

Fund Objective

The Fund is an actively managed Rand denominated offshore portfolio that is well diversified in terms of asset classes (equities, bonds, property & cash), countries and currencies. It aims to provide investors with maximum long-term capital growth without transcending the equity allocation limit of 75%.

Fund Strategy

The Fund is actively managed through the Sanlam International Investment Team's research driven investment process. We employ active asset allocation and investment manager allocation strategies appropriate to the fund's objective. The Fund focuses on risk adjusted returns, performance delivery and volatility management.

Why choose this fund?

- The Fund will not hold more than 75% in equities which will provide more stability than a pure equity fund.
- By investing in a single fund that diversifies across all major international asset classes, investors "outsource" the difficult decision on how much and when to invest in various asset classes.
- Investors seeking to invest in global markets through a diversified growth-oriented asset allocation fund are well suited to invest in this fund.
- It is a Rand denominated international fund. No foreign exchange tax clearance is required.

Risk Considerations

- Investing in international asset classes means that currency exchange rate fluctuations will have an impact on the performance of the fund.
- As the SA Rand can be a volatile currency, this could lead to significant fluctuations in the Rand value of this fund.

Fund Information

ASISA Fund Classification	Global - Multi Asset - High Equity
Risk profile	High (ZAR) / Moderate (USD)
Benchmark	65% MSCI World (Developed Markets) Equity Index / 35% Barclays Capital Global Aggregate Bond Index
Fee class launch date	15 April 2004
Portfolio launch date	15 April 2004
Minimum investment	Lump sum: R10 000 Monthly: R500
Portfolio Size	R 68 million
Last two distributions	31/12/17: 0 cents per unit 30/06/18: 0 cents per unit
Income decl. dates	30/06 31/12
Income price dates	1st working day after declaration (distributed on the following working day)
Portfolio valuation time	17:00
Transaction cut off time	15:00
Daily price information	www.sanlamunittrusts.co.za
Repurchase period	3 working days

Fund Composition

Securities	31-Jul (%)	31-Aug (%)
Sanlam World Equity	65.40	65.70
Sanlam Global Bond	28.70	28.80
Sanlam Global Property Fund	2.60	2.60
Cash (International)	2.50	2.10
Cash (RSA)	0.80	0.80

Performance (Annualised) as at 31 Aug 2018 on a rolling monthly basis

Retail-Class	Fund (%)	Benchmark (%)
1 Year	20.25	21.64
3 Year	9.85	12.33
5 Year	12.95	15.11
10 Year	9.38	12.87

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 Aug 2018 on a rolling monthly basis

Retail-Class	Fund (%)	Benchmark (%)
1 Year	20.25	21.64
3 Year	32.56	41.75
5 Year	83.84	102.10
10 Year	145.11	235.65

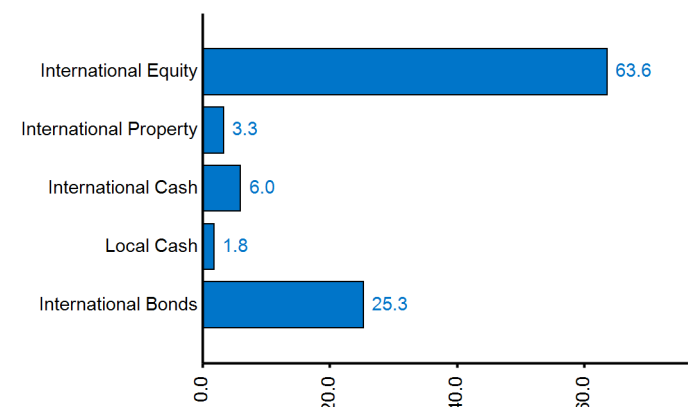
Cumulative return is the aggregate return of the portfolio for a specified period. Performance figures sourced from Morningstar.

Risk Statistics: 3 years to 31 Aug 2018

Std Deviation (Ann)	16.75
Sharpe Ratio (Ann)	0.15

Actual highest and lowest annual returns*

Highest Annual %	35.49
Lowest Annual %	-14.47

Asset Allocation


Portfolio Manager(s) Quarterly Comment

The second quarter of 2018 was less eventful than the first in terms of market drama and volatility. There was a broad decline in market volatility, as measured by the VIX Index during the quarter, though levels have not quite declined to those seen in 2017. Capital markets have become less concerned about the threat of inflation running away, and therefore expect the US Federal Reserve to continue to raise interest rates at a more measured pace, with the second quarter seeing another 0.25% rise. Elsewhere central banks have been significantly more conservative in raising interest rates, and while there was temporary expectation of such a hike in the UK during the quarter this failed to materialise. In Europe, progress towards ceasing non-conventional monetary policy continued, while Japan remains committed to raising inflation levels and hence policy remains accommodative. However, in China the most recent move has been to loosen policy in the face of a potential slowdown.

The major event of the quarter was the escalation of the 'trade war' initiated by President Trump. While this has been primarily focused on the trade relationship of the US with China, it has widened. While the extent of the tariffs announced so far is relatively limited in an overall global GDP context, the market perceives these to be steps in the wrong direction, and has become concerned about the extent of how far this will go. Markets have been unsurprised by China's retaliatory response, but the European Union has also raised concerns about the impact of Trump's actions. For now there is more rhetoric than economic consequence, but the longer this persists the more concerning markets are expected to become. Additionally, during the quarter, at a more political level, the US North Korean submit in June marked a significant turnaround from political language and tone in 2017 and early 2018, and so markets have benefitted from the de-escalation of the threat of war on the Korean peninsula. Unrelated, but notable for the quarter was the rise in the oil price from the low \$60s a barrel into the \$70s, thus leaving the oil price at the highest levels seen since the end of 2014.

1. All commentary performance figures are gross of fees and quoted in US dollar terms unless stated otherwise.

Portfolio Manager(s)

Sanlam International Investments, a division of Sanlam Investment Management (Pty) Ltd

Fees (Incl. VAT)	Retail class (%)
Advice initial fee (max.)	3.45
Manager initial fee	0
Advice annual fee (max.)	1.15
Manager annual fee	0.69
Total Expense Ratio (TER)	1.62

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

TOTAL EXPENSE RATIOS

PERIOD: 1 July 2015 to 30 June 2018

Total Expense Ratio (TER) | 1.62% 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.

Transaction Cost (TC): 0.23% 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): 1.85% of the value of the Financial Product was incurred as costs relating to the investment of the Financial Product.

A fund of fund unit trust only invests in other unit trusts, which levy their own charges, which could result in a higher fee structure for these funds.

During the quarter global equity markets, as measured by the MSCI World Index, rose by 1.73%^[1]. For the calendar months during the quarter the MSCI World produced a positive return in April and May of 1.15% and 0.63% respectively, but moved sideways in June with a return of -0.05%. As a result global equity markets have progressed a modest 0.43% year-to-date, but remain in double figures over a one-year period because of the strength of returns in 2017. Using MSCI indices, within the Developed Markets, North America was the strongest region, rising 3.47%, while Europe declined by 1.27% and Japan by 2.84%, though the Pacific ex Japan region rose by 1.77%. However, much of this masks the impact of the US Dollar over the quarter, which remained strong, and hence in local terms all the major developed markets produced positive returns during the quarter. The Pacific ex Japan region rose 4.50%, while Europe rose more than 4%, but Japan only 1.20%, and the North American region was not materially different to the US Dollar return, because of the weight of the US in North America. One area that clearly struggled during the quarter was Emerging Markets, which, using the MSCI index, fell by 8% over the quarter and is now lagging Developed Market equities on a one-year basis.

Global bonds declined by 2.78% in the second quarter, as measured by the Bloomberg Barclays Capital Global Aggregate Bond Index. Global bonds decreased in every month of the quarter, with the declines mellowing over the quarter, as April saw the market drop 1.60%, May lost 0.76% and June another 0.44%. The global bond market suffered because of the sell-off in bonds, originally linked to inflation concerns originating from Q1, which caused the US 10-year Treasury yield to move up during April and through to mid-May to 3.11%, but this has retraced broadly to the 2.80% to 2.90% range as the inflationary concerns have become less concerning. Year-to-date global bond markets have fallen by 1.46%, and therefore despite the low equity return year-to-date bonds are underperforming their equity counterparts.

[1] All performance numbers are in US Dollars unless stated otherwise.

Investment Approach

FOUR's investment team employs an active, conviction-driven management style. Key to the Fund is its focus on identifying growing companies, with competitive franchises and strong cash generation. When focusing on a company, the team will undertake intensive research to establish the true worth of the business, what we call its Intrinsic Value. This process normally includes meeting the senior management of the companies we invest in.

The team will take high conviction positions in those opportunities where they have identified the potential for significant upside to current share prices. Although the team will give consideration to the macroeconomic backdrop, emphasis is very much on building a portfolio of outstanding companies from a bottom up basis.

About The Fund Manager

FOUR was founded in 2006 and is a specialist in equities fund management. The key to our success is the highly experienced investment team and its Intrinsic Value investment approach. As a boutique, FOUR benefits from short communication lines and swift efficient decision-making. FOUR's senior employees have significant ownership of the firm and invest in FOUR's funds. This aligns their interests with those of our clients'. FOUR also has the support of the Sanlam Group, a c.US \$10bn* financial services company, which has a strategic long-term investment in FOUR. * as at 19th August 2013

Portfolio Manager Disclaimer

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.

Risk Profile (High (ZAR) / Moderate (USD))

This fund is an actively managed offshore portfolio that is well diversified across international asset classes (equities, bonds, property and cash) aiming to provide investors with maximum long-term capital growth without transcending the equity allocation limit of 75%, which will provide more stability than a pure equity fund. However, this is a Rand denominated offshore portfolio that will be subject to currency fluctuations which introduces additional volatility or risk to the portfolio in SA Rand terms.

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 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. 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.

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.

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.

Glossary Terms**Active (or tactical) asset allocation**

This is when asset managers actively vary their allocation to certain asset classes based on economic and market data, asset class valuations, etc. This should lessen an investor's exposure to declining markets and help preserve capital.

Annualised total returns

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

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.

Research-driven investment process

This is a rigorous screening process for sifting through the available universe of asset managers and selecting specific funds on which to perform further, more in-depth research. This allows a more accurate way of valuing shares or funds, and allows a portfolio manager to tailor clients' asset allocation tactically to changing market conditions. This process involves evaluating the macroeconomic environment to quantify the level of risk in the market, and assessing the investment styles of the different asset managers we invest in to identify true skill, which will ensure a repeatable investment process and long-term outperformance.

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:

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