Minimum Disclosure Document

(Fund Fact Sheet)

Sanlam Select Optimised Equity Fund

May 2019

Fund Objective

This is a pure equity fund diversified across all sectors of the JSE. The fund aims to achieve maximum capital growth above the benchmark over the medium to long-term by investing in companies that are undervalued relative to realistic growth prospects. This fund is suitable for investors who can withstand potential capital volatility in the shorter term.

Fund Strategy

The "Optimised" approach refers to the investment style which will incorporate global best techniques in the investment risk management framework. These risk budgeting methods may be quantitatively implemented however the selection process is still based on fundamental research. The Fund aims to consistently add incremental alpha above the FTSE/JSE Shareholder Weighted Index. The Fund may hold offshore equity. The investment manager will also be allowed to invest in listed and unlisted financial Instruments as allowed by the Act from time to time in order to achieve its investment objective.

Why choose this fund?

This Fund gives you active exposure to the South African Equity market. The small Assets Under Management (AUM) of the manager means that the manager is very nimble and able to execute ideas quickly and react speedily to changes in market conditions. Strong risk management capability should allow for well balanced portfolio construction in order to produce stable benchmark beating returns. Over a medium to long term time horizon the Fund should produce good real returns significantly above inflation.

Fund Information

ASISA Fund Classification	South African Equity General
Risk Profile	Aggressive
Benchmark	FTSE JSE Shareholder Weighted All Share Index
Fee Class Launch date*	01 September 2014
Portfolio Launch date	01 April 2003
Minimum investment	LISP minimums apply
Portfolio Size	R 486 million
Bi-annual Distributions	31/12/18: 77.29 cents per unit 30/06/18: 105.20 cents per unit
Income decl. dates	30/06 | 31/12
Income price dates	1st working day in January and July
Portfolio valuation time	15:00
Transaction cut off time	15:00
Daily price information	The local newspaper and www.sanlamunittrusts.co.za
Repurchase period	3 working days

Fees (Incl. VAT)	LISP-class (%)
Advice initial fee (max.)	neg.
Manager initial fee (max.)	0.00
Advice annual fee (max.)	neg.
Manager annual fee (max.)	1.03
Total Expense Ratio (TER)	1.41

Advice fee | Any advice fee is negotiable between the client and their financial advisor. An annual advice fee negotiated is paid via a repurchase of units from the investor.

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.

This fund is available via certain LISPS (Linked Investment Service Providers), which levy their own fees.

Manager annual fee: 1.03% p.a. (incl. VAT)| Maximum Performance Fees: 1.71% (incl. VAT) and sharing rate: 20%. Performance fees will only be charged once the performance benchmark is outperformed, irrespective of whether the fund performance is positive or negative . If the fund performs in line or below the bench mark, then the minimum fee of 1.03% p.a. (incl. VAT) is charged. The performance fee is accrued daily, based on daily performance and paid to the manager monthly.

TOTAL EXPENSE RATIOS
PERIOD: 01 April 2016 to 31 March 2019

Total Expense Ratio (TER) | 1.41% 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. Inclusive in the TER of 1.41%, a performance fee of 0.24% of the net asset value of the class of Financial Product was recovered.

Transaction Cost (TC) | 0.77% 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) | 2.18% of the value of the Financial Product was incurred as costs relating to the investment of the Financial Product.

Top 10 Holdings

Top 10	% of Equity
Naspers	11.27
Standard Bank Group Limited	6.88
Anglo American	6.28
British American Tobacco Plc	5.14
Firstrand Limited	4.24
Sanlam	4.03
MTN Group Limited	3.46
ABSA Group Limited	3.09
Spar group	2.78
Nedbank Group Limited	2.57

Performance (Annualised) as at 31 May 2019 on a rolling monthly basis*

LISP-class	Fund (%)	Benchmark (%)
1 Year	-0.07	0.82
3 Year	2.44	2.76
5 Year	N/A	N/A
Since inception	4.06	4.57

An annualised rate of return is the average rate of return per year, measured over a period either longer or shorter than one year, such as a month, or two years, annualised for comparison with a one-year return.

Performance (Cumulative) as at 31 May 2019 on a rolling monthly basis*

LISP-class	Fund (%)	Benchmark (%)
1 Year	-0.07	0.82
3 Year	7.51	8.51
5 Year	N/A	N/A
Since inception	20.78	23.67

Cumulative return is the aggregate return of the portfolio for a specified period.

*Significant changes to this fund came into effect from 01 September 2014 and all performance figures are calculated from this date and not the original fund launch date.

Risk statistics: 3 years to 31 May 2019

Std Deviation (Ann)	10.85
Sharpe Ratio (Ann)	-0.46

Actual highest and lowest annual returns*

Highest Annual %	17.39
Lowest Annual %	-9.60

*Performance figures sourced from Morningstar.

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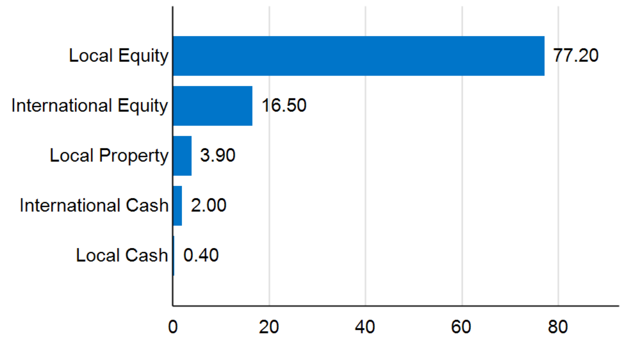
Asset Allocation



Investment Manager Monthly Commentary

Global turmoil weighed heavily on equities in May (the popular proverb 'Sell in May and go away' certainly held some merit), with the MSCI World and MSCI Emerging Markets (EM) indices posting their first negative monthly performance for 2019.

Trade tensions between the US and China escalated in May, with both countries imposing retaliatory tariffs on imports. The International Monetary Fund (IMF) has warned that the additional tariffs would reduce global growth by 30 basis points in the short term (currently forecast at 3.3% for 2019). From the IMF and the World Bank to the Organisation for Economic Co-operation and Development (OECD) and the South African Reserve Bank (SARB), SA's growth estimates have been slashed.
MSCI World thus shed -5.7%, with all the MSCI World regions recording negative total returns in May: North America -6.2%, Europe -5.3%, Pacific -3.5%.
MSCI EM was down -7.2% in US Dollar terms, however, MSCI Frontier Markets posted a positive Dollar total return of +2.3% in May.
Within EM, MSCI Asia (-8.8%) was the worst performing region, dragged down by losses from heavyweights China (-13.1%), Korea (-9.3%) and Taiwan (-7.8%) as concerns around the impacts of the trade war intensified.
MSCI Europe, the Middle East and Africa (EMEA) lost -3.6% in May, with the largest underperformance coming from newly added Saudi Arabia (-8.7%). MSCI South Africa (-7.1%) was the second worst performing country within this region. Positive total return performance within this region came from Russia (+3.6), Greece (+2.8%) and Czech Republic (+0.2%).
The Latin America (-2%) region saw heavyweight Brazil returning +1.7% while Mexico was one of the worst performers in the region at -7%.

All equity sectors within MSCI World posted negative US Dollar total returns in May, with the exception of Real Estate, which managed to eke out a total return of just +0.2%. The worst performance came from IT, Energy and Materials. Within MSCI EM, Consumer Discretionary, Communication Services and IT showed the largest underperformance over the month.
All equity sectors within MSCI SA posted negative US Dollar total returns in May, with the exception of Energy (Exxaro), which returned +5.9%. The worst performances came from Health Care, Consumer Discretionary and Materials. Year-to-date, MSCI EM has underperformed MSCI World Markets with a US Dollar total return of +4.2% vs +10.1%. EM EMEA has returned +7.1%, Latin America has returned +6.3%, while Asia has lagged (+3.2%).

Commodity land is being hemmed and hawed by opposing forces across the spectrum and within sub-sectors. This has been triggered in part by a discernible decline in China's growth prospects and the US escalation of the trade and intellectual property struggle with Beijing, at a time when growth in the US and a number of emerging market countries remains robust. The result: the erasure of some of the strength commodities experienced over the first quarter of 2019, particularly the metals complex. After rising more than +15% in the first four months of 2019, energy commodities fell by -2.8% while base metals were -5.4% lower.

The SA Rand depreciated by -1.5% against the US Dollar in May, with local politics and the continued US–China trade war concerns weighing on the currency.
Also impacting was the OECD reducing SA's growth forecasts to 1.2% for 2019 (previously 1.7%) and 1.7% for 2020 (previously 2%).
SA consumer price inflation (CPI) declined to 4.4% year-on-year (y/y) in April from 4.5% in March, below consensus of 4.5%. Core inflation slumped to 4.1% y/y from 4.4% previously. The downside surprise in CPI reflects the weak pricing power of business in the face of a very weak consumer base. There is also the (still limited) effect of the VAT hike that was initiated a year ago working itself into the CPI base, keeping price increases limited, despite a weaker Rand exchange rate and higher import costs.

Even in Rand terms, May was a dismal month for the SA equity market, with the FTSE/JSE All Share Index (ALSI) posting a total return loss of -4.8% in May. This loss was led by the Large Caps, down -5.1%. Mid-Caps and Small Caps lost -3.5% and -2.7% respectively. Bonds managed to eke out a positive total return of just +0.6% in May, while the FTSE/JSE SA Listed Property Index (SAPY) posted a loss of -0.9%.
Within equities, SA Industrials were the worst performers, shedding -6% in May. Of the Industry Groups, Health Care fared the worst, losing -12.1% over the month. This was followed by Technology (Naspers -10.4%) and Industrials (-3.9%). Consumer Services lost -3.1% (General Retailers -6.3%, Media -5.1%) and Consumer Goods shed -2.1% (Household Goods -34.6%, Tobacco -9%, Food Producers -8%, Beverages -7.5%). Only Telecommunications managed to buck the trend, albeit with a total return of +0.8%.

On the back of weakening commodity prices, SA Resources posted a total return loss of -5.1% in May. The performance was dragged down by Chemicals (-21.7%), following the Sasol update advising of a further capex overrun on their LCCP project. Forestry & Paper (-7.8%) was the second worst performer, followed by General Mining (-3.9%). However, Gold Mining, Coal and Industrial Metals all outperformed, posting total returns of +12.7%, +7.6% and +2.4% respectively.

SA Financials posted a total return loss of -2.3% in May, with all equity sectors posting negative total returns over the month. Non-life Insurance (-9.7%) was the worst performing sector, followed by General Financials, down -6.9%. Equity Investments and Life Insurance shed -3.9% and -3.2% respectively. Banks posted the smallest loss within Financials of only -0.4% in May.

Year-to-date, the ALSI has posted a total return of +7.1% vs total returns of +5.3% for the FTSE/JSE All Bond Index (ALBI) and +3.8% for the SAPY. SA Resources and SA Industrials have gained 9.6% and 7.7% respectively, while SA Financials have lagged (+3.6%).

Of the industry groups, the best performance has come from Telecommunications (+11.4%), Basic Materials (+9.7%) and Consumer Goods (+9.5%). The worst performance has come from Health Care (-19.5%) and Industrials (-1.8%).

The Optimised Equity Fund outperformed during the month, as robust portfolio construction and careful stock picking contributed positively to outperformance. With regard to portfolio construction, it is important to note that we attempt to generate alpha through active decision-making in both overweight and underweight positions, and it is therefore pleasing to see that again during May, value adders came from both underweight and overweight positions, as well as from domestic and global stocks.

Underweight positions in Naspers, Sasol, Netcare and Glencore and overweight positions in select small caps, banks and overseas stocks like Adidas, PepsiCo, Inditex, Starbucks, etc. all added significantly. Detractors included an overweight position in Sappi and underweight positions in GoldFields, Vodacom and Richemont locally and some global tech stocks, with the latter selling off in a global tech rout.

What to expect for the remainder of the year?

The ongoing trade war will certainly remain a key focus of attention for global markets, as for now there seems to be an escalation in rhetoric and tariff activity, with the US not only quarrelling with China, continuing its tensions with the European Union and Japan, but also opening up new fronts while removing special treatment of goods from India and threatening to levy new tariffs on Mexican imports, despite the recent conclusion of a trade agreement between the US, Canada and Mexico.

This very erratic behaviour from the US government has continued to rattle businesses and investors alike, and had now brought central banks on alert amid ample warnings of a potential global sharp slowdown or even recession should current trade skirmishes not be resolved soon. The US Federal Reserve (Fed) and the European Central Bank (ECB) have sent dovish messages at their recent meetings and central banks from Australia and India have started cutting rates, while China has also embarked on easing monetary conditions.

We are still of the view that despite belligerent rhetoric from the various parties, 'some' form of trade deal between China and the US will be announced in the second half of 2019, with the US having elections next year and needing 'something to show' while China is having to manage their economic growth, not the least to maintain socioeconomic stability. However, the timing and the detail and extent of such agreement is impossible to forecast and consequences might be sudden, abrupt and therefore volatile. Other geopolitical curveballs continue in the guise of the ongoing Brexit saga in Europe, as well as continued tensions in the Middle East.

Following the elections in South Africa and the swearing in of the new government, the key ingredient will be the implementation and successful execution of economic reform programmes to create growth and thus instil confidence in consumers, business and investors. The next three to six months will be crucial here, as warning bells about a closing window of opportunity sound, not the least from rating agency Moody's, who is the last to currently still keeping South African debt as investment grade. Apart from economic reform programmes, dealing with the financial situations at the SOEs in general and Eskom in particular will be paramount. A relative positive could be the recent benign inflationary data and a benign global rate environment, which might give the SARB an opportunity to cut interest rates and help boost the economy.

Managing the fund successfully in the future will therefore require to continue to be disciplined, nimble and quite active, as the various global and local market forces can change dramatically and sudden and give markets a new direction at any given time.

Appointed Investment Manager

Sentio Capital Management (Pty) Ltd

Investment Manager Disclaimer

The management of investments are outsourced to Sentio Capital Management (Pty) Ltd, FSP 33843, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002.

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May 2019

Risk Profile (Aggressive)

This is an aggressively managed, high-risk portfolio that aims to deliver capital growth over the long term (greater than 5 years). It is designed to substantially outperform the markets and therefore carries a long-term investment horizon (5 years and upwards). The portfolio will be diversified across all major asset classes with significant exposure to equities, and may include offshore equities. There may be some capital volatility in the short term, although higher returns may be expected from five years or beyond.

Trustee Information

Standard Bank of South Africa Ltd

Tel no.: 021 441 4100
E-mail: Compliance-SANLAM@standardbank.co.za

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 performance is not necessarily a guide to future performance, 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 other unit trust portfolios which levy their own fees, and may result is 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 fund may from time to time invest in foreign countries and therefore it may have risks regarding liquidity, the repatriation of funds, political and macroeconomic situations, foreign exchange, tax, settlement, and the availability of information. The Manager has the right to close any portfolios to new investors to manage them more efficiently in accordance with their mandates. A copy of the Performance fee Frequently Asked Questions can be obtained from our website: www.sanlaminvestments.com. The portfolio management of all the portfolios is outsourced to financial services providers authorized in terms of the Financial Advisory and Intermediary Services Act, 2002. Standard Bank of South Africa Ltd is the appointed trustee of the Sanlam Collective Investments Scheme.

Glossary Terms

Collective Investment Schemes (CIS)
Collective Investment Schemes (also called unit trusts) are portfolios of assets such as equities, bonds, cash and listed property, in which investors can buy units. They allow private investors to pool their money together into a single fund, thus spreading their risk across a range of investments, getting the benefit of professional fund management, and reducing their costs.

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 or quarterly distribution payouts.

Equities
Equities are shares that represent an institution's or individual's ownership in a listed company. These shares are also the "vehicle" through which they are able to "share" in the profits made by that company. As the company grows, and the expectation of improved profits increases, the market price of the share will increase which translates into a capital gain for the shareholder. Similarly, negative sentiment about the company will result in the share price falling.

Shares / equities are usually considered to have the potential for the highest return of all the investment classes but also have the highest level of risk i.e. share investments have the most volatile returns over the short term. An investment in equities should be viewed with a 7 to 10 year horizon.

LISP (Linked Investment Service Provider)
A Linked Investment Service Provider is a financial institution which packages, distributes and administers a broad range of unit trust based investments. Any investment made through these products gives an investor a single point of entry into a selection of different investments.

Pure equity fund
This is a fund that invests primarily in higher-risk asset classes such as equities (stocks or shares) and aims to achieve aggressive capital growth over the long term. This type of fund will experience volatility in the short term.

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.

Manager information: Sanlam Collective Investments (RF)(Pty.) Ltd. Physical address: 2 Strand Road, Bellville 7530, Postal address: PO Box 30, Sanlamhof 7532
Tel: +27 (21) 916 1800, Fax: +27 (21) 947 8224, Email: service@sanlaminvestments.com, Website: www.sanlamunittrusts.co.za