his mother and sisters while imparting impactful strategies for boosting tax efficiency, safeguarding legacies, and placing enduring financial security at the forefront.

Timeless lessons in finance and investing are often learnt from loved ones

As we delve into the realm of finance and investing, I am compelled to share some thoughts and advice specifically aimed at my beloved mother and three sisters. This contribution is dedicated to them, weaving their stories into examples that resonate with many others.

It is important to balance caution and growth in financial decision-making

I often look back at the journey my mother courageously undertook, transitioning to become a successful estate agent later in life. Her astute financial decisions led to a significant accumulation of discretionary funds. She wisely invested these funds across various avenues, mindful of the need for liquidity as a single mother. Yet, in hindsight, I wonder whether a different investment approach might have served her better – a strategy that balanced prudence with long-term financial gains.

Diversifying investments results in long-term gains and legacy preservation

Perhaps, considering a divergent strategy – allocating a portion of her funds for short-term needs while channelling the majority into a retirement annuity – would have yielded manifold benefits. Envision the advantages:

1. A substantial annual tax break during her peak earning years, nurturing her retirement nest egg.
2. Tax-free growth within her retirement annuity, evolving into a living annuity where tax-free growth persists.
3. A safeguard against estate duty, as her living annuity would remain exempt, securing her legacy for her children.
4. She could have averted these concerns by sidestepping the trajectory of her current discretionary investments, susceptible to tax implications due to recent interest rate hikes.
5. Transitioning into a retirement annuity and later into a living annuity would have mitigated Executor's fees and capital gains taxes, ensuring a seamless transfer of wealth to her chosen beneficiaries.

There are limitations to power of attorney in South Africa for aging parents

My remarkable 80-year old mother enjoys excellent health and maintains her sharp mental acuity, even controlling all of us from her picturesque home in Montagu. Nonetheless, the time has come for me to contemplate acquiring her power of attorney (POA). This will allow me to handle her affairs should the need arise.

Regrettably, this might only serve as a temporary solution, given that a POA loses its validity in South Africa when the individual it pertains to becomes mentally incapacitated or unable to act independently (such as in cases of dementia and Alzheimer's). Unlike other countries like the UK, Canada, the US, and Australia, South African legislation does not acknowledge the concept of an "enduring power of attorney." Consequently, should the situation progress to that point, a curator or administrator appointment might be necessary.

It is crucial to keep your legal documents updated and secure

I'm reminded of a poignant tale involving a friend's niece, who confronted the complexities of an outdated will when her husband tragically passed away. His will still referred to his ex-spouse, despite their divorce years earlier. This underscores the importance of updating and safeguarding legal documentation.

Shifting the focus to my sisters, each a beacon of resilience and determination, I offer the following counsel:

Secure liquidity, optimise long-term investments, and prioritise medical coverage

Prioritise liquidity for short-term needs while structuring long-term investments for optimal tax efficiency. A comprehensive medical aid plan encompassing disability and critical illness coverage is an essential safeguard against life's uncertainties. This is particularly important for self-employed individuals, ensuring financial security during trying times.

Learn from provident fund benefits and plan for liquidity on unexpected loss

A heartening lesson emerges from the corporate realm. Many companies extend provident fund benefits to spouses under Section 37C of the Pension Funds Act, providing a measure of financial stability upon the husband's untimely passing. Nonetheless, a cautionary tale emerges from a delayed payout due to bureaucratic obstacles (waiting for the police report to confirm the cause of death, as indicated by the unnatural causes listed on the death certificate). Contemplating alternatives to provide alternative liquidity on death, apart from mainstream investments, is prudent.

Beneficiary nominations are vital in achieving swift asset transfer

I cannot emphasise the importance of beneficiary nominations enough. The intricate journey of assets from the deceased to beneficiaries can be fraught with delays and complexities. By taking the proactive step of naming primary and alternative beneficiaries on the different application forms (thus preventing the need for transactions via the deceased's will and avoiding involvement from both the Master's Office and the Executor), the process can be expedited to ensure our loved ones are spared unnecessary hardship.

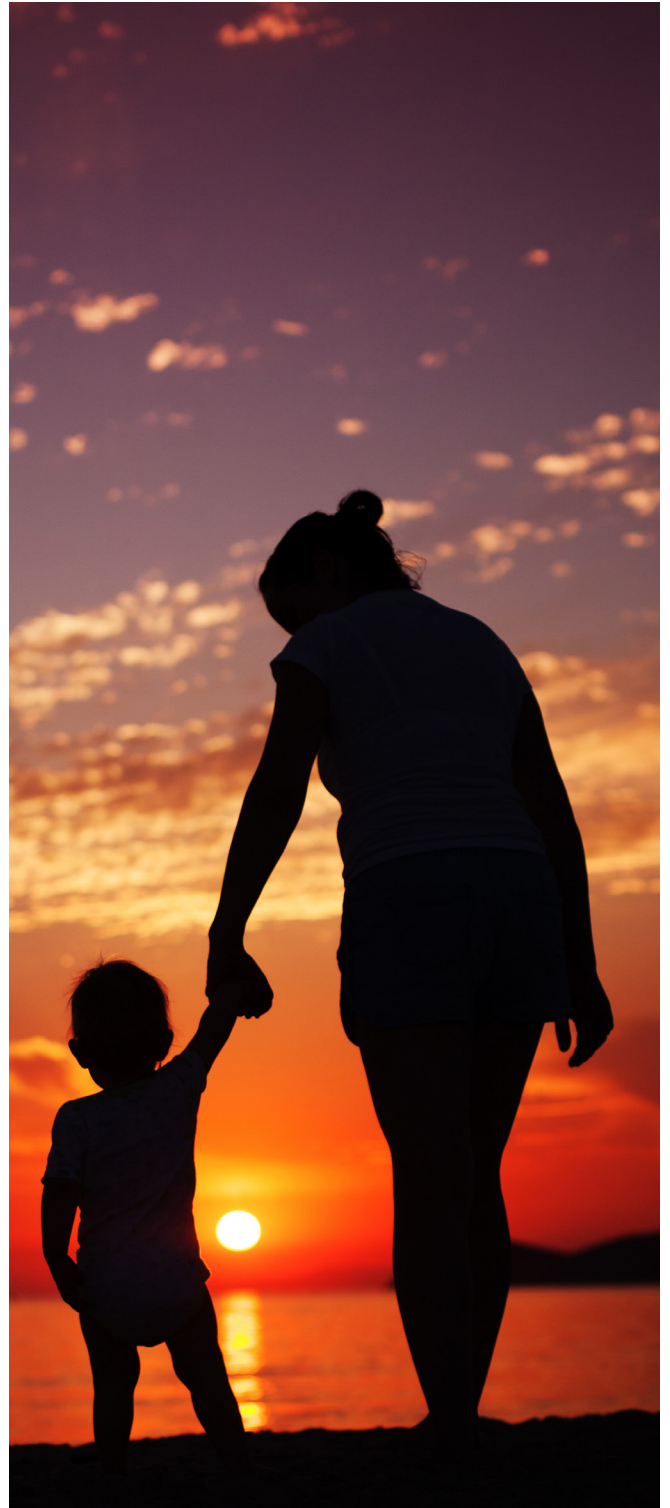
“Prioritise liquidity for short-term needs while structuring long-term investments for optimal tax efficiency.”

Critical considerations in divorce planning: ensuring clarity in retirement fund orders

Divorce, a challenging chapter for many, demands meticulous planning. Clear and precise language in divorce orders pertaining to retirement funds is paramount, ensuring the accurate intended outcomes. For instance, the divorce order referring to retirement funds must include the following wording:

1. The term “pension interest” must be used in the divorce order, not “benefit” or “pension fund” or “retirement fund.”
2. The identification of the relevant retirement fund must be clear from the divorce order's wording, avoiding vagueness.
3. Lastly, the divorce order must direct the retirement fund by name to make the payment (and not the member).

As we conclude, let us embrace the wisdom of cultivating a life file, a repository of crucial documents and decisions that safeguard our legacy and ease the burden on our loved ones during trying times.



LESSON 1: INFLATION IS YOUR ENEMY



Adapted from an article by John Orford and extracted from Old Mutual Investment Group's Long-Term Perspectives 2023

Portfolio Manager
Old Mutual Investment Group



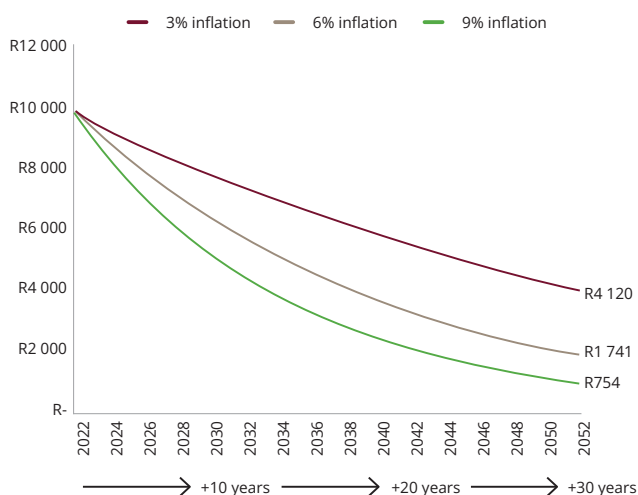
Understanding the inflation illusion and the importance of inflation-beating investments

Many of us suffer from "inflation illusion", as we do not notice how inflation erodes spending power over time. Unless you can grow your investments at least in line with inflation, you will face a declining standard of living in retirement. This is why it is important to plan carefully and ensure you invest in assets that can deliver inflation-beating returns in the long run. It is also why you should consider investment returns in "real" terms.

Who wouldn't be pleased with a salary increase? However, the real question is: Has your income kept pace with inflation? If not, your spending power has decreased or, to put it differently, your standard of living is going down. What really matters is your REAL income – that is, after stripping out inflation. Similarly, for long-term investors, thinking about real returns is vital. Inflation erodes spending power over time and is the biggest threat to an investor's future income.

How does inflation erode your spending power? Quite simply, inflation is the rate at which the prices of goods increase. If your income and wealth don't rise by at least the same percentage, then your spending power diminishes.

Figure 1: Impact of inflation on retirement income
Illustrative: The eroding effect of different rates of inflation on R10 000



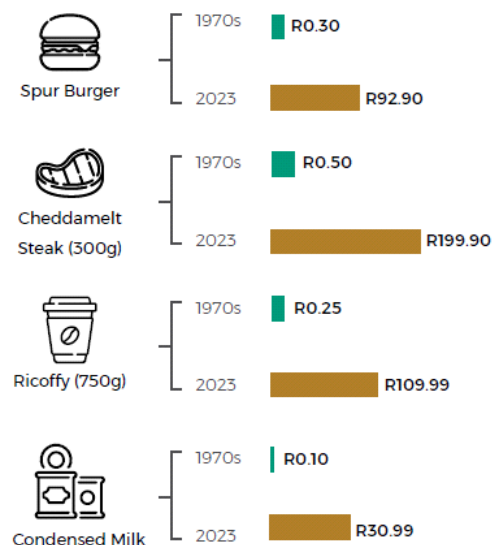
The harsh reality: how inflation diminishes your retirement income

Consider figure 1 that shows the impact of inflation on spending power over time. At inflation of 3% a year, a fixed monthly retirement income of R10 000 today will decline in real terms to about R4 100 a month over 30 years. This means that in 30 years from now, you will be able to buy less than half of what you can buy today. That's an uncomfortable amount of downsizing! At higher rates of inflation of say 6% or 9% a year, the figure shows that the real decline in your spending power is even greater.

"Inflation is as violent as a mugger, as frightening as an armed robber and as deadly as a hit man." - Ronald Reagan

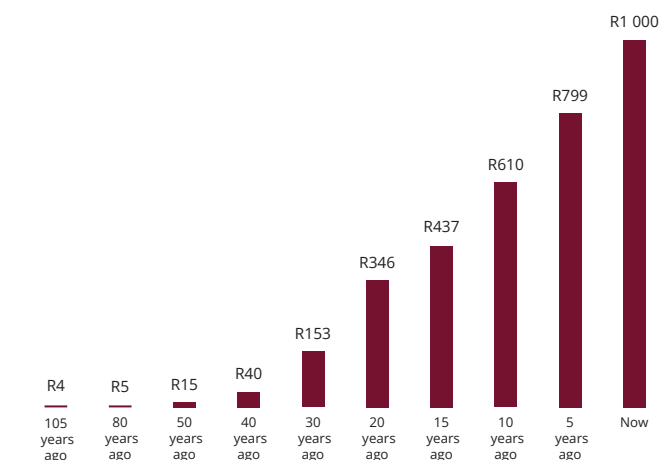
The impact of inflation on our everyday lives

In addition to eroding your spending power, inflation also causes the prices of goods to go up. A look back in time shows how much some South African favourites cost compared with today's prices.



Similarly, using the average inflation rate over the past 109 years of 5.4% a year, figure 2 shows how inflation impacts the cost of goods.

Figure 2: The value of a basket of goods that costs R1 000 today
Inflation rate of 5.4% a year



Source: Old Mutual Investment Group

Ten years ago, you would have paid 60% of what it costs today for a basket of consumer goods. Twenty years ago, it would have cost around one-third of what you would pay today to fill your trolley.

The key lesson for investors is that unless you can grow your investments at least in line with inflation, you will face a declining standard of living in retirement. This highlights how important it is to plan carefully and ensure that you invest in assets that can deliver inflation-beating returns in the long run.

The history of inflation in South Africa

Inflation in South Africa has averaged 5.4% a year since 1911, which is significantly higher than the 3.3% average in the US. Prior to 1980, inflation in South Africa was coupled to inflation in the US – with the average in South Africa at 3.6% a year only marginally higher than the 3.4% annual average in the US between 1911 and 1980.

South Africa's inflation tracked global inflation higher in the 1970s, as successive oil price shocks pushed average annual inflation in the US to 8%. Only after decisive action by the US Federal Reserve Governor, Paul Volcker, in the early 1980s did US inflation moderate. However, expansionary domestic policies, rapid wage growth and economic isolation resulted in inflation in South Africa remaining high in the 1980s. Only high real interest rates and a recession saw inflation begin to moderate from the early 1990s onwards. The adoption of inflation targeting in 2000 entrenched lower inflation and inflation averaged from 2000 onwards, compared with a 12.3% annual average in the two decades before 2000.

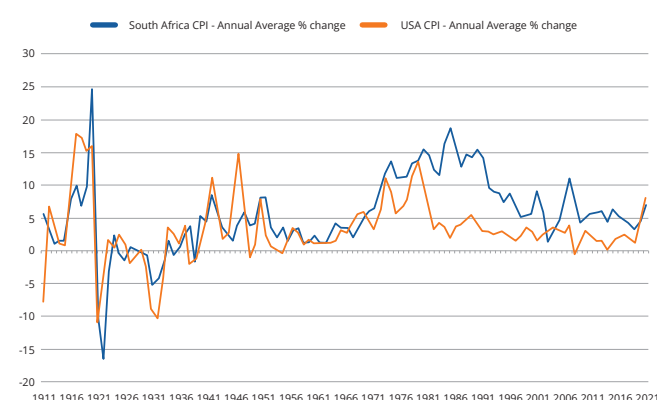
The pre-COVID-19 era: winning the battle against inflation

Globally, the battle against inflation appeared to have been won in the two decades leading into the COVID-19 pandemic. Globalisation and China's entry into the global economy anchored inflation at low levels. Following the 2008 Global Financial Crisis, central banks in Europe, Japan and the US were more concerned about deflation than inflation – prompting them to ever greater rounds of stimulus. In the US, for example, inflation averaged well below target between 2010 and 2020, prompting the central bank to reformulate its inflation mandate to target an average of 2% over several years. This means the central bank must run inflation higher than 2% if it has been persistently below 2%, and vice versa.

The post-COVID-19 era: unprecedented inflation surge in the US, less so in South Africa

This US central bank policy change proved untimely, coming just before the post-COVID-19 surge in inflation. In the US, consumer prices rose by an average of 4.7% in 2021 and by a multi-decade high of 8% in 2022. This has prompted an aggressive, if not belated, response from central bankers, with the Fed leading the charge to higher interest rates. South Africa has not escaped the sharp rise in inflation, but underlying inflationary pressures in South Africa are much more muted and do not point to a sharp upward move in trend inflation.

Figure 3: Annual average inflation in South Africa and the US



Source: FactSet, Old Mutual Investment Group

Our best chance: taming South Africa's inflation for long-term prosperity

The lesson from the era of high inflation in the 1970s, which has been echoed in 2022, is that the economy is better off taking the pain of higher interest rates and lower growth in the short term than tolerating persistently rising inflation. The South African Reserve Bank has stood out as a bastion of orthodoxy amongst global central banks, remaining committed to forward-looking inflation targeting, which, in the long run, is our best guard against inflation.



FG ASSET MANAGEMENT

QUARTERLY REPORT

Quarter 3 | 2023

ARCHITECTS OF SENSIBLE INVESTMENT SOLUTIONS

MARKET COMMENTARY



Jacy Harington
Portfolio Manager
FG Asset Management

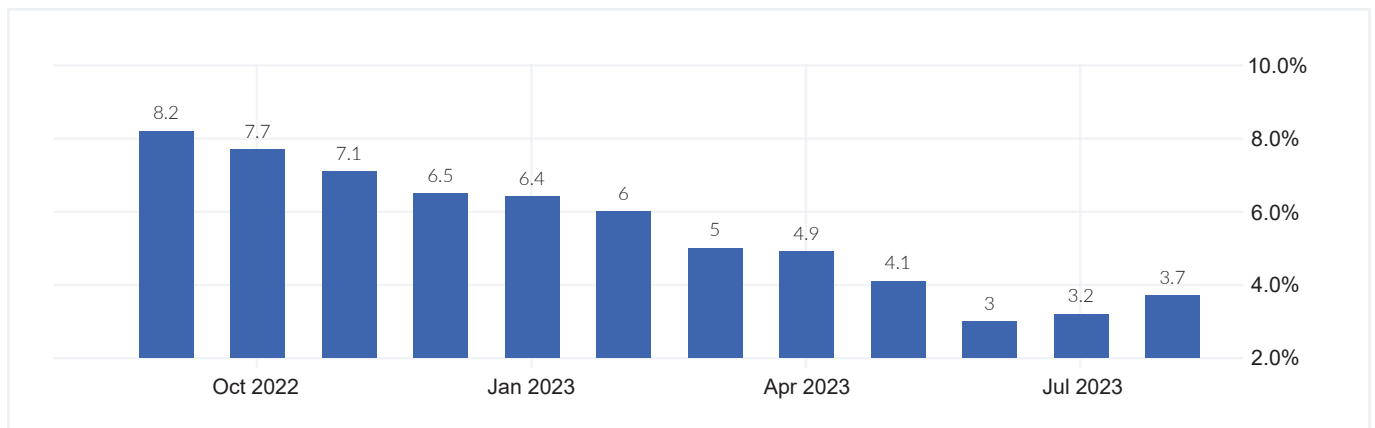
Global economic uncertainty persists as interest rates rise and inflation concerns linger

Market participants have spent much of the past quarter searching for clarity around the real effect that the significant interest rate increases have had on global economic growth. Economic data releases, together with monetary policy decisions, were therefore closely watched which also contributed to market volatility. Global growth has been unsynchronised, with the US economy being much more resilient than expected, while China's economic recovery, post the COVID-19 lockdown has underwhelmed, this of course feeds negatively into Europe as well as local South African growth.

Central banks remain committed to bringing down elevated inflation in line with their targets and while inflation has declined significantly, it remains outside of these targets. It seems that for most central banks, the top end of their interest rate cycle has been reached, however it is now a question of how long these interest rates will remain at these elevated levels.

Given this backdrop, inflation remained front of mind as it is key in determining the direction and extent of global monetary policy going forward. In the US, headline inflation declined from 4.1% to 3.0% in June and finished the quarter at 3.7%.

Figure 1: US headline inflation



Source: US Bureau of Labor Statistics, www.tradingeconomics.com (2022 to 2023)

Rising oil prices and low base effects drive inflation worries and potential rate hikes by the Fed

Oil price increases and low base effects from a year earlier have led to inflation increases in July and August, fuelling concerns that the US Federal Reserve (the Fed) might have to push through another interest rate hike before year-end.

The resilient US economy shows signs of moderation, amid a solid job market and consumer spending

The US economy has shown some signs of moderation however, and on the whole has remained much more resilient than expected. The US economic vitality has been supported by the solid job market which, together with fiscal support, has aided the consumer to be tougher than expected. US employment data released over the third quarter pointed towards some slowing job growth but remains overall solid as reflected by the unemployment rate hovering below 4%. US growth data came in better than expected, with the second quarter's GDP growth surprising to the upside at 2.1% (quarter on quarter) relative to expectations of 1.8%. The surprise growth acceleration was driven by stronger consumer spending and business investment.

Going forward, the sustainability of US consumer strength will be key in determining how the US economy will fare over the next 12 months.

The Fed takes bold steps to address concerns about inflation and a tight labour market

Over the past quarter, the Fed held two meetings where they hiked interest rates by 0.25% at the July meeting to bring the policy rate to the new range of 5.25% to 5.50%. This brought the federal funds rate to the highest level since 2001 and was the 11th hike since the Fed started in early 2022. The Fed resumed their tightening after keeping rates unchanged at their June meeting. In the absence of a Federal Open Market Committee meeting held in August, the Fed held its annual symposium at Jackson Hole. The hawkish message was as expected with the Chairman of the Fed, Jerome Powell, commenting that they still see inflation as too high and that they will continue to keep interest rates restrictive until they see inflation reaching their 2% target. He also highlighted the tightness of the US labour market and the risk that they might have to increase interest rates as a result. Even though the Fed kept rates unchanged at the September meeting, it led to significant market weakness in both global bond and equity markets.

Powell's hawkish message remained unaltered; however, it would seem that for the first time, the market has taken the message of higher interest rates for longer, on board.

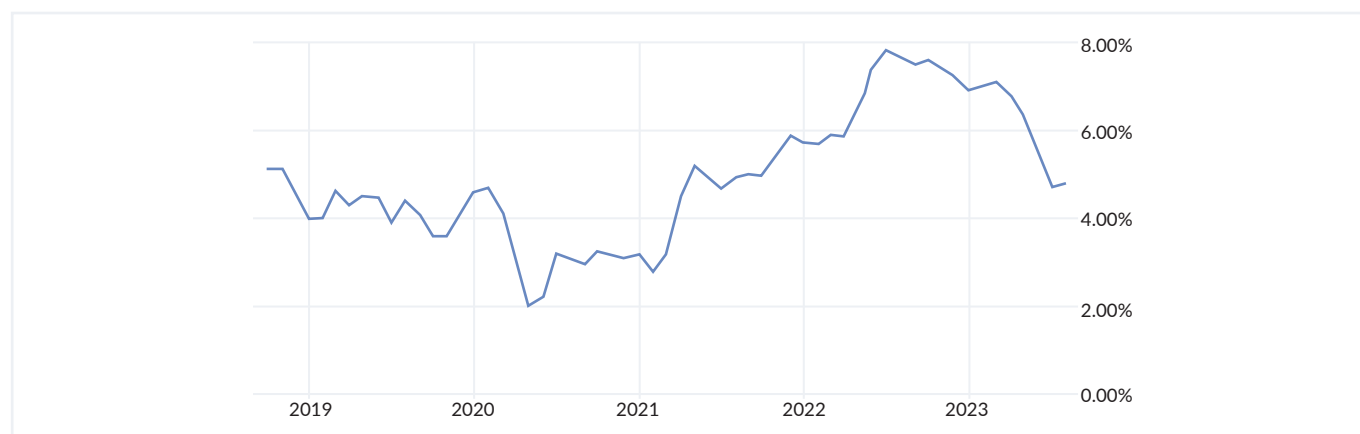
South African Reserve Bank (SARB) maintains interest rates amid a hawkish tone and hints at future hikes

Locally the SARB only held two meetings over the quarter, where they kept interest rates unchanged at 8.25%. Both meetings were considered hawkish with the vote from the five-member committee split with two members voting for a 0.25% rate increase. It was the first pause since the SARB started hiking interest rates in November 2021. The statement's tone was hawkish as the Governor of the SARB commented that the pause does not signal the end of the hiking cycle and that future repo rate changes will depend on the changes in inflation going forward. The SARB also sees the risks to inflation remaining on the upside.

Local inflation drops to a two-year low, returning to the SARB's target range, but upside risks persist

Local inflation declined over the quarter, as the annual headline print fell from 6.3% at the end of the second quarter to 4.8%. It reached the lowest level in two years, driven by declining fuel prices and food price pressures slowing further. It is also the first time in over a year that the inflation rate is back inside the SARB's 3-6% target range, with the diminishing price pressures supporting the view of no further rate hikes from the SARB for this cycle. Going forward, the risks however still remain to the upside given the currency weakness, rising petrol prices and increasing administered prices all adding upward pressure to prices.

Figure 2: South African headline inflation



Source: Stats SA, www.tradingeconomics.com (2018 to 2023)

Local optimism grows with less loadshedding, inflation, and BRICS summit news

Local sentiment improved following the weakness in May as the significant loadshedding that was expected over the winter months had not materialised. Inflation has come in better than expected and the SARB held off raising interest rates further. There was also the welcome announcement that the Russian President, Vladimir Putin, would not be travelling to South Africa for the BRICS summit in August.

China's economic struggles weigh heavily on European and South African growth

At the start of 2023 the recovery of the Chinese economy, following the severe COVID-19 lockdowns, was seen as one of the positive drivers for global growth. The expectation was for the Chinese consumer to go out and spend their pent-up savings from the previous years, much like what happened across other global economies. The negative effect of the weak property market was however underestimated, as the majority of Chinese household wealth is held within property. Given the Chinese property market weakness, it is understandable that consumer confidence has been struggling to rebound. There was also an expectation for the Chinese government to step in with significant stimulus packages as they have done in the past, however given the country's restrictively high debt levels, this has also been disappointing. This economic weakness has fed into poor economic growth in Europe, an important trading partner, but also locally in South Africa, which depends on Chinese resources demand.



FG SCI* JUPITER INCOME FUND OF FUNDS

For periods until 30 September 2023

Performance and quartile ranking in sector | Inception date: 15 August 2005

	Year to Date	6 Months	1 Year	3 Years ¹	5 Years ¹	10 Years ¹	Since Inception ¹
FG SCI Jupiter Income FoF	5.48%	2.95%	8.57%	6.78%	6.69%	7.11%	7.66%
STeFI Composite Index	5.84%	4.03%	7.52%	5.29%	5.88%	6.34%	6.92%
ASISA SA Multi Asset Income Category Average	5.33%	2.98%	8.38%	6.69%	6.72%	6.91%	7.53%
				1 st Quartile	2 nd Quartile	3 rd Quartile	4 th Quartile

¹Data for longer than 12 months are annualised

Source: Morningstar, performance for A class shares

Annualised returns are period returns re-scaled to a period of 1 year

Underlying funds

- Abax Flexible Income Fund (Nedgroup)
- Granate BCI Multi Income Fund
- Matrix SCI Stable Income Fund
- Prescient Income Provider Fund
- Terebinth SCI Strategic Income Fund (Amplify)

Performance statistics

	Fund ²	Benchmark ²
Highest 12-month performance	11.61%	11.77%
Lowest 12-month performance	3.25%	3.76%
% positive months	92.63%	100.00%

²Source until 31 May 2018: MoneyMate

Source from 30 June 2018: Morningstar

The FG SCI Jupiter Income Fund of Funds returned +1.69% in the third quarter of 2023 and +8.57% over the past 12 months, underperforming the benchmark Alexander Forbes Short Term Fixed Income Index quarterly return of +2.07%, while outperforming the 12-month return of +7.52%. The Matrix SCI Stable Income Fund was the best-performing underlying fund over the quarter, returning +2.43%. The allocation to the Matrix SCI Stable Income Fund was increased over the quarter.

Asset allocation as at 31 August 2023

	Local Equity	Local Property	Local Bonds	Local Cash	Foreign
FG SCI Jupiter Income FoF	0%	2%	61%	32%	5%

*The full registered name of the fund is FG Sanlam Collective Investments Jupiter Income Fund of Funds.



FG SCI* VENUS CAUTIOUS FUND OF FUNDS

For periods until 30 September 2023

Performance and quartile ranking in sector | Inception date 2 July 2007

	Year to Date	6 Months	1 Year	3 Years ¹	5 Years ¹	10 Years ¹	Since Inception ¹
FG SCI Venus Cautious FoF	6.61%	2.72%	11.39%	8.67%	7.51%	7.73%	8.42%
ASISA SA Multi Asset Low Equity Category Average	5.35%	1.71%	10.46%	7.89%	6.33%	6.57%	7.29%
				1 st Quartile	2 nd Quartile	3 rd Quartile	4 th Quartile

¹Data for longer than 12 months are annualised

Source: Morningstar, performance for A class shares

Annualised returns are period returns re-scaled to a period of 1 year

Underlying funds

- 36ONE BCI Equity Fund
- Abax Opportunity Fund (Nedgroup)
- Coronation Global Optimum Growth Feeder Fund
- Fairtree Equity Prescient Fund
- Granate BCI Multi Income Fund
- Matrix SCI Defensive Balanced Fund (Amplify)
- Matrix SCI Stable Income Fund
- Ninety One Diversified Income Fund
- Ninety One Global Multi-Asset Income Feeder Fund
- Ninety One Global Franchise Feeder Fund
- Prescient Income Provider Fund
- Saffron BCI Opportunity Income Fund
- Satrux Bond Index Fund
- Sanlam Multi Managed Inflation Linked Bond Fund
- Terebinth SCI Strategic Income Fund (Amplify)
- Veritas Global Equity Feeder Fund (Nedgroup)

Performance statistics

	Fund ²	Benchmark ²
Highest 12-month performance	16.83%	17.26%
Lowest 12-month performance	-1.41%	-3.15%
% positive months	71.79%	70.77%

²Source until 31 May 2018: MoneyMate

Source from 30 June 2018: Morningstar

The FG SCI Venus Cautious Fund of Funds returned +0.22% in the third quarter of 2023 and +11.39% over the past 12 months, outperforming the benchmark peer group average quarterly return of -0.42%, and the 12-month return of +10.46%. The Matrix SCI Stable Income Fund was the best-performing underlying fund over the quarter, returning +2.43%. Over the quarter the fund's South African local equity market exposure was increased, with the exposure rotated from shorter duration fixed income funds.

Asset allocation as at 31 August 2023

	Local Equity	Local Property	Local Bonds	Local Cash	Foreign
FG SCI Venus Cautious FoF	12%	2%	45%	17%	24%

*The full registered name of the fund is FG Sanlam Collective Investments Venus Cautious Fund of Funds.



FG SCI* SATURN MODERATE FUND OF FUNDS

For periods until 30 September 2023

Performance and quartile ranking in sector | Inception date 15 August 2005

	Year to Date	6 Months	1 Year	3 Years ¹	5 Years ¹	10 Years ¹	Since Inception ¹
FG SCI Saturn Moderate FoF	7.03%	2.57%	13.11%	10.91%	8.16%	7.73%	9.91%
ASISA SA Multi Asset Medium Equity Category Average	5.19%	1.11%	11.54%	8.96%	6.57%	6.62%	8.52%
				1 st Quartile	2 nd Quartile	3 rd Quartile	4 th Quartile

¹Data for longer than 12 months are annualised

Source: Morningstar, performance for A class shares

Annualised returns are period returns re-scaled to a period of 1 year

Underlying funds

- 36ONE BCI Flexible Opportunity Fund
- Abax Opportunity Fund (Nedgroup)
- Bateleur Flexible Prescient Fund
- Coronation Market Plus Fund
- Coronation Global Optimum Growth Feeder Fund
- Matrix SCI Defensive Balanced Fund (Amplify)
- Matrix SCI Stable Income Fund
- Ninety One Opportunity Fund
- PSG Flexible Fund
- Rezco Value Trend Fund
- Satrix Bond Index Fund
- Terebinth SCI Strategic Income Fund (Amplify)
- Truffle SCI Wealth Protector Fund (Amplify)

Performance statistics

	Fund ²	Benchmark ²
Highest 12-month performance	31.40%	26.41%
Lowest 12-month performance	-18.22%	-15.68%
% positive months	69.59%	65.90%

²Source until 31 May 2018: MoneyMate

Source from 30 June 2018: Morningstar

The FG SCI Saturn Moderate Fund of Funds returned -0.12% over the third quarter of 2023 and +13.11% over the past 12 months, outperforming the benchmark peer group average quarterly return of -1.37%, and the 12-month return of +11.54%. The PSG Flexible Fund was the best-performing underlying fund, returning +3.84% over the quarter. No changes were made to the fund over the quarter.

Asset allocation as at 31 August 2023

	Local Equity	Local Property	Local Bonds	Local Cash	Foreign
FG SCI Saturn Moderate FoF	27%	2%	27%	12%	32%

*The full registered name of the fund is FG Sanlam Collective Investments Saturn Moderate Fund of Funds.



FG SCI* NEPTUNE GROWTH FUND OF FUNDS

For periods until 30 September 2023

Performance and quartile ranking in sector | Inception date 1 September 2014

	Year to Date	6 Months	1 Year	3 Years ¹	5 Years ¹	Since Inception ¹
FG SCI Neptune Growth FoF	5.54%	1.39%	13.09%	11.48%	8.21%	7.40%
ASISA SA Multi Asset High Equity Category Average	5.72%	1.41%	13.03%	10.37%	6.92%	6.19%
			1 st Quartile	2 nd Quartile	3 rd Quartile	4 th Quartile

¹Data for longer than 12 months are annualised

Source: Morningstar, performance for A class shares

Annualised returns are period returns re-scaled to a period of 1 year

Underlying funds

- Coronation Global Optimum Growth Feeder Fund
- Fairtree Equity Prescient Fund
- Laurium Flexible Prescient Fund
- Matrix SCI Stable Income Fund
- M&G Balanced Fund
- Ninety One Equity Fund
- Ninety One Global Franchise Feeder Fund
- Ninety One Global Multi-Asset Income Feeder Fund
- PSG Flexible Fund
- Rezco Value Trend Fund
- Saffron BCI Opportunity Income Fund
- Satrix Bond Index Fund
- Sanlam Multi Manged Inflation Linked Bond Fund
- Terebinth SCI Strategic Income Fund (Amplify)
- Truffle SCI Flexible Fund
- Veritas Global Equity Feeder Fund (Nedgroup)

Performance statistics

	Fund ²	Benchmark ²
Highest 12-month performance	38.17%	30.65%
Lowest 12-month performance	-11.21%	-10.44%
% positive months	63.30%	61.47%

²Source until 31 May 2018: MoneyMate

Source from 30 June 2018: Morningstar

The FG SCI Neptune Growth Fund of Funds returned -1.22% over the third quarter of 2023 and +13.09% over the past 12 months, outperforming the benchmark peer group average quarterly return of -1.53%, while performing in line with the 12-month return of +13.03%. The PSG Flexible Fund was the best-performing underlying fund, returning +3.84% over the quarter. Over the quarter the fund's South African nominal bond exposure was reduced and rotated into an offshore global bond allocation in the Ninety One Global Multi-Asset Income Feeder Fund.

Asset allocation as at 31 August 2023

	Local Equity	Local Property	Local Bonds	Local Cash	Foreign
FG SCI Neptune Growth FoF	35%	1%	22%	9%	33%

*The full registered name of the fund is FG Sanlam Collective Investments Neptune Growth Fund of Funds.



FG SCI* MERCURY EQUITY FUND OF FUNDS

For periods until 30 September 2023

Performance and quartile ranking in sector | Inception date 15 August 2005

	Year to Date	6 Months	1 Year	3 Years ¹	5 Years ¹	10 Years ¹	Since Inception ¹
FG SCI Mercury Equity FoF	2.38%	-1.11%	13.57%	14.95%	8.76%	7.26%	10.17%
FTSE/JSE Africa All Share (total return)	2.19%	-2.83%	17.68%	14.50%	9.30%	8.64%	12.21%
ASISA SA Equity General Category Average	1.02%	-1.21%	11.72%	13.12%	6.69%	6.07%	9.73%
				1 st Quartile	2 nd Quartile	3 rd Quartile	4 th Quartile

¹Data for longer than 12 months are annualised

Source: Morningstar, performance for A class shares

Annualised returns are period returns re-scaled to a period of 1 year

Underlying funds

- 36ONE BCI Equity Fund
- Coronation Global Optimum Growth Feeder Fund
- Fairtree Equity Prescient Fund
- Gryphon All Share Tracker Fund
- Laurium Equity Fund (Nedgroup)
- Ninety One Equity Fund
- Ninety One Global Franchise Feeder Fund
- M&G Equity Fund
- PSG Equity Fund
- Truffle SCI General Equity Fund

Performance statistics

	Fund ²	Benchmark ²
Highest 12-month performance	56.14%	53.98%
Lowest 12-month performance	-31.68%	-37.60%
% positive months	61.75%	60.83%

²Source until 31 May 2018: MoneyMate

Source from 30 June 2018: Morningstar

The FG SCI Mercury Equity Fund of Funds returned -2.31% in the third quarter of 2023 and +13.57% over the past 12 months, outperforming the -3.48% quarterly return of the benchmark FTSE/JSE All Share (total return) Index while underperforming the 12-month return of +17.68%. The PSG Equity Fund was the best performing underlying fund, returning 4.05% over the quarter. No changes were made to the fund over the quarter.

Asset allocation as at 31 August 2023

	Local Equity	Local Property	Local Bonds	Local Cash	Foreign
FG SCI Mercury Equity FoF	74%	2%	0%	4%	20%

*The full registered name of the fund is FG Sanlam Collective Investments Mercury Equity Fund of Funds.



FG SCI* INTERNATIONAL FLEXIBLE FUND OF FUNDS

For periods until 30 September 2023

Performance and quartile ranking in sector | Inception date 17 October 2007

	Year to Date	6 Months	1 Year	3 Years ¹	5 Years ¹	10 Years ¹	Since Inception ¹
FG SCI International Flexible FoF	14.57%	4.97%	15.61%	5.19%	6.33%	9.04%	8.50%
Benchmark ²	15.12%	5.83%	17.95%	5.82%	7.88%	9.37%	9.30%
ASISA Global Multi Asset Flexible Average ³	15.12%	5.83%	17.95%	5.82%	7.88%	9.36%	8.61%
				1 st Quartile	2 nd Quartile	3 rd Quartile	4 th Quartile

¹Data for longer than 12 months are annualised

Annualised returns are period returns re-scaled to a period of 1 year

²Benchmark before June 2013: 50% MSCI World Index, 50% JP Morgan Global Government Bond Index

Benchmark between July 2013 and July 2015: 55% MSCI AC World Index, 33% JP Morgan Global Government Bond Index, 7% FTSE EPRA Nareit Global Property, 5% Stefi Call

³Current benchmark

Underlying funds

- FGAM Global Cautious Fund
- FGAM Global Growth Fund
- FPA Global Flexible Fund (Nedgroup)
- Ninety One Global Strategic Managed Fund
- Ninety One Global Franchise Fund

Performance statistics

	Fund ⁴	Benchmark ⁴
Highest 12-month performance	40.26%	34.52%
Lowest 12-month performance	-16.99%	-15.05%
% positive months	56.02%	58.85%

⁴Source until 31 May 2018: Iress

Source from 30 June 2018: Morningstar

The FG SCI International Flexible Fund of Funds returned -3.59% in the third quarter of 2023 and +15.61% over the past 12 months, underperforming the benchmark peer group average quarterly return of -3.06% and the 12-month return of +17.95%. The Ninety One Global Strategic Managed Fund was the worst-performing underlying fund over the quarter, returning -7.64% in rand terms. No changes were made to the fund over the quarter.

Asset allocation as at 31 August 2023

	Global Equity	Global Fixed Income	Global Cash	Global Property	Local Cash
FG SCI International Flexible FoF	65%	22%	8%	2%	2%

	USD	GBP	Euro	JPY	Other	Rand
Currency Breakdown	70%	3%	7%	6%	12%	2%

*The full registered name of the fund is FG Sanlam Collective Investments International Flexible Fund of Funds.



MARKET PERFORMANCE

Index	Asset Class	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Last 12 months	Year to Date 2023*
STEFI Composite Index	Local cash	1.57%	1.75%	1.92%	2.07%	7.52%	5.84%
FTSE/JSE All Bond (total return)	Local bonds	5.68%	3.39%	-1.53%	-0.33%	7.24%	1.47%
FTSE/JSE SA Listed Property (total return)	Local property	19.31%	-5.05%	0.66%	-0.97%	12.93%	-5.35%
FTSE/JSE Africa All Share (total return)	Local shares	15.16%	5.17%	0.66%	-3.48%	17.68%	2.19%
Bloomberg Global Aggregate TR (USD)	Global bonds	3.84%	3.08%	-2.21%	-3.59%	2.24%	-2.21%
FTSE EPRA Nareit Global REITs TR USD	Global property	6.89%	1.66%	0.94%	-6.50%	2.56%	-4.05%
MSCI World GR USD	Global shares	9.89%	7.88%	7.00%	-3.36%	22.58%	11.55%
MSCI ACWI GR USD	Global shares	9.88%	7.44%	6.35%	-3.30%	21.41%	10.49%
US dollar/South African rand (+ weaker rand, - stronger rand)	Exchange rate	-5.33%	4.28%	6.47%	-0.27%	4.82%	10.72%

*Return until 30 September 2023
All performances until 30 September 2023



ADDITIONAL FUND INFORMATION

Fund name	No. of participatory interests*	NAV (month-end)*	Total expense ratio (TER)**
FG SCI International Flexible FoF A	13,963,051.66	35.27	1.54
FG SCI International Flexible FoF A1	22.68	34.42	2.10
FG SCI International Flexible FoF B	48,356.10	28.13	3.21
FG SCI International Flexible FoF B1	1,273,239.37	29.14	2.98
FG SCI International Flexible FoF C	8,784,870.14	34.52	1.80
FG SCI Jupiter Income FoF A	42,847,949.04	12.28	1.04
FG SCI Jupiter Income FoF A1	56.70	12.26	1.59
FG SCI Jupiter Income FoF B	8,490.68	12.20	2.77
FG SCI Jupiter Income FoF B1	1,950,363.79	12.21	2.48
FG SCI Jupiter Income FoF C	47,880,575.16	12.27	1.31
FG SCI Mercury Equity FoF A	4,507,429.96	41.90	1.55
FG SCI Mercury Equity FoF A1	17.15	41.84	2.06
FG SCI Mercury Equity FoF B	120.60	40.17	3.28
FG SCI Mercury Equity FoF B1	33,053.11	41.09	2.99
FG SCI Mercury Equity FoF C	342,094.05	41.87	1.79
FG SCI Neptune Growth FoF A	26,474,758.82	15.16	1.85
FG SCI Neptune Growth FoF A1	49.18	15.14	2.38
FG SCI Neptune Growth FoF B	65.17	15.07	3.58
FG SCI Neptune Growth FoF B1	1,132,083.47	15.08	3.29
FG SCI Neptune Growth FoF C	2,179,853.06	15.15	1.90
FG SCI Saturn Moderate FoF A	43,848,369.44	34.09	1.57

* NAV (month-end) and no. of participatory interests as at 30 September 2023

**TER as at 30 June 2023



ADDITIONAL FUND INFORMATION

(CONTINUED)

Fund name	No. of participatory interests*	NAV (month-end)*	Total expense ratio (TER)**
FG SCI Saturn Moderate FoF A1	21.61	34.02	2.10
FG SCI Saturn Moderate FoF B	115,492.83	33.83	3.29
FG SCI Saturn Moderate FoF B1	3,515,096.48	33.85	3.00
FG SCI Saturn Moderate FoF C	11,813,559.50	34.04	1.82
FG SCI Venus Cautious FoF A	66,794,526.53	18.41	1.27
FG SCI Venus Cautious FoF A1	39.15	18.38	1.81
FG SCI Venus Cautious FoF B	31,466.81	18.22	3.00
FG SCI Venus Cautious FoF B1	3,859,450.02	18.23	2.71
FG SCI Venus Cautious FoF C	19,858,125.09	18.39	1.46

* NAV (month-end) and no. of participatory interests as at 30 September 2023

**TER as at 30 June 2023



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TRANSPARENT
COMPETENT

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