

Fund Details

ASISA Fund Classification	SA Multi Asset Income
Benchmark	STeFI
Target	STeFI+1%
Risk profile	Conservative
Portfolio Launch date	02 July 2012
Class Launch date	01 September 2012
Fund size	R 617 million
Yield	7.12%
Portfolio Manager	Rafiq Taylor
Income decl. dates	31/03 30/06 30/09 31/12
Income price dates	1st working day
Portfolio valuation time	17:00
Transaction cut off time	15:00
Daily price information	The Local newspaper and www.sanlamunitrusts.co.za
Repurchase period	3 working days

Fund Objective

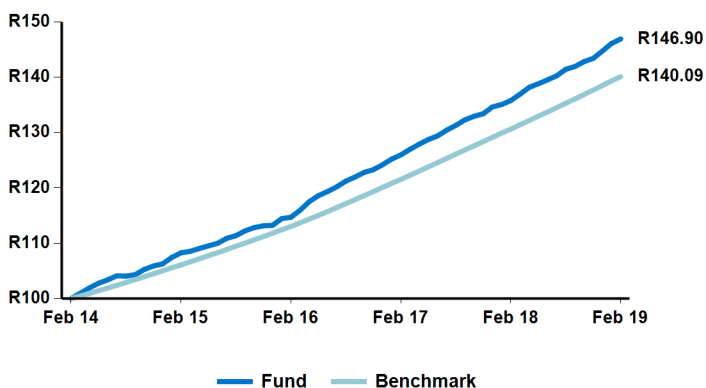
The fund aims to provide a high level of income whilst maximising returns above cash over a 2 year period. Capital preservation is of primary importance and is achieved through the diversification across a variety of high yielding assets and a selection of skilful investment managers with complementary strategies. The fund is Regulation 28 compliant. The investment manager will also be allowed to invest in financial Instruments (derivatives) as allowed by the Act from time to time in order to achieve its investment objective.

Risk Profile (Conservative)

This portfolio aims to ensure stable income flows and capital preservation is of primary importance. The portfolio invests in a combination of low-risk asset classes, but exposure to equities is limited to protect against volatility and risk of capital losses. It aims to provide a high level of income, while maximising returns above cash. Capital preservation is achieved through diversification across a variety of high yielding assets.

Cumulative performance since launch

Growth of R100 investment



Source: © Morningstar, dates to 28.02.2019

Fund Strategy

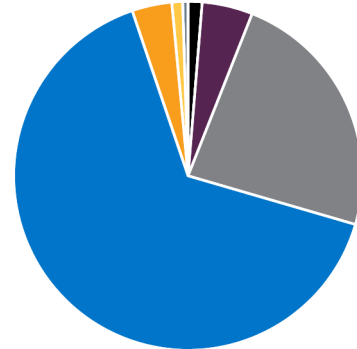
Coronation Strategic Income	35.10%
SIM Flexible Income	30.00%
Prescient Flexible Income	20.00%
Terebinth Flexible Income	15.00%
Cash (RSA)	-0.10%

Investor Profile

Fund is suitable for an investor seeking:

1. A high level of income
2. Capital preservation
3. Alternative to cash with a 2 year investment horizon

Asset Allocation



Local Equity, 1.3%	International Bonds, 3.7%
Local Property, 4.7%	International Cash, 1.0%
Local Bonds, 23.5%	International Property, 0.5%
Local Cash and Money Market, 65.3%	

Performance (Annualised) as at 28 Feb 2019

Retail-class	Fund	Benchmark
1 Year	8.20%	7.26%
3 Year	8.60%	7.42%
5 Year	8.00%	6.97%
Since inception	7.07%	6.57%

An annualised rate of return per year, measured over a period either longer or shorter than one year, such as a month, or two years, annualised for comparison with a one-year return.

Performance (Cumulative) as at 28 Feb 2019

Retail-class	Fund	Benchmark
1 Year	8.20%	7.26%
3 Year	28.09%	23.94%
5 Year	46.90%	40.09%
Since inception	55.93%	51.19%

Cumulative return is the aggregate return of the portfolio for a specified period.

Risk statistics (since launch)

Retail-class	Fund
Standard deviation (annualised)	1.53%
% Positive months	93.51%
Maximum drawdown	-1.71%
Sharpe ratio	0.30

Quarterly distributions

Retail-class	Cents per unit
31-Dec-18	18.46
30-Sep-18	20.09
30-Jun-18	16.90
31-Mar-18	18.38

Actual highest and lowest annual returns*

Highest Annual %	9.83
Lowest Annual %	2.48

Manager Information: Sanlam Collective Investments (RF) (Pty) Ltd

PHYSICAL ADDRESS:

2 Strand Road, Bellville 7530
Fax: +27 (21) 947 8224

POSTAL ADDRESS:

P.O. Box 30, Sanlamhof, 7532
Email:
service@sanlaminvestments.com

CLIENT CONTACT CENTRE

Tel: +27 (21) 916 1800
www.sanlamunitrusts.co.za

Fees (excl VAT)	Retail-class
Initial fee	0.00%
Advice Annual fee	Neg.*
Annual Management fee*	0.95%
Total Expense Ratio (TER)	1.16%

* Advice fee | Any advice fee is negotiable between the client and their financial advisor. An annual advice fee negotiated is paid via a repurchase of units from the investor.

* This fund is also available via certain LISPS (Linked Investment Services Providers), who levy their own fees.

Obtain a personalised cost estimate before investing by visiting www.sanlamunitrustsmdd.co.za and using our Effective Annual Cost (EAC) calculator. Alternatively, contact us at 0860 100 266.

PERIOD: 01 January 2016 to 31 December 2018

Total Expense Ratio (TER) | 1.16% of the value of the Financial Product was incurred as expenses relating to the administration of the Financial Product. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's.

Transaction Cost (TC) | 0.02% of the value of the Financial Product was incurred as costs relating to the buying and selling of the assets underlying the Financial Product. Transaction Costs are a necessary cost in administering the Financial Product and impacts Financial Product returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Financial Product, the investment decisions of the investment manager and the TER.

Total Investment Charges (TER + TC) | 1.18% of the value of the Financial Product was incurred as costs relating to the investment of the Financial Product.

The fund manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down.

Income funds derive their income from interest-bearing instruments as defined. The yield is a current yield and is calculated daily.

Portfolio Manager(s) Quarterly comment

From economic numbers to profit warnings, there has been no shortage of evidence that the world is feeling the pain of a slump in trade. On the state of the developed economies, services are doing all right and manufacturing not so much. Through all the noise about market volatility and bumps in business sentiment, it's labour market conditions and their impact on inflation that remain at the core of concerns for central banks. The Fed reiterated a patient stance on future interest rate changes in a robust domestic economy that faces potential headwinds, including slower global growth and market volatility. The dollar continues to set the path for emerging market peers as the currency strengthened. The main challenges facing the local economy in this year include generally low confidence levels amid policy uncertainties, low economic growth, uncertainty regarding populist rhetoric ahead of the national elections in May, and finding solutions for the troubled power utility Eskom, draining public funds and posing a risk for overall stability in the economy.

Global equity markets pushed higher on optimism over a resolution to the trade war and the perception that the Fed would pause its rate hikes. The MSCI World index delivered some 9.14% in rands. Emerging market equities lagged their developed counterparts, but still posted a positive return for the month. As such, the MSCI EM index delivered some 6.19% in rands. The JP Morgan Global Aggregate index delivered some 5.42% in rands. Global property returns were marginally negative in February, with sentiment turning more cautious as investors focused on Q4 2018 earnings reports and 2019 guidance. The EPRA/NAREIT developed markets property index delivered some 5.85% in rands.

The global risk-on environment supported the local equity market, pushing higher in February. The local equity market delivered some 3.41% in rands, largely driven by strong positive returns from both Industrial and Resource sectors. Naspers and miners were strong contributors to the market's total return in the month. Local longer-dated bond yields rose on the back of the budget and then fell again to end marginally higher for the month. As such, the ALBI delivered some -0.44% in rands. The inflation-linked bond index delivered some -0.45%, largely attributed to low inflation prints implying a low running yield on these bonds in the short term. Structural and financial headwinds continue to dominate the listed property sector and a weak operating environment could potentially delay a recovery. As such, the SAPY index delivered some -5.70% in rands. Over the same period, domestic cash delivered some 0.55% in rands.

Portfolio Manager(s)

Rafiq Taylor

BCom (Hons) Financial Analysis and Portfolio Management;
BCom (Politics, Philosophy & Economics)

Portfolio Manager Disclaimer

The management of investments are outsourced to Sanlam Multi Managers International (Pty) Ltd (FSP) Licence No. 845, an Authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002.

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PHYSICAL ADDRESS:	POSTAL ADDRESS:	CLIENT CONTACT CENTRE
2 Strand Road, Bellville 7530	P.O. Box 30, Sanlamhof, 7532	Tel: +27 (21) 916 1800
Fax: +27 (21) 947 8224	Email:	www.sanlamunitrusts.co.za
	service@sanlaminvestments.com	

Trustee Information

Standard Bank of South Africa Ltd

Tel no.: 021 441 4100, E-mail: Compliance-SANLAM@standardbank.co.za

Additional Information

All reasonable steps have been taken to ensure the information on this MDD is accurate. The information to follow does not constitute financial advice as contemplated in terms of the Financial Advisory and Intermediary Services Act. Use or rely on this information at your own risk. Independent professional financial advice should always be sought before making an investment decision.

The Sanlam Group is a full member of the Association for Savings and Investment SA. Collective investment schemes are generally medium- to long-term investments. Please note that past performance is not necessarily a guide to future performance, and that the value of investments / units / unit trusts may go down as well as up. A schedule of fees and charges and maximum commissions is available from the Manager, Sanlam Collective Investments (RF) Pty Ltd, a registered and approved Manager in Collective Investment Schemes in Securities. Additional information of the proposed investment, including brochures, application forms and annual or quarterly reports, can be obtained from the Manager, free of charge. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. Collective investments are calculated on a net asset value basis, which is the total market value of all assets in the portfolio including any income accruals and less any deductible expenses such as audit fees, brokerage and service fees. Actual investment performance of the portfolio and the investor will differ depending on the initial fees applicable, the actual investment date, and the date of reinvestment of income as well as dividend withholding tax. Forward pricing is used. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The performance of the portfolio depends on the underlying assets and variable market factors. Performance is based on NAV to NAV calculations with income reinvestments done on the ex-div date. Lump sum investment performances are quoted. The portfolio may invest in other unit trust portfolios which levy their own fees, and may result in a higher fee structure for our portfolio. All the portfolio options presented are approved collective investment schemes in terms of Collective Investment Schemes Control Act, No 45 of 2002 ("CISCA"). The fund may from time to time invest in foreign countries and therefore it may have risks regarding liquidity, the repatriation of funds, political and macroeconomic situations, foreign exchange, tax, settlement, and the availability of information. The Manager has the right to close any portfolios to new investors to manage them more efficiently in accordance with their mandates. The portfolio management of all the portfolios is outsourced to financial services providers authorized in terms of the Financial Advisory and Intermediary Services Act, 2002. Standard Bank of South Africa Ltd is the appointed trustee of the Sanlam Collective Investments Scheme. The Manager retains full responsibility for the co-named portfolio.

Graviton is responsible for the management of the investments held in the Fund. The management of investments are outsourced to Sanlam Multi Managers International (Pty) Ltd (FSP) Licence No. 845, an Authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002.

* The highest and lowest 12 month returns are based on a 12 month rolling period over 10 years or since inception where the performance history does not exist for 10 years.

Performance figures are sourced from Morningstar.

Glossary of Terms

Annualised total returns

Annualised return is the weighted average compound growth rate over the period measured.

Diversification

This is a strategy designed to reduce risk within a portfolio by combining a variety of investments (or asset classes) such as equities, bonds, cash or property, which are unlikely to all move in the same direction. This is designed to reduce the risk (and protect against capital losses) within a portfolio. Diversification allows for more consistent performance under a wide range of economic conditions as it smoothes out the impact of negative market events. The positive performance of some investments or asset classes should neutralize the negative performance of others.

Multi-managed solution

Multi-managed investing combines a range of investment managers with complementary styles, across different asset classes. The risk of the investors' portfolios is reduced as a result, without impacting on the overall long-term returns.

It is based on the premise that no one manager is likely to perform well in all market conditions and all circumstances.

Regulation 28

Regulation 28 of the Pension Funds Act sets out prudent investment limits on certain asset classes in investment funds. It applies specifically to investments in Retirement Annuities and Preservation Funds.

The allowed maximum exposures to certain asset classes is:

- 75% for equities
- 25% for property
- 30% for foreign (offshore) assets +10% African assets

Sharpe ratio

The Sharpe ratio measures risk-adjusted performance of an investment or portfolio. It measures the amount of risk associated with the returns generated by the portfolio and indicates whether a portfolio's returns are due to excessive risk or not. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance has been (i.e. a higher return with a contained risk profile, where the portfolio manager is not taking excessive risk to achieve those returns).

Standard deviation

Standard deviation (also called monthly volatility) is a measure of how much the returns on an investment change from month to month. It is typically used by investors to gauge the amount of expected volatility in an investment.

Total Expense Ratio (TER)

This is the total costs associated with managing and operating an investment (excluding administration, financial planning and servicing fees). These costs consist primarily of management fees and additional expenses such as trading fees, legal fees, auditor fees and other operational expenses. The total cost of the fund is divided by the fund's total assets under management to arrive at a percentage amount, which represents the TER.

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