

Fund Objective

This is a pure equity fund diversified across all sectors of the JSE. It offers a reasonable level of current income and the potential for long term outperformance. The fund managers only invests in shares which are undervalued and are very aware of downside risks. A maximum of 25% offshore assets may be held.

Fund Strategy

This fund may invest in any listed share, but focuses on financially sound companies which offer exceptional value. This portfolio may invest in derivatives for efficient portfolio management. This portfolio may also invest in participatory interests of underlying unit trust portfolios.

Why choose this fund?

*Our value investment philosophy has delivered superior long term performance.

*The fund can invest up to 25% in foreign listed companies, increasing the opportunity to invest in good companies at a discount.

*The fund is not benchmark cognisant and aims to maximise real wealth for investors over time.

*The fund is consistently managed by motivated and passionate investment professionals.

Fund Information

ASISA Fund Classification	SA - Equity - General
Risk profile	Aggressive
Benchmark	FTSE/JSE All Share Index
Portfolio launch date	01 Oct 1998
Fee class launch date	01 Oct 1998
Minimum investment	Lump sum: R10 000 Monthly: R500
Portfolio size	R2 234.1 million
Last two distributions	30 Jun 2017: 0.00 cents per unit 31 Dec 2016: 7.78 cents per unit
Income decl. dates	30 Jun 31 Dec
Income price dates	1st working day in January and July
Valuation time of fund	15:00
Transaction cut off time	15:00
Daily price information	Local newspaper and www.sanlamunitrusts.co.za
Repurchase period	3 working days

Fees (Incl. VAT)

	Retail Class (%)
Advice initial fee (max.)	3.00
Manager initial fee	N/A
Advice annual fee (max.)	1.14
Manager annual fee	1.53
Total Expense Ratio (TER)	1.76

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 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 own.

Total Expense Ratio (TER) | PERIOD: 1 October 2014 to 30 September 2017
Total Expense Ratio (TER) | 1.76% 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 1.76%, a performance fee of 0.18% of the net asset value of the class of participatory interest of the portfolio was recovered.

Transaction Cost (TC) | 0.29% 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) | 2.05% 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: FTSE/JSE All Share Index, Base Fee: 1.53%, Fee at Benchmark: 1.53%, Fee hurdle: FTSE/JSE All Share Index, Sharing ratio: 20%, Minimum fee: 1.53%, Maximum fee: 3.42%, Fee example: 1.53% p.a. if the fund performs in line with its Performance Fee benchmark being FTSE/JSE All Share Index.

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 Frequently Asked Questions can be obtained from our website: www.sanlaminvestments.com.

Top 10 Holdings

Securities	% of Portfolio
Sanlam Global Best Ideas Universal Fund E	5.42
Anglos	5.15
Steinhoff Int Hldgs N.v	4.94
Naspers -N-	4.61
Oracle Corp	3.76
Reinet Investments	3.64
Old Mutual	3.62
Combined Motor	3.42
Stanbank	2.97
Samsung Electronics Co Ltd	2.93

Top 10 Holdings as at 30 Sep 2017

Performance (Annualised) as at 30 Nov 2017 on a rolling monthly basis

Retail Class	Fund (%)	Benchmark (%)
1 year	4.46	22.54
3 year	1.75	9.33
5 year	7.76	12.71
10 year	7.88	10.21

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

Performance (Cumulative) as at 30 Nov 2017 on a rolling monthly basis

Retail Class	Fund (%)	Benchmark (%)
1 year	4.46	22.54
3 year	5.33	30.69
5 year	45.33	81.87
10 year	113.42	164.42

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

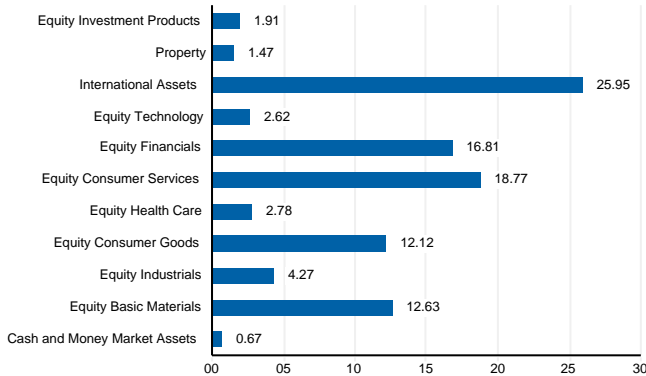
Risk statistics: 3 years to 30 Nov 2017

Std Deviation (Ann)	11.62
Sharpe Ratio (Ann)	(0.46)

Actual highest and lowest annual returns*

Highest Annual %	37.21
Lowest Annual %	(27.89)

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

Asset Allocation

Portfolio Manager(s) Quarterly Comment - 30 Sep 2017
Market overview

Despite the overwhelming negative sentiment, the FTSE/JSE All Share Index (Alsi) had its best quarter this year, supported by the strong performance from the media and resource sectors. Both these sectors are benefiting from a weak rand and strong growth in offshore demand for their products. The performance of small and mid cap shares, which have a higher exposure to South Africa, continue to lag overall market performance and both sectors remain in negative territory for the year. In contrast, the FTSE/JSE Top 40 Index is up 15.3%.

South African companies have experienced some of the toughest times in recent history. Consumer and business confidence has taken a severe beating. Looking back over the past 20 years, when consumer and business confidence was this low it coincided with a global crisis such as the emerging market crisis in 2008, the IT bubble in 2002 and the Global Financial Crisis in 2008. It is different this time around - this predicament is completely self-inflicted. While the rest of the globe is experiencing an economic recovery, South Africa has struggled to achieve above 1% economic growth. In the hope of partially restoring business and consumer confidence and supported by an improving inflation outlook, the SA Reserve Bank cut interest rates by 25 basis points in July, but the lack of follow through in September and the heightened political uncertainty resulted in a fairly limited impact.

Unsurprisingly our conversations with company management teams over the past quarter highlight the frustrations of business leaders and the impact that the political uncertainty is having on investor confidence. Many projects that require long-term clarity have been postponed and some have been cancelled outright. No industry has escaped the negative ramifications of the Cabinet reshuffle and more companies than ever are looking for alternative avenues for growth outside of South Africa. In addition, companies have become focused on managing costs in an attempt to preserve margins. Unfortunately this has negatively impacted private sector job creation (mostly in the manufacturing and construction sectors) with over 80 000 jobs lost in the first six months of this year.

Despite the local headwinds, the South African equity market hit an all-time high during the quarter. The source of returns remains fairly narrow with only three sectors outperforming the Alsi. These are media (essentially Naspers), consumer goods (essentially Richemont) and resources (including forestry and paper). Of a total of 170 companies making up the large, mid and small cap indices on the JSE, just 40 outperformed with 130 companies failing to keep up with the overall market return. In other words, for every company that outperformed the Alsi, another three underperformed. When investment returns are so highly concentrated, it becomes difficult for active managers to keep up with the overall market returns, explaining why 90% of funds in the general equity category have underperformed the Alsi in 2017.

Performance

The portfolio returns lagged the overall market returns largely as a result of our underweight position in Naspers and the underperformance of our investment in the Naspers core assets (through the listed stub instrument). In spite of the discount of Naspers widening to extreme levels, the investment case for the core assets continues to improve. There are various technical factors that we believe have contributed to the discount widening. One such factor is the continuing disinvestment by foreigners from South African equities. Since the discount of Naspers to its investment in Tencent turned negative in January 2016, we have seen

a cumulative US\$13 billion flow out of South African equities by foreigners. This is far greater than the US\$6 billion outflow during the Global Financial Crisis.

Other stocks that detracted from performance during the quarter include our investments in Steinhoff and Group Five. Steinhoff came under the spotlight once again due to the resurfacing of an old dispute with a former joint venture (JV) partner. This case has been heard in Amsterdam and a favourable decision is expected in the next two months. Management has provided for partial settlement with the ex-JV partner and any negative outcome is not expected to have a material impact on the financials. We used recent weakness to add to our position.

Group Five has been the subject of significant shareholder activism. The board has been replaced and new management has been appointed in the various divisions. While the company remains extremely undervalued, it will take some time to restore profitability in the local construction business. The current share price attaches a negative value to the construction business and undervalues the concession business.

Our investment in Anglo American and Northam Platinum contributed positively to performance for the quarter.

Outlook

This is in many respects a perfect storm. As companies have struggled to grow the top line, they have had to compete harder than ever before to attract and retain customers. This has often meant that prices have remained under pressure resulting in lower margins. In this lies the opportunity. As investors we have always looked for mispricing opportunities, which tend to arise at the time of maximum pessimism. In order to find an advantage in the market, one needs to look for diversity breakdowns, which happen when participants imitate one another and make the same decisions based on the same signals from the market. Diversity breakdowns represent collective overreactions and underreactions to new information. We have seen this several times in the past and on each occasion have achieved significant returns by having the moral courage to act opposite to the crowd when our judgement has told us that we were right.

In a recent radio interview, Christo Wiese said: "In the last 50 years South Africa has been through tougher times than we are currently experiencing. There is no reason to believe that in this dark night, there won't be dawn again. Things will be better again." South Africa is currently at a crossroad and while the upcoming ANC elective conference in mid-December will be key, we are of the view that the South African domiciled businesses and the currency are already reflecting a bearish scenario.

Many opportunities are emerging in the mid and small cap space and your portfolio currently has approximately 25% allocated to stocks outside the Top 40. The share prices of these companies have been under significant pressure this year and offer substantial upside for the investor.

We also acknowledge our limitations in being able to predict the outcome of the ANC elective conference and its impact on the market in December. For this reason we maintain a diversified portfolio of holdings, both local and global, cyclical and defensive. While we remain of the view that SA Inc. remains grossly undervalued, the future performance of the portfolio is not only dependent on a recovery in South Africa. We have significant exposure to businesses that are listed in South Africa, but earn a significant portion of their profits outside of the country.

Portfolio Manager(s)

Claude van Cuyck

BCom (Hons), CFA

Ricco Friedrich

B Bus Sc (Finance), CA, CFA

Management of Investments

The appointed investment manager is Denker Capital, a division of Sanlam Investment Management (Pty) Ltd, FSP 579, 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.

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. 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. Sanlam Collective Investments (RF) (Pty) Ltd is a registered and approved Manager in Collective Investment Schemes in Securities. Collective investment schemes are generally medium- to long-term investments. 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 on request. 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. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. 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. Forward pricing is used. Performance is based on NAV to NAV calculations with income reinvestments done on the ex-div date. Performance is calculated for the portfolio and the individual investor performance may differ as a result of initial fees, actual investment date, date of reinvestment and dividend withholding tax. The manager has the right to close the portfolio to new investors in order to manage it more efficiently in accordance with its mandate. The performance of the portfolio depends on the underlying assets and variable market factors. 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.

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 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.

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.

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

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

Benchmark cognisant

This is an investment manager who follows a strategy where in the process of evaluating the performance of any investment, compares its performance against an appropriate benchmark. In the financial field, there are dozens of indexes that analysts use to gauge the performance of any given investment including the S&P 500, the Dow Jones, etc.

Downside risk

The likelihood of a fund's potential to decline in value if market conditions change.

Linked Investment Service Provider (LISP)

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 provides a client a single entry into a selection of investment elements.

Net asset value (NAV)

Net asset value (NAV) is the value of a fund's asset less the value of its liabilities per unit.

Price to earnings ratio

Price to earnings ratio or PE ratio is calculated by dividing the price per share by the earnings per share. This ratio provides a better indication of the value of a share, than the market price alone.

Pure equity fund

This is a fund that invests primarily in higher-risk asset classes such as equities (stocks or shares).

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) is a measure of how much 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, 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.

Value investment philosophy

This is a philosophy which enables our fund managers to make rational - not emotional - decisions based on in-depth research. This gives them insight into what an asset is truly worth, not what investors are willing to pay based on greed or fear. We invest in stocks that are, in our opinion, trading below their intrinsic value.