

# **STRATEGIC INVESTMENT SERVICE**

Management Company (RF) (Pty) Ltd

## **ABRIDGED ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**



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**Manager**

Strategic Investment Service Management Company (RF) Proprietary Limited ("SIS") is registered in terms of the Collective Investment Schemes Control Act as the manager of the Strategic Investment Service Unit Trust Scheme.

SIS is a wholly owned subsidiary of Acsis Limited. SIS is a full member of the Association for Savings and Investment SA.

**Company information**

Registration number 1997/022003/07

**Registered address**

Mutualpark, Jan Smuts Drive, Pinelands, 7405

**Contact details**

PO Box 44604, Claremont, 7735, South Africa

Tel: +27 (21) 524 4410

**Independent Non-Executive Director**

TJ Tapela

LA Harvey

PJ Dempsey (Chairman)

**Executive Director**

TJ Pascoe

ES Botha

**Company secretary**

Old Mutual Life Assurance Company (South Africa) Limited

**Portfolio manager**

Acsis Limited is the portfolio manager for all of the portfolios

**Trustees**

Standard Bank of South Africa Limited

**Auditors**

KPMG Inc

Copies of the audited annual financial statements of the Manager and of the funds managed by it are available free of charge on request. Please contact the office detailed above. No scrip lending activities were undertaken by any of the funds.

**REPORT OF THE MANAGING DIRECTOR**

The annual report contains the pertinent financial information for the year ended 31 December 2021. There was no deviation from the investment policies and objectives of the portfolios as contained in the relevant Trust Deeds.



ES Botha

Strategic Investment Service Management Company (RF) Proprietary Limited



The Manager  
Strategic Investment Service Management Company (RF) (Pty) Limited  
Mutual Park  
Jan Smuts Drive  
Pinelands  
7405

## **REPORT OF THE TRUSTEE FOR THE STRATEGIC INVESTMENT SERVICE UNIT TRUST SCHEME**

We, the Standard Bank of South Africa Limited, in our capacity as Trustee of the Strategic Investment Service Unit Trust Scheme (“the Scheme”) have prepared a report in terms of Section 70(1)(f) of the Collective Investment Schemes Control Act, 45 of 2002, as amended (“the Act”), for the financial year ended 31 December 2021.

In support of our report we have adopted certain processes and procedures that allow us to form a reasonable conclusion on whether the Manager has administered the Scheme in accordance with the Act and the Scheme Deed.

As Trustees of the Scheme we are also obliged to in terms of Section 70(3) of the Act to satisfy ourselves that every statement of comprehensive income, statement of financial position or other return prepared by the Manager of the Scheme as required by Section 90 of the Act fairly represents the assets and liabilities, as well as the income and distribution of income, of every portfolio of the Scheme.

The Manager is responsible for maintaining the accounting records and preparing the annual financial statements of the Scheme in conformity with International Financial Reporting Standards. This responsibility also includes appointing an external auditor to the Scheme to ensure that the financial statements are properly drawn up so as to fairly represent the financial position of every portfolio of its collective investment scheme are in accordance with International Financial Reporting Standards and in the manner required by the Act.

Our enquiry into the administration of the Scheme by the Manager does not cover a review of the annual financial statements and hence we do not provide an opinion thereon.

Based on our records, internal processes and procedures we report that nothing has come to our attention that causes us to believe that the accompanying financial statements do not fairly represent the assets and liabilities, as well as the income and distribution of income, of every portfolio of the Scheme administered by the Manager.

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The Standard Bank of South Africa Limited (Reg. No. 1962/000738/06) Authorised financial services provider and registered credit provider (NCRCP15)

Directors: TS Gcabashe (Chairman) L Fuzile\* (Chief Executive) PLH Cook A Daehnke\* GJ Fraser-Moleketi Xueqing Guan<sup>1</sup> GMB Kennealy Li Li<sup>1</sup> JH Maree NNA Matyumza  
KD Moroka NMC Nyembezi ML Oduor-Otieno<sup>2</sup> ANA Peterside CON<sup>3</sup> MJD Ruck SK Tshabalala\* JM Vice

Company Secretary: Z Stephen - 2022/02/16  
Executive Director <sup>1</sup>Chinese <sup>2</sup>Kenyan <sup>3</sup>Nigerian

We confirm that according to the records available to us, no losses were suffered in the portfolios and no investor was prejudiced as a result thereof.

We conclude our report by stating that we reasonably believe that the Manager has administered the Scheme in accordance with:

- (i) the limitations imposed on the investment and borrowing powers of the manager by this Act;
- (ii) and the provisions of this Act and the deed;



Seggie Moodley  
**Standard Bank of South Africa Limited**

29 March 2022

**IMPORTANT NOTICE:**

In terms of the Collective Investment Schemes Control Act, the trustees of all unit trust companies must report on their adherence to limitations imposed on investing, borrowing powers and the general provisions of the Act and Trust Deed. Our Trustees, Standard Bank of South Africa Limited, have released the Strategic Investment Service Unit Trust Scheme report for 2021. The report does not detail any material breaches and is available from the Manager on request and may be viewed at the registered offices of the Manager.

R'000	SIS Equity Fund	SIS Equity Fund of Funds	SIS Flexible Income Fund of Funds	SIS Inflation Matching Fund of Funds
<b>STATEMENT OF COMPREHENSIVE INCOME</b>				
FOR THE YEAR ENDED 31 DECEMBER 2021				
Net income from operations before finance costs	1 512 725	208 179	58 147	10 297
Total finance costs	204 287	20 283	37 079	10 083
Distributions	204 287	20 290	37 079	10 083
Withholding tax on foreign dividends	-	(7)	-	-
<b>Change in net assets attributable to unitholders</b>	<b>1 308 438</b>	<b>187 896</b>	<b>21 068</b>	<b>214</b>
<b>STATEMENT OF FINANCIAL POSITION</b>				
AT 31 DECEMBER 2021				
Total assets	5 957 222	981 073	508 597	207 490
Total liabilities, excluding net assets attributable to unitholders	111 545	3 042	9 824	5 126
<b>Net assets attributable to unitholders</b>	<b>5 845 677</b>	<b>978 031</b>	<b>498 773</b>	<b>202 364</b>

R'000	SIS Inflation Plus 1-3 Fund of Funds	SIS Inflation Plus 3-5 Fund of Funds	SIS Inflation Plus 3-5 Prudent Fund of Funds	SIS Inflation Plus 4-6 Fund of Funds
<b>STATEMENT OF COMPREHENSIVE INCOME</b>				
FOR THE YEAR ENDED 31 DECEMBER 2021				
Net income from operations before finance costs	637 715	2 329 441	327 372	1 883 290
Total finance costs	151 434	278 453	48 261	231 877
Distributions	151 451	278 257	48 237	231 733
Withholding tax on foreign dividends	(17)	196	24	144
<b>Change in net assets attributable to unitholders</b>	<b>486 281</b>	<b>2 050 988</b>	<b>279 111</b>	<b>1 651 413</b>
<b>STATEMENT OF FINANCIAL POSITION</b>				
AT 31 DECEMBER 2021				
Total assets	4 229 781	12 812 444	1 640 335	9 044 965
Total liabilities, excluding net assets attributable to unitholders	68 248	110 472	16 832	71 576
<b>Net assets attributable to unitholders</b>	<b>4 161 533</b>	<b>12 701 972</b>	<b>1 623 503</b>	<b>8 973 389</b>

R'000	SIS International Flexible Fund of Funds	SIS International Growth Fund of Funds	SIS Maximum Return Fund of Funds	SIS Money Market Fund
<b>STATEMENT OF COMPREHENSIVE INCOME</b>				
FOR THE YEAR ENDED 31 DECEMBER 2021				
Net income from operations before finance costs	1 017 614	3 819 926	352 785	24 864
Total finance costs	16 836	7 562	10 608	24 854
Distributions	16 836	7 562	10 602	24 854
Withholding tax on foreign dividends	-	-	6	-
<b>Change in net assets attributable to unitholders</b>	<b>1 000 778</b>	<b>3 812 364</b>	<b>342 177</b>	<b>10</b>
<b>STATEMENT OF FINANCIAL POSITION</b>				
AT 31 DECEMBER 2021				
Total assets	3 492 659	21 905 343	1 760 690	545 900
Total liabilities, excluding net assets attributable to unitholders	9 334	7 137	847	2 266
<b>Net assets attributable to unitholders</b>	<b>3 483 325</b>	<b>21 898 206</b>	<b>1 759 843</b>	<b>543 634</b>

R'000	SIS Property Equity Fund	SIS Property Fund of Funds
<b>STATEMENT OF COMPREHENSIVE INCOME</b>		
FOR THE YEAR ENDED 31 DECEMBER 2021		
Net income from operations before finance costs	144 261	6 971
Total finance costs	37 215	47
Distributions	37 215	41
Withholding tax on foreign dividends	-	6
<b>Change in net assets attributable to unitholders</b>	<b>107 046</b>	<b>6 924</b>
<b>STATEMENT OF FINANCIAL POSITION</b>		
AT 31 DECEMBER 2021		
Total assets	447 112	1 482
Total liabilities, excluding net assets attributable to unitholders	23 574	80
<b>Net assets attributable to unitholders</b>	<b>423 538</b>	<b>1 402</b>

Portfolio composition	Cash and cash equivalents*	Money market instruments	Derivatives at fair value#	Bonds	Unit trusts		Equity	
					Local	Foreign	Local	Foreign
SIS Equity Fund	3.64	-	-	-	-	-	96.36	-
SIS Equity Fund of Funds	0.49	-	-	-	99.51	-	-	-
SIS Flexible Income Fund of Funds	2.10	-	-	-	97.90	-	-	-
SIS Inflation Matching Fund of Funds	2.75	-	-	-	97.25	-	-	-
SIS Inflation Plus 1-3 Fund of Funds	2.03	-	-	-	97.97	-	-	-
SIS Inflation Plus 3-5 Fund of Funds	1.13	-	-	-	98.87	-	-	-
SIS Inflation Plus 3-5 Prudent Fund of Funds	1.25	-	-	-	98.75	-	-	-
SIS Inflation Plus 4-6 Fund of Funds	0.94	-	-	-	99.06	-	-	-
SIS International Flexible Fund of Funds	0.56	-	-	-	-	99.44	-	-
SIS International Growth Fund of Funds	0.41	-	-	-	-	99.59	-	-
SIS Maximum Return Fund of Funds	0.14	-	-	-	99.86	-	-	-
SIS Money Market Fund	9.21	90.79	-	-	-	-	-	-
SIS Property Equity Fund	5.13	-	-	-	-	-	94.87	-
SIS Property Fund of Funds	0.13	-	-	-	99.87	-	-	-

\* Only capital, current and call deposits are included.

# Where portfolios hold SAFEX instruments the fair value of derivative assets and liabilities is zero.

Investment performance	1 YEAR	3 YEARS	5 YEARS	7 YEARS	10 YEARS
	(Class A)	(Class A)	(Class A)	(Class A)	(Class A)
SIS Equity Fund	27.2	15.0	8.4	6.6	11.2
SIS Equity Fund of Funds*	33.2	13.3	-	-	-
SIS Flexible Income Fund of Funds*	11.4	7.3	-	-	-
SIS Inflation Matching Fund of Funds	5.1	6.2	6.8	6.8	6.6
SIS Inflation Plus 1-3 Fund of Funds	16.8	11.7	8.7	7.8	10.1
SIS Inflation Plus 3-5 Fund of Funds	21.9	14.0	9.6	8.3	11.3
SIS Inflation Plus 3-5 Prudent Fund of Funds	23.6	-	-	-	-
SIS Inflation Plus 4-6 Fund of Funds	25.3	14.4	9.7	8.3	11.7
SIS International Flexible Fund of Funds	38.4	19.6	13.5	-	-
SIS International Growth Fund of Funds	20.3	23.0	15.6	-	-
SIS Maximum Return Fund of Funds	25.2	19.4	12.6	10.5	14.0
SIS Money Market Fund	3.2	5.6	6.7	6.8	6.5
SIS Property Equity Fund	34.5	-2.9	-	-	-
SIS Property Fund of Funds*	36.2	-6.4	-5.9	-1.0	5.9

Income distribution per unit (cents)	MARCH 2021	JUNE 2021	SEPTEMBER 2021	DECEMBER 2021
	(Class A)	(Class A)	(Class A)	(Class A)
SIS Equity Fund	-	20.14	-	24.70
SIS Equity Fund of Funds*	-	6.26	-	0.66
SIS Flexible Income Fund of Funds*	4.05	4.01	3.99	3.94
SIS Inflation Matching Fund of Funds	-	2.90	-	3.00
SIS Inflation Plus 1-3 Fund of Funds	-	9.62	-	7.85
SIS Inflation Plus 3-5 Fund of Funds	-	7.59	-	4.63
SIS Inflation Plus 3-5 Prudent Fund of Funds	-	5.05	-	2.52
SIS Inflation Plus 4-6 Fund of Funds	-	15.26	-	6.19
SIS International Flexible Fund of Funds	-	1.34	-	1.59
SIS International Growth Fund of Funds	-	0.22	-	0.30
SIS Maximum Return Fund of Funds	-	7.09	-	-
SIS Money Market Fund**	-	-	-	-
SIS Property Equity Fund	-	8.04	-	16.56
SIS Property Fund of Funds*	-	1.32	-	-

\* Relates to class T.

\*\* The SIS Money Market Fund distributes daily.

Price and total expense ratio	LAST PUBLISHED PRICE	TOTAL EXPENSE RATIO (TER)
	(31/12/2021)	Percentage per Class (%)
	(Class A)	(Class A)
SIS Equity Fund	1 386.97	0.88
SIS Equity Fund of Funds*	258.53	1.37
SIS Flexible Income Fund of Funds*	207.37	0.69
SIS Inflation Matching Fund of Funds	125.40	1.17
SIS Inflation Plus 1-3 Fund of Funds	499.03	1.28
SIS Inflation Plus 3-5 Fund of Funds	561.12	1.38
SIS Inflation Plus 3-5 Prudent Fund of Funds	261.03	1.30
SIS Inflation Plus 4-6 Fund of Funds	842.14	1.36
SIS International Flexible Fund of Funds	501.76	0.86
SIS International Growth Fund of Funds	774.74	1.16
SIS Maximum Return Fund of Funds	1 163.61	1.57
SIS Money Market Fund	100.00	0.39
SIS Property Equity Fund	326.86	0.56
SIS Property Fund of Funds*	135.42	3.25

\* Relates to class T.

#### STATUTORY INFORMATION:

Only the A Class fund portfolios and T Class fund portfolios for SIS Equity Fund of Funds, SIS Flexible Income Fund of Funds and SIS Property Fund Funds have been included in this Abridged Annual Report. Performance figures are only disclosed for funds that have been in existence for more than one year. A fund portfolio is identical for all the respective classes of that fund. Different classes purely reflect different fee structures, not different portfolio compositions. The A Classes and T Classes have been selected for this Annual Report as this is the only class of units which a retail investor can purchase directly from the SIS Unit Trust Scheme. Note that full details of all the funds and classes are available in the full Annual Report. All performance figures are based on lump sum investments to December 2021. Unit trusts are generally medium- to long-term investments. Past performance is no indication of future growth. Shorter term fluctuations can occur as your investment moves in line with the markets. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Unit trusts can engage in borrowing and scrip lending. The fund's Total Expense Ratio (TER) reflects the percentage of the average Net Asset Value of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs. A schedule of fees, charges and maximum commissions is available from the company. You may sell your investment at the ruling price of the day (calculated at 15h00 daily and 17h00 at month-end for all funds, except the Money Market Fund, which is at 13h00). A Fund of Fund unit trust invests only in other Collective Investment Schemes, which may levy their own charges.

The 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. Actual investment performance will differ based on the initial fees applicable, the actual investment date and the date of reinvestment of income.

**NOTES**

**NOTES**