Minimum Disclosure Document
(Fund Fact Sheet)

Sanlam Select Absolute Fund

March 2019

Fund Objective

This is a flexible asset allocation fund which aims to deliver positive real returns by targeting CPI+5% over a rolling 3 year period whilst actively managing downside risk and minimising risk of capital loss over the medium term. The fund is managed in accordance with Reg. 28 guidelines.

Fund Strategy

The fund invests in a combination of equities, money market instruments; nominal and inflation linked bonds and listed property as well as international equities and fixed interest investments. The Fund manager employs an active asset allocation and securities selection strategy which is derived from a strong risk management framework. The Fund targets not to lose capital over any rolling 12 month period and is Regulation 28 compliant. 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.

Why choose this fund?

• This fund is less volatile than a traditional balanced fund with greater focus on capital preservation.
• By investing in a single fund that diversifies across all major asset classes, investors "outsource" the difficult decision on how much and when to invest in various asset classes.
• The small Assets Under Management (AUM) of the manager means that the manager is very nimble and able to execute ideas quickly and react speedily to changes in market conditions.
• Strong risk management focus enhances capital preservation mindset.

Fund Information

ASISA Fund Classification	South African Multi Asset Flexible
Risk Profile	Moderate
Benchmark	CPI+5% over a 5-year rolling period
Fee Class Launch date*	01 September 2014
Portfolio Launch date	02 December 2013
Minimum investment	LISP minimums apply
Portfolio Size	R 882 million
Bi-annual Distributions	31/12/18: 29.12 cents per unit 30/06/18: 30.97 cents per unit
Income decl. dates	30/06 | 31/12
Income price dates	1st working day in January and July
Portfolio valuation time	15:00
Transaction cut off time	15:00
Daily price information	The local newspaper and www.sanlamunittrusts.co.za
Repurchase period	3 working days

Fees (Incl. VAT)	LISP-class (%)
Advice initial fee (max.)	neg.
Manager initial fee (max.)	0.00
Advice annual fee (max.)	neg.
Manager annual fee (max.)	0.92
Total Expense Ratio (TER)	1.31

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.

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

PERIOD: 1 January 2016 to 31 December 2018

Total Expense Ratio (TER) |1.31% 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 in the TER of 1.31%, a performance fee of 0.00% of the net asset value of the class of Financial Product was recovered.

Transaction Cost (TC) | 0.74% 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.

Top 10 Holdings

Top 10	% of Equity
Naspers	13.69
Sasol Limited	6.11
British American Tobacco Plc	4.14
Anglo American	3.98
Firstrand Limited	3.89
Bid Corporation Limited	3.49
MTN Group Limited	3.28
Mondi Limited	3.11
BHP Group	3.05
Vanguard Europea ETF	2.85

Performance (Annualised) as at 31 Mar 2019 on a rolling monthly basis*

LISP-class	Fund (%)	Benchmark (%)
1 Year	7.32	9.71
3 Year	2.23	9.88
5 Year	N/A	N/A
Since inception	3.88	9.97

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 Mar 2019 on a rolling monthly basis*

LISP-class	Fund (%)	Benchmark (%)
1 Year	7.32	9.71
3 Year	6.83	32.66
5 Year	N/A	N/A
Since inception	19.05	54.60

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

*Significant changes to this fund came into effect from 01 September 2014 and all performance figures are calculated from this date and not the original fund launch date.

Risk statistics: 3 years to 31 Mar 2019

Std Deviation (Ann)	5.68
Sharpe Ratio (Ann)	-0.92

Actual highest and lowest annual returns*

Highest Annual %	9.75
Lowest Annual %	-5.56

*Performance figures sourced from Morningstar.

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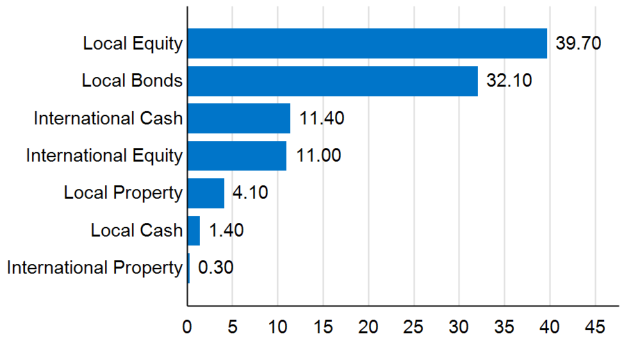
Asset Allocation



Investment Manager Monthly Commentary

South Africa's own goals continued in March as power rationing intensified, macro data weakened further, President Ramaphosa committed to nationalising the South African Reserve Bank (SARB), and the ANC submitted a less-than-wholesome party list for the 8 May general elections.

Operational challenges, diesel shortages, and lower power imports due to Cyclone Idai in Mozambique triggered Stage 4 load shedding mid-month. This, in turn, dampened confidence, evident in the BER Business Confidence Index falling further. Our GDP tracker points to a contraction in 1Q19, which could weigh on SA asset prices given concern about implications for tax revenues. SARS has already confirmed a R14.6 billion tax revenue shortfall for FY19.

Inflation remains contained, printing at 4.1% in February, with a notable moderation in inflation expectations – five-year expectations fell to 5.1% in 1Q19. This, alongside a less hawkish US Federal Reserve (Fed), allowed the SARB to move to a neutral stance in its March meeting, which resulted in a unanimous decision to keep the repo rate unchanged at 6.75%.

Turkey once again showed itself as the lightning rod in emerging markets with the Lira suffering another bout of volatility as falling reserves and more evidence of domestic Dollar-hoarding spooked investors. While the Rand temporarily suffered from Turkey contagion, the weakness was short-lived as the currency and bonds benefited from Moody's decision not to review the credit rating (Baa3/stable outlook). While this 'skip' has not quelled ratings fears, it has bought SA assets more time to benefit from the recovery in risk appetite.

The Fed's dot plot almost flatlined in March as the median shifted to only one hike, in 2020. Moreover, quantitative tightening will end in September, and there is a high probability that substantial Treasury purchases will resume from 1Q20. Data out of Germany remain disappointing, but China is turning a corner. However, downside risks remain elevated with the delay in Brexit and the US/China trade deal. The US 10-year/three-month yield spread inverted briefly in March, with many believing this is confirmation of the coming recession.

While the end may be near, this is probably only the beginning of the end of the US expansion. For SA, this is but only the end of the beginning of the leadership transition. All eyes will be on the 8 May elections as a gauge of structural reform, even if we know that reform is tough to implement, particularly with low growth and a divided party.

Market developments

Strong global risk appetite kept local equities (1.6%) in the lead for March's asset class performance. Bonds (1.3%), fixed-rate credit (1.2%), and floating-rate credit (0.9%) outperformed cash (0.6%), while inflation-linked bonds (-0.8%) and listed property (-1.5%) were relative laggards.

The Dollar's resilience continued, gaining 1.2% versus developed market majors and 2% against emerging market currencies. The Rand was a slight underperformer, losing 3% against the Dollar due to load shedding and ratings risk. Even so, the Rand/Dollar exchange rate remains in line with our 14.00-14.50 fair-value range.

Confirmation of the end of quantitative tightening and the paring of growth expectations pushed the US 10-year yield to below 2.40%. Again, SA-specific issues – load shedding and the Moody's review – ensured that local rates lagged the decline in global yields. Foreigners remained modest net sellers of SA bonds (R1.3 billion) in March. At 9%, bonds are fairly priced relative to our 8.60-9.10% fair-value range.

The dovish Fed and signs of a nascent recovery in global trade activity boosted equity markets further in March. The S&P 500 Index gained 1.8%, the Eurostoxx 50 rose by 2.1%, and the Shanghai Composite jumped by 5.1%. The MSCI South Africa Index (USD) lost 2.1% in March, underperforming the modest gain in the MSCI World (1%) and MSCI Emerging Markets (0.7%) indices. The FTSE/JSE All Share Index (ALSI) rose by 0.8% in March, with varying underlying sector performances. The weaker Rand and higher industrial commodity prices supported resources (3.7%), while the surge in Naspers boosted the technology sector (9.3%). Consumer-related sectors were under pressure with consumer services (-3%) suffering from Rand weakness and SA pessimism, while financials (-4%) were impacted by the weaker Rand, ratings fears, and disappointing earnings announcements.

Portfolio performance and positioning

The fund's performance (1.9%) was driven largely by domestic equity (0.8% contribution), foreign equity (0.5%) and foreign cash (0.3%) due to the depreciation in the currency during the month. These were followed by contributions from domestic bonds (0.2%) and domestic cash (0.2%), while local property (-0.04%) detracted only marginally from the fund's performance in March.

Our asset allocation was broadly unchanged during the month. We maintained our allocation to domestic equities (40%) and offshore (11%) equities, while retaining an underweight-duration position in domestic bonds (32%). We kept our exposure broadly equal between domestic cash (1.4%) and offshore cash (11.4%), with a modest allocation to local property (4%).

Domestic real activity data, confidence indicators and consumer metrics remain disappointing, but have been countered by improving global risk appetite and the lower local repo rate expectations. South African asset valuations have moved towards neutral relative to the anticipated growth recovery, given elevated downside risks. Uncertainty persists, centred on political risks in an election year, fiscal pressures, Eskom's liquidity position, and the risk of load shedding as we move into the high-demand winter period. As such, we remain cautious and still prefer global defensive stocks and resources, but have increased our allocations to domestic retail counters given recent underperformance.

Appointed Investment Manager

Matrix Fund Managers (Pty) Ltd

Investment Manager Disclaimer

The management of investments are outsourced to Matrix Fund Managers (Pty) Ltd, FSP 44663, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002.

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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.

Trustee Information

Standard Bank of South Africa Ltd

Tel no.: 021 441 4100
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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 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 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. 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.

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.

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

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.

Collective Investment Schemes (CIS)
Collective Investment Schemes (also called unit trusts) are portfolios of assets such as equities, bonds, cash and listed property, in which investors can buy units. They allow private investors to pool their money together into a single fund, thus spreading their risk across a range of investments, getting the benefit of professional fund management, and reducing their costs.

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

Equities
Equities are shares that represent an institution's or individual's ownership in a listed company. These shares are also 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 which 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 also have the highest level of risk i.e. share investments have the most volatile returns over the short term. An investment in equities 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) assets +5% to African assets.

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.

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