

30 April 2017

Enhance Income

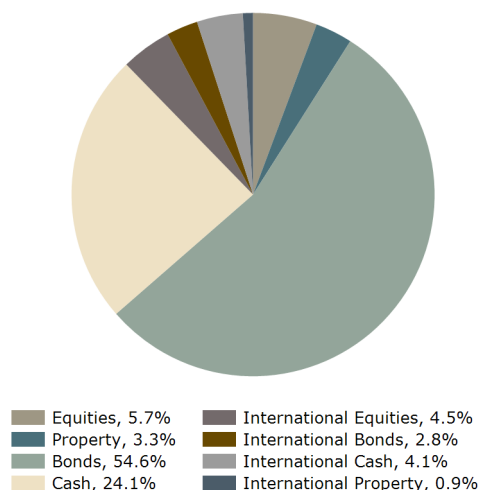
Fund Details

Fund Category	SA Multi Asset Income
Benchmark	Avg SA Multi Asset Income
Risk Profile	Conservative
Investment period	1 year or longer
Launch Date	01 August 2012
Fund Size	R 27 million

Fund Objective

The wrap fund aims to provide investors with a high level of income over the short term. The preservation of capital is of primary importance. The fund will consist primarily of income orientated assets with limited exposure to equities (maximum of 20%). Investors in this fund have an investment horizon of 2 years or longer. The fund is compliant with Regulation 28 of the Pension Funds Act, 1956.

Asset Allocation

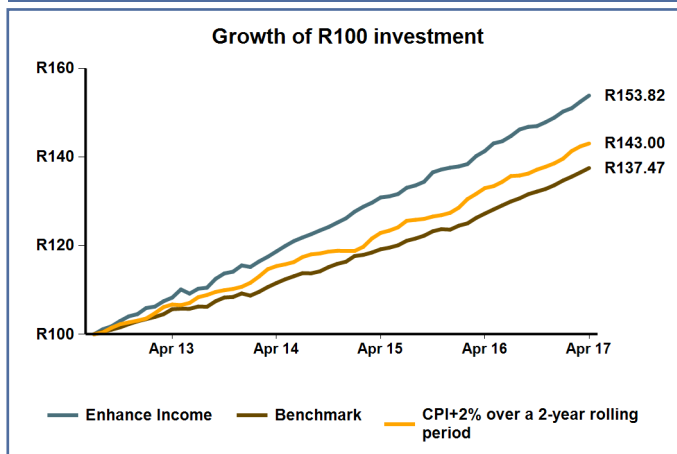


Investor Profile

This fund is suitable for investors looking for:

- High level of income over the short term
- Capital preservation, with limited exposure to equities
- A minimum investment horizon of 2 years or longer

Cumulative performance since launch *



Performance (%)	Fund*	Fund Benchmark	CPI+2% over a 2-year rolling period
1 Month	0.91	0.72	0.45
3 Months	2.41	2.09	2.45
6 Months	4.69	4.02	4.30
1 Year	8.85	8.07	7.56
2 Years (annualised)	8.43	7.41	7.89
3 Years (annualised)	9.03	7.22	7.42
YTD	3.35	2.90	3.23
Since Launch	9.49	6.93	7.82

Risk statistics (2 years)	Fund*
Returns (annualised)	8.43%
Standard deviation (annualised)	1.34%
% Positive months	100.00%
Sharpe ratio	0.92

Manager Selection (%)

Coronation Balanced Defensive	10.00	SIM Active Income	25.00
Coronation Strategic Income	20.00	SIM Inflation Plus	15.00
Prescient Income Provider	30.00		

Monthly Fund Performance* (%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2017	0.92	0.51	0.97	0.91									3.35
Fund 2016	0.21	0.39	1.30	0.81	1.22	0.34	0.82	1.03	0.40	0.12	0.60	0.69	8.21
Fund 2015	1.19	0.87	0.71	0.91	0.19	0.39	1.08	0.39	0.62	1.58	0.47	0.30	9.06

Fees (% incl. VAT)

Annual wrap fee	0.57
Underlying Manager TER's	0.66

* 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.

Manager Comment

Global markets ended April in positive territory on the back a relief rally following the results of the first round of French presidential elections. The markets perceived the results positively as Emmanuel Macron, who edged Marine Le Pen, is largely perceived as the favourite to win the upcoming second round on 7 May. A Le Pen victory has been seen as mostly negative for markets due her more populist stance. In South Africa, the cabinet reshuffle towards the end of March continued to drive public debate with most opposition political parties driving calls for mass mobilisation against President Zuma. In early April, rating agencies S&P and Fitch downgraded South African credit rating on the foreign and local government debt. Fitch adjusted the rating on both local and foreign debt to sub-investment grade while S&P dropped the foreign currency rating to sub-investment grade but kept the local currency rating at investment grade.

Developed market equities rose 1.33%, lagging emerging markets, which gained 2.04% while global developed and emerging market bonds rose 1.13% and 2.16% respectively in USD. Locally, the FTSE/JSE All Share Index surged higher, returning 3.64% in April driven mostly by large cap stocks such as Naspers. Rand weakness following the cabinet reshuffle at the end of March benefitted large rand stocks on the exchange and as a result large caps gained strongly (4.47%) while small (-2.56%) and mid (-0.8%) cap stocks lagged as these stocks are mostly exposed to the local economy. In terms of sectors, all the major sectors rose during the quarter with industrial and financials being the strongest gainers. Despite the volatile political environment, nominal bonds rose 1.47%, outperforming cash (0.61%), inflation-linked bonds (1.15%) and listed property (0.51%). The rand was mixed relative to major currencies, strengthening relative to the USD and Japanese yen but weakening against the British pound and euro.

Following the risk-on month, funds with larger allocations to equity tended to outperform. Returns in general, however, have been mostly positive as all major asset classes saw gains during April. The strongest gains came from the Coronation Balanced Defensive and SIM Inflation Plus Funds while more defensive funds like the Prescient Income Provider and SIM Active Income Funds lagged, performing more in line with cash.

Year to date most of our managers have delivered solid gains on the back of stronger market returns. While we remain relatively bullish on equities, locally and offshore, we are still cognisant of the number of local and global risks which may negatively affect client capital. We thus remain focussed on ensuring that we hold appropriately diversified portfolios considering the client risk mandate.

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

Sanlam Multi Manager International (SMMI) (Pty) Ltd

Physical address

55 Willie van Schoor Avenue, Bellville, 7530
Postal Address: Private Bag X8, Tygervalley, 7536
Website: www.sanlaminvestments.com

Contact Details

Tel: +27 (21) 950-2500
Fax: +27 (21) 950-2126
Email: siretail@sanlaminvestments.com

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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