



**BUNDLE FACTS**

<b>Benchmark</b>	50% FTSE/JSE Mid Cap 50% FTSE/JSE Small Cap
<b>Mandate Inception</b>	February 2019
<b>Easy Equities Bundle Inception</b>	February 2019
<b>Investment Horizon</b>	> 5 Years

**INVESTMENT OBJECTIVES**

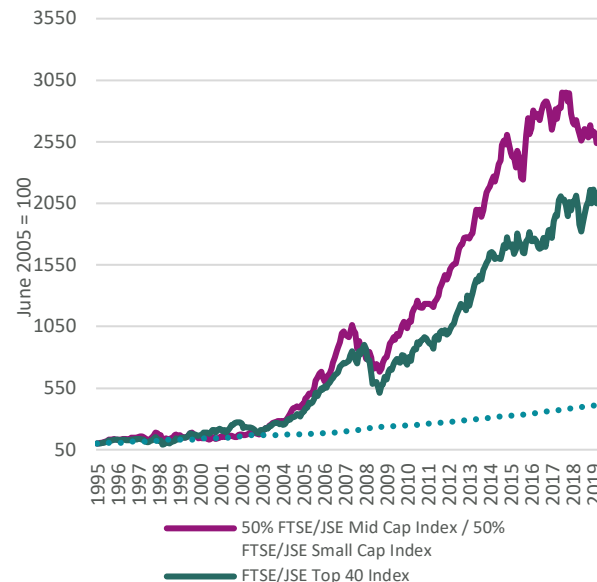
To achieve maximum capital appreciation ahead of domestic mid-cap and small-cap indices over periods of five years and more.

**INVESTMENT STRATEGY**

Cannon Asset Managers' Zande Bundle (which means "multiply" in Zulu) is a concentrated and actively managed bundle that invests in companies with small- to mid-sized market capitalisations listed on the Johannesburg Stock Exchanges' main board and alternative exchange. In identifying the most attractive opportunities, the manager seeks stocks that offer attractive valuations; have fundamental attributes that evidence quality; and that display the potential to deliver above-average earnings growth.

Over time, this combination of attributes has proven to be effective in generating real growth for investors materially ahead of the domestic equity market's main indices and ahead of consumer price inflation, thereby delivering substantial growth in real capital.

**PERFORMANCE GRAPH**



June 1995 to March 2020. Source: Inet BFA

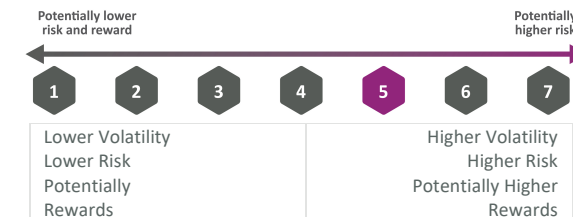
The above chart is intended for illustrative purposes only and is not indicative of the past or future performance of any bundles advised by Cannon Asset Managers.

To support this claim, over the 24-year period 1995 to 2020, the FTSE/JSE's Top 40 Index grew at an average 14.7% per year, generating a total gain of 27 times initial capital. Over the same 24 years, an investment holding the FTSE/JSE Mid Cap Index and the FTSE/JSE Small Cap Index in equal weights would have grown by an average 15.6% per year, to deliver a gain of 32 times initial capital.

**INVESTMENT GUIDELINES**

Cannon Asset Managers' Zande Bundle invests in listed firms of various sizes and across industries, establishing a well-diversified portfolio of mid- and small-sized companies with high growth potential. As equity is a volatile asset class, returns are likely to fluctuate widely over the short-to medium-term and, as such, investments in the bundle may suffer capital losses. Similarly, investors should be aware that the portfolio manager assesses an equity investment's attractiveness using a time horizon of five years and longer. The bundle does not comply with the investment limits governing retirement funds (Regulation 28 of the Pension Funds Act).

**SUITABLE FOR\***



The bundle is suited to investors who:

- are looking for long-term capital growth ahead of consumer price inflation;
- seek diversification from the FTSE/JSE Top 40 index;
- can tolerate short-term portfolio volatility associated with an aggressive investment mandate; and
- have an investment horizon of at least five years.



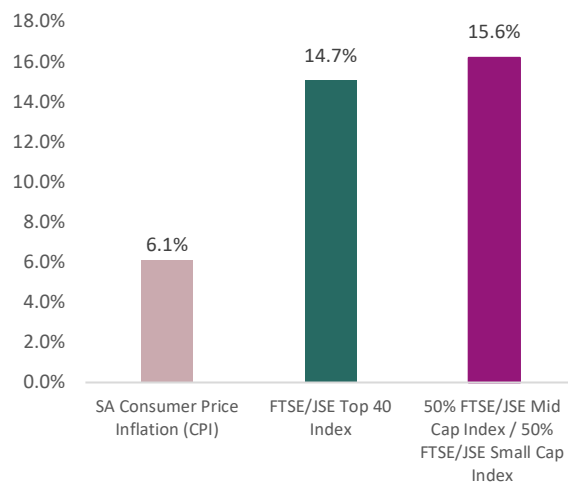
## BENCHMARK

The investment results of the bundle are measured against two benchmarks, namely:

- the market value-weighted average return of equity unit trust funds that make up the Mid- and Small-Cap sector in the South African market., as reported by Funds Data ([www.fundsdata.co.za](http://www.fundsdata.co.za)); and
- an index composed of 50% FTSE/JSE Midcap Index (J201T) and 50% FTSE/JSE Small Cap Index (J202T).

As an aggressive investment, the bundle is managed to produce high capital growth for investors who can tolerate market volatility and who are willing to accept the risks associated with a more aggressive mandate.

### Average Annual Returns (1995-2020)



Source: Inet BFA

The illustrative chart shows a comparison of the average annual returns of South Africa's Consumer Price Index, the FTSE/JSE Top 40 Index and the FTSE/JSE Mid Cap Index and the FTSE/JSE Small Cap Index in equal weights from June 1995 to March 2020.

## EFFECTIVE ANNUAL COST (EAC)

Initial Fee	0.00
Transaction Costs	0.13
Asset Management Charge	1.15
Effective Annual Cost (%)	1.28

The estimated effective annual cost is made up of (a) a reasonable best estimate of the transaction costs incurred in managing the bundle and (b) the asset management fee charged by Cannon Asset Managers as the bundle advisor. Keeping investment costs as low as possible is an explicit objective of Cannon Asset Managers as the bundle advisor.

All figures are quoted inclusive of value added tax (15% as of 1 April 2018).

Independent financial advisors are eligible to charge an additional advice fee of up to 0.50% per annum.

## PORTFOLIO ATTRIBUTES & INVESTMENT RESULTS

No investment performance is reported, as the portfolio has not established a sufficient track record. The table below shows the performance of the FTSE/JSE Top 40 Index and an equal weighted investment in the FTSE/JSE Mid-Cap Index and FTSE/JSE Small Cap Index.

Return & Risk Attributes	South Africa Consumer Price Index (CPI)	FTSE/JSE Top 40 Index	50% FTSE/JSE Mid Cap Index & 50% FTSE/JSE Small Cap Index
Average Yearly Return (%)	6.1	14.7	15.9
Average Yearly Volatility (%)	1.4	19.0	16.1
One-Year Return	5.1	-16.2	-21.5
Three-Year Return	5.5	-0.4	-11.0
Five-Year Return	5.6	0.5	-4.3
Ten-Year Return	9.8	7.8	6.7
Return Since Inception (%)	323.6	1631.8	1931.8

## TOP 10 HOLDINGS (%)

Purple Group Ltd	7.27
Pan African Resource PLC	6.69
Stor-Age Property REIT Ltd	5.13
Richemont SA	5.02
Quilter PLC	4.89
Datatec Ltd	4.57
Afrimat Ltd	4.48
African Rainbow Capital Investments Ltd	4.09
Allied Electronics Corporation	3.98
Adcock Ingram Holdings Ltd	3.83

The effective annual cost (EAC) calculation is made in accordance with the ASISA effective annual cost (EAC) standard available at [www.asisa.org.za/codes-standards-guidelines/standards/](http://www.asisa.org.za/codes-standards-guidelines/standards/).

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