



Minimum Disclosure Document

As of 30/06/2019

MDD Issue Date: 22/07/2019

Fund Objective

The objective of the Sentio Sanlam Collective Investments HIKMA Shariah Balanced Fund will be to provide long term capital growth while preserving capital with a reasonable level of income that complies with Shariah (Islamic Law) and the standards prescribed by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

Fund Strategy

The manager invests in an actively managed balanced portfolio, with an equity exposure (including international equity) between 0% and 75% at all times. The investment policy followed by the manager will focus on achieving this by investing in a wide variety of asset classes such as equity securities, non-equity securities, listed property, money market instruments and assets in liquid form, both domestically and internationally, that have been approved for investment by the Shariah Supervisory Board (SSB) or Shariah Advisory Committee (SAC) from time to time. The portfolio shall invest in Shariah compliant domestic and global equities, domestic and global property companies, listed commodity ETF's, Sukuks, Shariah compliant instruments and listed equity capital protection instruments, that have been approved for investment by the SSB from time to time.

The portfolio will be predominantly invested in domestic assets, but may also invest internationally, within the statutory investment limitations and prudential investment requirements. The fund may at any time hold a maximum of 25% in offshore assets. The portfolio may also invest in participatory interests of underlying unit trust portfolios. The portfolio is compliant with regulation 28 of the Pension Funds Act.

Why Choose This Fund?

You should choose that fund if you are looking for a fund that generates capital growth with a reasonable income in a Shari'ah compliant way, benefiting from a detailed bottomup stock picking integrated in a robust risk- anagement framework.

Fund Information

Ticker	SHB1
Portfolio Manager	Imtiaz Suliman & Sanveer Hariparsad
ASISA Fund Classification	South African - Multi Asset - High Equity
Risk Profile	Moderate
Benchmark	ASISA Category Avg: SA - Multi Asset - High Equity
Fund Size	R 129,031,135
Portfolio Launch Date*	01/06/2016
Fee Class Launch Date*	01/06/2016
Minimum Lump Sum Investment	R 100,000
Minimum Monthly Investment	R 10,000
Income Declaration Date	June & December
Income Payment Date	1st business day of July & January
Portfolio Valuation Time	15:00
Transaction Cut Off Time	15:00
Daily Price Information	Local media
Repurchase Period	2-3 business days

Fees (Incl. VAT)	B1-Class (%)
Maximum Initial Advice Fee	—
Maximum Annual Advice Fee	—
Manager Annual Fee	0.80
Total Expense Ratio	1.25
Transaction Cost	0.49
Total Investment Charges	1.74
Performance Fee	—
TER Measurement Period	01 June 2016 - 31 March 2019

Total Expense Ratio (TER) is the percentage value of the Financial Product that 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) is the percentage value of the Financial Product that 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.

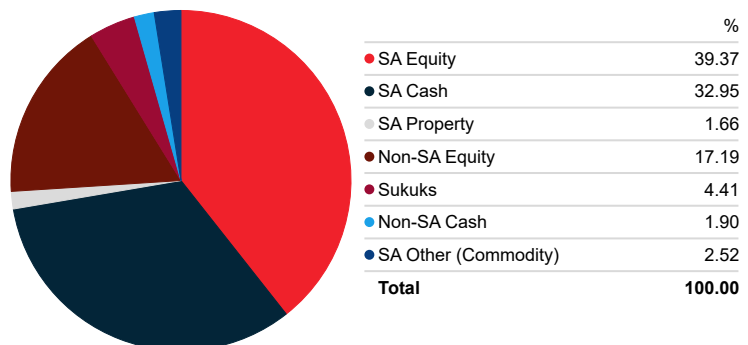
Total Investment Charges (TER + TC) is the total percentage value of the Financial Product that was incurred as costs relating to the investment of the Financial Product.

Top Ten Holdings

	(%)
Rand Merchant Holdings F/R 13072019	5.85
Anglo American Plc	5.18
Firststrand Ltd Money Market 05102019	5.12
SOAF Bond 24062020	4.41
Mondi Ltd	3.39
Dubai Islamic Bank PJSC	3.24
MTN Group Ltd	2.92
AVI Ltd	2.58
Standard Bank Corporate Money Market Fund	2.55
NewGold ETF	2.51

Asset Allocation

Portfolio Date: 30/06/2019



Annualised Performance (%)

	Fund	Benchmark
1 Year	4.49	3.24
Since Inception	2.11	3.13

Cumulative Performance (%)

	Fund	Benchmark
1 Year	4.49	3.24
Since Inception	6.64	9.96

Highest and Lowest Annual Returns

Time Period: Since Inception to 31/12/2018	
Highest Annual %	3.05
Lowest Annual %	0.58

Risk Statistics (3 Year Rolling)*

Standard Deviation	6.15
Sharpe Ratio	-0.71
Information Ratio	-0.26
Maximum Drawdown	-5.65

Distribution History (Cents Per Unit)

30/06/2019	19.40 cpu
31/12/2018	8.57 cpu
30/06/2018	14.82 cpu



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Risk Profile

Moderate

This is a medium-risk portfolio that aims to deliver income and capital growth over the medium term. This portfolio is designed to minimise volatility and aims to cultivate as smooth a ride as possible. There is some exposure to risky asset classes (such as equities) necessary to grow capital over the medium to long term. This portfolio has a medium to long-term investment horizon. The portfolio is diversified across all major asset classes with an average exposure to equities, and offers real (after inflation) returns but with lower volatility.

Glossary Terms

Annualised Returns

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

Asset Allocation

Asset allocation is the percentage holding in different asset classes (i.e. equities, bonds, property, etc.). It is used to determine the level of diversification in a portfolio.

Capital Growth

Capital growth is the profit made on an investment, measured by the increase in its market value over the invested amount or cost price. It is also called capital appreciation.

Distributions

The income that is generated from an investment and given to investors through monthly, quarterly, bi-annual or annual distribution pay-outs.

Derivatives

Derivatives are instruments generally used as an instrument to protect against risk (capital losses), but can also be used for speculative purposes. Examples are futures, options and swaps.

Feeder Fund

A feeder fund is a South African-based fund that feeds exclusively into its primary foreign-based fund. It allows investors easy access to investing in an offshore fund, eliminating complicated tax and other implications. The shares of the feeder fund represent shares in the primary fund (called a master fund).

Liquidity

The ability to easily turn assets or investments into cash.

Information Ratio

The Information Ratio measures the market risk-adjusted performance of an investment or portfolio. The greater a portfolio's Information Ratio, the better its risk-adjusted performance has been compared to the market in general.

Maximum Drawdown

The maximum drawdown measures the highest peak to trough loss experienced by the fund.

Money Market Instruments

A money market instrument is a low risk, highly liquid, short-term (one year or less) debt instrument, issued by financial institutions or governments, that tend to have lower returns than high-risk investments.

Participatory Interests

When you buy a unit trust, your money is pooled with that of many other investors. The total value of the pool of invested money in a unit trust fund is split into equal portions called participatory interests or units. When you invest your money in a unit trust, you buy a portion of the participatory interests in the total unit trust portfolio. Participatory interests are therefore the number of units that you have in a particular unit trust portfolio.

Regulation 28

Regulation 28 of the Pension Funds Act sets out prudent investment limits on certain asset classes in investment funds. It applies specifically to investments in Retirement Annuities and Preservation Funds. The allowed maximum exposures to certain asset classes is: 75% for equities; 25% for property; 30% for foreign (offshore) and 10% African assets.

Sharpe Ratio

The Sharpe Ratio measures total risk-adjusted performance of an investment or portfolio. It measures the amount of risk associated with the returns generated by the portfolio and indicates whether a portfolio's returns are due to excessive risk or not. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance has been (i.e. a higher return with a contained risk profile, where the portfolio manager is not taking excessive risk to achieve those returns).

Standard Deviation

Standard deviation (also called monthly volatility) is a measure of how much returns on an investment change from month to month. It is typically used by investors to gauge the volatility expected of an investment.

Additional Information

All reasonable steps have been taken to ensure the information on this MDD is accurate. 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 a guide to 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. 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. The portfolio may invest in participatory interests of other unit trust portfolios. These underlying funds levy their own fees, and may result in a higher fee structure for our portfolio. 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 may borrow up to 10% the market value of the portfolio to bridge insufficient liquidity. The fund may from time to time invest in foreign instruments which could be accompanied by additional risks as well as potential limitations on the availability of market information. Investments in foreign instruments are also subject to fluctuations in exchange rates which may cause the value of the fund to go up or down. The fund may invest in financial instruments (derivatives) for efficient portfolio management purposes. The Manager has the right to close any portfolios to new investors to manage them more efficiently in accordance with their mandates. Management of the portfolio is outsourced to Sentio Capital Management (Pty) Ltd, (FSP) Licence No. 33843, an Authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002. Sanlam Collective Investments (RF) (Pty) Ltd retains full legal responsibility for the co-named portfolio. Standard Bank of South Africa Ltd is the appointed trustee of the Sanlam Collective Investments scheme. Sources of Performance and Risk Data: Morningstar Direct, INET BFA and Bloomberg. The risk free asset assumed for the calculation of Sharpe ratios: STEFI Composite Index. The highest and lowest 12-month returns are based on a calendar year period over 10 years or since inception where the performance history does not exist for 10 years. Obtain a personalised cost estimate before investing by visiting www.sanlamunittrustsmdd.co.za and using our Effective Annual Cost (EAC) calculator. Alternatively, contact us at 0860 100 266.

Investment Manager Information

Sentio Capital Management (Pty) Ltd
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Portfolio Manager Comment

As at 30 June 2019

The World Bank reduced its growth forecasts in June due to the trade conflict between the US and China, given that between them the two countries account for more than a third of global economic activity. Global growth is now forecast at just 2.6% for 2019 from 2.9% previously forecast. Global trade is slowing, and countries directly exposed to the trade war are showing a marked deceleration. While a handshake deal between the US and China took some heat out of the trade war, existing tariffs look set to stay in place. The Fed has turned sharply dovish as a result of sluggish low inflation, threats to the growth outlook due to weaker global trade and geopolitical tensions from the trade war. The US bond market continues to price in aggressive interest rate cuts over the next 18 months and was composed by the Fed's decision not to cut in June. Locally, South Africa's GDP posted its biggest quarterly contraction since 2009 in the first quarter of this year, printing a -3.2% quarter-on-quarter versus 1.4% growth in the previous quarter. The rand relative to the dollar appreciated some 3.24% in June as risk sentiment improved amid expectations of looser monetary policy in the US and the Eurozone.

The local equity market followed global markets higher, and the MSCI World index delivered some 3.25%. Furthermore, the MSCI EM index marginally underperformed its developed market counterpart, delivering some 2.94%. Underscoring yields moving lower in the month is a sense of cautiousness following the dovish pivot by a number of central banks in recent times. As such, the JP Morgan Global Aggregate index lagged risk assets and delivered -1.16% as the currency strengthened. Given the risk-on month, emerging market bonds fared better than their developed market counterparts, delivering some 0.80%. The local equity market followed global markets higher, and the ALSI delivered 4.78%. The strong rally in the local market was largely driven by the Resi-20 index delivering some 10.28%. The ALBI lagged its risky counterparts and delivered 2.27%, with the 7-12 year area of the yield curve rallying some 2.70%. Furthermore, inflation-linked bonds underperformed their fixed coupon counterparts, delivering 0.13%. Given the risk-on environment the local property market delivered some 2.20%. Local cash delivered 0.59% for the month of June.

Portfolio Managers

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