Sanlam

Minimum Disclosure Document

(Fund Fact Sheet)

Sanlam Select Wealth Protector Fund

October 2019

Fund Objective

The portfolio is a multi-managed portfolio with cautious risk qualities and will have a dual objective to provide a capital protection target over a rolling one (1) year period and generate income over the medium term at low levels of volatility

Fund Strategy

Active asset allocation and securities selection strategies appropriate to meet the needs of cautious investors will be followed. Net exposure to equities both in South Africa and foreign markets will not exceed 40%. Net exposure to bonds both in South Africa and foreign markets will not exceed 60%. Net exposure to cash both in South Africa and foreign markets will not exceed 50%.

This portfolio will be managed in accordance with regulations governing pension funds. The portfolio will also be allowed to invest in listed and unlisted financial instruments (derivatives) as allowed by the Act from time to time in order to achieve its investment objective.

The portfolio may also invest in participating interest of portfolios of collective investment schemes and in Exchange Traded Funds listed on a recognized exchange. The Manager shall be permitted to invest on behalf of the Sanlam Select Wealth Protector Fund in offshore investments as legislation permits.

Why choose this fund?

- The fund has a more absolute return investment approach for investors looking for more stable returns.
- This fund is less volatile than a traditional balanced fund
- The fund has duel objective to provide capital protection and growth over the medium to long term at low levels of volatility.

Fund Information

ASISA Fund Classification	South African - Multi Asset - Low Equity
Risk Profile	Cautious
Benchmark	CPI+3% over a 3-year rolling period
Fee Class Launch date*	15 August 2016
Portfolio Launch date	15 August 2016
Minimum investment	LISPs Minimums apply
Portfolio Size	R 460 million
Quarterly Distributions	30/09/19: 15.09 cents per unit 30/06/19: 16.50 cents per unit 31/03/19: 11.51 cents per unit 31/12/18: 16.67 cents per unit
Income decl. dates	31/03 | 30/06 | 30/09 | 31/12
Income price dates	1st working day in April, July, October and January
Portfolio valuation time	15:00
Transaction cut off time	15:00
Daily price information	The local newspaper and www.sanlamunittrusts.co.za
Repurchase period	3 working days

Fees (Incl. VAT)	B5-Class (%)
Advice initial fee (max.)	Neg.
Manager initial fee (max.)	0.00
Advice annual fee (max.)	Neg.
Manager annual fee (max.)	1.00
Total Expense Ratio (TER)	1.11

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

PERIOD: 15 August 2016 to 30 June 2019

Total Expense Ratio (TER) |1.11% 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 1.11%, a performance fee of 0.00% of the net asset value of the class of Financial Product was recovered.

Transaction Cost (TC) | 0.79% 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) | 1.90% of the value of the Financial Product was incurred as costs relating to the investment of the Financial Product.

Top 10 Holdings

Top 10	% of Equity
British American Tobacco Plc	8.35
Prosus	7.41
Philip Morris International	7.39
Sibanye Gold Ltd	7.12
Standard Bank Group Limited	5.90
ABSA Group Limited	5.74
Firstrand Limited	4.77
Impala Platinum Holdings Limited	4.51
LLOYDS BANKING GROUP PLC	3.84
Sasol Limited	3.53

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

B5-Class	Fund (%)	Benchmark (%)
1 Year	12.17	6.84
3 Year	8.66	7.59
5 Year	N/A	N/A
Since inception	8.01	7.42

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*

B5-Class	Fund (%)	Benchmark (%)
1 Year	12.17	6.84
3 Year	28.26	24.56
5 Year	N/A	N/A
Since inception	28.03	26.17

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

Risk statistics: 3 years to 31 Oct 2019

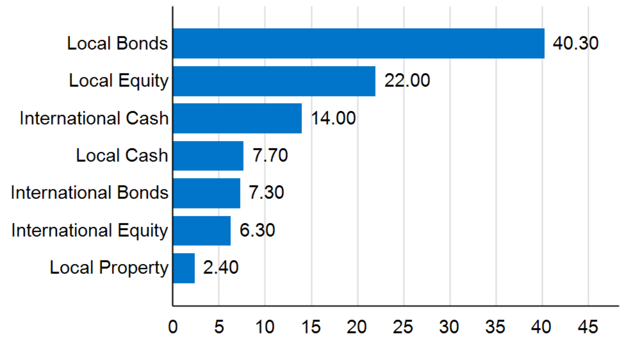
Std Deviation (Ann)	5.03
Sharpe Ratio (Ann)	0.25

Actual highest and lowest annual returns*

Highest Annual %	15.81
Lowest Annual %	1.26

*Performance figures sourced from Morningstar.

Asset Allocation



Investment Manager Monthly Commentary

Overview

The domestic economic landscape is not positive after the MTBPS
The domestic economic news in October was dominated by the Medium-Term Budget Policy Statement (MTBPS) delivered to Parliament by Finance Minister Tito Mboweni on 30 October. Unfortunately, it painted a depressing picture of an economy in a negative spiral of low growth, rising unemployment and rising debt.

Firstly, the public sector wage bill is ballooning out of control as the growth in the wage bill has exceeded inflation for many years. The minister mentioned in his address that after adjusting for inflation, the public sector wage bill has increased by 66% over the last 10 years. This is a staggering statistic and is clearly unsustainable. However, reducing or even stabilising this expenditure will bring the government into direct conflict with the unions, thus, although necessary, it will be difficult to achieve and not without some political cost.

Secondly, SA's debt to GDP is expected to breach 70% by 2022/23, a level that is considered dangerous and risks spiralling into a debt trap made more dangerous by the current level of high real interest rates. The revised current projected budget deficit for this year is expected to be 5.9%, an uncomfortable deficit, given the low projected economic growth rates. SA's fiscal position could be threatened further by a sovereign debt downgrade that would pressure rates even higher, further increasing the debt service cost.

Thirdly, the economic growth/unemployment rate equilibrium is currently very worrying. Overall unemployment is now approaching 30%, with youth unemployment even higher, and growth over the next two years is not expected to exceed the population growth rate. In addition, given the need to improve the efficiency of the economy, many current jobs may be at risk. This is a formula for firstly, social unrest, and the country is already experiencing this in the form of xenophobic attacks, and secondly, an increased demand on the already strained fiscus for social grants.

Thirdly, a plan for Eskom needs to be devised soon. The problems at Eskom are both operational and financial and solving them will require making some very difficult decisions soon. The problem for the country is that currently Eskom is a material constraint on growth as any improvement in growth, however welcome, will quickly follow through into electricity supply constraints.

Unfortunately, after the delivery of the MTBPS address, Moody's, the one rating agency that has maintained its confidence in South Africa, saw fit to change our sovereign rating outlook from stable to negative.

This is a clear warning that we are likely to be downgraded to junk status early next year unless a convincing path out of this negative spiral is offered by government soon. This will be challenging.

The global economy is continuing to slow
The global economy is also weakening. Although growth in Asia remains strong, it is below the growth rates achieved in the recent past. The US economy is also slowing. We believe that the Trump administration will do everything in its power to keep the economy healthy in the build-up to the 2020 elections, but the impeachment probe is likely to be distracting. Growth in the Euro region has already slowed with Germany now on the brink of a recession, exacerbated by the uncertainty surrounding Brexit.

Central bankers face a formidable challenge in this cycle as interest rates are at record lows with about one-third of sovereign debt offering negative interest rates. In addition, in the previous cycle, liquidity was introduced into developed market economies at an unprecedented rate. It is unlikely that this can be repeated given the already loose monetary policy.

Despite softening growth prospects commodity prices remained firm
Despite softening growth prospects, commodity prices across the board remained firm. Amongst the precious metals, gold, palladium and rhodium all advanced over the month with both palladium and rhodium hitting decade highs. The base metals - aluminium, copper, lead and tin - also firmed in the month. However, going against the trend, iron ore continue to soften and is now trading at two-thirds of its July high, reflecting the lower demand for steel.

The currency has been a shock absorber
Given all the negative sentiment it has not been surprising that the currency has acted as a convenient shock absorber and weakened over the month. However, given the political issues in the US combined with the slowing US economy and a trade pact with China still to be negotiated, the US Dollar has weakened against all the major developed market currencies resulting in a Rand/Dollar rate that has remained relatively stable.

Global equity markets remained firm
Despite slowing global growth, equity markets remained firm. This has been driven by an improvement in investment risk appetite as prospects of a US-China trade deal and a Brexit deal improved. In the US, profit margins are high and are likely to soften at some stage, putting pressure on the US equity market.

The local equity market continues to surge
The local equity market had a spectacular month in October advancing by over 3.1% in the month. This was driven in the main by the Resource sector which advanced by 7.3% over the month. Both Gold (+ 22%) and Platinum (+16.7%) contributed to the sector's advance with Sibanye Gold and Anglo American Platinum both achieving stellar returns after strong earnings growth. Year to date the Resource sector is up a whopping 22.1% with the Gold and Platinum sectors more than doubling compared with a market return of a still creditable 10.4% and has been the primary driver of this year's return. By comparison, companies that depend on the domestic economy have lagged. For example, Banks (+1.4%) and General retailers (-16.3%) have been disappointing. Despite underperformance, many domestic counters are still not discounting a tough economic environment.

Property returns continue to reflect the poor local fundamentals
The Property sector had a reasonable month but is still lagging on a year-to-date basis. The performance in the month was, in the main, driven by the UK-based property stocks, which were buoyed by better sentiment surrounding Brexit. The outlook for the sector remains weak given that distribution growth is likely to be disappointing for some time.

Bond returns have been competitive
Given the negative sentiment on domestic economic growth and the prospect of a further downgrade of our sovereign debt, it is not surprising that bond yields ticked up over the month. The FTSE/JSE All Bond Index delivered a negative return of 0.3% over the month. With 10-year generic bonds yields now over 8.4% and inflation surprising on the downside, real yields are at decade highs reflecting investor concerns regarding high debt to GDP levels and anaemic economic growth.

Portfolio changes
We increased our bank exposure via Barclays Africa Group and FirstRand. We increased our exposure to foreign-exposed shares including Lloyds Bank, Philip Morris International, British American Tobacco and Quilter plc. We increased our property exposure via Fairvest Property Holdings. We sold out of our New Gold Platinum ETF and reduced our exposure to Liberty Holdings.

Return contributors and detractors
Sibanye Gold was the key contributor to performance. It was significantly cheaper than other precious metal miners. Philip Morris benefited from the cancellation of the potential Altria tie-up. Impala Platinum continued to benefit from the rising PGM basket. Anheuser-Busch InBev detracted from performance due to a disappointing trading update.

Appointed Investment Manager

Truffle Asset Management (Pty) Ltd

Investment Manager Disclaimer

The management of investments are outsourced to Truffle Asset Management (Pty) Ltd, FSP 36584 , an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002.

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October 2019

Risk Profile (Cautious)

Your primary aim is to achieve capital growth to realise your goals. You are prepared to tolerate fluctuations in your returns because you know that the longer-term picture is worth the short term pain, even if that means you lose money sometimes. While diversified across all the major asset classes, your portfolio will be tilted more towards equities because you know they offer the best long-term returns of all the asset classes and thus your wealth will grow over time.

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 is 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: Sanlam Collective Investments (RF)(Pty.) Ltd. Physical address: 2 Strand Road, Bellville 7530, Postal address: PO Box 30, Sanlamhof 7532
Tel: +27 (21) 916 1800, Fax: +27 (21) 947 8224, Email: service@sanlaminvestments.com, Website: www.sanlamunittrusts.co.za