

31 May 2017

Enhance Cautious

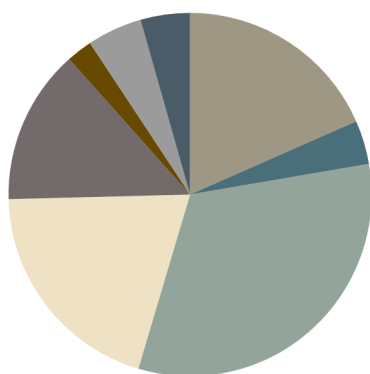
Fund Details

Fund Category	SA Multi Asset Low Equity
Benchmark	Avg SA Multi Asset Low Equity
Risk Profile	Cautious
Investment period	3 years
Launch Date	01 August 2012
Fund Size	R 290 million

Fund Objective

The wrap fund aims to provide investors with stable income and a high level of capital stability. The probability of capital loss over the medium to long term is low. The fund will consist primarily of income orientated assets with a below average exposure to equities (maximum of 40%). Investors in this fund should have a minimum investment horizon of 3 years. The fund is compliant with Regulation 28 of the Pension Funds Act, 1956.

Asset Allocation



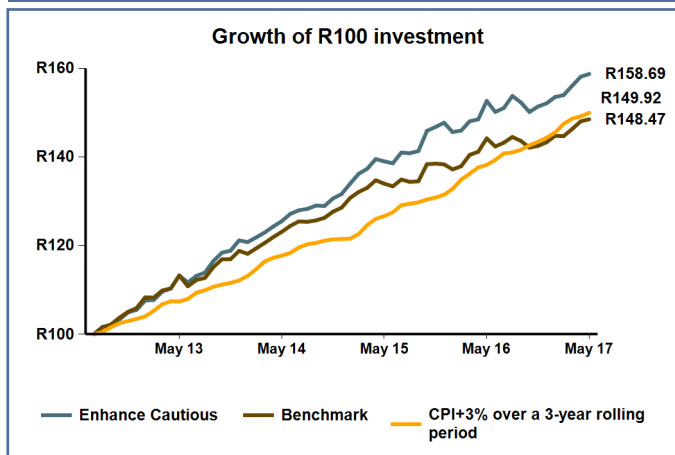
Equities, 18.4%	International Equities, 13.8%
Property, 3.9%	International Bonds, 2.3%
Bonds, 32.3%	International Cash, 4.9%
Cash, 20.0%	International Property, 4.4%

Investor Profile

This fund is suitable for investors looking for:

- Stable income and a high level of capital stability
- Low probability of capital loss over the medium to long term
- A minimum investment horizon of 3 years

Cumulative performance since launch *



Performance (%)	Fund*	Fund Benchmark	CPI+3% over a 3-year rolling period
1 Month	0.40	0.32	0.53
3 Months	3.11	2.62	1.71
6 Months	4.86	4.22	4.56
1 Year	3.99	2.98	8.49
2 Years (annualised)	6.86	5.28	8.80
3 Years (annualised)	8.14	6.45	8.39
YTD	4.36	3.62	3.90
Since Launch	10.03	8.52	8.74

Risk statistics (2 years)	Fund*
Returns (annualised)	6.86%
Standard deviation (annualised)	4.19%
% Positive months	75.00%
Maximum drawdown	-2.34%
Sharpe ratio	-0.06

Manager Selection (%)

Catalyst Global Real Estate Feeder	4.00	Rezco Value Trend	10.00
Coronation Balanced Defensive	10.00	Sanlam Multi Managed Balanced FoF	10.00
Coronation Strategic Income	7.50	SIM Active Income	10.00
Nedgroup Global Equity Feeder	5.00	SIM Inflation Plus	18.50
Prescient Income Provider	15.00	Truffle Flexible	10.00

Monthly Fund Performance* (%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2017	0.95	0.27	1.37	1.30	0.40								4.36
Fund 2016	-1.42	0.22	1.44	0.29	2.80	-1.63	0.59	1.80	-0.95	-1.41	0.81	0.47	2.95
Fund 2015	1.78	1.66	0.83	1.60	-0.37	-0.31	1.74	-0.10	0.35	3.23	0.59	0.65	12.23

Fees (% incl. VAT)

Annual wrap fee	0.57
Underlying Manager TER's	0.91

* The investor is liable for CGT on any transactions in the units of the underlying unit trusts within the wrap funds. Compulsory investments are not subject to CGT. Performance is calculated using net returns (after fees) of the underlying unit trusts, and quoted excluding wrap fund fees. Performance quoted is pre-tax. Fund performance numbers shown are for a notional portfolio and do not reflect the actual performance of the client invested in the wrap fund due to timing differences of investments or disinvestments of the client. Benchmark returns for CPI are based on actual published returns and an estimated one month return for the month of the report date. ASISA Benchmark returns are the ASISA returns available as at the time of reporting.

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Manager Comment

Asset class returns were mixed in May on the back of no major shifts in sentiment. Global asset classes all rose during May. Developed market equities rose 1.78%, lagging emerging markets, which returned 2.80% in US dollar. Global bonds returned 1.5% while global property returned 0.94% in US dollar. Locally, the FTSE/JSE All Share Index was marginally lower, falling 0.42% driven lower mostly by the resources sector. Within the resources sector platinum stocks were particularly hard hit. Large cap stocks (mostly industrials) edged higher while mid and small cap stocks fell. Nominal bonds was the best performing local asset class, returning 0.98% in May, while property, inflation-linked bonds and cash returned 0.11%, -0.08% and 0.63% respectively. Bonds would have received a boost during the month as inflation came in lower than expected at 5.3% from 6.1%, opening the door for a potential interest rate cut during the course of the year. The rand was mixed against major currencies, strengthening against the US dollar and British pound but weakening against the euro and Japanese yen.

As a result funds with a larger weighting towards bonds and foreign holdings generally performed well. These would mostly include flexible income strategies such as the Coronation Strategic Income, Prescient Income Provider and SIM Active Income Funds as well as offshore equity funds like the Nedgroup Investments Global Equity Fund.

Despite the fairly strong run in equities this year they remain fairly priced at current levels. We therefore maintain a reasonable allocation to risk, holding a combination of managers with complementary investment styles which should protect capital in a negative market event. We remain of the view that in light of continuing uncertainty in global markets investors should maintain a fair diversification across asset classes and investment styles. In this way investors are able to better navigate market volatility.

Portfolio Manager**Rafiq Taylor**

BCom (Hons) Financial Analysis and Portfolio Management, BCom (Politics, Philosophy & Economics)

About the Portfolio Manager

Rafiq heads up the retail consulting function within the investment team. This follows his roles at Sanlam Investments' multi manager business, Sanlam Multi Manager International, which he joined in 2006. He was initially appointed as an Investment Analyst and was responsible for carrying out manager research analysis. He was later promoted to Portfolio Manager, managing investment portfolios for institutional and retail investors. In 2012, Rafiq helped establish the retail investment consulting offering that he now heads up.

He started his career in the financial services industry in 2004 as a Client Service Consultant at Glacier Financial Solutions (previously Innofin), where he serviced financial advisers.

Rafiq holds B.Com in Politics, Philosophy and Economics and B.Com (Honours) in Financial Analysis and Portfolio Management from the University of Cape Town.

Manager Information

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Investment Committee

The investment committee forms an integral part of the investment management process. The investment committee members are involved in the process of multi management by participating in the Investment Committee Framework (the "Framework"). This Framework provides intermediaries with a platform to share their research and views with qualified investment professionals who will, based on certain constraints, construct a portfolio taking the intermediary's research into account.

Peter Strydom
Garth Strydom
Kevin Fowle
Rafiq Taylor
Barbara Erni

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