



## Fund Objective

The objective of the portfolio is to offer a liquid, dividend yielding investment which will substantially track the local short-term interest rate cycle. The income distributed to the investors will aim to exceed the average after-tax yield normally received from money market portfolios.

## Fund Detail

This unit trust has a conservative investment mandate that will follow a risk profile focused on capital preservation subject to strict criteria, in accordance with the requirements of the Collective Investment Schemes Control Act (CISCA).

In achieving its objective, the fund invests in a diversified portfolio of dividend yielding non-equity securities, including Rand denominated redeemable cumulative preference shares, liquid instruments and other securities allowed by CISCA. The fund may also invest in participatory interests of other unit trusts with the same objective. The portfolio will also be allowed to invest in financial instruments, e.g. futures and options as allowed by the Act from time to time.

Capital risk is restricted as the fund has no exposure to non-cumulative or non-redeemable preference shares, or fixed-rate preference shares. This fund has no foreign currency exposure.

## Fund Information

|                           |  |
|---------------------------|--|
| ASISA fund classification | SA - Multi Asset - Income  |
| Risk profile              | Conservative   |
| Targeted constant price   | 100 Cents per unit   |
| Benchmark                 | After-tax return on the SIM Money Market Fund (individual tax rate of 45%)   |
| Portfolio launch date     | 25 May 2007  |
| Minimum investment        | Lump sum R100 000   Monthly R10 000  |
| Portfolio size            | R7 478.90 million  |
| Fund Manager              | Sanlam Collective Investments (RF) (Pty) Ltd   |
| Investment Managers       | Sanlam Structured Solutions, a division of Sanlam Investment Management (Pty) Ltd, and TBI Investment Managers (Pty) Ltd |
| Fund rating               | National scale fund rating of AA-(ZA)(f) by Global Credit Ratings Co (Pty) Ltd; outlook Stable                           |
| Income declaration dates  | Last day of each month   |
| Income price dates        | 1st working day of each new month  |
| Valuation time of fund    | 15:00  |
| Transaction cut off time  | 11:00  |
| Daily price information   | The local newspaper and <a href="http://www.sanlamunittrusts.co.za">www.sanlamunittrusts.co.za</a>                       |
| Liquidity                 | 48 hours<br>(subject to provisions of CISCA, the Deed and the application form)  |

## Fees (Incl. VAT)

|                           | A1 class (%) |
|---------------------------|--------------|
| Manager initial fee       | 0.00         |
| Manager annual fee        | 1.31         |
| Total expense ratio (TER) | 1.35         |
| Transaction Cost          | 0.00         |
| Total Investment Charges  | 1.35         |

The manager annual fee includes a 0.34% trailer fee for intermediaries.

Obtain a personalised cost estimate before investing by visiting [www.sanlamunittrustsmdd.co.za](http://www.sanlamunittrustsmdd.co.za) and using our Effective Annual Cost (EAC) calculator. Alternatively, contact us at 0860 100 266.

## Period: 01 January 2016 – 31 December 2018

**Total Expense Ratio (TER):** 1.35% of the value of the Financial Product was incurred as expenses relating to the administration of the Financial Product. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's

**Transaction Cost (TC):** 0.00% of the value of the Financial Product was incurred as costs relating to the buying and selling of the assets underlying the Financial Product. Transaction Costs are a necessary cost in administering the Financial Product and impacts Financial Product returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Financial Product, the investment decisions of the investment manager and the TER.

**Total Investment Charges (TER + TC):** 1.35% of the value of the Financial Product was incurred as costs relating to the investment of the Financial Product.

## Who Should Invest

- Investors seeking a liquid unit trust investment with a better after-tax yield than a money market fund.
- Investors seeking protection from equity and bond market volatility.
- High net worth individuals who have utilised their interest exemption and require a regular, tax efficient income.
- Corporate investors.

## Fund Characteristics

- Capital preservation.
- Fund National scale fund rating of AA-(ZA)(f) by Global Credit Ratings Co (Pty) Ltd.
- Diversified investment in high quality assets with credit risk to major banking groups and financial institutions.
- Return mainly in the form of dividends.
- 48 hour liquidity.
- Returns track short-term interest rate movements, ensuring protection against interest rate exposure.
- Monthly income distributions.
- Unit price targeted at a constant value of 100c and consequently there are no CGT implications.

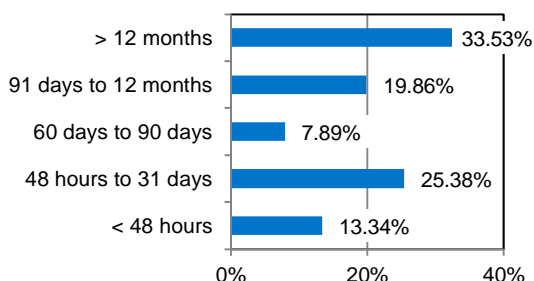
**Top 10 Credit Exposure as at 31 March 2019**

|  |        |
|--|--------|
| Nedbank Limited                        | 28.03% |
| FirstRand Bank Limited                 | 23.78% |
| Investec Bank Limited                  | 13.85% |
| SIM Money Market Fund                  | 10.38% |
| Sanlam Limited                         | 9.75%  |
| Sanpref (Proprietary) Limited          | 4.70%  |
| RMI Holdings Limited                   | 4.12%  |
| Investec Corporate Money Market Fund   | 1.42%  |
| Nedgroup Investments Money Market Fund | 1.41%  |
| Sanlam Capital Markets                 | 1.34%  |

**Notes**

Sanlam Prefco Proprietary Limited, Sanlam Capital Markets Limited and Sanpref Proprietary Limited is part of the Sanlam Group.

All Counterparties are credit rated, or form part of a group of companies of which the holding company is rated. Where public ratings are not available, the Fund Manager makes use of an internal rating performed by Sanlam Investment Management (Pty) Ltd.

**Liquidity Profile and Asset Allocation as at 31 March 2019**


|                                |        |
|--------------------------------|--------|
| Cash and money market funds:   | 13.34% |
| Dividend yielding instruments: | 86.66% |

**Annualised compound performance as at 31 March 2019**

|                | Fund (%) | Benchmark (%) |
|----------------|----------|---------------|
| Latest 5 Years | 5.19     | 3.99          |
| Latest 3 Years | 5.48     | 4.17          |
| Latest 1 Year  | 5.29     | 3.99          |
| Since Launch   | 5.36     | 4.22          |

**Actual highest and lowest annual performance for rolling 10 years**

|                              |      |
|------------------------------|------|
| Highest Annual % (2016/2017) | 5.66 |
| Lowest Annual % (2013/2014)  | 4.07 |

**Monthly income distributions (cents per unit)**

|            |      |            |      |
|------------|------|------------|------|
| 30/04/2018 | 0.43 | 31/10/2018 | 0.44 |
| 31/05/2018 | 0.44 | 30/11/2018 | 0.42 |
| 30/06/2018 | 0.42 | 31/12/2018 | 0.44 |
| 31/07/2018 | 0.43 | 31/01/2019 | 0.44 |
| 31/08/2018 | 0.43 | 28/02/2019 | 0.40 |
| 30/09/2018 | 0.41 | 31/03/2019 | 0.43 |

**Portfolio Managers Quarterly Comment – 31 March 2019**

We experienced a fairly quiet quarter on all fronts, with the fund size remaining approximately unchanged from its December 2018 closing value, despite expected annual redemptions during the February tax season.

The fund's after-tax return and outperformance of benchmark remained stable during the quarter as expected, and the fund's investments remained substantially unchanged.

We expect to conclude new investments to the value of at least R500 million by the end of the coming quarter and as a result, maintain the fund's outperformance over its benchmark.

**Portfolio Managers**
**Steven Rosenberg**

BSc (Hons), FASSA

Steven Rosenberg was appointed Head of Derivative Structuring at Sanlam Structured Solutions ("SSS") in 2008 and CEO of SSS in 2013. SSS develops and provides structured investment and retirement solutions for the institutional and retirement fund industry, as well as high net worth individuals. Steven is, amongst others, a member of the Sanlam Asset Liability Matching Committee, the Sanlam Capital Committee, the Investment Core Exco and SSS Risk Management Committee. He currently manages a significant portion of Sanlam's With Profit and CPI-Linked Annuity portfolios.

**Inghe Schneider**

BAcc (Hons), CA (SA)

Inghe completed her articles at what is now Baker Tilly Greenwoods where she stayed on as an audit manager. Inghe joined the distribution team at TBI Investment Managers (formerly known as Ora Fund Managers) in May 2012 where she gained valuable insight into the client facing side of the industry. She joined the asset management team in May 2015 where she is now a portfolio manager of the Sanlam Alternative Income Fund and an executive director of TBI Investment Managers.

NOTE: The lowest and highest annualised performance numbers are based on 10 non-overlapping one year periods or the number of non-overlapping one year periods from inception where performance history does not yet exist for 10 years.

The return comprised of approximately 92.30% dividend income and 7.70% interest income for the last month.



Global Credit Ratings Co (Pty) Ltd  
Accorded on 11 December 2015  
and affirmed on 31 October 2018.

## Additional information

All reasonable steps have been taken to ensure the information on this minimum disclosure document is accurate. No member of Sanlam gives any representation, warranty or undertaking, nor accepts any responsibility or liability as to the accuracy of any of this information. The information to follow does not constitute financial advice as contemplated in terms of the Financial Advisory and Intermediary Services Act. Use or rely on this information at your own risk. Independent professional financial advice should always be sought before making an investment decision.

The Sanlam Group is a full member of the Association for Savings and Investment SA. Collective investment schemes are generally medium- to long-term investments. Please note that past performances are not necessarily an accurate determination of future performances, and that the value of investments / units / unit trusts may go down as well as up. A schedule of fees and charges and maximum commissions is available from the Manager, Sanlam Collective Investments (RF) Pty Ltd, a registered and approved Manager in Collective Investment Schemes in Securities. Additional information of the proposed investment, including brochures, application forms and annual or quarterly reports, can be obtained from the Manager, free of charge. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. The manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Collective investments are calculated on a net asset value basis, which is the total market value of all assets in the portfolio including any income accruals and less any deductible expenses such as audit fees, brokerage and service fees. Actual investment performance of the portfolio and the investor will differ depending on the initial fees applicable, the actual investment date, and the date of reinvestment of income as well as dividend withholding tax. Forward pricing is used. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The performance of the portfolio depends on the underlying assets and variable market factors. Performance is based on NAV to NAV calculations with income reinvestments done on the ex-div date. Lump sum investment performances are quoted. Source: Money Mate. All the portfolio options presented are approved collective investment schemes in terms of Collective Investment Schemes Control Act, No 45 of 2002 ("CISCA"). The Manager has the right to close any portfolios to new investors to manage them more efficiently in accordance with their mandates. A money market portfolio is not a bank deposit account. The price is targeted at a constant value. The total return to the investor is made up of interest received and any gain or loss made on any particular instrument and in most cases the return will merely have the effect of increasing or decreasing the daily yield, but that in the case of abnormal losses it can have the effect of reducing the capital value of the portfolio. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressures and in such circumstances a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed. The portfolio management of all the portfolios are outsourced to financial services providers authorized in terms of the Financial Advisory and Intermediary Services Act, 2002. The management of investments are outsourced to Sanlam Investment Management (Pty) Ltd (FSP 579) and TBI Investment Managers (Pty) Ltd (FSP 42968), authorised Financial Services Providers under the Financial Advisory and Intermediary Services Act, 2002. Standard Bank of South Africa Ltd is the appointed trustee of the Sanlam Collective Investments scheme.

## Manager Information

### Sanlam Collective Investments (RF) (Pty.) Ltd

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Tel: +27 (21) 916-1800  
Website: [www.sanlamunitrusts.co.za](http://www.sanlamunitrusts.co.za)

## Glossary of terms

### Capital preservation

This is an investment strategy where the primary goal is to preserve (protect) capital and prevent losses in a portfolio. Preserving capital is a priority for retirees and those approaching retirement, since they may be relying on their investments to generate income to cover their living expenses, and have limited time to recoup losses if markets experience a downturn.

### Preference shares

Preference shares rank higher than ordinary shares in terms of dividends and capital, if the company goes into liquidation. They do not have voting rights. Dividends on preference shares are normally a predetermined percentage of the nominal value of the share.

### Diversified portfolio

Refers to the process by which investments are combined to reduce the overall risk of the portfolio.

### Financial instruments

Derivatives also known as financial instruments (such as a future, option, or warrants) whose value derives from and is dependent on the change in value of an underlying asset (such as a commodity, currency, or security) to protect against risk (capital losses).

### Total expense ratio (TER)

This is the total costs associated with managing and operating an investment (excluding administration, financial planning and servicing fees). These costs consist primarily of management fees and additional expenses such as trading fees, legal fees, auditor fees and other operational expenses. The total cost of the fund is divided by the fund's total assets under management to arrive at a percentage amount, which represents the TER.

### Annualised total returns

Annualised return is the weighted average compound growth rate over the period measured.

### Conservative risk profile

You prefer to receive stable income flows and are determined to keep your capital intact at all times. You want an investment that is as much a sure bet as the unpredictable future will allow. You understand that comfort means that you may not receive outside returns but that your capital will be safe — and the likelihood of losing money slim. The portfolio that gives you the most comfort consists primarily of income-oriented asset classes such as cash, nominal and inflation-linked bonds and property. You shy away from too much exposure to equities because of their higher volatility.

## Trustee Information

### Standard Bank of South Africa Ltd

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