

31 August 2017

Enhance Income

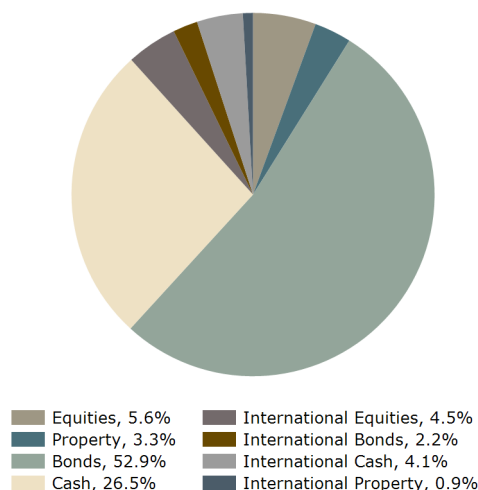
Fund Details

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 1 year or longer. The fund is compliant with Regulation 28 of the Pension Funds Act, 1956.

Asset Allocation

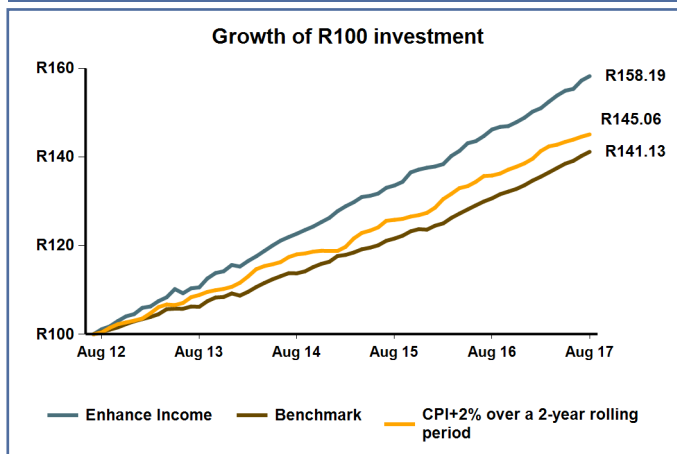


Investor Profile

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 1 year or longer

Cumulative performance since launch *



Performance (%)	Fund*	Fund Benchmark	CPI+2% over a 2-year rolling period
1 Month	0.63	0.66	0.36
3 Months	2.12	1.93	1.17
6 Months	4.79	4.14	2.65
1 Year	8.23	8.03	6.83
2 Years (annualised)	8.84	7.74	7.38
3 Years (annualised)	8.85	7.46	7.12
5 Years (annualised)	9.36	7.02	7.64
YTD	6.29	5.63	4.71
Since Launch	9.44	7.01	7.59

Risk statistics (2 years)	Fund*
Returns (annualised)	8.84%
Standard deviation (annualised)	1.32%
% Positive months	100.00%
Sharpe ratio	1.14

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	0.71	0.27	1.21	0.63					6.29
Fund 2016	0.21	0.39	1.33	0.81	1.22	0.33	0.81	1.02	0.40	0.12	0.60	0.69	8.21
Fund 2015	1.19	0.87	0.71	0.91	0.20	0.39	0.98	0.39	0.62	1.58	0.47	0.30	8.96

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.

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Manager Comment

Global markets were mixed in August amid growing geopolitical tensions between the US and North Korea. Gold appreciated amidst the uncertainty, as a missile was launched from Pyongyang over Japan. Commodity counters were driven by strong economic data from the US and China as GDP and PMI rose in the respective regions.

Global developed market equities contracted by 0.69% while emerging markets rose 2.04% in US dollar. Global bonds returned 1.06% while global property returned 0.2%, both in US dollar. The local equity market (FTSE/JSE All Share Index, ALSI) rose once again in August (+2.65%) after a strong July (+7%). Within subsectors Resources surged 5.1%, SA Industrials gained 1.96%, and Financials were up 2.05% in broad risk-on trading. From a market capitalisation perspective Mid-Caps (+4.5%) outperformed Small Caps (+2.2%) and Large Caps (+2.6%). The total return ALSI at end August was up 13.57% year-to-date. During the month the ALSI reached an all-time high of 56,655 index points on 25 August after a volatile three years on the bourse.

Although Naspers had another good month (+1.1%), resource companies drove market gains. The rally within resource counters in August was primarily driven by Assore (+30.1%), Sibanye Gold (+23.6%), and Exxaro (+20.2%). Local interest rate sensitive stocks also fared well as headline inflation fell for the sixth consecutive month to 4.6% y/y in July from 5.1% y/y in June, and SA's trade surplus for July was reported at R9bn. Within style factors, Value rose 3.47% and Growth increased 2.24%. Bonds had another steady month (+1.03%), outperforming cash (+0.62%) and SA Property (+0.76%) in August. The rand strengthened 1.7% relative to the US dollar in August.

As a result, funds with no offshore exposure like the SIM Active Income Fund tended to outperform more defensive strategies such as the Coronation Balanced Defensive Fund.

Our current view is neutral on local bonds and local equities bearing in mind the risk of a binary outcome we still face with the possibility of ratings downgrade on local denominated debt. In terms of the global asset classes, however, we still prefer global equities over bonds. We remain cautiously positioned and are constantly monitoring market conditions and conducting manager research to ensure that risk is managed effectively.

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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