GLACIER ANNUAL REPORT **2021**

glacier
by Sanlam

STATEMENT TO INVESTORS

Investors around the world entered 2021 hoping for a return to normality, but the effects of COVID-19, together with the emergence of new variants, continued throughout 2021. In the latter part of the year inflation became more of a concern globally. Although less of a concern locally, the Reserve Bank did raise the interest rate in November.

South Africa remains plagued by low growth. GDP fell by 1.5% in the third quarter with the largest contributor being the agricultural sector. The unemployment rate increased to 34.9% in Q3 – the highest jobless rate since 2008. The July unrest, lockdown and loadshedding were all contributing factors. However, despite a difficult year, the FTSE/JSE All Share Index ended positive and was up 29.23% for the year.

Asset class returns

Property was the top performing asset class locally in 2021, delivering an impressive 38.63%. This was followed by SA equity at 29.23%. Bonds returned 8.4%, and lastly cash delivered 3.81%.

Global equity returned 32.36% and we saw the rand depreciate by roughly 8.5% over the year.

The Glacier Money Market Fund

The Glacier Money Market Fund returned 3.75% in 2021, outperforming cash (as measured by the STeFI Composite index) as well as the category average. The Fund's allocation to quality corporate credit and SA treasury bills added to its performance.

The Glacier Global Stock Feeder Fund

The Glacier Global Stock Feeder Fund, a rand-denominated global equity fund investing into the Dodge & Cox Global Stock Fund, had a fairly good year, returning 28.58% in rand terms. The Fund slightly underperformed the MSCI World Index but outperformed its category average quite comfortably.

The relative underperformance of the Glacier Global Stock Feeder Fund was mainly due to the value style-orientation of the Fund. During the first half of the year, we saw global value indices outperform their growth counterparts. However, in the second half of the year, value underperformed growth, coinciding with the emergence of COVID-19 variants.

The Glacier AI Flexible Fund of Funds

The Glacier AI Flexible Fund of Funds generated a return of 12.42% for the 2021 calendar year, outperforming its benchmark of CPI + 5%, but underperforming the category average which returned 22.09%. The Fund's main objective is to protect capital and was therefore conservatively positioned in terms of its exposure to riskier assets that had a very good 2021.

The Glacier AI Balanced Fund

During the final quarter of 2021 (1 December) we expanded our range of AI funds with the launch of the Glacier AI Balanced Fund. The Fund is fully managed using AI (artificial intelligence) technology which eliminates human emotion, enabling the Fund to actively adapt to changing market conditions. The Fund aims to deliver CPI + 5% over rolling five-year periods and aims to produce equity-like returns at lower levels of risk.

2022

We anticipate that the effects of the past two years will be with us for some time and we therefore expect 2022 to be another challenging year. Globally, inflation will continue, and we expect to see a series of interest rate hikes. Locally, the lingering effects of the pandemic on the economy, together with political uncertainty and lacklustre business confidence, continue to hamper economic growth. However, our bonds remain attractive, and our equity market is still fairly cheaply priced in some sectors.

We urge investors to engage with their financial advisers before making any changes to their investment portfolios. The past two years have again shown just how quickly markets can turn, and how those who've remained with their investment strategy have been rewarded over the long term.

Thank you for entrusting us with your investments and we wish you a successful 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 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 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 2022

SEGGIE MOODLEY
HEAD: FIDUCIARY SERVICES
STANDARD BANK OF SOUTH AFRICA LIMITED
26 MARCH 2022

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 2022. 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 2021

	2021 R'000	2020 R'000
ASSETS		
Investments	**3 773 466**	**4 266 666**
Money market instruments	3 773 466	4 266 666
Cash and cash equivalents	180 125	205 344
Accrued income and debtors	45 066	36 109
Total assets	**3 998 657**	**4 508 119**
LIABILITIES (excluding net assets attributed to unit holders)	**16 032**	**16 137**
Trade and other payables	80	83
Related parties payable	1 522	2 218
Distribution payable	14 430	13 836
Net assets attributable to unit holders	**3 982 625**	**4 491 982**

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 R'000	2020 R'000
Income	**192 346**	**242 429**
Interest income	192 276	242 437
Net fair value gains / (losses) on financial instruments	70	(8)
Operating Expenses	**(23 206)**	**(26 051)**
Service fees	(22 921)	(25 740)
Audit fees	(63)	(73)
Custodians, trustee and bank charges	(215)	(230)
Transaction costs	(7)	(8)
Net profit for the year	**169 140**	**216 378**
Distribution to unit holders	(168 962)	(215 785)
Increase in net assets attirbutable to unit holders	**178**	**593**

FUND DISTRIBUTION PER FEE CLASS

Monthly distributions	**Cents per unit**			
Month	**Class A**	**Class B**	**Class C**	**Class D**
January	3.01	3.11	1.83	3.30
February	2.85	2.94	1.75	3.12
March	3.16	3.26	1.94	3.46
April	3.05	3.14	1.87	3.33
May	3.18	3.28	1.96	3.47
June	3.11	3.20	1.92	3.39
July	2.61	2.68	1.62	2.84
August	3.16	3.25	1.98	3.44
September	3.06	3.16	4.14	3.34
October	3.36	3.46	2.15	3.65
November	3.24	3.33	2.06	3.52
December	3.07	3.16	1.97	3.33

FEES (FOR ALL CLASSES)

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

	2021/12/31	2020/12/31
Overnight	4.14%	4.23%
0 - 3 Months	58.22%	48.03%
3 - 6 Months	24.66%	24.68%
6 - 9 Months	10.14%	14.89%
9 - 12 Months	2.84%	8.17%
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 overview

At the start of the quarter, higher inflation expectations because of rising energy prices, which in turn were caused by strong demand and supply shortages, dominated financial market news flows. In Europe, natural gas prices increased substantially, in Asia there were coal shortages, and oil prices continued to climb significantly. Then, in November, markets were dominated by the breakout of the new Omicron variant of COVID-19 and the indication by the US Federal Reserve (Fed) that they will start tapering their monthly bond purchases. This resulted in a broad weakening of stock markets globally, emerging market (EM) and non-US developed market currencies and EM bonds, while at the same time safe-haven assets like the US dollar and treasuries strengthened.

Towards the end of the year, the highly infectious Omicron variant continued to spread around the world, but over time the data showed that it is less severe, resulting in significantly less hospitalisations and deaths. As a consequence, the corresponding volatility subsided, and equity markets recovered. Fixed-income markets remained volatile as higher inflation expectations continued to affect the market and the Federal Reserve indicated that they may have to accelerate their bond tapering.

Third-quarter 2021 (3Q21) GDP contracted by 1.5% quarter-on-quarter, surprising to the downside, as agricultural output declined by more than expected. The unemployment rate increased to 34.9% in 3Q21 from 34.4% in the second quarter. This was the highest jobless rate since 2008, on the back of the July unrests and still strict lockdowns. Looking forward, first a positive for SA tourism and the economy that the UK removed SA from their travel red list. Then on the negative front, Eskom restarted load shedding, which is a reminder that energy constraints remain a downside risk.

The Monetary Policy Committee (MPC) at the SA Reserve Bank (SARB) voted 3:2 to hike the repo rate by 25 basis points (bps). Although this hike is a little earlier than expected, the SARB stated that they think a gradual rise in the repo rate will be sufficient to keep inflation under control.

The new Finance Minister, Enoch Godongwana, used his first opportunity at the Medium-Term Budget Policy Statement (MTBPS) to show government's commitment to fiscal consolidation with controlled spending and structural reforms to lift long-term growth and consequently, fiscal revenues. Treasury now expects a budget surplus by the end of the three-year forecast period and expects debt to stabilise beyond that in FY25/26 at 78.1% of GDP.

The ANC's bill to change the constitution to allow land expropriation without compensation was rejected in a parliamentary vote. The EFF was one of the main opponents of this bill, as its default position is compensation for expropriation and only in indistinct circumstances will the compensation be zero.

Headline CPI inflation increased to 5.5% year-on-year (y/y) from 5% y/y during the quarter. PPI inflation increased to 9.6% y/y from 7.8% y/y. Both CPI and PPI inflation increases were mainly driven by higher fuel and transport prices. The rand weakened to 15.93 to the US dollar from 15.11 during the quarter. The 10-year SA government bond yield ended at 9.75% where it started the quarter, although this masks the huge volatility intra-quarter. The trade balance increased to a surplus of R35.83 billion from R21.73 billion.

The money market yield curve steepened somewhat over the quarter as inflation expectations remained high. It also shifted upwards as a result of the 25-bps rate hike in November. The steep yield curve currently prices in about 150 bps of rate hikes over the next year. This reflects the market's stance that interest rate normalisation is about to pick up momentum around the world as fears of higher inflation remain, vaccinations are increasing and new variants are less severe, COVID-19 is better handled and economies are opening up more.

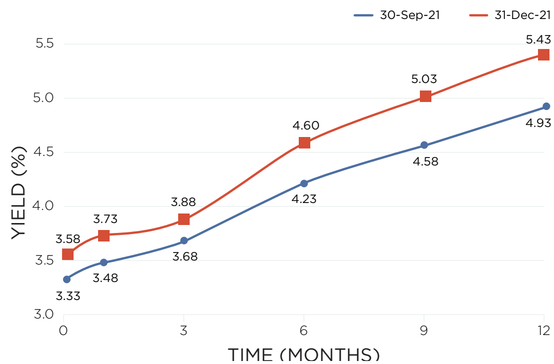
What Sanlam Investment Management (SIM) did

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

SIM's 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 2021

	2021 R'000	2020 R'000
ASSETS		
Investments	**768 337**	**355 501**
Collective Investment Scheme	768 337	355 501
Cash and cash equivalents	13 300	6 607
Accrued income and debtors	346	106
Total assets	**781 983**	**362 214**
LIABILITIES (excluding net assets attributed to unit holders)	**382**	**220**
Trade and other payables	50	52
Related parties payable	332	168
Net assets attributable to unit holders	**781 601**	**361 994**

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 R'000	2020 R'000
Income	**143 715**	**35 392**
Interest income	381	326
Other gains	143 334	35 066
Operating Expenses	**(3 336)**	**(2 576)**
Service fees	(3 200)	(2 439)
Audit fees	(43)	(48)
Custodians, trustee and bank charges	(93)	(89)
Net profit for the year	**140 379**	**32 816**
Distribution to unit holders	-	-
Increase in net assets attributable to unit holders	**140 379**	**32 816**

FEES AND FUND DISTRIBUTION

Portfolio breakdown	2021/12/31	2020/12/31
Cash		
USD	1.57%	3.63%
ZAR	1.70%	1.81%
Regional exposure		
United States	45.02%	45.17%
United Kingdom	8.85%	9.33%
Pacific (excluding Japan)	9.44%	8.15%
Latin America	3.64%	3.93%
Japan	3.34%	3.63%
Europe (excluding United Kingdom)	21.82%	19.83%
Canada	4.23%	3.44%
Africa/Middle East	0.39%	1.08%

Distributions	Payment date	Local interest (cent per unit)
Declaration date Thursday, 31 December 2021	1st working day of the following month	0.00

Annual fees (VAT incl.)		
Class B*	0.58%	0.58%
Class B2**	0.40%	

** Class B was previously the B3 class*
*** Class B2 inception February 2021*

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 Glacier Global Stock Feeder Fund had a total return of 3.27% (8.54% in ZAR) for the fourth quarter of 2021, compared to 7.77% (14.32% in ZAR) for the MSCI World Index. For the year ending 31 December 2021, the Fund had a total return of 20.14% (28.58% in ZAR), compared to 21.82% (32.36% in ZAR) for the MSCI World.

Investment commentary – in USD

In the United States, the S&P 500 Index posted exceptionally strong results in 2021, up 29% on the back of a solid economy and unprecedented monetary and fiscal stimulus. With strong consumer balance sheets and easy access to credit, demand continues to remain elevated. In contrast, COVID-19 variants, supply chain disruptions, and labour market frictions are affecting supply. Inflation is now at levels last seen in the 1980s, and the Federal Reserve has accelerated plans to raise interest rates in 2022.

Outside the United States, developed markets also posted solid results for the year (the MSCI EAFE Index appreciated 11%), as economic growth in most developed market countries rebounded to above pre-pandemic levels. However, the MSCI Emerging Markets Index declined 3%. China's stock market dropped 22% amid ongoing regulatory interventions by the Chinese government and concerns about a slowdown in economic growth. Internet-related companies, in particular, were impacted, with the CSI China Internet Index down 49%.

During the first half of 2021, the global value indices appreciated and outperformed their growth counterparts. But in the second half of the year, value underperformed growth with the emergence of COVID-19 variants. Hence, while valuations remain above average for the market overall, wide valuation disparities remain between value and growth stocks. The MSCI World Value Index currently trades at 14.2 times forward earnings compared to a lofty 31.2 times for the MSCI World Growth Index. This market divergence is so rare, it now rounds to the 100th percentile of historical experience.

The discount for stocks that benefit from rising rates also continues to be extraordinarily wide. This valuation spread is particularly extraordinary given the incredibly low level of nominal and real interest rates and would appear to suggest a greater likelihood of rates staying lower for longer than we believe is warranted. These two wide valuation disparities provide attractive opportunities for active, value-oriented, bottom-up investment managers like Dodge & Cox. The Fund is overweight low-valuation stocks, which we believe are positioned to benefit from accelerating economic growth, and underweight growth stocks, which we believe are more at risk due to their high valuations and high expectations. In 2021, we actively trimmed many of the Fund's holdings as they outperformed the overall market, particularly in the more cyclical parts of the market that had benefitted from a rebound in the economy. However, the Fund remains overweight financials and energy.

In financials, the Fund's holdings are inexpensive, well capitalised, and on track to return meaningful amounts of capital to shareholders in 2022. Although rising interest rates are not a core part of our investment thesis, higher rates would likely benefit earnings growth. In energy, capital return potential is also poised to increase, as oil prices have risen, and management teams have restrained capital spending. Health care was our largest add in the portfolio this year. As a result, the Fund's health care position increased from 14.0% at the beginning of 2021 to 19.8% at year-end.

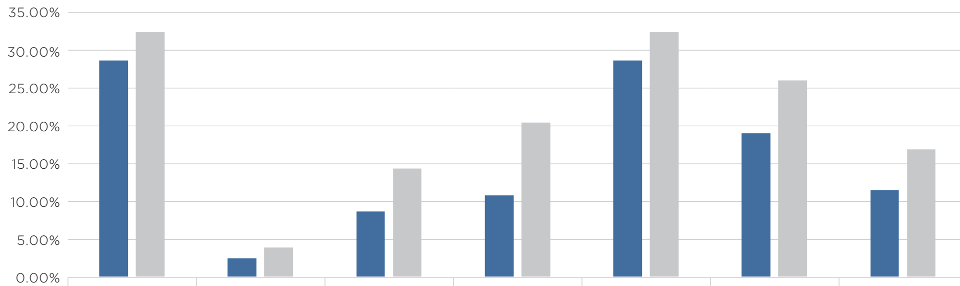
We added to large pharmaceutical franchises such as GlaxoSmithKline, Sanofi, and Novartis. These companies now represent three of the Fund's five largest positions. We also started positions in the health care services company Fresenius Medical Care (leading dialysis provider) and two biopharmaceutical companies: Regeneron Pharmaceuticals and Incyte. Regeneron is a biotech company focused on antibody treatments for ophthalmology, immunology, and cancer. Its antibody discovery platform has led to multiple commercial drugs, including two of the industry's most valuable blockbusters, Eylea (ophthalmology) and Dupixent (immunology).

The company has also made substantial investments in understanding the genetic basis of disease, as well as in new technologies like RNAi (with Alnylam) and CRISPR (with Intellia). The company is still led by its founding duo, CEO Len Schleifer and CSO George Yancopoulos, who are significant shareholders. Both are MD/PhDs and their strategy to focus on long-term value creation through innovation has been successful. We think Regeneron offers an opportunity to increase our exposure to innovation at an attractive price. Going forward, we continue to be optimistic about the long-term outlook for the Fund. While timing is uncertain, we believe interest rates may increase further, which could benefit the Fund's portfolio.

Even if interest rates do not rise, the Fund could still benefit if the currently wide valuation discount for rising rate beneficiaries were to narrow. Finally, we believe the Fund is also well diversified and balanced across a range of investment themes. Over half of the Fund is invested in sectors and industries that benefit from innovation, in areas such as media, health care, and information technology. We believe patience, persistence, and a long-term investment horizon are essential to investment success. We encourage our shareholders to take a similar view. Thank you for your continued confidence in Dodge & Cox.

PORTFOLIO MANAGER'S COMMENT (continued)

GLACIER GLOBAL STOCK FEEDER FUND PERFORMANCE AS AT DECEMBER 2021



	Year-to-date	1 month	3 months	6 months	1 year (Ann)	3 years (Ann)	Since launch (Ann)
Glacier Global Stock FF	28.58%	2.47%	8.64%	10.72%	28.58%	18.99%	11.45%
MSCI World	32.36%	3.86%	14.32%	20.45%	32.36%	25.99%	16.86%

Source: Morningstar Direct & Glacier Research

MSCI WORLD STYLE INDICES PERFORMANCES (IN ZAR) AS AT DECEMBER 2021

	Year-to-date	1 month	3 months	6 months	1 year
MSCI World Growth	31.67%	1.67%	14.74%	21.87%	31.67%
MSCI World Quality	36.53%	3.45%	16.96%	23.31%	36.53%
MSCI World Value	32.50%	6.15%	13.71%	18.81%	32.50%
MSCI World Momentum	24.56%	1.07%	12.20%	19.38%	32.36%

Source: Morningstar Direct & Glacier Research

Fourth quarter performance review – in USD

The USD Accumulating Class underperformed the MSCI World by 4.5 percentage points during the quarter.

Key contributors to relative performance

- The Fund's relative results in the health care sector (up 10% compared to up 8% for the MSCI World sector) contributed. GlaxoSmithKline was particularly strong.
- Stock selection in the energy sector (up 8% compared to up 4% for the MSCI World sector) also helped. Suncor Energy was a significant contributor.
- Additional contributors included Jackson Financial and FedEx.

Key detractors from relative performance

- In communication services, the Fund's average overweight position (15% versus 9%) and stock selection (down 5% compared to down 2% for the MSCI World sector) detracted. Charter Communications and Comcast were among the detractors.
- The Fund's relative results in the consumer discretionary sector (down 8% compared to up 8% for the MSCI World sector) also hurt. Alibaba was a main detractor.
- Additional detractors included Itau Unibanco, Axis Bank, and Banco Santander.

GLACIER AI FLEXIBLE FUND OF FUNDS

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2021

	2021 R'000	**2020** R'000
ASSETS		
Investments	**746 086**	**516 764**
Participatory Interest in Collective Investment Scheme - Local	528 589	359 879
Participatory Interest in Collective Investment Scheme - Foreign	217 497	156 885
Cash and cash equivalents	28 791	18 623
Accrued income and debtors	524 046	144 304
Total assets	**1 298 923**	**679 691**
LIABILITIES (excluding net assets attributed to unit holders)	**550 550**	**148 301**
Trade and other payables	517 270	145 534
Related parties payable	506	351
Distribution payable	32 774	2 416
Net assets attributable to unit holders	**748 373**	**531 390**

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 R'000	**2020** R'000
Income	**88 828**	**34 268**
Interest income	30 852	5 109
Dividend income	7 873	2 873
Other gains	50 103	26 286
Operating Expenses	**(12 527)**	**(4 537)**
Service fees	(5 450)	(2 762)
Custodians, trustee and bank charges	(210)	(102)
Other	(6 867)	(1 673)
Net profit for the year	**76 301**	**29 731**
Distribution to unit holders	(32 877)	(6 165)
Increase in net assets attributable to unit holders	**43 424**	**23 566**

FEES AND FUND DISTRIBUTION

Portfolio breakdown	2021/12/31	2020/12/31
Local		
Local Equity	42.40%	58.60%
Local Property	12.90%	0.00%
Local Bonds	6.50%	4.40%
Local Cash	8.20%	7.60%
International		
International Equity	28.10%	0.00%
International Property	1.00%	0.00%
International Bonds	0.50%	29.40%
International Cash	0.40%	0.00%

Distributions	Payment date	Local interest (cent per unit)
Declaration date 30 June 2021 and 31 December 2021	1st working day of the following month	0.17 (June 2021) & 52.39 (December 2021)
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

South African equities delivered a solid return in the fourth quarter of 2021 as the ALSI gained 15.13%, led by large caps which advanced 16.25%. Small- and mid-caps followed suit, gaining 8.75% and 3.83%, respectively. From a sector point of view, resources was the best performer, advancing 21.62%, while industrials and financials were up 5.20% and 2.50%, respectively. SA industrials (including dual-listed companies) returned 16.09%. On the fixed income side, bond markets delivered modest returns as the ALBI gained 2.87% while inflation-linked instruments gained 5.03%. On the maturity spectrum, the long end of the yield curve (12+ years) gained 4.08% while the shorter end of the yield curve (3-7 years) returned 1.06%. Cash (STeFI) returned 0.98% while preference shares advanced 17.28%. Property, on the other hand, was up 8.35%.

Globally, developed market equities continued to outperform their emerging market counterparts. The MSCI Developed World Index gained 13.68% (in ZAR) and the MSCI Emerging Markets Index returned 3.99% (in ZAR). Global bonds gained 5.05% (in ZAR), supported by the weakness of the rand. Inflation remained a key talking point in global markets. The Federal Reserve kept interest rates unchanged at 0-0.25%, in line with market expectations, but signaled an interest rate hike in 2022, coupled with the end of its bond-buying programme in March 2022. Similarly, the ECB and Bank of England followed suit, keeping rates unchanged at 0% and 0.1%, respectively, while also signaling tapering intentions.

Fund performance

Over the fourth quarter of 2021, the Glacier AI Flexible Fund of Funds posted a return of 5.54%, underperforming the ASISA SA Multi-Asset Flexible category which returned +6.83%. For the 2021 calendar year, the Fund returned 12.42%, underperforming the category average which delivered a return of 22.09%.

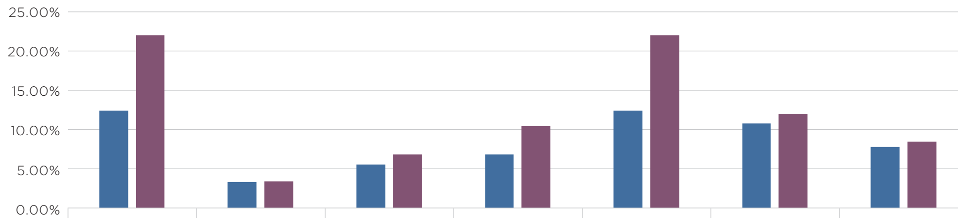
The main detractor from performance over the quarter was the Fund's lack of exposure to resources which advanced 21.62%. Meanwhile, exposure to industrials contributed somewhat positively to performance as industrials were up 5.20%, a relatively subdued return. Lack of exposure to financials contributed positively to performance as financials delivered a muted return of 2.50%. The sizeable exposure to SA bonds detracted from performance as the ALBI delivered a subdued return of 2.87%.

On the offshore front, exposure to US and UK equities added positively as the S&P 500 and FTSE 100 gained 17.03% and 10.61%, respectively. Lack of exposure to European equities (+9.45%) detracted from performance, while lack of exposure to Japanese equities (+0.66%) and emerging market (EM) equities (3.99%) contributed positively to performance as their performances were muted, more so Japanese equities.

From an asset allocation perspective, exposure to resources and financials was zero over the last two quarters. On the other hand, exposure to industrials increased from 12.81% in the third quarter to 42.04% in the fourth, while exposure to property decreased from 15.69% in the third quarter to 11.67% in the fourth. Bond exposure decreased from 36.50% in the third quarter to 7.32% in the fourth. On the offshore side, exposure to US equities decreased from 13.44% in the third quarter to zero in the fourth quarter while exposure to UK, Japan and EM equities remained zero over the last two quarters.

PORTFOLIO MANAGER'S COMMENT (continued)

GLACIER AI FLEXIBLE FOF PERFORMANCE AS AT DECEMBER 2021



	Year-to-date	1 month	3 months	6 months	1 year	2 year (Ann)	Since launch (Ann)
Glacier AI Flexible FoF	12.42%	3.31%	5.54%	6.85%	12.42%	10.81%	7.80%
ASISA SA MA Flexible	22.09%	3.36%	6.83%	10.44%	22.09%	11.98%	8.47%

Source: Morningstar Direct & Glacier Research

GLACIER AI BALANCED FUND OF FUNDS

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2021

	2021 R'000	**2020*** R'000
ASSETS		
Investments	**49 989**	**-**
Bonds	19 723	-
Participatory Interest in Collective Investment Scheme - Local	14 532	-
Participatory Interest in Collective Investment Scheme - Foreign	15 734	-
Cash and cash equivalents	8 758	-
Accrued income and debtors	4 317	-
Total assets	**63 064**	**-**
LIABILITIES (excluding net assets attributed to unit holders)	**10 757**	**-**
Trade and other payables	10 493	-
Related parties payable	1	-
Distribution payable	263	-
Net assets attributable to unit holders	**52 307**	**-**

Fund was launched on 1 December 2021 hence no comparable figures for the 2020 financial year end.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 R'000	**2020** R'000
Income	**1 596**	**-**
Interest income	169	-
Other gains	1 427	-
Operating Expenses	**(27)**	**-**
Service fees	(1)	-
Other	(26)	-
Net profit for the year	**1 569**	**-**
Distribution to unit holders	(263)	-
Increase in net assets attributable to unit holders	**1 306**	**-**

Fund was launched on 1 December 2021 hence no comparable figures for the 2020 financial year end.

GLACIER FUND PERFORMANCE AND TER REPORT

NAV TO NAV - LOCAL CURRENCY
FROM 31/12/2020 TO 31/12/2021

Fund Performance	**1 year performance**	**Benchmark***
Glacier Money Market - Class A	3.75%	3.81%
Glacier Money Market - Class B	3.86%	3.81%
Glacier Money Market - Class C**	2.55%	3.81%
Glacier Money Market - Class D	4.10%	3.81%
Glacier Global Stock Feeder Fund - Class B***	28.58%	32.36%
Glacier Global Stock Feeder Fund - Class B2****	26.24%	28.48%
Glacier AI Flexible Fund of Funds - Class B****	12.42%	10.80%

** 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

*** All-in fee class*

**** The Glacier Global Stock Fund's inception date is February 2017.*

***** The Glacier AI Flexible Fund of Funds inception date is 3 September 2018*

****** B2 class inception date is February 2021*

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 2021

	%
Glacier Money Market - Class A	0.58%
Glacier Money Market - Class B	0.47%
Glacier Money Market - Class C	2.02%
Glacier Money Market - Class D	0.23%
Glacier Global Stock Feeder Fund - Class B	1.21%
Glacier Global Stock Feeder Fund - Class B2	1.02%
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.

*** Insufficient historic data, as the fund is less than one year old, but an estimation has been made with available data.*

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.

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

SPF2358

A FULL MEMBER OF THE ASSOCIATION FOR SAVINGS & INVESTMENT SA

Glacier Management Company (RF) (Pty) Ltd is a registered and approved Manager in Collective Investment Schemes