Maru SCI* Capped Swix Enhanced Fund

Minimum Disclosure Document

As of 2018/08/31

MAru ASSET MANAGERS

MDD Issue Date: **2018/09/21**

Fund Objective

The primary objective of the portfolio is to consistently outperform the Capped Swix index over 3 years, using a passive product with an enhanced valuation based add on while maintaining index like risk parameters.

Fund Strategy

In reaching the investment objective the manager remains cognisant of the construction and weightings of the instruments in the Capped Swix Index and then enhances the returns generated from the Capped SWIX construction by taking active positions in the large capitalisation securities. The large capitalisation securities consists of the Top 60-65 shares in the CAPPED SWIX, based on market capitalisation and liquidity. The remaining positions in the CAPPED SWIX will be weighted relative to the index with no active position (no over or under weight). With this process we are able to generate alpha whilst always remaining sector neutral in the CAPPED SWIX and benchmark cognisant. The portfolio will invest a minimum of 90% of market value of the portfolio in equities at all times. Apart from instruments included above investments to be included in the portfolio will, apart from assets in liquid form, also consist of participatory interests in portfolios of collective investment schemes registered in the Republic of South Africa. The portfolio will also be allowed to invest in listed and unlisted financial instruments (derivatives) as allowed by the Act from time to time. The Manager shall be permitted to invest on behalf of the portfolio in offshore investments as legislation permits.

Fund Information

Ticker	MSEFA
Portfolio Manager	Louis van der Merwe
ASISA Fund Classification	South African - Equity - General
Risk Profile	Moderate
Benchmark	FTSE/JSE Capped Shareholder Weighted Index
Fund Size	R 5 510 195
Portfolio Launch Date*	2016/03/23
Fee Class Launch Date*	2016/03/23
Minimum Lump Sum Investment	R 10 000
Minimum Monthly Investment	R 500
Income Declaration Date	June & December
Income Payment Date	1st business day of July & January
Portfolio Valuation Time	15:00
Transaction Cut Off Time	15:00
Daily Price Information	Local media
Repurchase Period	2-3 business days

Fees (Incl. VAT)	A-Class (%)
Maximum Initial Advice Fee	—
Maximum Annual Advice Fee	—
Manager Annual Fee	0.57
Total Expense Ratio	1.13
Transaction Cost	0.29
Total Investment Charges	1.42
Performance Fee	—
TER Measurement Period	23 March 2016 - 30 June 2018

Total Expense Ratio (TER) is the percentage value of the Financial Product that 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. The TER and Transaction Costs cannot be determined accurately because of the short life span of the Financial Product.

Transaction Cost (TC) is the percentage value of the Financial Product that 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.

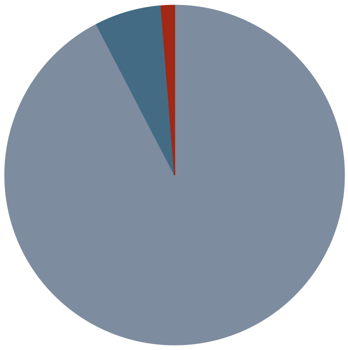
Total Investment Charges (TER + TC) is the total percentage value of the Financial Product that was incurred as costs relating to the investment of the Financial Product.

*The Maru Sanlam Collective Investments Swix Enhanced Fund transitioned to Sanlam Collective Investments (RF) (Pty) Ltd on 11 November 2017.
**Risk statistics will be published once a 36 month performance history has been reached.

Top Ten Holdings	(%)
Naspers Ltd	10.54
BHP Billiton Plc	7.95
Compagnie Financiere Richmont SA	7.42
Anglo American Plc	4.91
British American Tobacco Plc	4.40
Sasol Ltd	4.03
MTN Group Ltd	3.02
Capitec Bank Holdings Ltd	2.81
Old Mutual Ltd	2.80
Bid Corporation Ltd	2.71

Asset Allocation

Portfolio Date: 2018/06/30



	%
SA Equity	92.38
SA Property	6.34
SA Cash	1.28
Total	**100.00**

Annualised Performance (%)

	Fund	Benchmark
1 Year	4.74	4.83
Since Inception	4.36	9.80

Cumulative Performance (%)

	Fund	Benchmark
1 Year	4.74	4.83
Since Inception	10.99	25.65

Highest and Lowest Annual Returns

Time Period: Since Inception to 2017/12/31

Highest Annual %	20.27
Lowest Annual %	20.27

Risk Statistics (3 Year Rolling)**

Standard Deviation

Sharpe Ratio

Information Ratio

Maximum Drawdown

Distribution History (Cents Per Unit)

2018/06/30	1.82 cpu	2016/12/31	0.63 cpu
2017/12/31	0.01 cpu	2016/06/30	0.84 cpu
2017/11/10	0.81 cpu		
2017/06/30	0.89 cpu		

Administered by

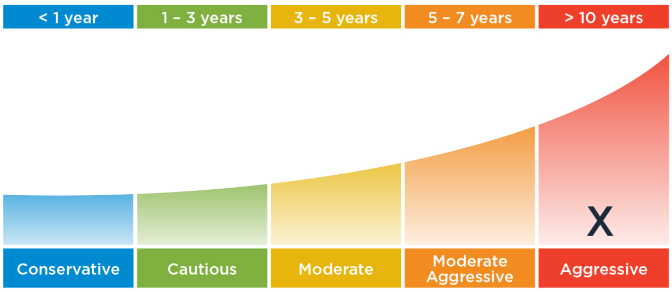
Sanlam

Maru SCI* Capped Swix Enhanced Fund

Minimum Disclosure Document

As of 2018/08/31

Risk Profile



Glossary Terms

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

Asset Allocation
Asset allocation is the percentage holding in different asset classes (i.e. equities, bonds, property, etc.). It is used to determine the level of diversification in a portfolio.

Distributions
The income that is generated from an investment and given to investors through monthly, quarterly, bi-annual or annual distribution pay-outs.

Derivatives
Derivatives are instruments generally used as an instrument to protect against risk (capital losses), but can also be used for speculative purposes. Examples are futures, options and swaps.

Liquidity
The ability to easily turn assets or investments into cash.

Information Ratio
The Information Ratio measures the market risk-adjusted performance of an investment or portfolio. The greater a portfolio's Information Ratio, the better its risk-adjusted performance has been compared to the market in general.

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.

Maximum Drawdown
The maximum drawdown measures the highest peak to trough loss experienced by the fund.

Money Market Instruments
A money market instrument is a low risk, highly liquid, short-term (one year or less) debt instrument, issued by financial institutions or governments, that tend to have lower returns than high-risk investments.

Participatory Interests
When you buy a unit trust, your money is pooled with that of many other investors. The total value of the pool of invested money in a unit trust fund is split into equal portions called participatory interests or units. When you invest your money in a unit trust, you buy a portion of the participatory interests in the total unit trust portfolio. Participatory interests are therefore the number of units that you have in a particular unit trust portfolio.

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 and 5% African assets.

Risk-adjusted returns
Risk-adjusted return refines an investment's return by measuring how much risk is involved in producing that return, which is generally expressed as a number or rating.

Sharpe Ratio
The Sharpe Ratio measures total risk-adjusted performance of an investment or portfolio. It measures the amount of risk associated with the returns generated by the portfolio and indicates whether a portfolio's returns are due to excessive risk or not. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance has been (i.e. a higher return with a contained risk profile, where the portfolio manager is not taking excessive risk to achieve those returns).

Standard Deviation
Standard deviation (also called monthly volatility) is a measure of how much returns on an investment change from month to month. It is typically used by investors to gauge the volatility expected of an investment.

Additional Information

The Maru Sanlam Collective Investments Swix Enhanced Fund had a benchmark of JSE All Share Swix since inception to 12 November 2017. 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 performances are not necessarily a guide to future performances, 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 participatory interests of other unit trust portfolios. These underlying funds 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 Manager may borrow up to 10% the market value of the portfolio to bridge insufficient liquidity. The fund may from time to time invest in foreign instruments which could be accompanied by additional risks as well as potential limitations on the availability of market information. Investments in foreign instruments are also subject to fluctuations in exchange rates which may cause the value of the fund to go up or down. The fund may invest in financial instruments (derivatives) for efficient portfolio management purposes. The Manager has the right to close any portfolios to new investors to manage them more efficiently in accordance with their mandates. Management of the portfolio is outsourced to Maru Asset Managers (Pty) Ltd, (FSP) Licence No. 27231, an Authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002. Sanlam Collective Investments (RF) (Pty) Ltd retains full legal responsibility for the co-named portfolio. Standard Bank of South Africa Ltd is the appointed trustee of the Sanlam Collective Investments scheme. Sources of Performance and Risk Data: Morningstar Direct, INET BFA and Bloomberg. The risk free asset assumed for the calculation of Sharpe ratios: STEFI Composite Index. The highest and lowest 12- month returns are based on a calendar year period over 10 years or since inception where the performance history does not exist for 10 years. 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.

Investment Manager Information
Maru Asset Managers (Pty) Ltd
(FSP) License No. 27231
Physical Address: Lancaster Gate building Hyde Park Lane Business Complex, Hyde Park, Sandton, 2196
Postal Address: Lancaster Gate building,Hyde Park Lane Business Complex, Hyde Park, Sandton, 2196
Tel: +27 (11) 325 0026
Email: info@maru-am.co.za
Website: www.maru-am.co.za

Manager Information
Sanlam Collective Investments (RF) (Pty) Ltd
Physical Address: 2 Strand Road, Bellville, 7530
Postal Address: P.O. Box 30, Sanlamhof, Bellville, 7532
Tel: +27 (21) 916 1800
Email: service@sanlaminvestments.com
Website: www.sanlamunittrusts.co.za

Trustee Information
Standard Bank of South Africa Ltd
Tel: +27 (21) 441 4100
Email: compliance-sanlam@standardbank.co.za

Administered by

Maru SCI* Capped Swix Enhanced Fund

Minimum Disclosure Document

As of 2018/08/31

Maru ASSET MANAGERS

Portfolio Manager Comment

Portfolio Manager
Louis van der Merwe

As at 30 June 2018

Market overview

A better quarter for equities

The second quarter of 2018 was a significantly better quarter for domestic equities than the first, largely driven by currency weakness. Although the steep losses incurred in the first quarter were not fully recovered in the second, the 2.8% positive return from the ALSI in June, and the 4.5% return for the quarter, reduced the year-to-date contraction in equity prices to only 1.7%. The Capped SWIX continues to lag the ALSI as the 0.7% return for June reduced the year-to-date contraction to a still disappointing 5.7%, reflecting weakness in domestic SA stocks such as banks and retailers. Yields remained roughly unchanged as indices advanced more-or-less in line with earnings but still remained slightly on the expensive side of history.

Global equities also recovered in the second quarter but were flat for the year measured in US dollars. Developed markets significantly outperformed emerging markets.

Weighed down by global emerging market fears and potentially rising inflation, bonds did not fare well in the quarter. The ALBI contracted by 3.8% in the quarter but the year-to-date return of 4.0% remains positive and well ahead of equities. The property sector, like bonds, had a difficult quarter which saw the Property Index decline by 2.2% making it the worst performing sector for the year to date declining by 21.7%.

Global growth is becoming less synchronised

The global economic scenario appears very unsettled. The US economy is performing well and creating jobs at an encouraging rate, but the Trump Administration seems to be heading for a trade tariff confrontation with its trading partners that would not suit anybody. Europe is bogged down by slowing growth and growing anti-migrant sentiment is rising almost everywhere, but particularly within the newly elected anti-Euro government in Italy. In addition, the Brexit negotiations are not progressing as well as had been hoped. China's growth remains stable but the sheer size of the economy dictates that, in the long run, growth rates should slow. Globally, geopolitical risks remain high although political tensions in Korea have eased somewhat post the recent US/ North Korea summit to discuss denuclearization of the Korean peninsula.

The South African economy is currently facing significant political and economic challenges

On the political side, the scale of state capture and corruption continues to astound, as daily, new revelations of abuse of the system come to light. President Ramaphosa must be applauded for his serious and urgent efforts to route out this curse. The nation can only hope that all these efforts will eventually bear fruit but the task at hand cannot be underestimated.

On the economic side, administered price increases such as VAT, fuel and municipal rates and services mean that the consumer will be under significant pressure in the second half of the year. The weaker rand will also put pressure on other non-fuel imports. Although public sector wage growth is expected to exceed inflation, it is unlikely that employees in the private sector will enjoy large salary increases. With consumer spending under pressure, local companies will struggle to grow earnings and dividends. Given where yields are now it is difficult to identify a strong driver of equity performance in the months ahead.

While South Africa's economic performance will continue to recover off last year's low base, we will need to see broader structural reforms before the economy can reach its true growth potential.

Emerging markets are moving out of favour

Globally, emerging market sentiment weakened in the second quarter. Unfortunately, South Africa was one of the hardest hit resulting in the currency weakening 14% against the US dollar over the quarter, and a full 8% in the month of June alone. Against the crosses it was also weak. This will have the effect of boosting export industries, notably the mining industry, but no significant increase in commodity prices will pare sustainable gains.

The weakness seen in emerging market currencies is largely the result of rising interest rate expectations in the US, and a global increase in risk aversion mainly around concerns of a global trade war. If the global trade war escalates it will be more negative for emerging markets given the open nature of their economies.

In addition, global economic indicators look to have peaked, which means we are likely to see global growth rates start to slow from 2019 onwards. This also poses a risk for emerging markets which are seen as a geared play on the global growth cycle.

Portfolio positioning
Some of the larger positive contributors was an overweight position in BHP Billiton and British American Tobacco and an underweight position in Sanlam.

Overweight positions in Vodacom, Old Mutual, and Richemont and underweight positions in Naspers detracted from performance.