

**Fund Objective**

The portfolio is a multi-managed portfolio with cautious risk qualities and will have a dual objective to provide a capital protection target over a rolling one (1) year period and generate income over the medium term at low levels of volatility

**Fund Strategy**

Active asset allocation and securities selection strategies appropriate to meet the needs of cautious investors will be followed. Net exposure to equities both in South Africa and foreign markets will not exceed 40%. Net exposure to bonds both in South Africa and foreign markets will not exceed 60%. Net exposure to cash both in South Africa and foreign markets will not exceed 50%.

This portfolio will be managed in accordance with regulations governing pension funds. The portfolio will also be allowed to invest in listed and unlisted financial instruments (derivatives) as allowed by the Act from time to time in order to achieve its investment objective.

The portfolio may also invest in participating interest of portfolios of collective investment schemes and in Exchange Traded Funds listed on a recognized exchange. The Manager shall be permitted to invest on behalf of the Sanlam Select Wealth Protector Fund in offshore investments as legislation permits.

**Why choose this fund?**

- The fund has a more absolute return investment approach for investors looking for more stable returns.
- This fund is less volatile than a traditional balanced fund
- The fund has dual objective to provide capital protection and growth over the medium to long term at low levels of volatility.

**Fund Information**

<b>ASISA Fund Classification</b>	South African - Multi Asset - Low Equity
<b>Risk Profile</b>	Cautious
<b>Benchmark</b>	CPI+3% over a 3-year rolling period
<b>Fee Class Launch date*</b>	15 August 2016
<b>Portfolio Launch date</b>	15 August 2016
<b>Minimum investment</b>	LISPs Minimums apply
<b>Portfolio Size</b>	R 283 million
<b>Quarterly Distributions</b>	30/09/18: 29.68 cents per unit 30/06/18: 17.65 cents per unit 31/03/18: 4.77 cents per unit 31/12/17: 17.69 cents per unit
<b>Income decl. dates</b>	31/03   30/06   30/09   31/12
<b>Income price dates</b>	1st working day in April, July, October and January
<b>Portfolio valuation time</b>	15:00
<b>Transaction cut off time</b>	15:00
<b>Daily price information</b>	The local newspaper and <a href="http://www.sanlamunitrusts.co.za">www.sanlamunitrusts.co.za</a>
<b>Repurchase period</b>	3 working days

<b>Fees (Incl. VAT)</b>	<b>B3-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>	0.88
<b>Total Expense Ratio (TER)</b>	0.89

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.

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

PERIOD: 15 August 2016 to 30 September 2018

Total Expense Ratio (TER) | 0.89% 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 0.89%, a performance fee of 0.00% of the net asset value of the class of Financial Product was recovered.

Transaction Cost (TC) | 0.76% 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) | 1.65% 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>
Vanguard Value ETF	11.20
Naspers	7.93
Sasol Limited	7.42
Ping AN Insura-H	6.24
Old Mutual Limited	5.47
Sappi	4.31
Nedbank Group Limited	4.15
Standard Bank Group Limited	4.14
Impala Platinum Holdings Limited	3.53
Howden Africa Holdings Ltd	3.39

**Performance (Annualised) as at 30 Nov 2018 on a rolling monthly basis\***

<b>B3-Class</b>	<b>Fund (%)</b>	<b>Benchmark (%)</b>
1 Year	2.95	8.18
3 Year	N/A	N/A
5 Year	N/A	N/A
Since inception	5.36	7.58

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 30 Nov 2018 on a rolling monthly basis\***

<b>B3-Class</b>	<b>Fund (%)</b>	<b>Benchmark (%)</b>
1 Year	2.95	8.18
3 Year	N/A	N/A
5 Year	N/A	N/A
Since inception	12.95	18.59

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

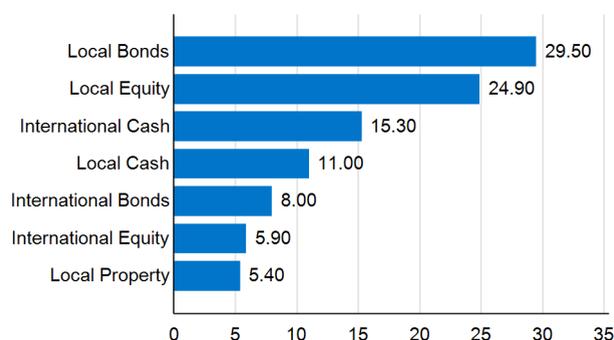
**Risk statistics: 3 years to 30 Nov 2018**

Std Deviation (Ann)	N/A
Sharpe Ratio (Ann)	N/A

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

Highest Annual %	10.24
Lowest Annual %	1.44

\*Performance figures sourced from Morningstar.

**Asset Allocation**

**Investment Manager Monthly Commentary**
**Market Overview**

In November the world appeared to be a better place

In contrast to October, the doom and gloom veil lifted partially in November. During the month the trade impasse between the US and China eased as the protagonists committed to at least discussing moderation of tensions. The oil price collapsed over the month reducing global anxiety substantially. Finally, the US Federal Reserve hinted that future interest rate rises could be less likely than expectations of only a few month ago.

The global economic cycle is looking increasingly mature with Europe slowing faster than expected. The German economy contracted by 0.2% quarter-on quarter in the third quarter, the first time it has contracted since the first quarter of 2015. Following the pattern established for most of 2018, the US economy continued to exhibit strength but in China growth is slowing, albeit from a high level.

The good news is that the South African economy may have seen its worst for this cycle. A strong recovery is not likely, but the economy's contraction may at least have been arrested. In particular, the cycle in manufacturing appears to have turned and the economy enjoyed positive growth in the third quarter, reversing the trend of the previous two quarters.

The slide in domestic equities continued into November

The JSE had another disappointing month in November impacted by the large, index-heavy global mega stocks. In particular, the prices of British American Tobacco, Richemont, Sasol, Anglo American plc and BHP Billiton all fell over the month, with only Naspers showing some strength. The JSE has experienced steep falls over the last three months and as a result has returned to some semblance of fair value. However, the JSE's future short-term performance is more likely to be determined by global equity sentiment and currency movements rather than value criteria.

Global equities recovered over the month with the S&P 500 Index up about 1.3% and the MSCI World Index up 1.2% in US Dollars.

The Rand was the hero of the month

Against expectations the Rand recovered strongly in November, strengthening from R14.77 to R13.87 against the Dollar, a 6% improvement. It also exhibited strength against the Pound Sterling and the Euro and has now recovered much of the weakness seen in the middle of the year.

Although some bounce back from the August lows was to be expected, especially in light of the 25 basis points (bps) hike in interest rates, the recovery has been particularly strong and it is now questionable whether the currency can hold on to these recent gains.

The oil price collapsed

Much to the relief of the cash-strapped South African consumer, the fall in the oil price from \$74.6/bbl to \$59.1/bbl combined with the strength in the currency suggests that the local fuel price is poised for a significant fall in December that could even extend into January. This is good news for the local economy as fuel costs have a ubiquitous impact on cost structures throughout the economy.

The SARB hiked the repo rate by 25 bps in the month

To pre-empt a rising inflation rate, the South African Reserve Bank (SARB) increased the repo rate by 25 bps during the month. The SARB is increasingly focusing on managing inflation expectations that are too high, especially as they fear wage increases growing ahead of productivity. The possibility remains that the SARB may hike rates by a further 25 bps next year as they would prefer to see inflation closer to the 4.5% level.

Portfolio Positioning

Contributors and detractors to performance

Impala Platinum shares and convertible bonds outperformed due to cheap valuations and an increase in the platinum group metals (PGM) basket price. Naspers' recovery was helped by a general recovery in emerging markets, but also a more optimistic gaming monetisation outlook at the Tencent results for the third quarter. The emerging market recovery also helped drive the Rand stronger and benefited locally-focused shares including retailers and banks held in the portfolio.

Portfolio movements

Given Naspers' significant underperformance, the share was offering significant value and we reinvested in the counter post the Tencent results. We also increased our exposure to the PGM sector via Impala Platinum and Northam Platinum. The PGM basket price continued to increase due to supply shortages in palladium and rhodium. The PGM shares have not been adequately discounting the impact of this basket price increase. We increased our offshore exposure to Ping An Insurance and the US value sector via Vanguard Value ETF. US value relative to the S&P 500 trades at a significant discount relative to its history.

We reduced our exposure to RMB Holdings which is offering limited upside given its strong performance. Our offshore purchases were funded from sales of Philip Morris International, Mitsubishi Corp, emerging market and European exchange-traded funds (ETFs).

**Appointed Investment Manager**

Truffle Asset Management (Pty) Ltd

**Investment Manager Disclaimer**

The management of investments are outsourced to Truffle Asset Management (Pty) Ltd, FSP 36584, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002.

**Risk Profile (Cautious)**

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**

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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 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.

**Distributions**

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

**Financial Instruments (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.

**Exchange Traded Funds**

An exchange-traded fund (ETF) is an investment fund traded on stock exchanges, much like stocks. An ETF holds assets such as stocks, commodities, or bonds, and trades close to its net asset value over the course of the trading day. Most ETFs track an index, such as a stock index or bond index.

**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.

**Sharpe ratio**

The Sharpe ratio measures 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 amount of expected volatility in an investment.

**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:**

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