Minimum Disclosure Document

(Fund Fact Sheet)

Sanlam Investment Management Active Income Fund

August 2015

Fund Objective

This is an actively managed, multi asset income fund which aims to provide a high level of income whilst maximising returns and diversification across bond and market instruments with equities being limited to 10%. This fund may also invest 25% offshore.The fund is Reg. 28 compliant.

Fund Strategy

Returns are sought through tactical asset allocation and high conviction bets across the income-yielding universe, including corporate and government bonds, money market instruments, preference shares and listed property. The fund may also invest in derivatives allowed by the Act. Opportunities are taken across the entire duration and credit spectrum.

Tax Free Unit Trust

This Fund qualifies as a tax free investment according to section 12T of the Income Tax Act, with effect from 1 March 2015. South African individuals qualify for the associated tax benefits namely no tax on dividends, income or capital gains whilst still enjoying all the benefits of a unit trust. Note contributions to tax free investments are limited to R30 000 per tax year, with a lifetime limit of R500 000. Amounts invested in excess of these permissible thresholds are taxable.

Fund Information

ASISA Fund Classification	SA - Multi Asset - Income
Risk profile	Conservative
Benchmark	*STeFI +1% p.a.
Porfolio launch date	03 Nov 2006
Fee class launch date	02 July 2007
Minimum investment	Lump sum: R5 000 | Monthly: R200
Portfolio size	R5 810.0 million
Last four distributions	30 Sep 2014: 17.39 cents per unit 31 Dec 2014: 17.98 cents per unit 31 Mar 2015: 17.93 cents per unit 30 Jun 2015: 17.81 cents per unit
Income decl. dates	31 Mar | 30 Jun | 30 Sep | 31 Dec
Income price dates	1st working day in April, July, October and January
Valuation time of fund	15:00
Transaction cut off time	15:00

Fees (Incl. VAT)

	B4-Class (%)
Advice initial fee (max.)	N/A
Manager initial fee	N/A
Advice annual fee (max.)	1.14
Manager annual fee	0.68
Total Expense Ratio (TER)	0.68

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.

The benchmark for Sanlam Investment Management Active Income Fund was changed to SteFI +1% p.a. on 1 November 2012. The 3 and 5 year benchmark performance would still include ALBI 1 - 3.

Total Expense Ratio (TER) | This fund has a TER of 0.68%. For the period from 01 July 2014 to 30 June 2015 0.68% 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 cannot be regarded as an indication of future TERs.

The portfolio manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. This fund is also available via certain LISPS (Linked Investment Service Providers), which levy their own fees. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down.

Please note: As a result of African Bank being placed under curatorship, which occurred on 10 August 2014, Sanlam Collective Investments (RF) (Pty) Ltd immediately wrote down the relevant asset values to levels in line with where the market priced these impaired assets. A very small portion (0.62%) of this fund is still exposed to African Bank debt instruments.

Top 10 Holdings

Securities	% of Portfolio
Standard Bank F/R 190118	2.00
Investec F/R 310717	1.86
FirstRand F/R 040917	1.74
CAP Sett Acc SACTIV	1.71
Nedbank F/R 150915	1.70
FirstRand F/R 051217	1.63
FirstRand F/R 220416	1.63
FirstRand F/R 180817	1.59
FirstRand F/R 020218	1.53
Nedbank F/R 130916	1.48

Top 10 Holdings as at 30 Jun 2015

Performance (Annualised) as at 31 Aug 2015 on a rolling monthly basis

B4-Class	Fund (%)	Benchmark (%)
1 year	7.29	7.35
3 year	7.05	6.60
5 year	7.39	7.48
Since inception	8.26	8.39

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

Performance (Cumulative) as at 31 Aug 2015 on a rolling monthly basis

B4-Class	Fund (%)	Benchmark (%)
1 year	7.29	7.35
3 year	22.69	21.15
5 year	42.82	43.42
Since inception	91.26	93.12

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

Risk statistics: 3 years to 31 Aug 2015

Std Deviation (Ann)	1.14
Sharpe Ratio (Ann)	1.14

Actual highest and lowest annual figures since inception

Highest Annual %	14.25
Lowest Annual %	5.46

This monthly Minimum Disclosure Document should be viewed in conjunction with the Glossary Terms Sheet.

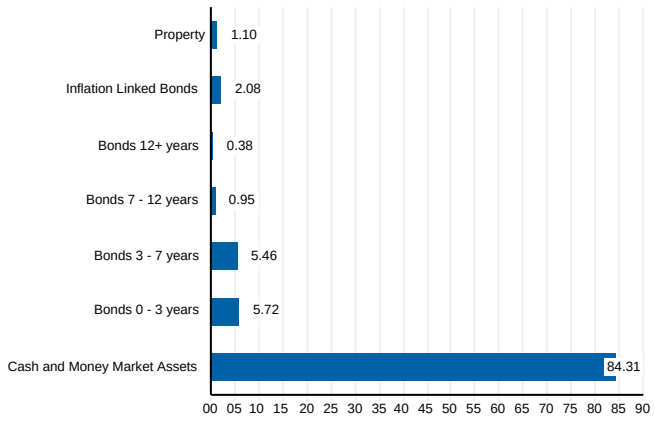
Minimum Disclosure Document

(Fund Fact Sheet)

Sanlam Investment Management Active Income Fund

August 2015

Portfolio Detail (%)



Portfolio Manager(s)

Philip Liebenberg

M. Eng, Phd (Chem Eng), CFA

Management of Investments

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) Quarterly Comment - 30 Jun 2015

Market review

The quarter was dominated by news of the ongoing 'Greek tragedy', the possible timing of the first US rate hike and a slowdown in the Chinese economy where interest rates have been lowered a few times. At the time of writing this report, the Greek referendum resulted in a resounding 'No' vote with the public clearly rejecting the austerity demands from creditors. This uncertainty and the possible exit of Greece from the EU have elevated general market volatility. We believe the contagion effect should be limited as most of the debt resides with the ECB and IMF and might provide opportunities in asset markets. The focus will inevitably shift back to the US and whether 'lift-off' will be in September or December.

On the local front the MPC kept rates on hold, but a distinct hawkish tone moved interest rate expectations forward. As we've mentioned the last couple of quarters, the stuttering local economy gives the Governor very little room to move, but South Africans should brace themselves for some rate tightening this year. We've seen the trough in inflation, while fuel and electricity prices will provide shorter-term impetus to push inflation towards the upper inflation limit of 6%.

Local bonds struggled in the turmoil and the 10-year RSA bond yield weakened by 0.5% to close at 8.2%. Nominal bonds returned -1.4% for the quarter, while cash and inflation-linked bonds posted a similar 1.6%. Property gave back some of the first quarter's return and posted a return of -6.8%. We saw little movement in the inflation-linked bond real yields; the R197 closed the quarter at 1.68%. Year-to-date cash outperformed nominal and inflation-linked bonds with a return of 3.1%, with nominal bonds returning 1.6%.

What we did

After a fairly busy first quarter, the second quarter was more subdued from a portfolio point of view. We increased the fund's credit exposure slightly. Credit spreads have increased significantly over the past year and we believe one can re-commit capital to selected counterparties. We also increased the fund's fixed rate NCD exposure to take advantage of higher bank funding spreads and a steep forward rate curve (pricing in quite a few rate hikes). The low exposure to listed property served the fund well during the quarter.

Our strategy

We are cognizant of the fact that investors in flexible income funds want to outperform money market funds at acceptable levels of risk over the medium term. Balancing the return requirement with the inherent investment risk is an ongoing process. As mentioned last quarter, we do monitor fund traits, such as fund duration, credit and liquidity quite closely. We believe bonds are cheap from a longer-term perspective and will be adding further to duration should yields increase from current levels, while listed property might warrant a closer look should we see further price weakness. The current fund yield of over 7.5% provides an attractive pick-up over typical money market funds.

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.

Additional Information

Although all reasonable steps have been taken to ensure the information on this MDD is accurate, the Sanlam Collective Investments (RF) (Pty) Ltd ("Sanlam Collective Investments") does not accept any responsibility for any claim, damages, loss or expense; however it arises, out of or in connection with the information. No member of Sanlam gives any representation, warranty or undertaking, nor accepts any responsibility or liability as to the accuracy of any of this information. 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 performances are not necessarily an accurate determination of future performances, 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 instruments which could be accompanied by additional risks as well as potential limitations on the availability of market 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.

Sources of Performance and Risk Data: Morningstar Direct, INET BFA and Bloomberg.

The risk free asset assumed for the calculation of Sharpe ratios: STEFI Composite Index.

The highest and lowest annualised performance numbers are based on 10 non-overlapping one year periods or the number of non-overlapping one year periods from inception where performance history does not yet exist for 10 years.

Trustee Information

Standard Bank of South Africa LTD

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

Glossary Terms

Active stock selection
This is when asset managers actively and tactically vary their stock selections based on economic and market data, and fundamental valuations, etc. This should lessen an investor's exposure to declining markets and helps preserve capital.

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

Capital Preservation
This is an investment strategy where the primary goal is to preserve (protect) capital and prevent losses in a portfolio. Preserving capital is a priority for retirees and those approaching retirement, since they may be relying on their investments to generate income to cover their living expenses, and have limited time to recoup losses if markets experience a downturn.

Downside protection
This is a strategy which aims to protect investors against capital losses when the markets go down. It is often referred to as protecting against downside risk (the likelihood of a fund's potential to decline in value if market conditions change).

High conviction bets
High-conviction active management, characterized by a more concentrated, low- turnover investment approach, may improve investment performance as managers are better able to develop a thorough understanding of portfolio companies and factors that influence their long-term business values. The patience to invest in a company for a longer period of time may also allow ample time for its intrinsic value to be fully reflected in its underlying stock price.

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.

Preference shares
Preference shares rank higher than ordinary shares in terms of dividends and capital, if the company goes into liquidation. They do not have voting rights. Dividends on preference shares are normally a predetermined percentage of the nominal value of the share.

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, 25% for foreign (offshore) assets and 5% 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).