

Fund Objective

This is a flexible asset allocation fund which is looking to deliver equity like returns at lower risk levels. The Fund aims to achieve maximum capital growth over the medium to long term. This Fund is suitable for investors who can withstand potential capital volatility in the short term.

Fund Strategy

The Fund will have a large exposure to equity instruments and will look for companies where strong earnings growth is expected over the short to medium term, based on a top-down macro view. When investment ideas in the equity market are limited the Manager will look to diversify across other asset classes to protect from potential market downturns. The investment manager will also be allowed to invest in derivatives as allowed by the Act from time to time in order to achieve its investment objective.

Why choose this fund?

- The fund will consistently hold a large portion in equity instruments, providing long term capital growth.
- This fund is less volatile than a pure equity fund.
- A top-down approach to strategic asset class allocation coupled with a bottom-up analysis of individual securities, providing consistent returns & reducing risk.

Fund Information

ASISA Fund Classification	South African Multi Asset Flexible
Risk Profile	Aggressive
Benchmark	ASISA South African Multi Asset Flexible Category Average
Fee Class Launch date*	01 September 2014
Portfolio Launch date	01 April 2003
Minimum investment	LISP minimums apply
Portfolio Size	R 1410 million
Monthly distribution	
31/10/2019: 2.39 cents per unit	30/04/2019: 5.99 cents per unit
30/09/2019: 9.86 cents per unit	31/03/2019: 5.26 cents per unit
31/08/2019: 7.00 cents per unit	28/02/2019: 0.00 cents per unit
31/07/2019: 8.29 cents per unit	31/01/2019: 0.00 cents per unit
30/06/2019: 3.90 cents per unit	31/12/2018: 0.00 cents per unit
31/05/2019: 2.48 cents per unit	30/11/2018: 4.56 cents per unit
Income decl. dates	Monthly
Income price dates	1st working day
Portfolio valuation time	15:00
Transaction cut off time	15:00
Daily price information	The local newspaper and www.sanlamunitrusts.co.za
Repurchase period	3 working days

Fees (Incl. VAT)	LISP-class (%)
Advice initial fee (max.)	Neg.
Manager initial fee (max.)	0.00
Advice annual fee (max.)	Neg.
Manager annual fee (max.)	1.20
Total Expense Ratio (TER)	1.07

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.

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.

This fund is available via certain LISPS (Linked Investment Service Providers), which levy their own fees.

TOTAL EXPENSE RATIOS

PERIOD: 01 July 2016 to 30 June 2019

Total Expense Ratio (TER) | 1.07% 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. Inclusive in the TER of 1.07%, a performance fee of 0.01% of the net asset value of the class of Financial Product was recovered.

Transaction Cost (TC) | 0.69% 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) | 1.76% of the value of the Financial Product was incurred as costs relating to the investment of the Financial Product.

Top 10 Equity Holdings

Top 10	% of Fund
Naspers	8.55
PSG Group Ltd	5.28
Zambezi Platinum (RF) Limited	5.14
Standard Bank Group Limited	3.69
Sasol Limited	2.72
Eurostoxx SX5E Multiplier	2.53
Eurostoxx SX5E Autocall	2.39
Firststrand Limited	2.08
Mondi Plc	2.00
Prosus	1.99

Performance (Annualised) as at 31 Oct 2019 on a rolling monthly basis*

LISP-class	Fund (%)	Benchmark (%)
1 Year	12.04	5.97
3 Year	3.34	4.01
5 Year	4.86	4.15
Since inception	4.83	4.05

An annualised rate of return is the average 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 31 Oct 2019 on a rolling monthly basis*

LISP-class	Fund (%)	Benchmark (%)
1 Year	12.04	5.97
3 Year	10.37	12.52
5 Year	26.76	22.57
Since inception	27.59	22.77

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

*Significant changes to this fund came into effect from 01 September 2014 and all performance figures are calculated from this date and not the original fund launch date.

Risk statistics: 3 years to 31 Oct 2019

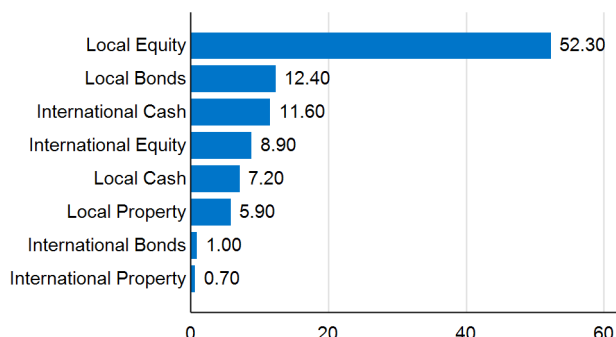
Std Deviation (Ann)	9.37
Sharpe Ratio (Ann)	-0.43

Actual highest and lowest annual returns*

Highest Annual %	18.49
Lowest Annual %	-12.45

* Performance figures sourced from Morningstar.

* 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.

Asset Allocation

Investment Manager Monthly Commentary

October was a risk-on month globally, driven by positive developments on the geo-political front and easing monetary conditions. The Federal Reserve (Fed) took the decision to cut rates by 25 basis points for the third time this year. Two dissenting FOMC members saw no reason to cut interest rates. Fed Chairman Jerome Powell said that the Fed believes monetary policy is in a "good place"; several members shared similar sentiments. The Fed's comments suggest they will be on hold until there is a change in incoming data.

Mario Draghi led his final monetary policy meeting in Europe, offering a gloomy assessment of the euro-area economy in his last meeting as president of the European Central Bank (ECB). Draghi highlighted that weaker growth momentum was delaying the pass-through of stronger wage growth to inflation, and indicated that the labour market has lost some strength. The ECB unanimously decided to keep interest rates unchanged. The quantitative easing programme that was announced in September and includes the purchase of 20 billion euros a month is set to start in November. During the course of the month the EU and United Kingdom managed to strike a revised Brexit deal. Boris Johnson, however, failed to pass the UK parliament vote. In lieu of this the EU granted the UK another extension, this time to 31 January. With an early UK election now called for 12 December 2019, there is some hope that there will finally be a resolution on the EU-UK divorce. There was additional positive sentiment around the announcement of a partially agreed trade deal outline between the US and China. In light of all the developments, emerging market equities delivered 4.09% (in USD), while developed market equities delivered a strong 2.45% (in USD). Global property continued to benefit from the low interest rate environment and the strong consumer; it delivered 2.54% (in USD). As it was a risk-on month bonds lagged somewhat, compared with developed market and emerging market bonds delivering 0.52% and 0.41% respectively (both in USD).

Locally, the Medium Term Budget Policy Statement (MTPBS) took the centre stage. Finance Minister Tito Mboweni painted a gloomy picture of the road the country was going down if drastic action was not taken. The key take-aways from the speech were: The 2019 budget estimates that the total revenue shortfall for 2019/20 will amount to R52.5 billion; the current account deficit is expected to remain at 3.5% of GDP over the next three years, due to weaker domestic demand; 48% of the total R6.3 billion expenditure over the next three years will be social grants, education and health; and debt and debt service costs will continue to increase, with debt-to-GDP now estimated at 71.33% in 2022/23. The grim picture resulted in Moody's putting South African locally denominated debt on negative outlook.

On the back of this the local market had a risk-on month, with equities delivering 3.14% (in ZAR). This was driven by the resources sector that soared 7.27% (in ZAR); gold and platinum miners had a particularly good month delivering 22.04% and 16.66% respectively (both in ZAR). Financials also had a strong month returning 3.26% (in ZAR). After starting the month positively, local bonds sold off as a direct result of the MTPBS. They declined 0.35% (in ZAR). Local property delivered 1.89% (in ZAR), while inflation-linked bonds declined 0.14% (in ZAR). Cash delivered 0.59% (in ZAR).

Appointed Investment Manager

Abax Investments (since Jan 2019)

Investment Manager Disclaimer

The management of investments are outsourced to Abax Investments (Pty) Ltd, FSP 856, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002.

Risk Profile (Aggressive)

This is an aggressively managed, high-risk portfolio that aims to deliver capital growth over the long term (greater than 5 years). It is designed to substantially outperform the markets and therefore carries a long-term investment horizon (5 years and upwards). The portfolio will be diversified across all major asset classes with significant exposure to equities, and may include offshore equities. There may be some capital volatility in the short term, although higher returns may be expected from five years or beyond.

Trustee Information
Standard Bank of South Africa Ltd

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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. A copy of the Performance fee Frequently Asked Questions can be obtained from our website: www.sanlaminvestments.com. 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.

Glossary Terms
Collective Investment Schemes (CIS)

Collective Investment Schemes (also called unit trusts) are portfolios of assets such as equities, bonds, cash and listed property, in which investors can buy units. They allow private investors to pool their money together into a single fund, thus spreading their risk across a range of investments, getting the benefit of professional fund management, and reducing their costs.

Capital growth

Capital growth is the profit made on an investment, measured by the increase in its market value over the invested amount or cost price. It is also called capital appreciation.

Distributions

The income that is generated from an investment and given to investors through monthly or quarterly distribution payouts.

Equities

Equities are shares that represent an institution's or individual's ownership in a listed company. These shares are also the "vehicle" through which they are able to "share" in the profits made by that company. As the company grows, and the expectation of improved profits increases, the market price of the share will increase which translates into a capital gain for the shareholder. Similarly, negative sentiment about the company will result in the share price falling.

Shares / equities are usually considered to have the potential for the highest return of all the investment classes but also have the highest level of risk i.e. share investments have the most volatile returns over the short term. An investment in equities should be viewed with a 7 to 10 year horizon.

LISP (Linked Investment Service Provider)

A Linked Investment Service Provider is a financial institution which packages, distributes and administers a broad range of unit trust based investments. Any investment made through these products gives an investor a single point of entry into a selection of different investments.

Pure equity fund

This is a fund that invests primarily in higher-risk asset classes such as equities (stocks or shares) and aims to achieve aggressive capital growth over the long term. This type of fund will experience volatility in the short term.

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.

Manager information:

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