Minimum Disclosure Document

(Fund Fact Sheet)

Sanlam Select Strategic Income Fund

March 2019

Fund Objective

This is an actively managed, flexible fixed interest fund which aims to provide a high level of income whilst maximising returns. Capital preservation is of primary importance and diversification across high yielding asset classes offers downside capital protection. This fund is allowed to invest offshore up to the prescribed offshore limit as per regulations. The fund is Reg. 28 compliant.

Fund Strategy

Superior returns are sought through tactical asset allocation and high conviction bets across the income-yielding universe, including corporate and government bonds, money market instruments, preference shares and listed property. Opportunities are taken across the entire duration and credit spectrum. 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 provides active exposure to the fixed interest market with a widely diversified approach in order to maximise income generation whilst maintaining capital preservation. The Fund is less volatile than a pure bond fund and should produce returns in excess of money market funds over the medium term. By investing in multiple fixed interest asset classes, investors "outsource" the difficult decision on how much and when to invest in the 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

ASISA Fund Classification	South African Multi Asset Income
Risk Profile	Conservative
Benchmark	STeFI +1%
Fee Class Launch date*	01 September 2014
Portfolio Launch date	02 December 2013
Minimum investment	LISP minimums apply
Portfolio Size	R 1515 million
Yield	7.99%
Quarterly Distributions	31/03/19: 19.93 cents per unit 31/12/18: 21.28 cents per unit 30/09/18: 19.93 cents per unit 30/06/18: 22.18 cents per unit
Income decl. dates	31/03 | 30/06 | 30/09 | 31/12
Income price dates	1st working day in January, April, July and October
***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.)	0.69
Total Expense Ratio (TER)	0.71

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 at0860 100 266.

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

PERIOD: 01 January 2016 to 31 December 2018

Total Expense Ratio (TER) |0.71% 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 0.71%, a performance fee of 0.00% of the net asset value of the class of Financial Product was recovered.

Transaction Cost (TC) | 0.07% 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) | 0.78% of the value of the Financial Product was incurred as costs relating to the investment of the Financial Product.

Top 5 Holdings

Top 5	% of fund
Standard Bank of South Africa Ltd F/R 29012030	4.11
FirstRand F/R 09032025	4.09
Nedbank F/R 15032022	3.82
Investec ILB 5.50% 07122023	3.76
Standard Bank F/R 31032022	3.47

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

LISP-class	Fund (%)	Benchmark (%)
1 Year	7.67	8.26
3 Year	8.53	8.43
5 Year	N/A	N/A
Since inception	7.64	8.10

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	7.67	8.26
3 Year	27.84	27.47
5 Year	N/A	N/A
Since inception	40.11	42.91

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)	1.54
Sharpe Ratio (Ann)	0.72

Actual highest and lowest annual returns*

Highest Annual %	9.97
Lowest Annual %	4.31

*Performance figures sourced from Morningstar.

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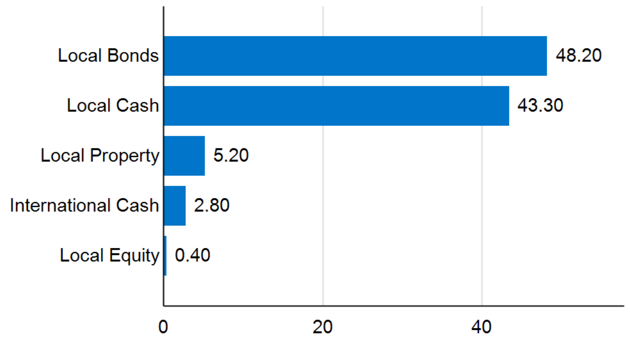
Asset Allocation



Investment Manager Monthly Commentary

While we continue to look for a slow, bumpy economic recovery, early-year drawbacks (loadshedding and broader SOE support) have somewhat taken the shine off the short-term outlook. South Africa's current economic profile stands out by ranking with countries at war and in political turmoil (think Venezuela and Argentina). Following six years of stagnant GDP per capita, electrical shortages, weak confidence and risks to the global outlook, further downside pressures persist. We will not be surprised to see a negative GDP growth print in 1Q19, and with the second quarter unlikely to see a sharp recovery, the burden on post-election 2H19 to drag GDP over the 1% mark now becomes quite onerous. From our initial expectation of 1.0-1.3% growth, growth will probably print below this forecast.

Clearly South Africa is currently ill-equipped to deal with a recession.

This highlights the importance of post-election reform to raise trend growth and break the negative cycle.

The fiscus remains under pressure. Unjustified ongoing socialist ideological support to SOEs that are caught in a death spiral, regressive tax policies pushing us past the peak in the Laffer Curve, and a collapse in business and consumer confidence, paint a bleak picture. It is very disappointing that funds extended to SOEs aren't done so contingent on them meeting strict publicly available pre-determined targets.

Funding needs of health schemes, free education, crumbling infrastructure, a bloated ? and highly overpaid ? public sector workforce all pose risks to fiscal consolidation and debt stabilisation. South Africa is now also deviating from its own expenditure ceiling.

The continued reliance on short-term financing flows to fund the current account deficit remains a source of macro vulnerability.

The outlook for monetary policy is balanced. A late-cycle global slowdown (Federal Reserve (Fed) pricing has taken a dramatic about-turn since late 2018) allays pressure on the Monetary Policy Committee (MPC). However, while inflation anchoring seems to be embedded in longer-term expectations, the weak fiscus presents a challenge to monetary authorities. Subdued core inflation and a clear absence of demand-pull or FX-passthrough all point to signals for lower interest rates. Real interest rates (r-star) are also arguably moving into restrictive territory. The make-up of the MPC could undergo significant change over the remainder of the year. These changes present volatility for the outlook.

GLOBAL
The end of 2018 saw two narratives with very different consequences for global growth. On the one hand, significant equity market turbulence, tightening financial conditions, plunging PMIs, an escalating trade war, and increasing recession probabilities contributed to a negative spiral of news. On the other hand, unemployment continues to fall, labour force participation continues to improve, wages are on the upswing, and emerging markets overall are weathering the currency, financial, and trade storms with a good degree of resilience.

With the S&P 500 Index now up 13% year to date, 1Q19 marked the best first quarter since 1998 and the best quarterly gain since 2009 in the US, while 10-year Treasury yields fell to their lowest level since December 2017.

Despite this move, analysts are rapidly changing their outlook for the US economy, with some now removing any further hikes in the cycle and shifting to forecast at least two cuts in 2020 (with the risk of a cut in 2019 rising). Recession fears are still a major part of market action.

It has become more likely that both the European Central Bank and Bank of Japan will struggle to hike rates, further supporting the view that we have seen the peak in bond yields.

The outlook for 2H19 will be important for the above view, as there can be no debate that several temporary shocks at the start of the year likely resulted in a meaningful slowdown in 1Q19 (government shutdown, slower pace of tax refunds, adverse weather conditions). Labour income growth has been steady throughout the current expansion, and the labour market is expected to remain tight during the current industrial production slump. A relatively high savings rate and healthy balance sheets offer additional resilience, even if income growth slows. However, while labour markets in most economies continue to support demand,
the capacity of domestic strength to outweigh trade tensions is waning, as policy uncertainty is weighing on real and financial investment decisions.

Global growth has been subpar with mild deceleration, but the US recession risk does not presently seem a 2019 event (US growth revised downwards from close to 3% in 2018 to the 2% region – still above trend). Meanwhile, core inflation is expected to trend sideways around 2%. Central banks, the Fed in particular, also seem much better prepared for a recession relative to 2008. Risks to the US outlook are therefore roughly balanced: still-above-trend growth, wage inflation still evident, firm business investment vs. threats to international trade, weaker than expected residential investment, potential disorderly asset price corrections.

While another opportunistic hike is possible, we expect the current level of the federal funds rate as at or near the terminal level of this hiking cycle. If faced with a sharper economic weakening than currently forecast, and heightened threats of a recession, the Fed could cut, and even aggressively so. This scenario would probably involve deterioration of jobless claims, trend payroll growth, the unemployment rate, manufacturing and non-manufacturing PMIs, and industrial production. But the Fed could also cut in the face of an adverse market event or disappointing inflation data. In the last two cases, the goal would be to extend the recovery.

For the Eurozone, growth is forecast to slow to a below-consensus 1.0-1.5% in 2019 from close to 2% in 2018. This view reflects the tightening in financial conditions in Italy as well as weaker global growth.

In the UK, most investors expect a long Article 50 extension for Brexit, with no specified UK political process, followed by a second referendum, exit on terms specified by the current withdrawal agreement or general election, with only a small minority expecting no deal and reversion to World Trade Organisation norms to govern trade.

In China, 2019 growth should slow to the middle of a 5.5-6.5% range ? reflecting uncertainties caused by trade tensions with the US, domestic pressure to deleverage, and an economic policy with partially conflicting targets (growth and unemployment versus financial stability). We do expect signs of stabilisation to set in after the late-2018 slowdown, as the fiscal easing impact kicks in.

A moderate rebound in CPI to 2-3% is possible on rising energy and food prices, while the Peoples Bank of China is widely expected to cut reserve requirements further rather than cut rates. Any further depreciation of the Yuan against the Dollar is likely to be moderate unless trade negotiations between the US and China fail and tensions escalate. But we flag this as a key risk in our outlook ? and have done so for many quarters ? as the threat of a global trade war remains the key geopolitical risk in 2019.

Based on the above developed market view, some breathing room may exist for emerging markets (EM). EM seems to be in a 'sweet spot' for four reasons.

Benign inflation expectations, a dovish Fed and reasonable optimism about both Chinese stimulus and a US?China trade deal set the scene for the coming quarter. However, the latter two factors mean that the former two might not be very durable. China's downturn is at the heart of global disinflationary pressures, and the market's optimism about Chinese stimulus is thus at odds with the idea that this can persist. In addition, China's downturn has helped to justify the Fed's dovishness. A stabilisation in China could therefore revive expectations of Fed hikes. That's not a bad scenario for EM, but arguably not as good as the one EM has enjoyed the first two months of the year.

With central banks on the sideline, the Euro/US Dollar exchange rate broadly seen in the $1.20/$1.10 range, and Chinese stimulus putting a floor under commodity prices, a window for a local rally ? and, importantly, a recovery for cyclical SA Inc assets – might be open.

Appointed Investment Manager

Terebinth Capital (Pty) Ltd

Investment Manager Disclaimer

The management of investments is outsourced to Terebinth Capital (Pty) Ltd, FSP 47909, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002.

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Risk Profile (Conservative)

This portfolio aims to protect capital in real (after inflation) terms, while providing a reasonable level of income. The portfolio displays low volatility levels, designed to reduce the probability of capital losses. This portfolio has limited or no exposure to equities. It is designed for maximum capital protection and aims to ensure a stable income and/or income growth.

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 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

Collective Investment Scheme (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.

Fixed-interest investments
Fixed interest funds invest in bonds, fixed-interest and money market instruments. Interest income is a feature of these funds and, in general, capital should remain stable.A fixed-interest investment aims to offer investors a regular income at a set interest rate, which can be fixed over a specified term. If interest rates fall, the fixed-interest investment typically becomes more valuable. Conversely if interest rates rise, the value of the investment will fall.

Fixed-interest securities
A fixed interest security is basically a loan to the government or a company. With most, you get interest payments for as long as you hold the security. The amount of interest you will get (called the coupon) is expressed as a percentage of the nominal value. Since the nominal value is typically R100, if a security has a coupon of 6%, you will get R6 a year interest for each nominal unit (R100) of stock that you have.

The interest provides you with a fixed amount at regular intervals. So this is usually a very predictable way of getting an income from your investment.

Income funds
Income funds are invested in a variety of interest-bearing assets such as bonds and fixed deposits.

LISP (Linked Investment Service Providers)
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.

Maturity date
This refers to the actual date a bond is "cashed out" by the issuer and an investor receives the face value of that bond. Or, this could be the length of time until a fixed income investment returns its original investment at the date mentioned above. For example, someone might say that a bond has "a 5-year maturity."

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.