Sanlam Investment Management Active Income Fund

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%. Despite the fact that this fund may also invest 30% offshore, this is currently not being implemented and no offshore funds are being held at this stage. 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. Opportunities are taken across the entire duration and credit spectrum. The fund is mandated to invest in unlisted financial instruments (derivatives) for efficient portfolio management. 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.

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 R33 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 | STeFii +1% p.a.
Portfolio launch date | 03 Nov 2006
Fee class launch date | 03 Nov 2006
Minimum investment | Lump sum: R10 000 | Monthly: R500
Portfolio size | R8 670.9 million
Yield | 7.35%
Quarterly distributions | 31 Mar 2019: 21.08 cents per unit
| 31 Dec 2018: 21.75 cents per unit
| 30 Sep 2018: 21.88 cents per unit
| 30 Jun 2018: 21.41 cents per unit
Income decl. dates | 31 Mar | 30 Jun | 30 Sep | 31 Dec
Income price dates | 1st working day in January, April, July and October
Valuation time of fund | 15:00
Transaction cut off time | 15:00
Daily price information | Local newspaper and www.sanlamunittrusts.co.za
Repurchase period | 3 working days

Fees (Incl. VAT)

Advice initial fee (max.) | 1.15
Manager initial fee | N/A
Advice annual fee (max.) | 1.15
Manager annual fee | 0.92
Total Expense Ratio (TER) | 0.93

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.

Total Expense Ratio (TER) | PERIOD: 01 January 2016 to 31 December 2018
Total Expense Ratio (TER) | 0.93% of the value of the Financial Product was incurred as costs 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) | 0.00% 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.

Top 10 Holdings

Security | % of Portfolio
--- | ---
Standard Bank NCD 9.18% 14082023 | 2.67
R186 RSA 10.50% 211226 | 2.40
FirstRand F/R 02092022 | 2.25
FirstRand F/R 14082029 | 1.69
Nedbank F/R 21022029 | 1.68
Standard Call Acc. | 1.63
HSBC CALL (SIM) | 1.61
FirstRand F/R 24052022 | 1.42
Nedbank Call Account | 1.38
FirstRand ILB 2.6% 31/03/2028 | 1.32

Top 10 Holdings as at 31 Mar 2019

Performance (Annualised)

Retail Class | Fund (%) | Benchmark (%)
--- | --- | ---
1 year | 7.20 | 8.27
3 year | 8.20 | 8.43
5 year | 7.78 | 8.03
10 year | 7.80 | 7.84

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

Performance (Cumulative)

Retail Class | Fund (%) | Benchmark (%)
--- | --- | ---
1 year | 7.20 | 8.27
3 year | 26.66 | 27.49
5 year | 45.45 | 47.16
10 year | 111.94 | 112.65

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

Risk statistics: 3 years to 30 Apr 2019

Std Deviation (Ann) | 0.81
Sharpe Ratio (Ann) | N/A

Actual highest and lowest annual returns*

Highest Annual % | 9.79
Lowest Annual % | 5.91

This monthly Minimum Disclosure Document should be viewed in conjunction with the Glossary of Terms sheet which is available on the website.

Issue Date: 15 May 2019
Asset Allocation

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<td>Bonds 0 - 3 years</td>
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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.

Portfolio Manager(s)

Melville du Plessis
B.Com (Hons), CFA, CAIA, FRM

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.

Trustee Information

Standard Bank of South Africa LTD
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