

31 May 2017

Enhance Moderate

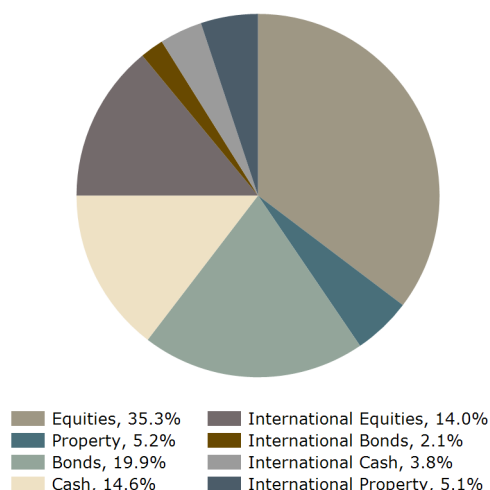
**Fund Details**

<b>Fund Category</b>	SA Multi Asset Medium Equity
<b>Benchmark</b>	Avg SA Multi Asset Medium Equity
<b>Risk Profile</b>	Moderate
<b>Investment period</b>	3 years or longer
<b>Launch Date</b>	01 August 2012
<b>Fund Size</b>	R 99 million

**Fund Objective**

The wrap fund aims to provide a reasonable level of capital growth over the medium term. Investors in this fund are prepared to tolerate moderate fluctuations in the value of their investment over the short term. The fund will be diversified across all major asset classes with an average exposure to equities (maximum of 60%). Investors in this fund should have a minimum investment horizon of 3 years or longer. The fund is compliant with Regulation 28 of the Pension Funds Act, 1956.

**Asset Allocation**

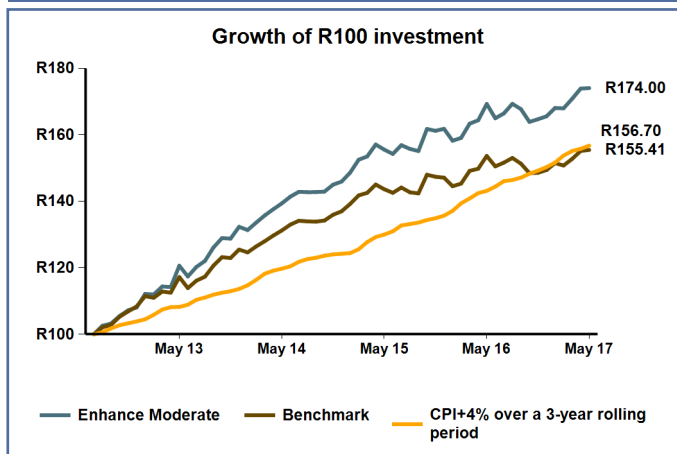


**Investor Profile**

This fund is suitable for investors looking for:

- Capital growth over the medium term
- Able to tolerate moderate volatility over the short term
- A minimum investment horizon of 3 years or longer

**Cumulative performance since launch \***



Performance (%)	Fund*	Fund Benchmark	CPI+4% over a 3-year rolling period
1 Month	0.08	0.20	0.61
3 Months	3.62	3.11	1.94
6 Months	5.69	4.63	5.04
1 Year	2.82	1.18	9.49
2 Years (annualised)	5.78	4.03	9.80
3 Years (annualised)	7.69	5.81	9.39
YTD	5.12	4.06	4.29
Since Launch	12.14	9.55	9.74

Risk statistics (2 years)	Fund*
Returns (annualised)	5.78%
Standard deviation (annualised)	5.80%
% Positive months	62.50%
Maximum drawdown	-3.21%
Sharpe ratio	-0.20

**Manager Selection (%)**

Catalyst Global Real Estate Feeder	5.00	Prescient Income Provider	11.50
Coronation Balanced Plus	11.00	Rezco Value Trend	9.00
Coronation Strategic Income	7.00	Sanlam Multi Managed Balanced FoF	12.50
Coronation Top 20	12.50	SIM Inflation Plus	15.00
Nedgroup Global Equity Feeder	4.00	Truffle Flexible	12.50

Monthly Fund Performance* (%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2017	1.51	-0.05	1.70	1.80	0.08								5.12
Fund 2016	-2.21	0.54	2.70	0.62	2.98	-2.54	0.88	1.74	-0.94	-2.30	0.49	0.53	2.33
Fund 2015	1.85	2.62	0.64	2.34	-0.98	-0.83	1.70	-0.71	-0.43	4.29	-0.34	0.37	10.88

**Fees (% incl. VAT)**

Annual wrap fee	0.57
Underlying Manager TER's	0.89

\* 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 and Prescient Income Provider 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**

Sanlam Multi Manager International (SMMI) (Pty) Ltd

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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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