Minimum Disclosure Document

(Fund Fact Sheet)

Sanlam Investment Management Balanced Fund

May 2017

Fund Objective

This is a multi asset class fund which aims to grow capital steadily while providing income over the medium to longer term. The preservation of real capital is of primary importance in achieving this objective. The fund is Reg. 28 compliant and is suitable for retirement savings. The fund may hold up to 25% in offshore assets.

Fund Strategy

Typically this fund will hold a large weighting in JSE shares with a maximum equity exposure of 75%. Capital exposure will also include investments in money market instruments, bonds, listed property and up to 25% in offshore assets. Fund risk is lower than that of a pure equity fund. This portfolio may also invest in participatory interests of underlying unit trust portfolios.

Why choose this fund?

*By investing in a single fund which diversifies across all major asset classes, investors 'outsource' the difficult decision of how much and when to invest in various asset classes.
*The fund may hold a maximum of 75% in equities making it less volatile than a general equity fund.

Fund Information

ASISA Fund Classification	SA - Multi Asset - High Equity
Risk profile	Moderate
Benchmark	Mean of the ASISA SA Multi Asset High Equity Category
Portfolio launch date	01 Feb 1995
Fee class launch date	01 Jul 2004
Minimum investment	Lump sum: R10 000 | Monthly: R500
Portfolio size	R15 854.6 million
Last two distributions	30 Jun 2016: 147.57 cents per unit 31 Dec 2016: 70.03 cents per unit
Income decl. dates	30 Jun | 31 Dec
Income price dates	1st working day in July and January
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)

	Retail Class (%)
Advice initial fee (max.)	3.42
Manager initial fee	N/A
Advice annual fee (max.)	1.14
Manager annual fee	1.25
Total Expense Ratio (TER)	1.67

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.sanlamunittrustsmdd.co.za and using our Effective Annual Cost (EAC) calculator. Alternatively, contact us at 0860 100 266.

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

Sanlam Reality members may qualify for a discount on the Manager annual fee.

Total Expense Ratio (TER) | PERIOD: 1 April 2014 to 31 March 2017
Total Expense Ratio (TER) | 1.67% 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 of the TER of 1.67%, a performance fee of 0.29% of the net asset value of the class of participatory interest of the portfolio was recovered.
Transaction Cost (TC) | 0.17% 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) | 1.84% of the value of the Financial Product was incurred as costs relating to the investment of the Financial Product.

Manager Performance Fee (incl. VAT) | Performance Fee Benchmark: Mean of the ASISA SA Multi Asset High Equity Category, Base Fee: 1.25%, Fee at Benchmark: 1.25%, Fee hurdle: Mean of the ASISA SA Multi Asset High Equity Category, Sharing ratio: 20%, Minimum fee: 1.25%, Maximum fee: 2.85%, Fee example: 1.25% p.a. if the fund performs in line with its Performance Fee benchmark being Mean of the ASISA SA Multi Asset High Equity Category.

The performance fee is accrued daily, based on performance over a rolling one year period with payment to the manager being made monthly. Performance fees will only be charged once the performance fee benchmark is outperformed and only if the fund performance is positive. A copy of the performance fee FAQ is available on www.sanlamunittrusts.co.za

Top 10 Holdings

Securities	% of Portfolio
Sanlam World Eq	13.62
Naspers -N-	8.31
SIM Enhanced Yield Fund Class B3 (D)	4.20
Sanlam World Equity Tracker Fund Class I USD	3.84
SIM Property Fund	3.51
BTI Group	2.99
Steinhoff Int Hldgs N.v	2.15
Sasol	2.07
MTN	1.99
Sanlam Europe (ex UK) Equity Tracker Fund Class I	1.83

Top 10 Holdings as at 31 Mar 2017

Performance (Annualised) as at 31 May 2017 on a rolling monthly basis

Retail Class	Fund (%)	Benchmark (%)
1 year	2.87	0.71
3 year	6.07	5.80
5 year	11.21	10.32
10 year	8.42	7.93

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

Performance (Cumulative) as at 31 May 2017 on a rolling monthly basis

Retail Class	Fund (%)	Benchmark (%)
1 year	2.87	0.71
3 year	19.32	18.43
5 year	70.14	63.40
10 year	124.53	114.53

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

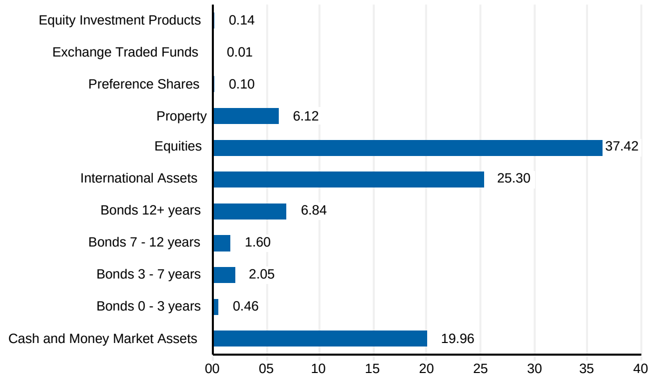
Risk statistics: 3 years to 31 May 2017

Std Deviation (Ann)	5.91
Sharpe Ratio (Ann)	(0.10)

Actual highest and lowest annual returns*

Highest Annual %	23.40
Lowest Annual %	(13.68)

Asset Allocation



Portfolio Manager(s) Quarterly Comment - 31 Mar 2017

The first quarter of 2017 was quite a challenging one during which to manage a fund, due in large part to political developments. Internationally the Trump administration with it's 'wild card' flavour just took control of the world's largest economy, while Europe saw the practical start of Brexit and the lingering question of whether there is more to follow elsewhere in the punch-drunk European Union. For South Africans, the significance of these events seemed to disappear towards the end of the quarter when local political events, unleashed by our president, rocked our fixed interest and currency markets.

Interestingly enough though, by the end of the quarter most asset classes experienced only very small net movements for the quarter. Local asset classes all showed small net gains varying between 1.5% and 3.5% - including bonds, despite the jump in bond yields towards the end of the quarter. And with the currency having made only a marginal net move for the quarter, foreign assets too showed relatively small moves, with global equities being the best performer of the bunch with a gain of around 5%. Effectively the losses induced by local developments towards the end of the quarter just about took away the gains experienced for the global backdrop, which was one that marginally favoured emerging market assets. From a performance perspective our fund came through the quarter with positive returns, illustrating again the benefit of a diversified multi-asset portfolio.

The downgrade of SA's debt was not a big surprise and prior to the event we deemed markets to be priced for absorbing a downgrade. However, markets were not prepared for the additional political risk that eventually got introduced, which negatively impacted the outlook for fiscal prudence at state owned enterprises. After Minister Nene's dismissal, the quick removal of Des van Rooyen and reappointment of Minister Gordhan was seen as 'sanity prevailing' and the disruption to pricing in financial markets turned out to be a great buying opportunity. This time around, some assets are again offering great value, but there is significantly more doubt that sanity will prevail and prove the current pricing levels to be another great buying opportunity. As value oriented investors it certainly is the natural bias in our approach to buy more assets when they seem to offer above-average returns. But this time around it is with more hesitation that we actually do so.

The fund's foreign exposure was taken to its maximum position of 25% and for now we retain that position, despite the latest movements in the currency pushing it back towards cheap territory, since the now increased risk of a second downgrade by S&P would really send the currency in a tailspin. Our local equity holding did also benefit from a solid exposure to rand hedge stocks and performed well during the quarter-end week of turmoil. The positioning within equities is, however, an outcome of where we see long-term value in the asset class, rather than a currency view or theme.

From a portfolio management perspective, the repositioning of the fund to align more closely with our house view models in the various asset classes, has been largely complete. The fund is well positioned to get maximum value from the input of all specialist teams within Sanlam Investments. We have also introduced some derivative hedges that are consistent with our strategy of using these instruments to introduce an additional element of risk management into our balanced portfolios and we are optimistic that in the long run our investors will benefit from the effect these structures will have on the fund's performance.

The outlook for markets is still/again uncertain. The global economic backdrop is one of improvement on the margin, which all else being equal should benefit SA assets and the currency. Relative to this support, the risk of additional downgrades to SA's credit ratings will now cast a new shadow over SA assets. Should a 'sanity prevails' event occur in the near future, the impact of that on SA bonds and the currency could be material. But in the absence thereof, investors will be faced with the impossible question of whether local assets are priced cheaply enough to reward investments in them despite the additional downgrade risk that President Zuma's actions have brought. We are cautiously optimistic that they are, but not certain enough of this to bet the farm.

Portfolio Manager(s)

Fred White

BEng Cum Laude; MEng Cum Laude; MBA; CFA

Patrice Rassou

BSc (Econ) First Class Honours, MSc (Econ) LSE, MBA, CA (UK)

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.

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May 2017

Risk Profile (Moderate)

This is a medium-risk portfolio that aims to deliver income and capital growth over the medium term. This portfolio is designed to minimise volatility and aims to cultivate as smooth a ride as possible. There is some exposure to risky asset classes (such as equities) necessary to grow capital over the medium to long term. This portfolio has a medium to long-term investment horizon. The portfolio is diversified across all major asset classes with an average exposure to equities, and offers real (after inflation) returns but with lower volatility.

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 performances are not necessarily a guide to 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. 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.

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

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

Asset allocation funds
Also known as balanced or managed funds. A fund manager invests in a spread of assets such as equities, property, bonds and cash depending on market conditions.

Bond
A bond is an interest-bearing debt instrument, traditionally issued by governments as part of their budget funding sources, and now also issued by local authorities (municipalities), parastatals (Eskom) and companies. Bonds issued by the central government are often called "gilts". Bond issuers pay interest (called the "coupon") to the bondholder every 6 months. The price/value of a bond has an inverse relationship to the prevailing interest rate, so if the interest rate goes up, the value goes down, and vice versa. Bonds/gilts generally have a lower risk than shares because the holder of a gilt has the security of knowing that the gilt will be repaid in full by government or semi-government authorities at a specific time in the future. An investment in this type of asset should be viewed with a 3 to 6 year horizon.

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.

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

Equities
An equity or share represents an institution/individual's ownership in a listed company and is 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 and this 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 with a higher level of risk i.e. share investments have the most volatile returns over the short term. An investment in this type of asset 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.

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) amd 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).

Standard deviation
Standard deviation (also called monthly volatility) measures 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, auditors' 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.