

**Fund Objective**

This is an asset allocation 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**

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 and has a maximum equity holding of 75%. Fund risk will be lower than that of an equity Fund. 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?**

- The fund will consistently hold a large portion in equity instruments, providing long term capital growth.
- This fund is less volatile than a pure equity fund.
- 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.

**Fund Information**

<b>ASISA Fund Classification</b>	South African Multi Asset High Equity
<b>Risk Profile</b>	Moderate Aggressive
<b>Benchmark</b>	Avg SA Multi Asset High Equity
<b>Fee Class Launch date*</b>	01 September 2014
<b>Portfolio Launch date</b>	02 December 2013
<b>Minimum investment</b>	LISP minimums apply
<b>Portfolio Size</b>	R 866 million
<b>Bi-annual Distributions</b>	31/12/18: 22.64 cents per unit 30/06/18: 17.84 cents per unit
<b>Income decl. dates</b>	30/06   31/12
<b>Income price dates</b>	1st working day in January and July
<b>Portfolio valuation time</b>	15:00
<b>Transaction cut off time</b>	15:00
<b>Daily price information</b>	The local newspaper and www.sanlamunitrusts.co.za
<b>Repurchase period</b>	3 working days

<b>Fees (Incl. VAT)</b>	<b>LISP-class (%)</b>
<b>Advice initial fee (max.)</b>	neg.
<b>Manager initial fee (max.)</b>	0.00
<b>Advice annual fee (max.)</b>	neg.
<b>Manager annual fee (max.)</b>	0.92
<b>Total Expense Ratio (TER)</b>	0.94

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](http://www.sanlamunitrustsmdd.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.

Manager annual fee: 0.92% p.a. (incl. VAT) | Maximum Performance Fees: 2.85% (incl. VAT) and sharing rate: 20%. Performance fees will only be charged once the performance benchmark is outperformed, irrespective of whether the fund performance is positive or negative. If the fund performs in line or below the benchmark, then the minimum fee of 0.92% p.a. (incl. VAT) is charged. The performance fee is accrued daily, based on daily performance and paid to the manager annually.

PERIOD: 1 January 2016 to 31 December 2018

Total Expense Ratio (TER) | 0.94% 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 0.94%, a performance fee of 0.00% of the net asset value of the class of Financial Product was recovered.

Transaction Cost (TC) | 0.46% 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) | 1.40% of the value of the Financial Product was incurred as costs relating to the investment of the Financial Product.

**Top 10 Holdings**

<b>Top 10</b>	<b>% of Equity</b>
British American Tobacco Plc	9.41
Naspers	6.78
Northam Platinum Limited	5.15
Sasol Limited	4.72
Tsogo Sun Holdings Ltd	3.36
The Foschini Group Limited	3.17
BHP Group	2.99
Anglo American	2.80
ABSA Group Limited	2.76
Nedbank Group Limited	2.66

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

<b>LISP-class</b>	<b>Fund (%)</b>	<b>Benchmark (%)</b>
1 Year	6.72	5.76
3 Year	3.61	3.79
5 Year	N/A	N/A
Since inception	5.00	4.94

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\***

<b>LISP-class</b>	<b>Fund (%)</b>	<b>Benchmark (%)</b>
1 Year	6.72	5.76
3 Year	11.23	11.81
5 Year	N/A	N/A
Since inception	25.07	24.72

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.

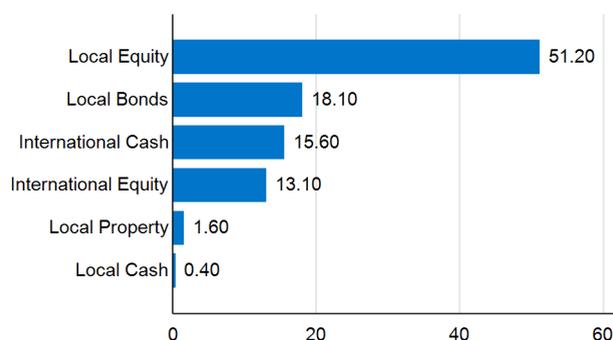
**Risk statistics: 3 years to 31 Mar 2019**

Std Deviation (Ann)	7.54
Sharpe Ratio (Ann)	-0.51

**Actual highest and lowest annual returns\***

Highest Annual %	13.29
Lowest Annual %	-5.38

\*Performance figures sourced from Morningstar.

**Asset Allocation**

**Investment Manager Monthly Commentary**

Markets stayed firm in March, buoyed by dovish monetary policy in the US as the US Federal Reserve kept policy rates unchanged and ongoing stimulus measures in China. As a result, first-quarter returns from almost every asset class were strong, including equities, bonds (especially developed market bonds) and commodities – a complete reversal from the dire fourth quarter of 2018.

However, the outlook is not all rosy. US company earnings growth has slowed from the high rates of 2018, when tax cuts provided a boost. Together with peak-cycle employment levels, markets have thus remained somewhat watchful and nervous. The inversion of the three-month/10-year US yield curve during the month of March is a predictor of slower growth and possible recession ahead. Political developments have also remained unsettling. Optimism over resolution of US? Chinese trade tensions has not yet resulted in final agreement, while UK Brexit and European tensions remain high. We have also seen renewed volatility in Turkey and Venezuela.

Domestic economic growth conditions remain lacklustre, exacerbated by low confidence ahead of the May elections as well as recent severe load shedding by Eskom – unstable power supply has a negative impact on economic activity as well as sentiment. Consumer confidence and household consumption also remain constrained by low employment growth, electricity price hikes and higher petrol prices. Softer growth conditions were recognised by the South African Reserve Bank (SARB) in their March Monetary Policy Committee meeting, where they downgraded GDP forecasts to average 1.3% in 2019, 1.8% in 2020 and 2% in 2021. The SARB's inflation forecast was broadly unchanged from their January meeting and remains comfortably within their target range. Inflation expectations also reflected a notable improvement of 4.8% for 2019 and 5.2% for 2020, with average five-year expectations falling to 5.1% – the lowest level since they were first surveyed in 2011. The combination of all of these factors allowed for a more dovish tone in the statement, with a unanimous vote to keep the repo rate at 6.75%, and resulted in the market pricing in unchanged interest rates across the short end of the curve. All of the above kept our bond yields and the Rand under pressure, and led to SA domestic equities and banks selling off.

The domestic bond market spent much of March trading with a nervous tone in anticipation of the Moody's rating update scheduled for the end of the month. In the end, there was no action taken by Moody's, which prompted a relief rally across the curve. Although a Moody's review committee wasn't convened, a credit opinion released by the lead analyst for SA was released in early April, and did provide support for market sentiment, as reflected in a stronger SA credit default swap spread, and lower domestic bond yields. We are, however, aware that a formal review meeting could hold differing views to those held by the lead analyst, and we will be conscious not to become complacent about potential ratings outlook risk in the coming months.

The Tantalum funds enjoyed another strong month, with good returns being posted by our large holding in British American Tobacco (good recent results, plus a positive development pipeline presented at their Capital Markets Day in London, which we attended), as well as from Northam, Naspers and Sasol. Detractors from performance were mainly Aspen, which had a torrid time after weak results, as well as our (reduced) bank share holdings and Blue Label Telecoms. The portfolio benefited from exposure to nominal bonds across the belly and long part of the curve. Credit enhancement further positively contributed to returns. Exposure to inflation-linked bonds marginally detracted from returns. Weakness in UK property was compounded by depreciation of the Pound as the UK's exit of the European Union remains unresolved post 29 March 2019 (the original 'leave' date).

We feel that yields fairly reflect dynamics in the bond market at present, and are comfortable with our current duration positioning. The curve remains steep, with long-dated yields still remaining attractive (at around 9.5%), and we would look for stronger market levels before reducing portfolio duration risk. We continue to find short-dated inflation-linked bond yields attractive, as well as select credit enhancement and structured note opportunities in the 0-3-year area of the curve. We have found shorter-dated credit opportunities to be more attractive at this point in the credit cycle and remain disciplined in our fair value estimation in a (still) weak economic environment.

**Appointed Investment Manager**

Tantalum Capital (Pty) Ltd

**Investment Manager Disclaimer**

The management of investments are outsourced to Tantalum Capital (Pty) Ltd, FSP 21595, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002.

**Risk Profile (Moderate Aggressive)**

In this portfolio, capital growth is of primary importance and results in a higher allocation to equities. The portfolio may display capital fluctuations over the shorter term, however, volatility levels should be lower than a pure equity fund. While diversified across all the major asset classes, this portfolio is tilted more towards equities and other risky asset classes to ensure the best long-term returns of all the asset classes. Fixed income positions are minimized.

**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. A copy of the Performance fee Frequently Asked Questions can be obtained from our website: [www.sanlaminvestments.com](http://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.

**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 are:

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.

**Manager information:**

Sanlam Collective Investments (RF)(Pty.) Ltd. Physical address: 2 Strand Road, Bellville 7530, Postal address: PO Box 30, Sanlamhof 7532  
Tel: +27 (21) 916 1800, Fax: +27 (21) 947 8224, Email: [service@sanlaminvestments.com](mailto:service@sanlaminvestments.com), Website: [www.sanlamunitrusts.co.za](http://www.sanlamunitrusts.co.za)