

Fund Objective

The objective of the portfolio is to provide returns to investors seeking to increase risk in their portfolios with attractive returns. The portfolio will not be constrained by strategic asset allocation benchmark considerations and returns are likely to be volatile.

Fund Strategy

This is an actively managed fund which invests in local and international asset classes. The fund may include participatory interests of collective investment schemes, listed and unlisted financial instruments (derivatives), for efficient portfolio management purposes.

To maximise returns for investors, exposure to asset classes varies while the fund can invest up to 100% in equities.

Why Choose This Fund?

The fund is not constrained by benchmark considerations so its focus is on creating attractive returns for investors who are willing to take on risk.

Asset allocation takes the views of Denker Capital's experienced investment team into account.

Fund Information

Ticker	DSIFF
Portfolio Manager	Jan Meintjes
ASISA Fund Classification	South African - Multi Asset - Flexible
Risk Profile	Aggressive
Benchmark	CPI + 5%
Fund Size	R 9 419 215
Portfolio Launch Date	2017/08/01
Fee Class Launch Date	2017/08/01
Minimum Lump Sum Investment	R 10 000
Minimum Monthly Investment	R 500
Income Declaration Date	June & December
Income Pricing 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)

	A1-Class (%)
Maximum Initial Advice Fee	3.45
Maximum Annual Advice Fee	1.15
Manager Annual Fee	0.85
TER	1.59
TC	1.26
TIC	2.85
Performance Fee	0.18
TER Measurement Period	01 August 2017 - 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. Calculations are based on actual data where possible and best estimates where actual data is not available.

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. Manager Performance Fee - Performance fee benchmark: CPI + 5%; Minimum Fee 0.85%; Maximum Fee 4.25%. All fees are inclusive of VAT. The manager will not charge performance fees in the first year of the fund. Performance fees will only accrue from 1 September 2018.

*Denker Sanlam Collective Investments Flexible Fund.

**These figures will become available once sufficient performance history has been met.

MDD Issue Date:

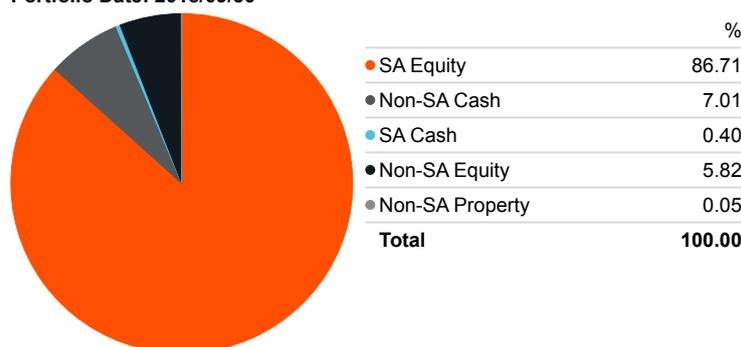
2018/11/22

Top Ten Holdings

Portfolio Date	2018/09/30	(%)
Naspers Ltd		9.96
SIM Global Emerging Markets Fund		5.38
Absa Group Ltd		5.38
British American Tobacco Plc		4.30
Standard Bank Group Ltd		4.01
Old Mutual Ltd		3.90
Sanlam Ltd		3.64
Pepkor Holdings Ltd		3.61
Shoprite Holdings Ltd		3.55
Sasol Ltd		3.36

Asset Allocation

Portfolio Date: 2018/09/30



Annualised Performance (%)

	Fund	Benchmark
1 Year	-9.57	-3.69
Since Inception	-5.89	0.76

Cumulative Performance (%)

	Fund	Benchmark
1 Year	-9.57	-3.69
Since Inception	-6.84	0.89

Highest and Lowest Annual Returns**

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

Highest Annual %	—
Lowest Annual %	—

Risk Statistics (3 Year Rolling)**

Standard Deviation	—
Sharpe Ratio	—
Information Ratio	—
Maximum Drawdown	—

Distribution History (Cents Per Unit)

2018/06/30	0.00 cpu
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Administered by

Risk Profile

Aggressive

You can afford to take on a higher level of risk (i.e. will have a greater exposure to equities in your portfolio) because of your investment time horizon, or your appetite for risk. You know that in taking the risk, you need to be patient if you want to achieve the results. So you are willing to invest for the long-term and are prepared to tolerate some volatility in the short term, in anticipation of the higher returns you expect to receive in five years or beyond.

Glossary Terms

Active Stock-picking Process

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.

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.

Capital Growth

Capital growth is the profit made on an investment, measured by the increase in its market value over the invested amount or cost price. It is also called capital appreciation.

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) and 5% African assets.

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.

Undervalued Equity Stocks/ Investing in Neglected Global Equities

This is a strategy of selecting shares that trade for less than their intrinsic values. Value investors actively seek stocks that they believe the market has undervalued. They believe the market overreacts to good and bad news, resulting in stock price movements that do not correspond with the company's actual long-term fundamentals. The result is an opportunity for value investors to profit by buying when the price is deflated.

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 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 Denker Capital (Pty) Ltd, (FSP) Licence No. 47075, 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.

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Portfolio Manager Quarterly Comment

Quarter to September 2018

Market review

The difficult time for emerging market (EM) equities has continued in the past quarter. At the southern point of Africa, we often get so immersed in our local market conditions that we lose sight of the global picture. Strong growth rising interest rates in the US are causing capital flows out of emerging markets to a more attractive US investment story. Instability in Turkey and Latin America is fuelling the fires of negative sentiment towards emerging markets. Against this backdrop it is clear that South Africa is not doing itself any favours with very weak GDP growth (and is now officially in a recession) and the painfully slow process of addressing the rot caused by the Zuma administration to a number of the state institutions and SOE's. Although the local frustrations are front of mind and with us at least to the elections in 2019, the markets here are more driven by the global trends. The growing intensity of trade wars may have a deeper and longer impact on the balance and magnitude of global growth.

Performance

The fund was launched on 2 August 2017. Our fund's performance over this period was affected by weak emerging market equity performance as well as a large position in Steinhoff towards the end of 2017. The positive momentum of the political change in South Africa that supported the performance of the fund early in 2018 has since reversed. The FTSE/JSE Capped Swix Index returned a marginally positive total return while our fund posted a negative return of 3.6% since inception (class A net of fees).

Noteworthy allocations

Given that valuations on a number of SA Inc. listed equities are now well below the levels they were before the change to the Ramaphosa administration, we have increased our exposure to SA Inc. We reduced our exposure to emerging market equities in June to just over 5% in favour of off-shore cash (6.8%). JSE listed equities comprise 87% of the value of the fund.

Outlook

Global events should continue to dominate in the short term. We continue to see more value in emerging market equities and South Africa compared to most developed markets.

Portfolio Manager

Jan Meintjes
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