

**Investment Manager:** Sanlam Namibia Ltd  
**Benchmark:** South African Multi Asset High Equity over 3 years (All performance is reported before tax)  
**Inception Date:** 1 April 2001  
**Risk Profile:** Moderate Aggressive  
**Fees:** 35bps per annum (excluding underlying Collective Investment Fees)

**Mandate Description**

The primary objective of the fund is to deliver capital growth. Investors in this fund are prepared to tolerate moderate to high fluctuations in the value of their investments and require no income. They must have an investment horizon of 5 years or longer. To achieve this objective the fund can be invested in total equities (local and foreign) to a maximum of 75% and 35% offshore. The fund uses managers with a proven ability to deliver returns and protect capital in times of market distress. The fund will predominantly use relative return funds and will invest in high yielding equity instruments as well. The Fund is Regulation 28 compliant.

**Quarterly Comment**

The South African economy has slipped into a technical recession as economic activity slowed for a second consecutive quarter. SA GDP declined 0.7%, after a 2.6% contraction in the first quarter of 2018. This outcome was below market expectations. The largest contributors to negative growth in GDP were agriculture, transport and trade. Poor performance in the agriculture, forestry and fishing industry (-29.2%) was mainly due to lower production of field crops and horticultural products. Business confidence declined in Q3. The RMB/BER Business Confidence index fell by 1 point to reach 38 as fear remains around land expropriation without compensation and the Zondo Commission continues.

The South African equity market declined during Q3 as the ALSI gave up 2.2%. This performance was led by large and small cap shares. The Top 40 surrendered 2.7% for the quarter. Mid-cap (-1.7%) and small-cap (-2.2%) shares continued to decline detracting from overall performance. Technology was the best performing sector returning 10.4% followed by Resources (+5.2%). The worst performing sectors were Healthcare (-20.4%) and Telecommunications (-11.9%).

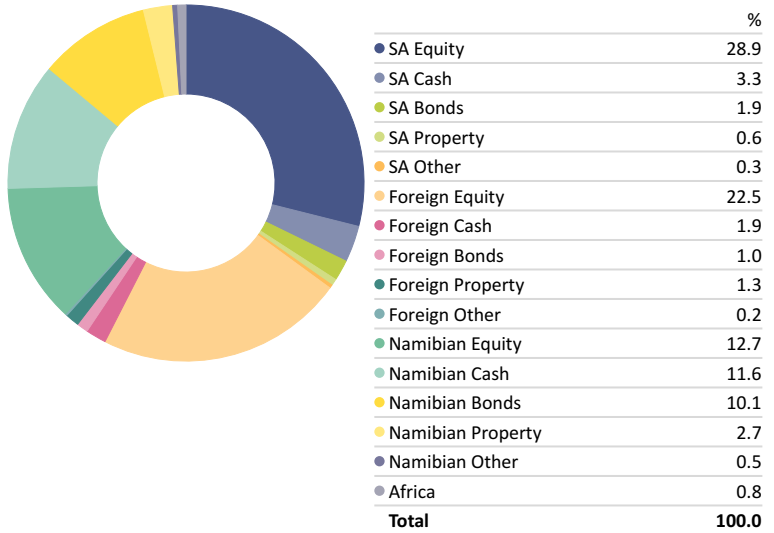
The SARB kept the repo rate unchanged at 6.5% in September, as expected, after emerging market peers Turkey and Argentina raised rates. The Governor indicated that the inflation outlook has deteriorated due to a weaker rand and the rising oil price. The rand weakened by 3.1% during the quarter.

Locally, bond markets outperformed as the ALBI returned 0.8%. This included inflation-linked instruments which returned 0.6% for Q3. The best performing bonds were in the short end of the yield curve (1 - 3 years). They delivered 1.9%. Cash (StEFl) returned 1.8%, while preference shares returned 2.6%. Property (SAPY) continued to decline. This asset class gave up 1% during Q3.

Global markets continued to experience high levels of volatility as concerns surrounding a US - China trade war remain. While trade concerns and political uncertainty loom, the US equity market outperformed other major regions. Developed market equities ended Q3 up 4.5% in USD (7.7% in rand) while emerging market equities retreated returning -2% in USD (1% in rand). The Fed raised interest rates for the third time this year, in September, by 0.25%. This takes the rate to a range of 2% to 2.25%. The FOMC envisages one more rate hike for 2018 and three in 2019. The Bank of England kept interest rates on hold as it enforces a gentle tightening of monetary policy. This is in line with expectations. The market expects rates to remain unchanged for the rest of the year with one or two rate hikes in 2019. The FTSE 100 gave up 1.7% as fears of a no-deal Brexit rise.

**Asset Allocation**

Portfolio Date: 30/09/2018



**Manager Allocation**

Portfolio Date: 31/10/2018

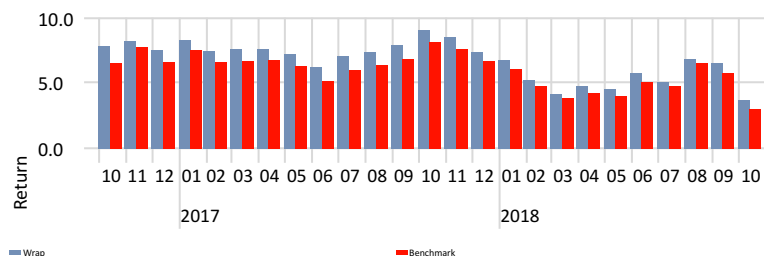
Manager	%
Sanlam Namibia Balanced A	19.53
Investec Namibia Managed I	16.10
Allan Gray Namibia Balanced B	16.08
Prudential Namibian Balanced A	14.89
PSG Flexible E	10.26
Sanlam Namibia Infl Linked A	10.15
Laurium Flexible Prescient B4	7.80
Sanlam Namibia All Namibian A	5.17

**Performance Summary**

As of Date: 31/10/2018

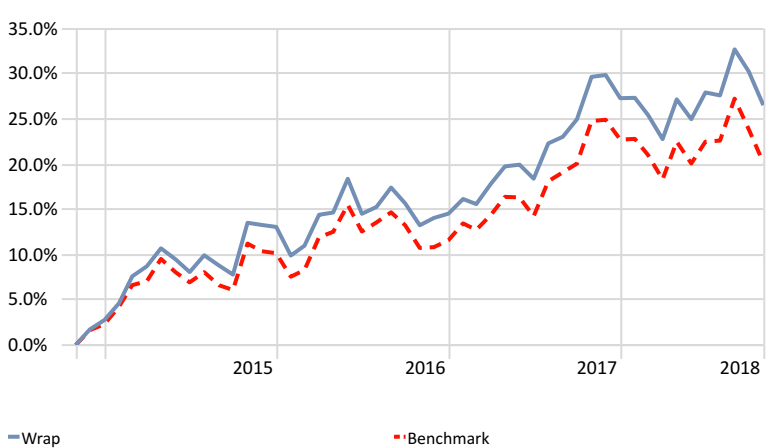
	1M	3M	6M	1Y	3Y	5Y	Since Inc.
Wrap	-2.86	-0.85	-0.50	-2.41	3.68	6.98	10.65
Benchmark	-2.98	-1.99	-1.90	-3.69	2.61	5.57	11.36

**Rolling Returns - 3 years**



**Cumulative Investment Growth**

Time Period: 01/11/2014 to 31/10/2018



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