

31 DECEMBER 2021

Yunus January

Portfolio Manager and Quantitative Analyst

10 years of investment experience

B.Com, CIPM



MARKET COMMENTARY

Disclosure of FSP: Futuregrowth Asset Management (Pty) Ltd ("Futuregrowth") is a licensed discretionary financial services provider, FSP 520.

MARKET OVERVIEW

With inflation persisting at multi-decade highs during the 4th quarter of 2021 in both developed and emerging market economies, central banks had very little choice but to start singing from their respective monetary tightening hymn books. Although the tightening crescendo is yet to be reached, the US Federal Reserve has taken to doubling the pace of tapering to \$30 billion per month, which puts it on course to end its \$120 billion monthly asset purchases by the end of the first quarter in 2022.

Domestically, the South African Reserve Bank's (SARB) Monetary Policy Committee (MPC) hiked the Repo rate by 25 basis points for the first time since 2018, after having cut the rate by a cumulative 300 basis points since the beginning of the COVID-19 pandemic. The decision to increase the repo rate was split 3-2 on the five-person MPC, with the SARB citing concerns around short-term externally driven inflationary pressure contributing to the decision to gradually increase short-term rates.

Fitch ratings became the first of the major rating agencies to upgrade their outlook on South Africa during the past quarter. Although SA's foreign and local-currency rating remains three notches below investment grade at BB-, the outlook has been revised from negative to stable. The rating agency cited a more robust economic recovery as well as strong fiscal performance as key drivers behind the outlook change. The news triggered a local bond market rally and helped bonds end the year on a strong note. This was after having endured a somewhat volatile quarter characterised by contagion from Turkey's central bank decision to cut interest rates despite sky-high inflation and the emergence of the OMICRON COVID-19 variant, which triggered a flurry of travel restrictions aimed at Southern Africa.

PERFORMANCE REVIEW

The Fund returned 8.0% for the 12-month period ending 31 December 2021, underperforming the benchmark by 0.4%. Underperformance

was primarily due to the Fund's large underweight position in the very long end (+20yr) area of the nominal yield curve given the yield curve bull flattening experienced over period under review.

SOURCE: OLD MUTUAL INVESTMENT GROUP AS AT 31 DECEMBER 2021.

FUND INFORMATION

RISK PROFILE



FUND OBJECTIVE

To maximise this fund's total returns through a balance of capital growth and a high level of income. To invest funds into longer term, fixed interest instruments with an emphasis on institutions and projects than contribute to the development of South Africa through meaningful social impact, commitment to development, community participation and support.

INVESTMENT MANDATE

The fund invests in interest-bearing securities and money market instruments. All investments in interest-bearing securities must be approved by Unity Corporation.

CHARACTERISTICS OF THE FUND AND RISKS

This fund is suited to astute investors who have a particular view on a single asset class whilst investing in socially responsible investments. The investor understands the impact of the interest rate cycle and accepts this risk in exchange for moderate capital growth. The Fund is exposed to both interest rate risk and credit risk. In terms of interest rate risk, the risk to the Fund is moderate as the mandate allows for limited positioning relative to benchmark and in terms of credit risk; the Fund's investments are limited to listed credit assets with a credit rating of investment grade or better.

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FUND INFORMATION

FUND CATEGORY	South African – Interest Bearing – Variable Term
FUND BENCHMARK	BEASSA All Bond Index
LAUNCH DATE	14 July 1998
FUND SIZE	R12.6 million
FUND CODE	CGMI
DEALING PRICE	NAV
DISTRIBUTIONS	Declared: August 2021. Distributed 1 business day after declaration. February 2020: 5.74c per unit. August 2020: 5.65c per unit. February 2021: 5.82c per unit. August 2021: 0.06c per unit
MINIMUM INVESTMENT	R5000 lump sum. Monthly debit order R500.
INITIAL CHARGE	No initial administration charge. Initial adviser fee will be between 0% to 0.68% (incl. VAT).
SERVICE FEE	0.5% p.a.
NAV PRICE (cents/unit)	147.41c
TOTAL EXPENSE RATIO (TER)*	1.52% (Annualised)

FUND PERFORMANCE % Performance (annualised)

YEARS	FUND %	FUND BENCHMARK %	CATEGORY RANKINGS
1	8.0	9.2	30/40
3	7.7	8.4	28/36
5	8.1	8.3	20/25
7	7.3	7.5	13/17
10	7.9	8.1	8/14

*Past performance is no indication of future performance.

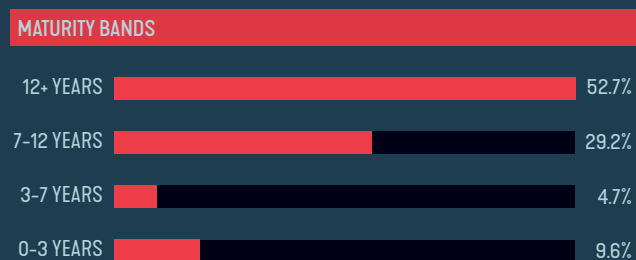
FUND (since Inception)	HIGHEST %	AVERAGE %	LOWEST %
12-month return	14.65%	0.72%	-14.13%

PORTFOLIO COMPOSITION

TEN LARGEST HOLDINGS	%		MARKET VALUE
RSA	8.25	31032032	3 015 927
RSA	8.50	31012037	2 738 093
RSA	8.875	28022035	2 250 026
RSA	9.00	31012040	1 444 987
ESKOM HOLDINGS LTD	8.5	25042042	385 386
TN30	10.50	09102030	300 742
TRANSNET LIMITED	8.9	14112027	292 862
ES33	7.5	150933	235 051
DEVELOPMENT BANK OF SA	9.69	1802	216 897
SA NATIONAL ROADS AGENCY	9.2	1802	182 812

NET ASSET VALUE (NAV) 147.41

MATURITY BANDS	YEARS	%	MARKET VALUE
	0-3	9.6	1 250 092
	3-7	4.7	613 348
	7-12	29.2	3 785 916
	12+	52.7	6 828 349
	CASH	3.8	490 929
NET ASSET VALUE	100	12 968 634	



STATUTORY INFORMATION

Collective Investment Schemes in Securities (unit trusts) are generally medium- to long-term investments. Past performance is no indication of future growth. Unit trusts may engage in scrip lending and may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Unit trust prices are calculated on a net asset value (NAV) basis, which is the total market value of all assets in the portfolio including any income accrual and less any permissible deductions from the portfolio divided by the number of units in issue. Each fund's total expense ratio (TER) reflects the percentage of the average Net Asset Value of each portfolio that was incurred as charges, levies

and fees related to the management of the portfolio. Instructions to withdraw must reach Community Growth Management Company (RF) (Pty) Ltd (COMANCO) before 15h00 to ensure same day value.

The portfolio performance is calculated on a NAV-NAV basis and does not take any initial fees into account. Income is reinvested on the ex-dividend date NAV price. Actual investment performance will differ based on the initial fees applicable, the actual investment date and the date of reinvestment of income. Additional information is available free of charge and you could email: invest@comanco.co.za.

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Community Growth Management Company (RF) (Pty) Ltd (COMANCO) is a licensed Management Company approved by the Registrar of Collective Investment Schemes (Registration no. 1992/002327/07).
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