

31 May 2016

Enhance Income

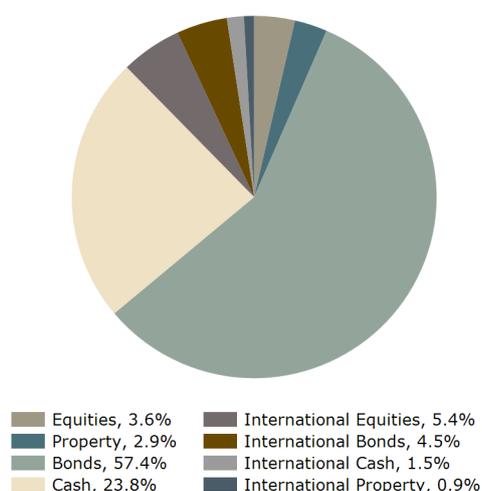
Fund Details

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 25 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

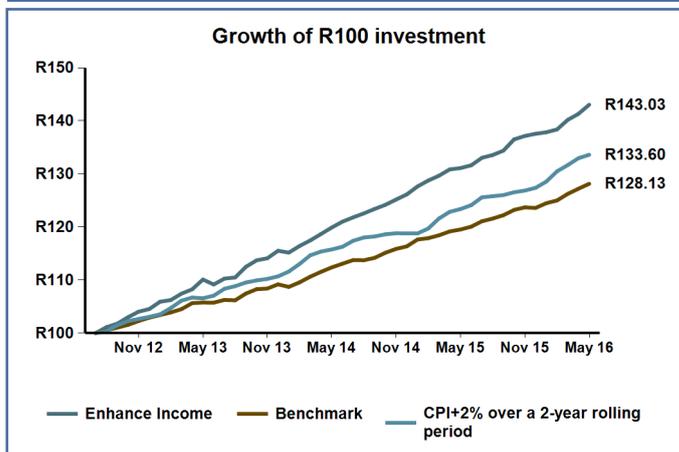


Investor Profile

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	1.22	0.73	0.49
3 Months	3.37	2.51	2.39
6 Months	4.29	3.59	5.32
1 Year	9.10	7.21	8.29
2 Years (annualised)	9.23	6.78	7.43
3 Years (annualised)	9.11	6.61	7.83
YTD	3.98	3.68	4.89
Since Launch	9.78	6.68	7.85

Risk statistics (2 years)	Fund*
Returns (annualised)	9.23%
Standard deviation (annualised)	1.24%
% Positive months	100.00%
Sharpe ratio	2.09

Manager Selection (%)

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

Monthly Fund Performance* (%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2016	0.21	0.39	1.30	0.81	1.22								3.98
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
Fund 2014	-0.31	1.08	0.90	1.03	1.02	0.93	0.67	0.61	0.68	0.63	0.80	0.77	9.19

Fees (% incl. VAT)

Annual wrap fee	0.57
Underlying Manager TER's	0.68

* 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 does 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.

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Manager Comment

Politics again took centre stage locally during May as news of a pending arrest of Finance Minister Pravin Gordhan placed pressure on sentiment, significantly affecting bond yields and the rand.

Internationally, sentiment continued to be swayed by the US Fed as they signalled to markets that they may raise rates in June while the Bank of England opted to hold interest rates at 0.5%. Oil prices rose above \$50 per barrel for the first time this year as Saudi Arabia appointed a new energy minister. Metal prices, however, declined during the month.

May was a mixed month for markets as global equities ended flat in dollar terms. In USD, developed market equities returned 0.2%, outperforming global bonds which fell 1.3%, while emerging market equities fell 3.9%. Local equity markets were 1.8% higher during the month, driven mostly by large-cap stocks, many of which are seen as rand-hedges. From a sector perspective, resources were down 2.7% on lower commodity prices while industrials and financials rose 5.9% and 3.2% respectively. Bonds were 1.5% lower during the month as political concerns placed pressure on bond yields. Similarly, local property declined 3.5% while global property was flat in USD. The rand plummeted 9.5% relative to the USD during May, again mostly driven by concerns surrounding the finance minister.

In light of this, managers such as the Coronation Balanced Defensive Fund and the SIM Inflation Fund with a larger weight towards offshore assets, local cash and rand-hedge equity performed well over the quarter. Value as a style struggled especially due to weakness in the resources sector. Exposure to longer dated bonds and local property would have detracted from funds like the Coronation Strategic Income Fund and the SIM Active Income Fund.

Market sentiment remains especially sensitive to macroeconomic factors and as a result volatility remains high. We therefore maintain our view of holding a blend of managers with complementary investment styles and processes, favouring those with a more defensive nature.

Portfolio Manager**Rafiq Taylor**

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

About the Portfolio Manager

Rafiq is Portfolio Manager for the Graviton Collective Investment Schemes portfolio and manages SMMI's Implemented Consulting business. He joined Sanlam Multi Manager International (SMMI) in 2006 after starting his career at Glacier Financial Solutions (previously Innofin).

Initially appointed as an Investment Analyst, Rafiq took on responsibility for portfolio management in conjunction with manager research duties in 2009. He also manages a number of other key portfolios.

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.sim.sanlam.com

Client Contact Details:

Tel: +27 21 950-2500
Fax: +27 21 950-2126
Email: retail@sanlaminvestments.com

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Peter Strydom
Garth Strydom
Kevin Fowle
Rafiq Taylor
Barbara Erni

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