



Sanlam Collective Investments (RF) (Pty) Ltd ('SCI')
Frequently Asked Questions | Performance Fees-Retail Class

2023





Frequently Asked Questions| Performance Fees

This Frequently Asked Questions (FAQ) document provides details of the performance fee bases for SCI retail unit trust fund classes, which is based on the ASISA Standard on Performance Fees' recommended structure.

Sanlam Collective Investments (RF) (Pty) Ltd ('SCI') unit trust fund range offers multiple classes within each fund, where these classes are subject to different fees and charges to ensure equitable pricing across a wide range of clients. As a result, the "default" or retail fee classes disclosed herein are available to retail investors investing directly with SCI. Since this approach aligns the interests of clients and the appointed investment manager, we support the decision made by the investment manager to charge a performance fee.

General Notice

In accordance with regulation (CISCA – Board Notice 92), where a fund charges performance fees, it is mandatory to provide a detailed description of how the performance fees are calculated and applied. Please refer to the specific fund, class, and the Minimum Disclosure Document (MDD) available on our [website](http://www.sanlaminvestments.com) (www.sanlaminvestments.com) for more information regarding the performance-related charges and metrics employed by the fund.

Performance Disclaimer

The performance of a fund depends on the underlying assets and variable market factors. Performance is based on NAV-to-NAV calculations with income reinvestments made on the ex-dividend date. Lump sum investment performances are quoted. 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 fees, and service fees. Actual investment performance of the portfolio and the investor will differ depending on the initial fees applicable, the actual investment date, the date of reinvestment of income as well as dividend withholding tax. Past performance is not indicative of future performance.

Glossary of terms

Please see the glossary on the last page if there are any terms with which you are not familiar with.



Which SCI funds and retail classes levy a performance fee?

Fund Name	Jse Code	ASISA Fund Classification Category
Catalyst SCI SA Property Equity Fund A	CSPEF	South African - Real Estate - General
First Avenue SCI Focused Quality Equity Fund A	MTLE	South African - Equity - General
Matrix SCI SA Equity Fund A2	MANEFC	South African - Equity - General
NorthStar SCI Equity Fund A	NCEFA	South African - Equity - General
NorthStar SCI Managed Fund A1	METP	South African - Multi Asset - High Equity
SIM Balanced Fund A	SBFA	South African - Multi Asset - High Equity
SIM General Equity Fund A	SGEA	South African - Equity - General
SIM Managed Aggressive Fund of Funds A1	SMAA1	South African - Multi Asset - High Equity
SIM Managed Cautious Fund of Funds A1	SMCA1	South African - Multi Asset - Low Equity
SIM Managed Conservative Fund of Funds A1	SMCFA1	South African - Multi Asset - Low Equity
SIM Managed Moderate Aggressive Fund of Funds A1	SMMAA1	South African - Multi Asset - High Equity
SIM Managed Moderate Fund of Funds A1	SMMA1	South African - Multi Asset - Medium Equity
SIM Top Choice Equity Fund A1	STCA1	South African - Equity - General



Table 1 | Retail unit trust fund classes

	Catalyst SCI SA Property Equity Fund	First Avenue SCI Focused Quality Equity Fund	Matrix SCI SA Equity Fund	Northstar SCI Equity Fund	Northstar SCI Managed Fund	SIM Balanced Fund	SIM General Equity Fund	SIM Managed Aggressive FoF	SIM Managed Cautious FoF	SIM Managed Conservative FoF	SIM Managed Moderate Aggressive FoF	SIM Managed Moderate FoF	SIM Top Choice Equity Fund
	Class A	Class A	Class A2	Class A2	Class A1	Class A	Class A	Class A1	Class A1	Class A1	Class A1	Class A1	Class A1
What are the minimum fees for the relevant fund class?	1.15%	1.44%	0.86%	1.27%	1.27%	1.27%	1.27%	0.86%	0.86%	0.86%	0.86%	0.86%	1.04%
What are the base fees for the fund class?	1.15%	1.44%	0.86%	1.27%	1.27%	1.27%	1.27%	0.86%	0.86%	0.86%	0.86%	0.86%	1.04%
What are the fees at benchmark for the relevant fund class?	1.27%	1.27%	1.04%	1.27%	1.27%	1.27%	1.27%	0.86%	0.86%	0.86%	0.86%	0.86%	1.04%
What are the maximum fees for the relevant fund class?	1.73%	2.88%	1.73%	2.88%	2.42%	2.88%	3.45%	1.44%	1.44%	1.44%	1.44%	1.44%	2.30%
At which performance levels (also called the fee hurdles) will the Manager change more than the fees at benchmark?	FTSE JSE All Property Index	FTSE/JSE Shareholder Weighted Index	FTSE/JSE Capped SWIX All Share	ASISA Category Average: South African - Equity - General	ASISA Category Average: SA- Multi Asset- High Equity	Mean of the ASISA SA Multi Asset High Equity Category	FTSE/JSE Capped Shareholders Weighted All Share Index	Composite benchmark: SWIX 57.5% ALBI 7.5% STeFi 10% MSCI World Equity 12.5% JP Morgan GBI 7.5% SA Listed Property (J253) 5%	CPI + 3% over rolling 3 year period	CPI + 2% over rolling 3 year period	Composite benchmark: SWIX 45% ALBI 12.5% STeFi 17.5% MSCI World Equity 10% JP Morgan GBI 10% SA Listed Property 5%	Composite benchmark: SWIX 37.5% ALBI 22.5% STeFi 15% MSCI World Equity 7.5% USD LIBOR 7.5% SA Listed Property (J253) 5% JPMorgan GBI 5%	Composite benchmark: FTSE/JSE SWIX: 97% STeFi: 3%
Are the fee hurdles the same as the relevant fund benchmarks?	Yes	Yes	Benchmark + 1%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes



	Catalyst SCI SA Property Equity Fund	First Avenue SCI Focused Quality Equity Fund	Matrix SCI SA Equity Fund	Northstar SCI Equity Fund	Northstar SCI Managed Fund	SIM Balanced Fund	SIM General Equity Fund	SIM Managed Aggressive Fund of Funds	SIM Managed Cautious Fund of Funds	SIM Managed Conservative FoF	SIM Managed Moderate Aggressive FoF	SIM Managed Moderate Fund of Funds	SIM Top Choice Equity Fund
What is the performance fee measurement period?	3 year	3 year	1 year	1 year	1 year	1 year	1 year	1 year	3 years	3 years	1 year	1 year	1 year
Will more than the base fee be charged regardless of whether the fund is experiencing positive or negative performance over the performance fee measurement period?	No, if the fund return is negative over the measurement period, no performance fees will be charged even if the fund outperformed the Performance Fee benchmark.												
What portion of the funds' outperformances will the Manager be entitled to share, should the funds perform above their fee hurdles (also called the sharing ratio)?	20%	20%	15%	20%	20%	20%	20%	10%	10%	10%	10%	10%	15%
What fee rate will be charged if the fund delivers the following relative performance over its performance measurement period:													
• the fund performs 10% p.a. less than the Performance Fee Benchmark	1.15%	1.44%	0.86%	1.27%	1.27%	1.27%	1.27%	0.86%	0.86%	0.86%	0.86%	0.86%	1.04%
• the fund performs 5% p.a. less than the Performance Fee Benchmark	1.15%	1.44%	0.86%	1.27%	1.27%	1.27%	1.27%	0.86%	0.86%	0.86%	0.86%	0.86%	1.04%
• the fund performs in line with Performance Fee Benchmark	1.15%	1.44%	0.86%	1.27%	1.27%	1.27%	1.27%	0.86%	0.86%	0.86%	0.86%	0.86%	1.04%
• the fund performs 5% p.a. more than the Performance Fee Benchmark	2.15%	2.44%	1.61%	2.27%	2.27%	2.27%	2.27%	1.36%	1.36%	1.36%	1.36%	1.36%	1.79%



	Catalyst SCI SA Property Equity Fund	First Avenue SCI Focused Quality Equity Fund	Matrix SCI SA Equity Fund	Northstar SCI Equity Fund	Northstar SCI Managed Fund	SIM Balanced Fund	SIM General Equity Fund	SIM Managed Aggressive Fund of Funds	SIM Managed Cautious Fund of Funds	SIM Managed Conservative FoF	SIM Managed Moderate Aggressive FoF	SIM Managed Moderate Fund of Funds	
• the fund performs 10% p.a. more than the Performance Fee Benchmark	1.73%	2.88%	1.73%	2.88%	2.42%	2.88%	3.27%	1.44%	1.44%	1.44%	1.44%	1.44%	
Do any other classes of the funds charge fixed fees instead of performance fees?	Yes	No	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Are the performance fees accrued daily (also called the Performance Fee Accrual Frequency)?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Do performance fee accruals pertain to performance periods more than a month prior to accrual?	No	No	No	No	No	No	No	No	No	No	No	No	
Is a rolling measurement period used?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
How often is the performance fee paid to the Manager (also called the "Performance Fee Payment Frequency")?	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	

Should the fund experience underperformance relative to the fee hurdle, how long is that under-performance held against the Manager? In particular, at what point would that under-performance be written off from a fee calculation point of view?



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Does performance in excess of the hurdle need to overcome prior under-performance (also called a High Water Mark system)?	Yes	No	No	No	No	No	No	No	No	No	No	No	No
Do any underlying funds charge implicit performance fees?	No	No	No	No	No	No	No	No	No	No	No	No	No

Table 4 | Glossary of terms



Terms	Description
Class	Unit trust fund classes represent the different types of 'unit' categories that are offered to investors. These categories or classes reflect differences in the administration of the investment, liquidity provided, fees, and minimum investments required. It is very common for a unit trust fund to have multiple classes available for investment.
Retail class	This is the class of units that is available to retail investors which allows for smaller contributions including debit orders, and daily withdrawals.
Performance Fee Benchmark	This is the criterion that the performance of the fund is measured against. There can only be one performance fee benchmark per fund.
Fee Hurdle	This is the level of performance the fund must achieve, prior to a fee higher than the Minimum Fee being charged. Fee Hurdles refers to the absolute hurdle (e.g. ALSI + 2% per annum) and not only the threshold (e.g. 2% per annum) and should be linked to the Performance Fee Benchmark.
Performance Fee Measurement Period	This is the period for which the fund performance is compared to the Fee Hurdle, each time the fee is accrued.
Sharing Ratio	The percentage of performance, relative to the Fee Hurdle, that the Manager is entitled to receive as a fee.
High Water Mark	The highest level of relative outperformance of the fund over the Fee Hurdle since inception of the fund.
Reset	In performance fee structures with a high water mark, the reset of the high water mark occurs when a performance fee is triggered.
Performance Fee Accrual Frequency	This is the frequency at which provisions are made in the fund prices in order to allow for fees in excess of the Minimum Fee.
Performance Fee Payment Frequency	This is the frequency at which the amounts provided in the fund in respect of fees above the Minimum Fee are transferred from the fund to the Manager.
Base Fee	This is the portion of the annual management fee charged before any performance is considered.
Fee at Benchmark	This is the annual management fee that will be charged when the fund's performance is equal to the Performance Fee Benchmark over the Performance Fee Measurement Period.
Minimum Fee	This is the minimum annual management fee that may be recovered from the fund by the Manager.
Maximum Fee	This is the maximum annual management fee that may in any instance be recovered from the fund by the Manager. This fee includes the Base Fee and all performance fee elements.

