GLACIER ANNUAL REPORT **2020**

glacier
by Sanlam

STATEMENT TO INVESTORS

The start of the year 2020 was largely marked by the breakout of the coronavirus pandemic which spread rapidly across the globe, leading to lockdown restrictions across most parts of the world, bringing economies to a grinding halt. Investor sentiment was dampened significantly as volatility spiked to levels last seen in the 2007-2008 global financial crisis and markets suffered one of the sharpest selloffs in history. To put this into perspective, developed market equities fell 21% (in USD) in the first quarter while emerging market equities fell 23%.

However, markets soon staged a solid recovery which saw equities rallying in subsequent months as fiscal and monetary policy interventions were supportive. Towards the end of the year, global sentiment was improving on the back of easing lockdown restrictions, vaccine developments and Joe Biden's election as US president. Overall, developed market equities were up 15.90% (in USD) for the year while emerging market equities advanced 18.31%.

Local markets under strain

As SA entered lockdown in March, the economy was already taking strain. The debt of state-owned enterprises (particularly Eskom) remains a big burden on the fiscus, and Eskom's ongoing load shedding remains a problem affecting all sectors of the economy. SA also got downgraded during lockdown, making it more expensive for the country to finance and raise capital. The JSE lost 21% in the first quarter before rebounding 23% in the second quarter.

The South African Reserve Bank cut interest rates by 3% in total for the year, in an attempt to ease the impact of the pandemic on the economy.

In Q2 the SA economy took a knock but rebounded in Q3, albeit from a low base. Despite an extremely turbulent and difficult year, local equity markets ended positive and were up 7% for the year.

Asset class returns

The top-performing asset class locally last year was bonds, delivering 8.65%. SA equity returned 7%, followed by cash which was up 5.39%. The local property market remained under pressure, at -34.49%, despite positive returns in the last two months of the year.

The Glacier Money Market Fund

The Glacier Money Market Fund marginally underperformed its benchmark (the STeFI Composite Index) for the 2020 calendar year, returning 5.32% in comparison to its benchmark's return of 5.39%. Money market returns have come under pressure as yields have reset lower due to the interest rate cuts experienced during the year. The Fund continues to be managed in a very conservative manner.

The Glacier Global Stock Feeder Fund

For the 2020 calendar year, the Glacier Global Stock Feeder Fund underperformed its benchmark (the MSCI World Index), gaining 9.17% in comparison to its benchmark's return of 21.75%. This return is disappointing but needs to be seen in the context of value as an investment style, which returned 3.82% over the past year versus growth which rallied 40.58%. One of the positives over the past quarter is that we have seen a rotation from the high-flying sectors, such as technology to the downtrodden sectors such as financials and energy, and the Fund has participated in this rally.

STATEMENT TO INVESTORS (continued)

The Glacier AI Flexible Fund of Funds

The Glacier AI Flexible Fund of Funds posted a solid return in 2020, during a truly turbulent year. The Fund advanced 9.25%, outperforming the SA Multi Asset Flexible category, which gained 6.55%. The Fund also managed to outperform its benchmark of CPI +5%. This was achieved through good asset allocation and being defensively positioned throughout the year.

The Fund is managed using AI and machine-learning techniques – with no human emotion or bias. This allows the Fund to actively adapt to changing markets - while not being distracted by human responses to market fluctuations - thereby reducing risk and improving outcomes for investors. Despite challenging market conditions, the Fund has produced risk-adjusted returns superior to those of the JSE All-Share Index.

2021

Regarding the outlook for 2021, market commentators are cautiously optimistic as global economic recovery hinges largely on the rapid and successful rollout of an effective vaccine. Locally, fiscal problems continue to strain the economy. Bond yield levels remain attractive given the muted inflation and economic recovery remains dependent on the pandemic coming to an end.

Thank you for placing your trust in us in these trying times. Market commentators do believe there is upside in the local economy this year, once again dependent on getting the spread of the virus under control. We do, however, expect market uncertainty to continue for quite some time and we urge investors to consult with their financial advisers before making any investment decisions.

I wish you well for the year ahead.

KHANYI NZUKUMA
CHIEF EXECUTIVE

REPORT OF THE TRUSTEE FOR THE GLACIER COLLECTIVE INVESTMENTS SCHEME

We, the Standard Bank of South Africa Limited, in our capacity as Trustee of the Glacier Collective Investments 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 2020.

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 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.

REPORT OF THE TRUSTEE FOR THE GLACIER COLLECTIVE INVESTMENTS SCHEME (continued)

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 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.

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; and

(ii) the provisions of this Act and the deed.

MELINDA MOSTERT
HEAD: FUND SERVICES
STANDARD BANK OF SOUTH AFRICA LIMITED
26 MARCH 2021

SEGGIE MOODLEY
HEAD: FIDUCIARY SERVICES
STANDARD BANK OF SOUTH AFRICA LIMITED
26 MARCH 2021

EXTERNAL AUDIT ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF THE GLACIER MONEY MARKET FUND, THE GLACIER GLOBAL STOCK FEEDER FUND AND THE GLACIER AI FLEXIBLE FUND OF FUNDS

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards and the Collective Investment Schemes Control Act, 2002. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's reports thereon.

Management's Responsibility for the Summary Financial Statements

The management take full responsibility for the preparation of the summarised report and that the financial information has been correctly extracted from the underlying Annual Financial Statements.

External Audit

This summarised report is extracted from audited information, but is not in itself audited. The Annual Financial Statements were audited by Ernst & Young Inc., who expressed an unmodified opinion thereon dated 26 March 2021. The audited Annual Financial Statements and the auditor's report thereon are available to all investors for inspection at the company's registered office.

GLACIER MONEY MARKET FUND

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020

	2020 R'000	**2019** R'000
ASSETS		
Investments	**4 266 666**	**3 622 983**
Money market instruments	4 266 666	3 622 983
Cash and cash equivalents	205 344	60 514
Accrued income and debtors	36 109	50 621
Total assets	**4 508 119**	**3 734 118**
LIABILITIES (excluding net assets attributed to unit holders)	**16 137**	**23 978**
Trade and other payables	83	65
Related parties payable	2 218	2 034
Distribution payable	13 836	21 879
Net assets attributable to unit holders	**4 491 982**	**3 710 140**

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 R'000	**2019** R'000
Income	**242 437**	**281 189**
Interest income	236 973	280 545
Interest calculated using the effective interest rate	5 464	-
Net fair value gains on financial instruments	-	644
Operating Expenses	**(26 059)**	**(23 943)**
Service fees	(25 740)	(23 687)
Audit fees	(73)	(70)
Custodians, trustee and bank charges	(230)	(178)
Net fair value loss on financial instruments	(8)	-
Transaction costs	(8)	(8)
Net profit for the year	**216 378**	**257 246**
Distribution to unit holders	(215 785)	(257 823)
Increase/(Decrease) in net assets attirbutable to unit holders	**593**	**(577)**

FUND DISTRIBUTION PER FEE CLASS

Monthly distributions	Cents per unit			
Month	**Class A**	**Class B**	**Class C**	**Class D**
January	6,00	6,10	4,79	6,30
February	5,44	5,53	4,30	5,71
March	5,71	5,80	4,49	6,01
April	5,24	5,33	4,06	5,53
May	4,98	5,08	3,76	5,28
June	4,20	4,29	3,02	4,49
July	3,93	4,03	2,71	4,23
August	3,65	3,74	2,43	3,94
September	3,36	3,46	2,18	3,65
October	3,32	3,42	2,11	3,62
November	3,03	3,13	1,86	3,32
December	3,11	3,21	1,89	3,41

FEES (FOR ALL CLASSES)

Portfolio breakdown: Glacier Money Market A, B, C and D classes**

	2020/12/31	2019/12/31
Overnight	4,23%	0,99%
0 - 3 Months	48,03%	53,41%
3 - 6 Months	24,68%	18,53%
6 - 9 Months	14,89%	16,47%
9 - 12 Months	8,17%	10,60%
12+ Months	0,00%	0,00%

	Class A	Class B	Class C*	Class D
Annual fees (VAT incl.)	0,58%	0,46%	2,00%	0,23%

** All-in fee class*

*** Portfolio breakdown did not form part of the annual external audit.*

A money market portfolio is not a bank deposit account. The price of a participatory interest is targeted at a constant value. The total return to an investor is made up of interest received and any gain or loss made on any particular instrument. In most cases the return will merely have the effect of increasing or decreasing the daily yield. However, in the case of abnormal losses it can have the effect of reducing the capital value of the portfolio. The yield of the fund is calculated as the interest earned by the fund during a seven day period less any managed fees incurred during those seven days. Excessive withdrawals from the fund may place the fund under liquidity pressures; in such circumstances a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed.

The management of investments are outsourced to Sanlam Investment Management (Pty) Ltd (FSP 579), an authorised financial services provider.

PORTFOLIO MANAGER'S COMMENT

Market review

Both global equity and fixed-income markets in the final quarter finished the year off on a positive note against a tough and gloomy backdrop of resurging COVID-19 new infection rates. These positive returns can predominantly be attributed to the announcement of a number of effective vaccines and, to a lesser extent, to a positive US election outcome, continued central bank asset purchases and fiscal support from governments. Locally, of quite some significance for cash yields, the money market yield curve normalised as longer rates picked up significantly.

At the last South African Reserve Bank (SARB) interest rate meeting for the year, the Monetary Policy Committee (MPC) voted 3-2 to keep the repo rate unchanged at 3.5%. They lowered their inflation forecasts slightly, with 2020 and 2021 respectively changing from 3.3% to 3.2% and 4% to 3.9%, while 2022 was left unchanged at 4.4%. Overall, in the short term the risks to inflation are to the downside, but in the medium term they are balanced. Consistent with the rebound in mining and manufacturing output and retail sales numbers, the SARB adjusted its third-quarter 2020 (3Q20) GDP forecast upward from 35% quarter-on-quarter (q/q) to 51% q/q. The SARB also raised its 2020 forecast from -8.2% to -8%.

The SA economy grew by 66.1% in 3Q20 after contracting by 51.7% in the second quarter of 2020 (2Q20), easily beating market expectations of 52.6%. This was the strongest pace of expansion since at least 1993, with manufacturing, trade and mining being the biggest contributors. Looking forward, the continued recovery in the fourth quarter of 2020 (4Q20) will most likely slow down, as the resurgence of the virus puts a strain on economic activity globally.

Finance Minister Tito Mboweni presented a medium-term budget with the budget deficit unchanged at 14.6% of GDP from the Supplementary Budget (SB) in June. The debt-to-GDP ratio will now consolidate at 95.3% of GDP in 2025/26, up from 87.4% as presented in the June SB. Additional support of R10.5 billion will be provided to SAA, with funding coming mainly from reprioritisation. Fitch noted that it sees significant risks with the implementation of the budget, because it depends heavily on the outcome of the wage negotiations. Consumer prices (headline CPI) continued to decline during the quarter, growing respectively at 4.1%, 3.7% and 3.6% year-on-year (y/y). These lower inflation readings were as a result of the slowdown in the cost of transport due to lower petrol prices and of food and non-alcoholic beverages.

Ratings agencies Fitch and Moody's downgraded SA's sovereign credit ratings by one notch to BB- and Ba2 respectively and left their Negative Outlooks unchanged. Both agencies cited an expected further weakening of SA's fiscal position over the medium term, which was exacerbated by the economic shock triggered by the COVID-19 pandemic.

President Cyril Ramaphosa said that SA secured another R110 billion at this year's investment conference, which was much lower than the R664 billion that was pledged over the first two years. This takes the total pledged investment amount to almost two thirds of the R1.2 trillion that government is targeting to raise over five years. The realisation of pledged amounts into actual investments is currently being constrained by the COVID-19 pandemic, with only R172 billion being invested so far. The renewed focus on infrastructure investment as part of the Economic Reconstruction and Recovery Plan could lift the investment rate further.

In other global news, after months of back-and-forth negotiations, the UK and the European Union (EU) finally agreed on a deal that will define their future relationship, coming into effect at the start of 2021.

Headline CPI increased to 3.2% year-on-year (y/y) in November from 3% y/y in September. Similarly, PPI inflation increased from 2.5% y/y to 3% y/y. The rand strengthened to R14.67 against the US dollar from R16.69 during the quarter. The 10-year SA government bond yield strengthened to 9.10% from 9.72%. The trade balance increased to a surplus of R36.7 billion from R33.5 billion. The unemployment rate increased to 30.8% in 3Q20 from 23.3% in 2Q20.

As mentioned earlier, the money market yield curve steepened significantly during the quarter. This increase in longer rates was driven by a slight pickup in credit demand, demand for deposits, rate cut expectations and additional upward rate pressure from the steep FX implied curve.

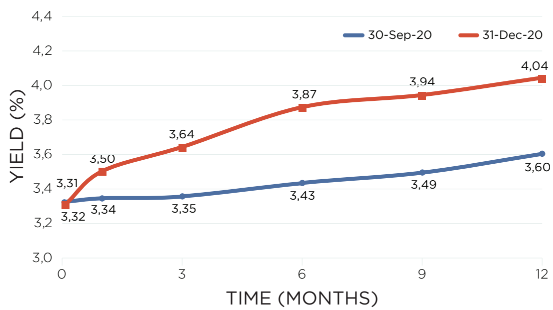
What we did

Quality corporate credit and RSA Treasury Bills, which are yielding higher than JIBAR rates, were added to the portfolio. The combination of corporate credit, high-yielding RSA Treasury Bills, negotiable certificates of deposit (NCDs) and floating rate notes (FRNs) will enhance portfolio returns.

Our strategy

Our preferred investments would be a combination of fixed-rate notes, FRNs and quality corporate credit to enhance returns in the portfolio. With the money market yield curve normalising (steepening), fixed-rate bank notes are more attractive now than before, but RSA Treasury Bills continue to yield higher than bank notes (NCDs) and FRNs. Bank floating rate spreads are also slowly picking up now, but not warranting investment yet, as further upward potential remains.

MONEY MARKET YIELD CURVE



Source: Sanlam Investments

GLACIER GLOBAL STOCK FEEDER FUND

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2020

	2020 R'000	2019 R'000
ASSETS		
Investments	**355 501**	**435 277**
Investment in Collective Investment Scheme	355 501	435 277
Cash and cash equivalents	6 607	9 816
Accrued income and debtors	106	10
Total assets	**362 214**	**445 103**
LIABILITIES (excluding net assets attributed to unit holders)	**220**	**305**
Trade and other payables	52	86
Related parties payable	168	219
Net assets attributable to unit holders	**361 994**	**444 798**

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 R'000	**2019** R'000
Income	**35 392**	**87 623**
Interest income	326	226
Net fair value gains on financial instruments	35 066	87 397
Operating Expenses	**(2 576)**	**(2 780)**
Service fees	(2 439)	(2 652)
Audit fees	(48)	(51)
Custodians, trustee and bank charges	(89)	(77)
Net profit for the year	**32 816**	**84 843**
Distribution to unit holders	-	-
Increase in net assets attributable to unit holders	**32 816**	**84 843**

FEES AND FUND DISTRIBUTION

Portfolio breakdown	2020/12/31	2019/12/31
Cash		
USD	3,63%	2,93%
ZAR	1,81%	2,20%
Regional exposure		
United States	45,17%	42,84%
United Kingdom	9,33%	7,82%
Pacific (excluding Japan)	8,15%	8,02%
Latin America	3,93%	3,62%
Japan	3,63%	3,42%
Europe (excluding United Kingdom)	19,83%	25,82%
Canada	3,44%	2,25%
Africa/Middle East	1,08%	1,08%

Distributions	Payment date	Local interest (cent per unit)
Declaration date Thursday, 31 December 2020	1st working day of the following month	0,00

Annual fees (VAT incl.)		
Class B*	0,58%	0,58%

**Class B was previously the B3 class*

The Glacier Global Stock Feeder Fund is a feeder fund and as such it invests in a single portfolio of a collective investment scheme which levies its own charges and which could result in a higher fee structure for the feeder fund. The Glacier Global Stock Feeder Fund invests in the FSB-approved Dodge & Cox Global Stock Fund, managed by Dodge & Cox Worldwide Investments.

The management of investments are outsourced to Sanlam Multi-Manager International (Pty) Ltd (FSP 845), an authorised financial services provider.

PORTFOLIO MANAGER'S COMMENT

The Global Stock Fund – USD Accumulating Class had a total return of 24.0% for the fourth quarter of 2020 (7.44% in ZAR), compared to 14.0% for the MSCI World Index (0.36% in ZAR). For 2020, the USD Accumulating Class had a total return of 5.5% (9.17% in ZAR), compared to 15.9% for the MSCI World (21.75% in ZAR).

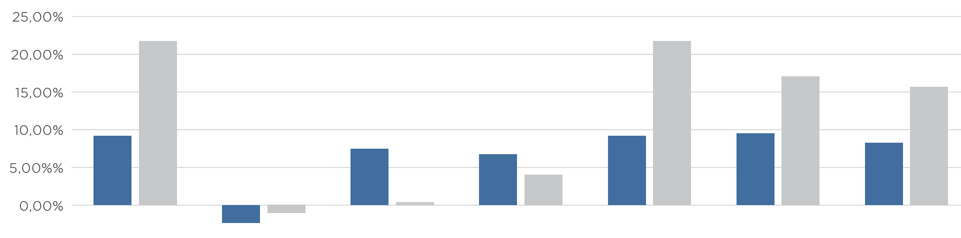
Investment Commentary

In 2020, global equity markets were extremely volatile. Global stocks fell sharply in the spring as the coronavirus (COVID-19) pandemic evolved, then rebounded quickly off the March lows and performed well during the second and third quarters. After the successful development of effective COVID-19 vaccines, markets rebounded sharply again in November as investors looked forward to the potential for an economic recovery in 2021.

The market reversals this year illustrate the importance of having a long-term view and staying the course with one's convictions. Markets can turn quickly, and history shows us that major market moves are episodic and unpredictable. Thus, missing even a few days in the market can make a big difference to overall returns.

While the MSCI World Value Index outperformed the MSCI World Growth Index for the quarter, value stocks still lagged growth stocks significantly for the year: the MSCI World Value was down 1% in USD (3.82% in ZAR) compared to up 34% in USD (40.58% in ZAR) for the MSCI World Growth. We believe we are still in the early innings of a reversal between value and growth performance and a strong case can be made for investing in value stocks going forward.

GLACIER GLOBAL STOCK FEEDER FUND PERFORMANCE AS AT DECEMBER 2020



	Year-to-date	1 month	3 months	6 months	1 year (Ann)	3 years (Ann)	Since launch (Ann)
Glacier Global Stock FF	9,17%	-2,38%	7,44%	6,74%	9,17%	9,46%	8,23%
MSCI World	21,75%	-1,06%	0,36%	3,98%	21,75%	17,03%	15,63%

Source: Morningstar Direct

PORTFOLIO MANAGER'S COMMENT (continued)

MSCI WORLD STYLE INDICES PERFORMANCES (IN ZAR) AS AT DECEMBER 2020

	Year-to-date	1 month	3 months	6 months	1 year
MSCI World Growth	40.58%	-0.40%	-0.89%	6.27%	40.58%
MSCI World Quality	28.37%	-1.59%	-2.75%	1.98%	28.37%
MSCI World Value	3.82%	-1.71%	1.91%	1.62%	3.82%
MSCI World Momentum	34.73%	-1.00%	-2.65%	3.93%	34.73%

Source: Morningstar Direct

First, starting valuations matter, and the valuation differential between value and growth stocks remains wide by historical standards, which creates ample opportunities for value-oriented investors like Dodge & Cox. The Fund trades at a significant discount to the broad-based market: 13.2 times forward earnings compared to 21.0 times for the MSCI World. Historically, lower starting valuations have produced more attractive long-term returns.

Second, we are encouraged by the approval of COVID-19 vaccines. The areas of the market impacted by COVID-19 should continue to recover as more of the population becomes vaccinated. There is also the possibility that interest rates increase as the economy recovers, which would further benefit many of the Fund's holdings.

Third, history has indicated it is hard to stay a market leader. Several very large, high-valuation technology companies have had a large influence on market returns. We believe many of them are overvalued and face significant challenges, not only in justifying their valuations but also because of mounting competitive and regulatory threats. In addition, they would be disadvantaged by higher interest rates.

We have strong conviction in our portfolio positioning. Even after the rebound, many stocks that were hit hard by the economic consequences of the pandemic, for example in the Financials, Energy, Industrials, and Real Estate sectors, are still down significantly for the year. The Fund leans toward value and continues to have notable overweight positions in Financials and Energy.

The portfolio overall is composed mostly of companies with strong franchises that benefit from long-term economic growth. We continue to assess relative valuation opportunities, weighing long-term fundamentals against current prices. For example, while we added to Financials and Energy earlier in the year at depressed valuations, in the fourth quarter we trimmed various Financials holdings that had outperformed and added to several of the Fund's holdings in Health Care.

2020 Performance Review – in USD

The USD Accumulating Class underperformed the MSCI World by 10.4 percentage points in 2020.

Key contributors to relative results:

- Relative returns in the Industrials sector (up 37% compared to up 12% for the MSCI World sector) had a positive impact. FedEx outperformed.
- Strong returns in the Consumer Staples sector (up 55% compared to up 8% for the MSCI World sector) helped results.
- Additional contributors included JD.com, Dell Technologies, Microchip Technologies, Sprint (prior to its merger with T-Mobile US), Qurate Retail, and Charter Communications.

Key detractors from relative results:

- The Fund's average overweight position in the Financials sector (28% versus 13% for the MSCI World sector), combined with weaker relative returns (down 11% compared to down 3%), hurt results. UniCredit, Societe Generale, Standard Chartered, and Wells Fargo detracted from results.
- Stock selection (up 28% compared to up 44% for the MSCI World sector), combined with the Fund's average underweight position in the Information Technology sector (12% versus 20%), detracted from results.
- Additional detractors included Occidental Petroleum and Suncor Energy.

GLACIER AI FLEXIBLE FUND OF FUNDS

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2020

	2020 R'000	2019 R'000
ASSETS		
Investments	**516 764**	**220 303**
Equities and specialist securities - Local	359 879	154 448
Participatory Interest in Collective Investment Scheme - Foreign	156 885	65 855
Cash and cash equivalents	18 623	10 108
Accrued income and debtors	144 304	87 725
Total assets	**679 691**	**318 136**
LIABILITIES (excluding net assets attributed to unit holders)	**148 301**	**94 229**
Trade and other payables	145 534	91 686
Related parties payable	351	132
Distribution payable	2 416	2 411
Net assets attributable to unit holders	**531 390**	**223 907**

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 R'000	**2019** R'000
Income	**34 268**	**12 243**
Interest income	5 109	351
Dividend income	2 873	2 156
Net fair value gains on financial instruments	26 286	9 736
Operating Expenses	**(4 537)**	**(1 494)**
Service fees	(2 762)	(984)
Audit Fees	(70)	-
Withholding tax	(104)	(22)
Custodians, trustee and bank charges*	(102)	34
Transaction costs	(1 499)	(522)
Net profit for the year	**29 731**	**10 749**
Distribution to unit holders	(6 165)	(2 582)
Increase in net assets attributable to unit holders	**23 566**	**8 167**

**Custodian, trustee and bank charges have been refunded by Glacier Management Company (RF) (Pty) Ltd which was intially paid by the fund; the refund include payments for 2018.*

FEES AND FUND DISTRIBUTION

Portfolio breakdown	**2020/12/31**	**2019/12/31**
Local		
Local Equity	58,60%	37,10%
Local Property	0,00%	2,40%
Local Bonds	4,40%	30,20%
Local Cash	7,60%	1,10%
International		
International Equity	0,00%	7,10%
International Property	0,00%	0,20%
International Bonds	29,40%	21,80%
International Cash	0,00%	0,10%
Distributions	**Payment date**	**Local interest (cent per unit)**

Declaration date 30 June 2020 and 31 December 2020	1st working day of the following month	11.53 (June 2020) & 5.05 (December 2020)
Annual fees (VAT incl.)		
Class B	0,78%	0,78%

The Glacier AI Flexible Fund of Funds utilises an artificial intelligence machine-learning investment engine that dynamically alters the fund's asset allocation in accordance with market movements.

The fund invests in a range of local & international equity and fixed income ETFs in accordance with maximum allowable limits set by regulation.

Capital growth is of primary importance and results in a higher allocation to equities. The portfolio may display capital fluctuations over the shorter term, however, volatility levels should be lower than a pure equity fund.

The management of investments are outsourced to Sanlam Investment Management (Pty) Ltd, FSP 579, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002.

PORTFOLIO MANAGER'S COMMENT

Market overview

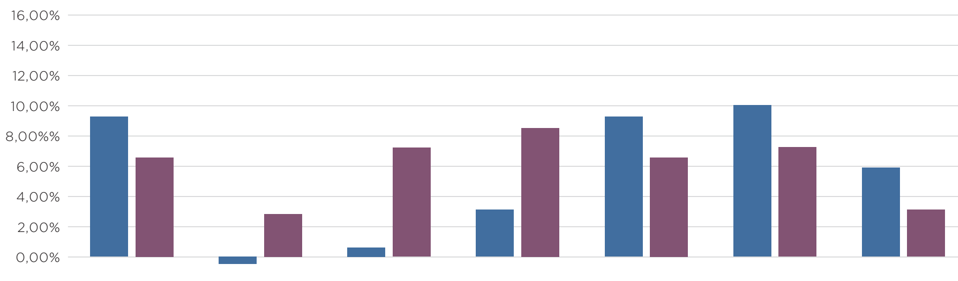
2020 marked the start of a new decade, filled with optimism supported by signs of stablising global growth and progress on the trade war front between the US and China. However, given the events that unfolded during the year, it will truly be unforgettable. Upon reflection, if one were to describe the year using a quote it would have to be "adapt or die". The market rebounded strongly during the second quarter of 2020 and we saw a rotation from the high-flying sectors, like technology to the downtrodden sectors such as financials and energy towards the end of 2020. Keeping in mind the volatility and reversals seen during the year, it does illustrate the point of having a long-term view and staying the course.

The debate now shifts to the rollout of vaccine programmes and the return to normality.

Fund performance

Over the fourth quarter of 2020, the Glacier AI Flexible FoF turned in a muted performance, underperforming the ASISA SA Multi-Asset Flexible category, firming 1.22% in comparison to the category average return of 7.20%. The Fund has been defensively positioned, which speaks to the underperformance during the fourth quarter. However, this positioning has held it in good stead for the 2020 calendar year, advancing 9.25% in comparison to the category average return of 6.55%.

GLACIER AI FLEXIBLE FOF PERFORMANCE AS AT DECEMBER 2020



	Year-to-date	1 month	3 months	6 months	1 year	2 year (Ann)	Since launch (Ann)
Glacier AI Flexible FoF	9,25%	-0,49%	1,22%	3,10%	9,25%	10,01%	5.88%
ASISA SA MA Flexible	6,55%	2,83%	7,20%	8,52%	6,55%	7,24%	3.10%

Source: Morningstar Direct

PORTFOLIO MANAGER'S COMMENT (continued)

The biggest detractor from relative performance over the quarter was the Fund's offshore exposure, largely due to the rand strengthening by 12.31% against the US dollar. Meanwhile, the exposure to SA bonds and industrials (local equity) contributed positively to performance. The relative underperformance can also be explained by not having exposure to financials, which was the top performing local equity sector, and having the full offshore exposure to global bonds. From an asset allocation perspective, the AI machine added to equites by trimming the bond exposure over the quarter. The bond exposure is currently sitting at 33.80% (29.40% in global bonds and 4.40% in local bonds). From a local perspective, equity has been increased over the quarter from 37.31% to 58.60%, which is through the Satrix Industrials ETF.

GLACIER FUND PERFORMANCE AND TER REPORT

NAV TO NAV - LOCAL CURRENCY FROM 31/12/2019 TO 31/12/2020

Fund Performance	1 year performance	Benchmark*
Glacier Money Market - Class A	5,32%	5,39%
Glacier Money Market - Class B	5,44%	5,39%
Glacier Money Market - Class C**	3,82%	5,39%
Glacier Money Market - Class D	5,69%	5,39%
Glacier Global Stock Feeder Fund - Class B	9,17%	21,75%
Glacier AI Flexible Fund of Funds - Class B	9,25%	8,34%

* *Benchmark*
The benchmark for the Glacier Money Market Funds is the Stefi composite
The benchmark for the Glacier Global Stock Feeder Fund is MSCI World
The benchmark for the Glacier AI Flexible Fund of Funds is CPI+5% over a 3-year rolling period

** *All-in fee class*
Collective Investment Schemes and Securities (unit trusts) are generally medium- to long-term investments. The value of participatory investments (units) may go down as well as up and past performance is not necessarily a guide to the future. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commissions is available on request from the company/scheme. The manager does not provide any guarantee either with respect to the capital or the return of the fund. Copies of the audited Annual Financial Statements of the manager and funds are available free of charge on request.

TOTAL EXPENSE RATION (TER)*
AS AT 31 DECEMBER 2020

	%
Glacier Money Market - Class A	0,58%
Glacier Money Market - Class B	0,46%
Glacier Money Market - Class C	2,01%
Glacier Money Market - Class D	0,23%
Glacier Global Stock Feeder Fund - Class B	1,28%
Glacier AI Flexible Fund of Funds	0,98%

** The TER percentage of the average Net Asset Value of the portfolio was incurred as charges, levies and fees related to the management of the portfolio. The ratio does not include transaction costs. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER can not be regarded as an indication of future TERs. TERs did not form part of the annual external audit.*

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CONTACT DETAILS

The full annual financial statements are available to all investors.

Kindly send your personal details together with your investment account number to:

Private Bag X5 Tyger Valley 7536

Tel +27 21 917 9002

Fax +27 21 947 9210

Web www.glacier.co.za

E-mail client.services@glacier.co.za

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