SECURITAS CAUTIOUS PORTFOLIO

FEBRUARY 2018

SECURITAS WEALTH
A Division of Securitas Financial Group (Pty) Ltd (FSP 6536)

INFORMATION SHEET

ASISA Category	SA Multi Asset Low Equity
Portfolio benchmark	CPI + 2% calculated on a 3-year rolling average
Model inception date	14 June 2017
Investment Managers	4D Wealth Management (Pty) Ltd
Regulation 28	Compliant

CONTRIBUTION DETAILS

Minimum monthly	R500
Minimum lump sum	R20 000

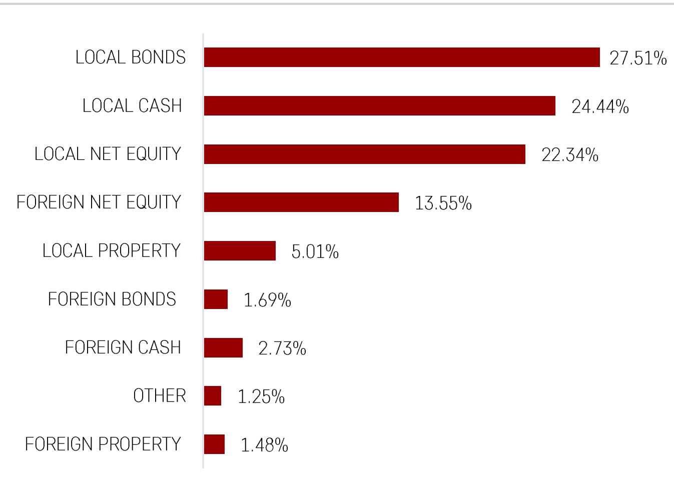
FEE STRUCTURE

Initial fees:	0%-3.42% (VAT incl.)
Annual Advisor fees:	0%-1.14% (VAT incl.)
Weighted TIC	1.63%

RISK STATISTICS

	1 YEAR
STANDARD DEVIATION %	3.44
MAXIMUM DRAWDOWN %	2.20
SHARPE	1.04
SORTINO	1.64

ASSET ALLOCATION



FUND OBJECTIVES

The Portfolio aims to provide a high degree of capital stability and minimize the risk of loss over any rolling 2 year period. The portfolio aims to outperform the average return of the sectors and achieve a return of CPI + 2% over a 2 to 3 year period.

RISK PROFILE

Risk				
Low	Low-Medium	Medium	Medium-High	High

Advisable Minimum Term				
Minimum term				
1 Year	1 - 3 Years	3 - 5 Years	5 - 7 Years	7 Years +

PORTFOLIO FUND HOLDINGS

4D BCI CAUTIOUS FUND OF FUNDS

SASFIN BCI STABLE FUND

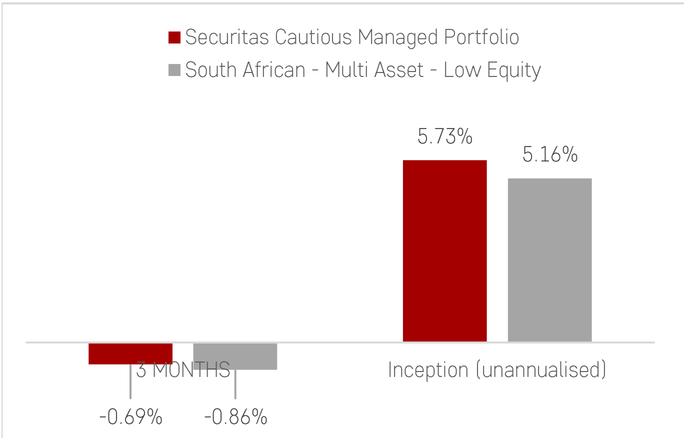
SELECT BCI CAUTIOUS FUND

ALLAN GRAY STABLE FUND

SIM INFLATION PLUS FUND

CORONATION BALANCED DEFENSIVE FUND

PERFORMANCE (as at 01 FEB 2018)



Performance figures are net of fees (excl advice fee)

Total Investment Charge (TIC)

The TIC is not charged as a separate fee but is built into the unit price of the unit trusts you have selected.

All values shown include VAT where applicable.

TIC	Administration fee deducted within unit trust	TIC for investment management
1.63%	0.02%	1.61%

To compare costs across unit trusts with different fee structures, the TIC for investment management is used. This is the unit trust's latest available total investment charge (TIC) less any administration fee deducted within the unit trust for the administration we perform. The TIC is not a separate fee, but is a measure of the actual expenses incurred by the unit trust, including the investment management fee and transaction costs where available. If the actual TIC is not available, an estimate is used. The expenses are expressed as a weighted average using the percentage allocation of each unit trust.

FAIS Conflict of Interest Disclosure

Please note that your financial advisor may be a related party to the co-naming partner and/or BCI**.** It is your financial advisor's responsibility to disclose all fees he/she receives from any related party. The portfolio's TER includes all fees paid by portfolio to BCI, the trustees, the auditors, banks, the co-naming partner, underlying portfolios, and any other investment consultants/managers as well as distribution fees and LISP rebates, if applicable. The portfolio's performance numbers are calculated net of the TER expenses. The investment manager earns a portion of the service charge and performance fees where applicable. In some instances portfolios invest in other portfolios which form part of the BCI Scheme. These investments will be detailed in this document, as applicable.

Discretionary Investment Manager
4D Wealth Management (Pty) Ltd is an authorised Financial Service Provider FSP 40794
Model Portfolio Managers

- Reon Coetzee CFP®, Certified Investment Planning, BA in (Political Science)
- Albert van der Linde B.Com (Hons) Investment Management
- Henro Grove B.Com (Hons) Investment Management
- Johan Steyn RFP®
- Fanie Wasserman B.Com (Hons), PDFP , CFP®

Mandatory disclosure.

The information contained in this document does not constitute advice by Sanlam Life. Whilst every attempt has been made to ensure the accuracy of the information contained herein, Sanlam cannot be held responsible for any errors that may occur. Past performance cannot be relied on as an indicator of future performance. Investment performance will depend on the growth in the underlying assets, which will be influenced by inflation levels in the economy and the prevailing market conditions.

4D BCI CAUTIOUS FUND OF FUNDS (A)

MANAGED BY: 4D WEALTH MANAGEMENT - AUTHORISED FSP 40794

MINIMUM DISCLOSURE DOCUMENT

31 DECEMBER 2017

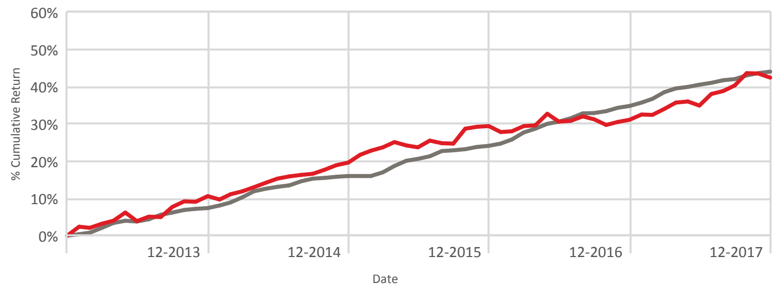
INVESTMENT OBJECTIVE

The primary investment objective of the portfolio is to provide the investor with a high level of income while preserving capital in real terms.

INVESTMENT UNIVERSE

The composition of the portfolio shall reflect the investment structure of a retirement fund with a cautious risk profile and will comply with prudential guidelines. Investments to be included in the portfolio will, apart from assets in liquid form, consist of participatory interests and other forms of participation of local and global collective investment schemes, or other similar schemes operated in territories with a regulatory environment which is to the satisfaction of the manager and trustee of a sufficient standard to provide investor protection at least equivalent to that in South Africa and which is consistent with the portfolio's primary objective. The underlying portfolios may invest in, amongst others, equity securities, property securities, non-equity securities, interest bearing securities, money market instruments, preference shares, listed and unlisted financial instruments, bonds and other interest bearing instruments and securities.

PERFORMANCE (Net of Fees)



4D BCI Cautious Fund of Funds (A)
Benchmark

Cumulative (%)	1 Year	3 Years	5 Years	10 Years	Since Inception
Fund	8.60	19.01	42.38	-	62.84
Benchmark	6.82	24.11	43.99	-	57.75
Annualised (%)					
Fund	8.60	5.97	7.32	-	8.08
Benchmark	6.82	7.47	7.56	-	7.53

* Inception date: 23 Sep 2011

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

Highest and lowest calendar year performance since inception

High	12.03
Low	1.30

MONTHLY RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2017	1.1	-0.1	1.2	1.3	0.2	-0.8	2.3	0.5	1.1	2.4	-0.1	-0.8	8.60
2016	-1.3	0.2	1.1	0.1	2.4	-1.6	0.2	0.9	-0.6	-1.2	0.7	0.4	1.30
2015	1.8	0.9	0.7	1.1	-0.7	-0.3	1.4	-0.5	-0.1	3.2	0.3	0.2	8.17
2014	-0.8	1.3	0.7	0.9	1.1	1.0	0.5	0.3	0.3	0.9	1.0	0.7	8.18
2013	2.4	-0.2	1.0	0.7	2.2	-2.2	1.1	0.0	2.5	1.5	-0.2	1.4	10.59
2012	1.1	0.6	0.5	1.1	0.0	0.5	1.6	1.5	0.7	1.9	1.3	0.7	12.03

FUND INFORMATION

Portfolio Manager:	4D Wealth Management
Launch date:	23 Sep 2011
Portfolio Value:	R 132 813 597
NAV Price (Fund Inception):	100 cents
NAV Price as at month end:	135.07 cents
JSE Code:	MDCU
ISIN Number:	ZAE000159596
ASISA Category:	SA - Multi Asset - Low Equity
Benchmark:	CPI + 2% p.a.
Minimum lump sum:	R 25 000
Minimum monthly Investment:	R 1 000
Valuation:	Daily
Valuation time:	08:00 (T+1)
Transaction time:	14:00
Date of Income Declaration:	28 Feb/31 May/31 Aug/30 Nov
Date of Income Payment:	2nd day of Mar/Jun/Sep/Dec

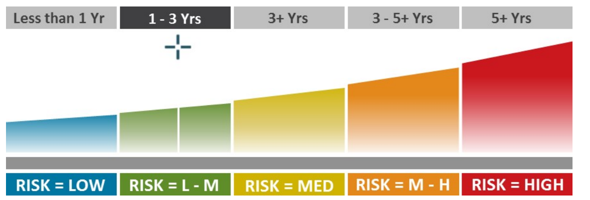
Income Distribution (cpu)

Feb-17	May-17	Aug-17	Nov-17
1.00	1.48	1.10	1.37

FEE STRUCTURE

Annual Service Fee:	(A) 1.14% (S1) 1.14% (Incl. VAT)
Initial Advisory Fee (Max):	3.42% (Incl. VAT)
Annual Advice Fee:	0 - 1.14% (if applicable)
Initial Fee:	0.00% (Incl. VAT)
Performance Fee:	None
*** Total Expense Ratio (TER):**	1.94% (Incl. VAT)
Performance fees incl in TER:	0.00% (Incl. VAT)
Portfolio Transaction Cost:	0.10% (Incl. VAT)
Total Investment Charge:	2.04% (Incl. VAT)

RISK PROFILE



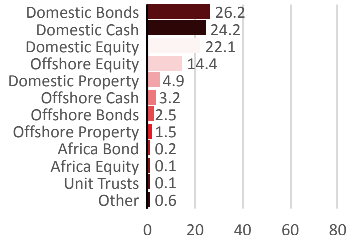
Low - Medium Risk

- This portfolio has relatively low equity exposure, resulting in relatively low volatility compared to higher risk portfolios.
- Where the asset allocation contained in this MDD reflects offshore exposure, the portfolio is exposed to currency risks
- The portfolio is exposed to default and interest rate risks.
- Therefore, it is suitable for medium term investment horizons.
- The expected potential long term investment returns are lower over the medium to long term than higher risk portfolios.

BOUTIQUE COLLECTIVE INVESTMENTS

PORTFOLIO HOLDINGS

Asset Allocation (%) As at 31 Dec 2017



Top Holdings (%) As at 31 Dec 2017

Nedgroup Inv Core Guarded B	19.9
Coronation Strategic Income B4	10.8
Allan Gray Stable C	10.1
SIM Inflation Plus B2	9.9
Prudential Inflation Plus A	9.8
Prescient Income Provider A2	8.5
STANLIB Income B2	8.5
Coronation Equity B4	6.9
Coronation Optimum Growth B4	5.6
36ONE BCI SA Equity D	5.1

INFORMATION AND DISCLOSURES

Risks

Where foreign securities are included in the portfolio there may be additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information. Certain investments - including those involving futures, options, equity swaps, and other derivatives may give rise to substantial risk and might not be suitable for all investors.

* Total Expense Ratio (TER)

Please note: A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's. Transaction Costs are a necessary cost in administering the Fund and impacts Fund 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 Fund, the investment decisions of the investment manager and the TER. The TER and Transaction cost calculations are based upon the portfolio's direct costs for the financial year ended 31 August 2017, whilst the underlying portfolios' ratio and cost calculations are based upon their most recent published figures, being 30 September 2017.

Effective Annual Cost: Boutique Collective Investments adopted the ASISA Standard on Effective Annual Cost ("EAC"). The EAC measure allows you to compare charges on your investments as well as their impact on your investment returns prior to investing. For further information regarding the ASISA Standard on Effective Annual Cost and access to the EAC calculator please visit our website at www.bcis.co.za.

Fund

* Total Expense Ratio (TER)	Transactional Cost (TC)	Total Investment Charge (TER & TC)
1.94%	0.10%	2.04%
Of the value of the Fund was incurred as expenses relating to the administration of the Fund.	Of the value of the Fund was incurred as costs relating to the buying and selling of the assets underlying the Fund.	Of the value of the Fund was incurred as costs relating to the investment of the Fund.

FAIS Conflict of Interest Disclosure

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Investment Manager

4D Wealth Management (Pty) Ltd is an authorised Financial Service Provider FSP 40794.

- Additional information, including application forms, annual or quarterly reports can be obtained from BCI, free of charge or can be accessed on our website www.bcis.co.za.
- Valuation takes place daily and prices can be viewed on our website (www.bcis.co.za) or in the daily newspaper.
- Actual annual performance figures are available to existing investors on request.
- Upon request the Manager will provide the investor with portfolio quarterly investment holdings reports.

Management Company Information

Boutique Collective Investments (RF) (Pty) Limited
Catnia Building,
Bella Rosa Village, Bella Rosa Street,
Bellville, 7530
Tel: 021 007 1500/1/2 021 914 1880 + Fax: 086 502 5319
+ Email: clientservices@bcis.co.za + www.bcis.co.za

Custodian / Trustee Information

The Standard Bank of South Africa Limited
Tel: 021 441 4100

BOUTIQUE COLLECTIVE INVESTMENTS

DISCLAIMER

Fund managers: Andrew Lapping, Mark Dunley-Owen, Leonard Krüger. (Most foreign assets are invested in Orbis funds.) **Inception date:** 1 July 2000

Allan Gray Stable Fund

31 January 2018

Fund description and summary of investment policy

The Fund invests in a mix of shares, bonds, property, commodities and cash. The Fund may buy foreign assets up to a maximum of 25% of the Fund (with an additional 5% for African ex-SA investments). The Fund typically invests the bulk of its foreign allowance in a mix of funds managed by Orbis Investment Management Limited, our offshore investment partner. The maximum net equity exposure of the Fund is 40%. The Fund's net equity exposure may be reduced from time to time using exchange-traded derivative contracts on stock market indices. The Fund is managed to comply with the investment limits governing retirement funds. Returns are likely to be less volatile than those of an equity-only fund or a balanced fund.

ASISA unit trust category: South African – Multi Asset – Low Equity

Fund objective and benchmark

The Fund aims to provide a high degree of capital stability and to minimise the risk of loss over any two-year period, while producing long-term returns that are superior to bank deposits. The Fund's benchmark is the daily interest rate, as supplied by FirstRand Bank Limited, plus 2%.

How we aim to achieve the Fund's objective

A major portion of the Fund is typically invested in money market instruments. We seek to deploy the Fund's cash by investing in shares when they can be bought at a significant discount to their intrinsic value. We thoroughly research companies to assess their intrinsic value from a long-term perspective. This long-term perspective enables us to buy shares which are shunned by the stock market because of their unexciting or poor short-term prospects, but which are relatively attractively priced if one looks to the long term. If the stock market offers few attractive shares, we may allocate a low weight to shares or partially hedge the Fund's stock market exposure in consideration of the Fund's capital preservation objectives. The Fund may also invest in bonds, property and commodities. The Fund's bond and money market investments are actively managed.

Suitable for those investors who

- Are risk-averse and require a high degree of capital stability
- Seek both above-inflation returns over the long term, and capital preservation over any two-year period
- Require some income but also some capital growth
- Wish to invest in a unit trust that complies with retirement fund investment limits

Minimum investment amounts

Minimum lump sum per investor account	R20 000
Additional lump sum	R500
Minimum debit order*	R500

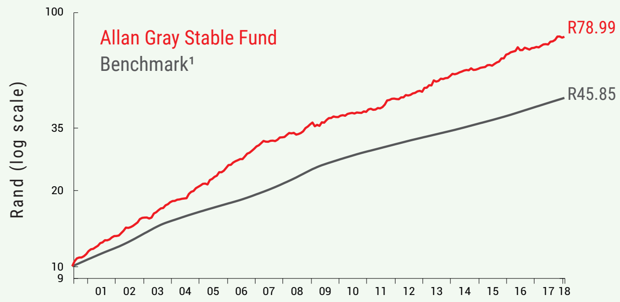
*Only available to investors with a South African bank account.

Fund information on 31 January 2018

Fund size	R46.4bn
Number of units	778 167 298
Price (net asset value per unit)	35.96
Class	A

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



1. The Fund's benchmark is the daily interest rate, as supplied by FirstRand Bank Limited plus 2%, performance as calculated by Allan Gray as at 31 January 2018.
2. This is based on the latest numbers published by IRESS as at 31 December 2017.
3. Maximum percentage decline over any period. The maximum drawdown occurred from 12 May 2006 to 14 June 2006. Drawdown is calculated on the total return of the Fund (i.e. including income).
4. The percentage of calendar months in which the Fund produced a positive monthly return since inception.
5. The standard deviation of the Fund's monthly return. This is a measure of how much an investment's return varies from its average over time.
6. These are the highest or lowest consecutive 12-month returns since inception. This is a measure of how much the Fund and the benchmark returns have varied per rolling 12-month period. The Fund's highest annual return occurred during the 12 months ended 30 April 2006 and the benchmark's occurred during the 12 months ended 30 June 2003. The Fund's lowest annual return occurred during the 12 months ended 31 May 2017 and the benchmark's occurred during the 12 months ended 31 January 2014. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.

% Returns	Fund	Benchmark[1]	CPI inflation[2]
Cumulative:			
Since inception (1 July 2000)	689.9	358.5	163.1
Annualised:			
Since inception (1 July 2000)	12.5	9.0	5.7
Latest 10 years	9.4	8.0	5.8
Latest 5 years	9.6	7.3	5.5
Latest 3 years	9.8	7.9	5.6
Latest 2 years	8.0	8.2	5.7
Latest 1 year	9.6	8.2	4.7
Year-to-date (not annualised)	0.8	0.7	0.5
Risk measures (since inception)			
Maximum drawdown[3]	-4.1	n/a	n/a
Percentage positive months[4]	80.1	100.0	n/a
Annualised monthly volatility[5]	4.3	0.7	n/a
Highest annual return[6]	23.3	14.6	n/a
Lowest annual return[6]	2.8	6.2	n/a

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Meeting the Fund objective

Since inception and over the latest 10 and five-year periods, the Fund has outperformed its benchmark and CPI inflation, while providing a high degree of capital stability. The Fund aims to minimise the risk of loss over any two-year period. The lowest annual return number, in the 'Performance net of all fees and expenses' table, show that the Fund has not yet experienced a negative return over any rolling 12-month period.

Income distributions for the last 12 months

To the extent that income earned in the form of dividends and interest exceeds expenses in the Fund, the Fund will distribute any surplus quarterly.	31 Mar 2017	30 Jun 2017	30 Sep 2017	31 Dec 2017
Cents per unit	35.5995	27.5280	35.3905	22.3895

Annual management fee

Allan Gray charges a fee based on the net asset value of the Fund excluding the portion invested in Orbis funds. The fee rate is calculated daily by comparing the Fund's total performance over the last two years, to that of the benchmark. If the Fund's return over two years is equal to or less than 0%, Allan Gray will not charge a fee.

Fee for performance equal to the Fund's benchmark: 1.00% p.a. excl. VAT

For each percentage of two-year performance above or below the benchmark we add or deduct 0.1%, subject to the following limits:

Maximum fee: 1.50% p.a. excl. VAT
Minimum fee: 0.50% p.a. excl. VAT

This means that Allan Gray shares in approximately 20% of annualised performance relative to the benchmark.

A portion of the Fund may be invested in Orbis funds. Orbis charges performance-based fees within these funds that are calculated based on each Orbis fund's performance relative to its own benchmark. Orbis pays a marketing and distribution fee to Allan Gray.

Total expense ratio (TER) and Transaction costs

The annual management fees charged by both Allan Gray and Orbis are included in the TER. The TER is a measure of the actual expenses incurred by the Fund over a one and three-year period (annualised). Since Fund returns are quoted after deduction of these expenses, the TER should not be deducted from the published returns (refer to page 4 for further information). Transaction costs are disclosed separately.

Top 10 share holdings on 31 December 2017 (SA and Foreign) (updated quarterly)[8]

Company	% of portfolio
Sasol	4.0
Naspers	2.0
Old Mutual	2.0
Nedbank	1.4
Standard Bank	1.4
Life Healthcare	1.2
Remgro	1.2
Investec	1.2
British American Tobacco	1.0
AbbVie	0.9
Total (%)	**16.4**

Total expense ratio (TER) and Transaction costs

TER and Transaction costs breakdown for the 1 and 3-year period ending 31 December 2017	1yr %	3yr %
Total expense ratio	**1.73**	**1.67**
Fee for benchmark performance	1.08	1.06
Performance fees	0.48	0.44
Other costs excluding transaction costs	0.02	0.02
VAT	0.15	0.15
Transaction costs (including VAT)	**0.08**	**0.07**
Total investment charge	**1.81**	**1.74**

Top credit exposures on 31 December 2017 (SA and Foreign) (updated quarterly)[7,8]

Issuer	% of portfolio
FirstRand Bank	6.4
Standard Bank	5.4
Nedbank	4.3
Absa Bank	4.1
Investec Bank	3.7
Republic of South Africa	3.6
African Bank	1.7
Sanlam	1.5
Total (%)	**30.8**

7. All credit exposure 1% or more of portfolio.

Asset allocation on 31 January 2018[8]

Asset Class	Total	South Africa	Africa ex-SA	Foreign ex-Africa
Net equity	34.9	24.7	1.0	9.2
Hedged equity	12.3	0.8	0.0	11.5
Property	2.8	2.3	0.0	0.4
Commodity-linked	3.1	2.7	0.0	0.4
Bonds	19.9	17.8	1.1	1.0
Money market and bank deposits	26.9	24.2	1.0	1.7
Total (%)	**100.0**	**72.6**	**3.1**	**24.3[9]**

8. Underlying holdings of Orbis funds are included on a look-through basis.
9. Up to 25% of the Fund's value can be invested outside of Africa and 5% in Africa outside of South Africa. Market movements periodically cause the Fund to move beyond these limits. This must be corrected within 12 months.

Since inception, the Fund's month-end net equity exposure has varied as follows:

Minimum	(January 2010) 12.4%
Average	24.1%
Maximum	(August 2004) 39.4%

Note: There may be slight discrepancies in the totals due to rounding.

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Fund manager quarterly commentary as at 31 December 2017

Scott Adams, the Dilbert cartoonist, writes that: "When it comes to any big or complicated question, humility is the only sensible point of view."

Humility is an important part of Allan Gray's philosophy, particularly in the Stable Fund with its dual objectives of generating attractive real returns while minimising the risk of capital loss. Over the longer term, these objectives increase the probability that we can maximise wealth for our clients, but over the short term they may conflict with each other.

The binary nature of the recent ANC presidential race made it likely that either domestic or foreign portfolios would outperform depending on the outcome. Investors who were willing to invest with a bias towards a predicted outcome were rewarded with above-average returns if proven correct. We do not believe we can predict such outcomes reliably, particularly when they relate to politics. Instead, we position the Stable Fund to protect our clients' capital in different scenarios. We do so by investing in low duration fixed income instruments and equities that are undervalued over a longer-term horizon.

Recently the Fund owned above-average quality global companies such as Naspers, Sasol and British American Tobacco, as well as South African-specific companies pricing in low expectations – such as the banks and retailers. This approach limited the risk of capital loss but meant we had to forego the opportunity of material outperformance if the Fund had been positioned towards a positive political outcome. We are nonetheless relieved by Cyril Ramaphosa's victory, and fortunate that the Fund was still able to generate reasonable returns over the last year.

A further aspect of humility is willingness to accept one's limitations. Doing so helps us avoid investments in which we have a poor understanding of intrinsic value, such as Steinhoff. Given the Fund's risk mandate, our failure to make sense of the company's accounting meant that the Fund was not invested in Steinhoff ordinary shares. The Fund does however have limited exposure to Steinhoff preference shares. These are senior to the ordinary shares and should avoid permanent capital loss in many scenarios. We are monitoring the risks following recent announcements.

Activity

The Fund increased exposure to South Africa sensitive shares over much of the last year as deteriorating expectations meant that prices fell below intrinsic value. Many of these shares have performed well since Cyril Ramaphosa's victory, and the Fund has reduced exposure to those which we believe are now fully valued.

During the fourth quarter, the Fund reduced its holdings in Naspers, miners, selected banks and retailers and increased its holdings in Sasol, insurers and selected property companies.

Commentary contributed by Mark Dunley-Owen

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Management Company

Allan Gray Unit Trust Management (RF) Proprietary Limited (the 'Management Company') is registered as a management company under the Collective Investment Schemes Control Act 45 of 2002, in terms of which it operates 11 unit trust portfolios under the Allan Gray Unit Trust Scheme, and is supervised by the Financial Services Board ('FSB'). The Management Company is incorporated under the laws of South Africa and has been approved by the regulatory authority of Botswana to market its unit trusts in Botswana, however it is not supervised or licensed in Botswana. Allan Gray Proprietary Limited (the 'Investment Manager'), an authorised financial services provider, is the appointed Investment Manager of the Management Company and is a member of the Association for Savings & Investment South Africa (ASISA). The trustee/custodian of the Allan Gray Unit Trust Scheme is Rand Merchant Bank, a division of FirstRand Bank Limited. The trustee/custodian can be contacted at RMB Custody and Trustee Services: Tel: +27 (0)87 736 1732 or www.rmb.co.za

Performance

Collective Investment Schemes in Securities (unit trusts or funds) are generally medium- to long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to future performance. Movements in exchange rates may also cause the value of underlying international investments to go up or down. The Management Company does not provide any guarantee regarding the capital or the performance of the Fund. Performance figures are provided by the Investment Manager and are for lump sum investments with income distributions reinvested. Where annualised performance is mentioned, this refers to the average return per year over the period. Actual investor performance may differ as a result of the investment date, the date of reinvestment and dividend withholding tax.

Fund mandate

The Fund may be closed to new investments at any time in order to be managed according to its mandate. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. The Fund may borrow up to 10% of its market value to bridge insufficient liquidity.

Unit price

Unit trust prices are calculated on a net asset value basis, which is the total market value of all assets in the Fund including any income accruals and less any permissible deductions from the Fund divided by the number of units in issue. Forward pricing is used and fund valuations take place at approximately 16:00 each business day. Purchase and redemption requests must be received by the Management Company by 14:00 each business day to receive that day's price. Unit trust prices are available daily on www.allangray.co.za

Fees

Permissible deductions may include management fees, brokerage, Securities Transfer Tax (STT), auditor's fees, bank charges and trustee fees. A schedule of fees, charges and maximum commissions is available on request from Allan Gray.

Total expense ratio (TER) and Transaction costs

The total expense ratio (TER) is the annualised percentage of the Fund's average assets under management that has been used to pay the Fund's actual expenses over the past one and three-year periods. The TER includes the annual management fees that have been charged (both the fee at benchmark and any performance component charged), VAT and other expenses like audit and trustee fees. Transaction costs (including brokerage, Securities Transfer Tax [STT], STRATE and FSB Investor Protection Levy and VAT thereon) are shown separately. Transaction costs are a necessary cost in administering the Fund and impact Fund returns. They 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. Since Fund returns are quoted after the deduction of these expenses, the TER and Transaction costs should not be deducted again from published returns. As unit trust expenses vary, the current TER cannot be used as an indication of future TERs. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. Instead, when investing, the investment objective of the Fund should be aligned with the investor's objective and compared against the performance of the Fund. The TER and other funds' TERs should then be used to evaluate whether the Fund performance offers value for money. The sum of the TER and Transaction costs is shown as the Total investment charge.

Compliance with Regulation 28

The Fund is managed to comply with Regulation 28 of the Pension Funds Act. Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within a reasonable time period. The Management Company does not monitor compliance by retirement funds with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28).

Foreign exposure

This fund may invest in foreign funds managed by Orbis Investment Management Limited, our offshore investment partner.

Important information for investors

Need more information?

You can obtain additional information about your proposed investment from Allan Gray free of charge either via our website **www.allangray.co.za** or via our Client Service Centre on **0860 000 654**.

CORONATION BALANCED DEFENSIVE FUND

Fund Information as at 31 January 2018

WHAT IS THE FUND'S OBJECTIVE?

Balanced Defensive is in the first instance managed to protect capital over any 12-month period. In addition, we aim to achieve reasonable investment growth over the long run.

It is specifically managed to suit very cautious investors who want to draw an income over an extended period of time.

WHAT DOES THE FUND INVEST IN?

Balanced Defensive can invest in a wide range of assets, such as shares, bonds, listed property and cash, both in South Africa and internationally.

The fund will typically hold a maximum of 50% of its investments in growth assets (shares and property). Shares usually offer the best growth, but this comes with the greatest risk of short-term losses. The fund's exposure to shares is therefore carefully balanced with more stable investments like bonds.

Exposure to foreign assets (excluding Africa) is limited to 25%. The fund is mandated to use derivative instruments for efficient portfolio management purposes.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Risk Profile

3/10

Conservative

Maximum growth/
minimum income exposures

Growth Assets: 50%

Income Assets: 50%

The fund is tactically managed to protect and grow capital, as well as secure an attractive income.

A large and experienced investment team actively seeks out the best potential opportunities for income and growth, while taking great care to consider the different risks within the fund.

Balanced Defensive is specifically managed to not lose money over any 12-month period, although it cannot guarantee protection against losses.

Our intent is that the fund should produce a return of at least CPI + 3% p.a. over the medium term.

The fund is diversified across a range of assets reflecting its cautious risk budget. This includes a selection of shares that we believe are attractively valued, as well as quality income assets.

HOW LONG SHOULD INVESTORS REMAIN INVESTED?

The recommended investment term is three years and longer.

The fund's exposure to shares may result in short-term price fluctuations that make it unsuitable for investors who can only invest for short periods

WHO SHOULD CONSIDER INVESTING IN THE FUND?

- Pensioners and other investors requiring an income, especially those in the second half of retirement.
- Living annuity investors seeking a fund that aims to achieve both income and capital growth.
- Cautious pre-retirement investors seeking a low-risk fund for their retirement annuity, provident fund, preservation fund or pension fund.
- Trusts, endowments, foundations and charities who require long-term funding of a moderate spending rule.
- The fund is not appropriate for investors who want to build wealth over more than five years.

WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of 0.85% is payable.

The fund will discount to 0.35% p.a. for negative performance over a rolling 12-month period until 30 September 2018, thereafter the discount will fall away. The annual management fee is accrued daily and paid monthly.

Fund expenses incurred in the fund include fees payable to unconnected international fund managers on a portion of assets situated offshore as well as trading, custody and audit charges. All performance information is disclosed after deducting all fees and other fund costs.

We do not charge fees to access or withdraw from the fund.

More detail is available on www.coronation.com

WHO ARE THE FUND MANAGERS?

CHARLES DE KOCK

BCom (Hons), MCom (Economics)

DUANE CABLE

BCom (Hons), CA (SA), CFA

GENERAL FUND INFORMATION

Fund Launch Date	1 February 2007
Fund Class	P (previously class B4)
Class Launch Date	1 October 2012
Benchmark	CPI + 3% p.a.
Fund Category	South African – Multi Asset – Low Equity
Regulation 28	Complies
Income Distribution	Quarterly (March, June, September, December)
Bloomberg Code	CBALDB4
ISIN Code	ZAE000170445
JSE Code	CBDB4

CORONATION BALANCED DEFENSIVE FUND

CLASS P as at 31 January 2018

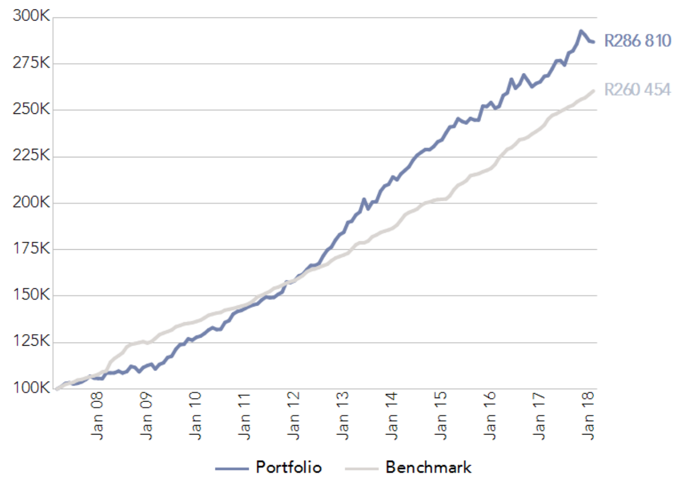
CORONATION
TRUST IS EARNED™

Fund category	South African - Multi Asset - Low Equity
Launch date	01 October 2012
Fund size	R36.10 billion
NAV	183.20 cents
Benchmark/Performance Fee Hurdle	CPI + 3% p.a.
Portfolio manager/s	Charles de Kock and Duane Cable

	1 Year	3 Year
Total Expense Ratio	1.27%	1.32%
Fund management fee	0.99%	1.03%
Fund expenses	0.13%	0.15%
VAT	0.14%	0.14%
Transaction costs (inc. VAT)	0.04%	0.04%
Total Investment Charge	1.31%	1.36%

PERFORMANCE AND RISK STATISTICS

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



PERFORMANCE FOR VARIOUS PERIODS (AFTER FEES)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	186.8%	160.5%	26.4%
Since Launch (annualised)	10.1%	9.2%	1.0%
Latest 10 years (annualised)	10.5%	8.8%	1.7%
Latest 5 years (annualised)	8.6%	8.5%	0.1%
Latest 3 years (annualised)	6.4%	8.8%	(2.4)%
Latest 1 year	6.9%	7.6%	(0.7)%
Year to date	(0.2)%	0.7%	(0.9)%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	4.1%	1.6%
Downside Deviation	2.4%	N/A
Sharpe Ratio	0.67	1.15
Maximum Gain	21.5%	26.9%
Maximum Drawdown	(2.6)%	(0.9)%
Positive Months	77.9%	95.4%

	Fund	Date Range
Highest annual return	21.5%	Jun 2012 - May 2013
Lowest annual return	2.0%	Mar 2008 - Feb 2009

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Jan 2018
Domestic Assets	74.0%
Equities	15.8%
Basic Materials	2.6%
Industrials	0.6%
Consumer Goods	2.8%
Health Care	0.6%
Consumer Services	4.6%
Telecommunications	0.9%
Financials	3.7%
Preference Shares & Other Securities	1.4%
Real Estate	8.0%
Bonds	42.3%
Commodities	1.5%
Cash	5.2%
Other (Currency Futures)	(0.1)%
International Assets	26.0%
Equities	12.5%
Real Estate	1.4%
Bonds	5.5%
Commodities	1.5%
Cash	5.1%

TOP 10 HOLDINGS

As at 31 Dec 2017	% of Fund
Coronation Global Capital Plus Fund	13.3%
Coronation Global Opportunities Equity Fund	8.1%
Naspers Ltd	2.1%
Growthpoint Properties Ltd	1.5%
Hammerson	1.3%
British American Tobacco Plc	1.1%
Coronation Global Emerging Markets Fund	1.1%
Redefine Income Fund	1.0%
MTN Group Ltd	0.9%
Atterbury Investment Holdings	0.9%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
29 Dec 2017	02 Jan 2018	1.85	0.15	1.70
29 Sep 2017	02 Oct 2017	1.97	0.30	1.67
30 Jun 2017	03 Jul 2017	1.73	0.15	1.58
31 Mar 2017	03 Apr 2017	1.97	0.29	1.68

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2018	(0.2)%												(0.2)%
Fund 2017	1.1%	0.1%	1.4%	1.5%	0.1%	(0.9)%	2.4%	0.4%	1.4%	2.4%	(0.8)%	(1.1)%	8.3%
Fund 2016	(1.2)%	0.4%	2.4%	0.5%	2.9%	(1.8)%	0.8%	1.9%	(1.1)%	(1.3)%	0.7%	0.3%	4.4%
Fund 2015	1.6%	1.3%	0.1%	1.7%	(0.6)%	(0.3)%	1.0%	(0.3)%	0.0%	3.1%	(0.1)%	0.9%	8.6%
Fund 2014	(0.7)%	1.5%	0.9%	0.9%	1.7%	1.1%	0.7%	0.7%	(0.1)%	0.8%	1.1%	0.4%	9.3%
Fund 2013	2.9%	0.3%	1.8%	0.8%	3.5%	(2.6)%	1.9%	0.1%	2.8%	1.4%	0.4%	1.9%	16.2%
Fund 2012	1.7%	0.5%	1.6%	1.4%	(0.1)%	0.7%	2.4%	1.9%	0.9%	2.2%	1.6%	0.7%	16.5%
Fund 2011	0.8%	0.5%	0.4%	1.4%	1.1%	(0.3)%	0.1%	1.1%	0.8%	3.5%	(0.2)%	0.6%	10.3%

Issue date: 2018/02/07

Please refer to page 4 of the Comprehensive Fact Sheet for important additional infomation, including change in cost disclosures.

Please note that the commentary is for the retail class of the fund.

The final quarter and especially the month of December provided a climactic finish to an already eventful year. The election of Cyril Ramaphosa as ANC president was positively received by the markets, with the rand surging by 10% against all major currencies in the final month of the year. Domestically-focused stocks and bonds also gained sharply as was evidenced by the bank and retail sectors delivering returns of around 15% in December. Bond yields also dropped sharply, turning a poor year for bond investors into a good one. The All Bond Index ended up delivering a total return of 10.2% for the year of which 5.7% accrued in December alone.

The business world provided its share of drama towards year end with the collapse in the Steinhoff share price. This after the sudden resignation of CEO Markus Jooste and the company's announcement that it was unable to produce audited figures for the year as well as the potential restating of prior years' earnings. As a result, we find it impossible to value the company at present. Since the dramatic events of early December we have therefore not traded in the share as we await more information. At the start of the fourth quarter of 2017, before the share price collapsed, the portfolio (in line with its conservative mandate) held only 0.6% of fund in Steinhoff shares. While the price collapse did detract from performance, the impact was not crippling.

The strength in the rand towards year end had a greater negative impact on performance as it impacted the value of the fund's offshore holdings totalling 25% of portfolio as well as many of the large equity holdings such as British American Tobacco, Richemont, ABI, Mondi and other rand hedge stocks.

Over the course of the year the biggest contributors to performance were Naspers (adding 1.2%), the fund's global equity holdings, Growthpoint, Anglo American, Standard Bank and the R186 government bond. Major detractors include Steinhoff (it cost the fund 0.8%), US dollar cash, Accelerate Property and Liberty Two Degrees.

Listed property company Intu is a stock we have held for many years in the belief that the value of its underlying portfolio of high-quality shopping centres far exceeded its market capitalisation. Our view was supported by rival property company Hammerson's offer to buy Intu at a large premium to its then current price. The combined portfolio of Hammerson and Intu will make it the largest holder of prime retail shopping centres in the UK. We further believe the Hammerson management team can unlock significantly more value for shareholders over time. As such, we support the buy-out enthusiastically.

We were very active in the bond market over the quarter, adding 4.9% of the portfolio to our bond positioning. We used the market's disappointment in the Medium Term Budget to add to government bonds at very attractive yields and therefore enjoyed the sharp improvement in yields subsequent to the ANC's elective conference. Domestic bonds as an asset class ended up being the biggest contributor to the portfolio's total performance for the year, adding 5.0% on a gross basis (before fees and tax). Domestic equities contributed 2.1% and foreign assets 1.1% (both on a gross basis) to the total return as the strong rand countered the positive returns delivered by global equities.

On an after fees basis, the portfolio's total return was 7.8% for the year, which is marginally ahead of its inflation plus 3% target. Over the past five and ten years, the fund returns were also ahead of target at 8.7% per annum and 10.3% per annum respectively.

Looking forward to 2018, the market will be focused on how Mr Ramaphosa will lead the ANC and, in particular, for how long Jacob Zuma will remain President of the country and therefore in control of key cabinet appointments and government policy. The deeply divided top six officials of the ruling party and its national executive committee will make it difficult for the new president to act decisively in our view. We think the markets have been too euphoric in its assessment of recent events and expect some retreat in those market sectors that were so buoyant in December.

Portfolio managers
Charles de Kock and Duane Cable
as at 31 December 2017

IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION BALANCED DEFENSIVE FUND

The Balanced Defensive Fund should be considered a medium- to long-term investment. The value of units may go down as well as up, and therefore Coronation does not make any guarantees with respect to the protection of capital or returns. Past performance is not necessarily an indication of future performance. The fund is mandated to invest up to 30% (including a maximum exposure of 5% to Africa, excluding South Africa) of its portfolio into foreign securities and may as a result be exposed to macroeconomic, settlement, political, tax, reporting or illiquidity risk factors that may be different to similar investments in the South African markets. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down. Asset allocation is reflected on a look-through basis. Any African exposure (ex SA) is reflected under international assets. Coronation Management Company (RF) (Pty) Ltd is a Collective Investment Schemes Manager approved by the Financial Services Board in terms of the Collective Investment Schemes Control Act. Portfolio managed by Coronation Asset Management (Pty) (FSP 548) Ltd, an authorised financial services provider. The Management Company reserves the right to close the fund to new investors if we deem it necessary to limit further inflows in order for it to be managed in accordance with its mandate. Unit trusts are allowed to engage in scrip lending and borrowing. Standard Chartered has been appointed as trustees for the fund (www.sc.com/za; 011-2176600). Coronation is a full member of the Association for Savings & Investment SA (ASISA).

HOW ARE UNITS PRICED AND AT WHICH PRICE WILL MY TRANSACTION BE EXECUTED?

Unit trusts are traded at ruling prices set on every trading day. Fund valuations take place at approximately 15h00 each business day, except at month end when the valuation is performed at approximately 17h00 (JSE market close) and forward pricing is used. Instructions must reach the Management Company before 14h00 (12h00 for the Money Market Fund) to ensure same day value. The payment of withdrawals may be delayed in extraordinary circumstances, when the manager with the consent of the fund trustees deem this to be in the interest of all fund investors. These circumstances may include periods when significant underlying markets suspend trading which will prevent accurate valuation of the instruments held in the fund. When the suspension of trading relates to only certain assets held by the fund, these assets may be side-pocketed. This process allows normal liquidity on the assets that can be valued, but will delay liquidity on the affected portion of the fund. If the fund is faced with excessive withdrawals, the affected withdrawals may be ring-fenced, which is the separation and delayed sale of the assets reflecting the interest of the liquidity seeking investors. It ensures that the sale of a large number of units will not force Coronation to sell the underlying investments in a manner that may have a negative impact on remaining investors of the fund.

HOW WAS THE PERFORMANCE INFORMATION INCLUDED IN THIS FACT SHEET CALCULATED?

Performance is calculated by Coronation as at the last day of the month for a lump sum investment using Class P NAV prices with income distributions reinvested. Class A NAV prices were used for the period prior to the launch of Class P. All underlying price and distribution data is sourced from Morningstar. Performance figures are quoted after the deduction of all costs (including manager fees and trading costs) incurred within the fund. Note that individual investor performance may differ as a result of the actual investment date, the date of reinvestment of distributions and dividend withholding tax, where applicable. Annualised performance figures represent the geometric average return earned by the fund over the given time period. Unannualised performance represents the total return earned by the fund over the given time period, expressed as a percentage.

WHAT IS THE TOTAL EXPENSE RATIO (TER) AND TRANSACTION COSTS (TC)?

TER is calculated as a percentage of the average net asset value of the portfolio incurred as charges, levies and fees in the management of the portfolio. The TER charged by any underlying fund held as part of a fund's portfolio is included in the fund expenses portion of the TER, but trading and implementation costs incurred in managing the fund are excluded. 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. The 1 year TER is for the 12 months to end of September 2017 (updated annually). The 3 year TER is for a rolling 36-month period to the last quarter end (December, March, June and September).

Transaction costs are a necessary cost in managing a fund and impacts the fund's return. They should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of fund, the investment decisions of the investment manager and the TER.

The Total Investment Charge is the sum of the Total Expense Ratio (TER) and transaction costs.

ADVICE AND PLATFORM COSTS

Coronation does not provide financial advice. If you appoint an advisor, advice fees are contracted directly between you and the advisor. For more information please contact the relevant platform (Linked Investment Service Provider or Life Assurance Provider).

WHERE CAN I FIND ADDITIONAL INFORMATION?

Additional information such as daily fund prices, brochures, application forms and a schedule of fund fees and charges is available on our website, www.coronation.com

IMPORTANT INFORMATION REGARDING TERMS OF USE

This document is for information purposes only and does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe for or purchase any particular investment. Opinions expressed in this document may be changed without notice at any time after publication. We therefore disclaim any liability for any loss, liability, damage (whether direct or consequential) or expense of any nature whatsoever which may be suffered as a result of or which may be attributable, directly or indirectly, to the use of or reliance upon the information.

SASFIN BCI STABLE FUND (B)

MANAGED BY: SASFIN ASSET MANAGERS (PTY) LTD - AUTHORISED FSP 21664

MINIMUM DISCLOSURE DOCUMENT

31 DECEMBER 2017

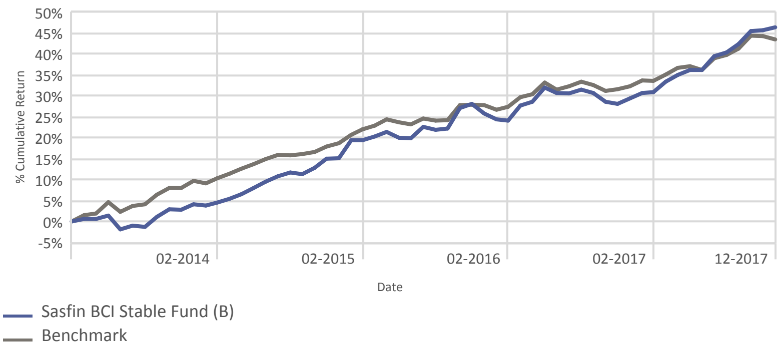
INVESTMENT OBJECTIVE

The Sasfin BCI Stable Fund is a cautious managed portfolio with the investment objective to achieve above real inflation beating total returns by way of delivering relatively high income with a measure of capital growth over the medium to long term.

INVESTMENT UNIVERSE

In order to achieve this objective the investments to be acquired for the portfolio will include listed property related securities, equity securities, preference shares, non-equity securities, fixed interest instruments (including, but not limited to, bonds, corporate bonds, inflation linked bonds, convertible bonds, cash deposits and money market instruments) and assets in liquid form. To provide a level of capital protection, the portfolio's equity exposure shall be limited to 40% of the portfolio's net asset value. The portfolio may from time to time invest in listed and unlisted financial instruments. The manager may also include unlisted forward currency, interest rate and exchange rate swap transactions for efficient portfolio management purposes. This fund complies with Regulation 28.

PERFORMANCE (Net of Fees)



Cumulative (%)	1 Year	3 Years	5 Years	10 Years	Since Inception
Fund	13.15	27.13	-	-	46.38
Benchmark	8.40	20.83	-	-	43.47
Annualised (%)					
Fund	13.15	8.33	-	-	8.19
Benchmark	8.40	6.51	-	-	7.74

* Inception date: 01 Mar 2013

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

Highest and lowest calendar year performance since inception

High	13.15
Low	2.83

MONTHLY RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2017	1.0	0.2	1.9	1.2	0.9	0.0	2.5	0.6	1.4	2.2	0.2	0.5	13.15
2016	-1.1	-0.2	2.9	0.7	2.6	-1.0	-0.1	0.7	-0.5	-1.6	-0.4	1.0	2.83
2015	3.7	0.0	0.8	0.9	-1.1	-0.1	2.3	-0.5	0.2	4.0	0.8	-1.8	9.26
2014	-0.3	0.6	0.9	1.1	1.4	1.4	1.1	0.9	-0.4	1.4	1.9	0.1	10.57
2013	-	-	0.6	0.1	0.7	-3.2	0.9	-0.3	2.5	1.7	-0.1	1.3	4.13

FUND INFORMATION

Portfolio Manager:	Philip Bradford, Errol Shear
Launch date:	01 Mar 2013
Portfolio Value:	R 220 428 956
NAV Price (Fund Inception):	100 cents
NAV Price as at month end:	117.02 cents
JSE Code:	SMSFCB
ISIN Number:	ZAE000175733
ASISA Category:	SA Multi Asset Low Equity
Benchmark:	Average of SA Multi Asset Low Equity Category
Minimum lump sum:	R 25 000
Minimum monthly Investment:	R 1 000
Valuation:	Daily
Valuation time:	15:00
Transaction time:	14:00
Date of Income Declaration:	28 Feb/31 May/31 Aug/30 Nov
Date of Income Payment:	2nd day of Mar/Jun/Sep/Dec

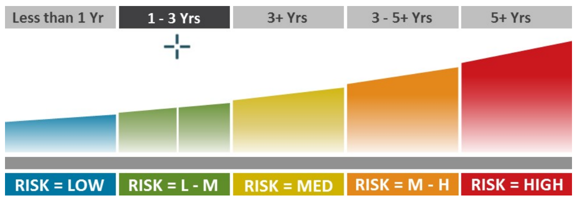
Income Distribution (cpu)

Feb-17	May-17	Aug-17	Nov-17
1.31	2.02	1.93	2.07

FEE STRUCTURE

Annual Service Fee:	0.36% (Incl. VAT)
Initial Advisory Fee (Max):	0.00% (Incl. VAT)
Annual Advice Fee:	0 - 1.14% (if applicable)
Initial Fee:	0.00% (Incl. VAT)
Performance Fee:	None
*** Total Expense Ratio (TER):**	0.59% (Incl. VAT)
Performance fees incl in TER:	0.00% (Incl. VAT)
Portfolio Transaction Cost:	0.07% (Incl. VAT)
Total Investment Charge:	0.66% (Incl. VAT)

RISK PROFILE



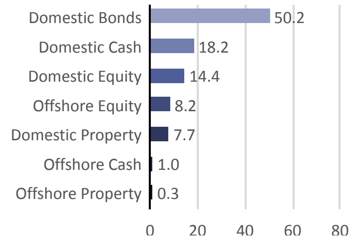
Low - Medium Risk

- This portfolio has relatively low equity exposure, resulting in relatively low volatility compared to higher risk portfolios.
- Where the asset allocation contained in this MDD reflects offshore exposure, the portfolio is exposed to currency risks
- The portfolio is exposed to default and interest rate risks.
- Therefore, it is suitable for medium term investment horizons.
- The expected potential long term investment returns are lower over the medium to long term than higher risk portfolios.

BOUTIQUE COLLECTIVE INVESTMENTS

PORTFOLIO HOLDINGS

Asset Allocation (%) As at 31 Dec 2017



Top Holdings (%) As at 31 Dec 2017

Nedgroup Inv Money Market C	14.1
Vanguard Total World Stock ETF	8.7
NEDBANK LTD 01/07/25 11.29%	7.3
FIRSTRAND BANK LTD 09/03/25 9.125%	7.0
THE STANDARD BANK OF SOUTH AFRICA LTD 12/06/22 8.745%	6.9
Sasfin BCI Flexible Income B	5.7
ABSA BANK LTD 11/11/22 8.7%	4.6
FIRSTRAND BANK LTD 20/09/27 10.292%	4.6
THE STANDARD BANK OF SOUTH AFRICA LTD 24/10/25 9.375%	2.3
OLD MUTUAL LIFE ASSURANCE COMPANY (SOUTH AFRICA) LTD 14/09/25 9.392%	2.3

INFORMATION AND DISCLOSURES

Risks

Where foreign securities are included in the portfolio there may be additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information. Certain investments - including those involving futures, options, equity swaps, and other derivatives may give rise to substantial risk and might not be suitable for all investors.

* Total Expense Ratio (TER)

Please note: A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's. Transaction Costs are a necessary cost in administering the Fund and impacts Fund 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 Fund, the investment decisions of the investment manager and the TER. The TER and Transaction cost calculations are based upon the portfolio's direct costs for the financial year ended 31 August 2017, whilst the underlying portfolios' ratio and cost calculations are based upon their most recent published figures, being 30 September 2017.

Effective Annual Cost: Boutique Collective Investments adopted the ASISA Standard on Effective Annual Cost ("EAC"). The EAC measure allows you to compare charges on your investments as well as their impact on your investment returns prior to investing. For further information regarding the ASISA Standard on Effective Annual Cost and access to the EAC calculator please visit our website at www.bcis.co.za.

Fund

* Total Expense Ratio (TER)	Transactional Cost (TC)	Total Investment Charge (TER & TC)
0.59%	0.07%	0.66%
Of the value of the Fund was incurred as expenses relating to the administration of the Fund.	Of the value of the Fund was incurred as costs relating to the buying and selling of the assets underlying the Fund.	Of the value of the Fund was incurred as costs relating to the investment of the Fund.

FAIS Conflict of Interest Disclosure

Please note that your financial advisor may be a related party to the co-naming partner and/or BCI. It is your financial advisor's responsibility to disclose all fees he/she receives from any related party. The portfolio's TER includes all fees paid by portfolio to BCI, the trustees, the auditors, banks, the co-naming partner, underlying portfolios, and any other investment consultants/managers as well as distribution fees and LISP rebates, if applicable. The portfolio's performance numbers are calculated net of the TER expenses. The investment manager earns a portion of the service charge and performance fees where applicable. In some instances portfolios invest in other portfolios which form part of the BCI Scheme. These investments will be detailed in this document, as applicable.

Investment Manager

Sasfin Asset Managers (Pty) Ltd is an authorised Financial Service Provider FSP 21664.

- Additional information, including application forms, annual or quarterly reports can be obtained from BCI, free of charge or can be accessed on our website www.bcis.co.za.
- Valuation takes place daily and prices can be viewed on our website (www.bcis.co.za) or in the daily newspaper.
- Actual annual performance figures are available to existing investors on request.
- Upon request the Manager will provide the investor with portfolio quarterly investment holdings reports.

Management Company Information

Boutique Collective Investments (RF) (Pty) Limited
Catnia Building,
Bella Rosa Village, Bella Rosa Street,
Bellville, 7530
Tel: 021 007 1500/1/2 021 914 1880 + Fax: 086 502 5319
+ Email: clientservices@bcis.co.za + www.bcis.co.za

Custodian / Trustee Information

The Standard Bank of South Africa Limited
Tel: 021 441 4100

DISCLAIMER

SELECT BCI CAUTIOUS FUND (A)

MINIMUM DISCLOSURE DOCUMENT

31 DECEMBER 2017

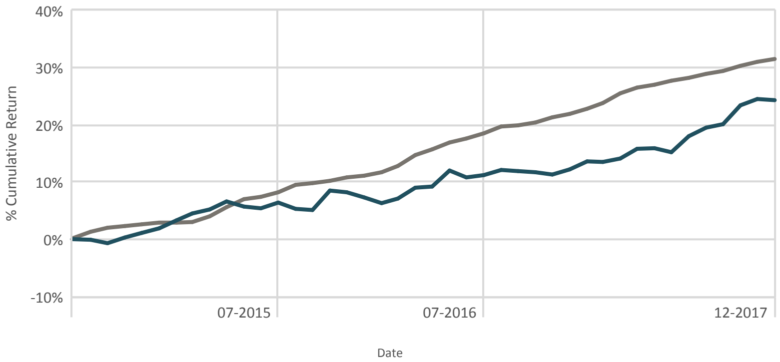
INVESTMENT OBJECTIVE

The Select BCI Cautious Fund seeks to provide investors with high income combined with stable capital growth.

INVESTMENT UNIVERSE

In order to achieve its objective, the investments normally to be included in the portfolio may comprise a combination of assets in liquid form, money market instruments, interest bearing instruments, bonds, debentures, corporate debt, equity securities, property securities, preference shares, convertible equities and non-equity securities. To provide a limited level of capital protection, the portfolio's equity exposure will not exceed 40% of the portfolio's net asset value. The portfolio may from time to time invest in listed and unlisted financial instruments such as forward currency, interest rate and exchange rate swap transactions for efficient portfolio management purposes. This fund complies with Regulation 28.

PERFORMANCE (Net of Fees)



Cumulative (%)	1 Year	3 Years	5 Years	10 Years	Since Inception
Fund	10.75	21.91	-	-	24.28
Benchmark	7.87	27.80	-	-	31.48
Annualised (%)					
Fund	10.75	6.83	-	-	6.55
Benchmark	7.87	8.52	-	-	8.31

* Inception date: 29 Jul 2014

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

Highest and lowest calendar year performance since inception

High	10.75
Low	4.61

MONTHLY RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2017	1.3	-0.1	0.6	1.5	0.1	-0.6	2.4	1.3	0.5	2.7	0.9	-0.2	10.75
2016	-0.9	0.7	1.8	0.1	2.5	-1.1	0.4	0.8	-0.2	-0.1	-0.4	0.8	4.61
2015	1.4	1.1	0.6	1.4	-0.9	-0.2	0.9	-1.0	-0.2	3.2	-0.3	-0.8	5.22
2014	-	-	-	-	-	-	-	-0.1	-0.5	1.0	0.8	0.8	1.95

FUND INFORMATION

Portfolio Manager:	Fairtree Capital
Launch date:	29 Jul 2014
Portfolio Value:	R 163 607 480
NAV Price (Fund Inception):	100 cents
NAV Price as at month end:	107.98 cents
JSE Code:	EBCC
ISIN Number:	ZAE000190799
ASISA Category:	SA - Multi Asset - Low Equity
Benchmark:	CPI for all urban areas + 3% p.a.
Minimum lump sum:	R 25 000
Minimum monthly Investment:	R 1 000
Valuation:	Daily
Valuation time:	15:00
Transaction time:	14:00
Date of Income Declaration:	28 Feb/31 May/31 Aug/30 Nov
Date of Income Payment:	2nd day of Mar/Jun/Sep/Dec

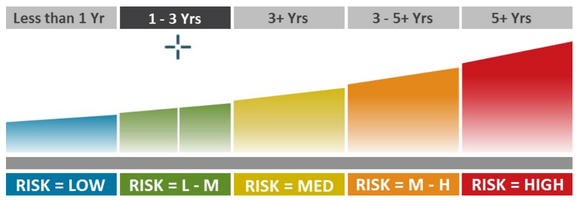
Income Distribution (cpu)

Feb-17	May-17	Aug-17	Nov-17
1.03	1.36	1.22	1.44

FEE STRUCTURE

Annual Service Fee:	1.08% (Incl. VAT)
Initial Advisory Fee (Max):	3.42% (Incl. VAT)
Annual Advice Fee:	0 - 1.14% (if applicable)
Initial Fee:	0.00% (Incl. VAT)
Performance Fee:	None
*** Total Expense Ratio (TER):**	1.25% (Incl. VAT)
Performance fees incl in TER:	0.00% (Incl. VAT)
Portfolio Transaction Cost:	0.30% (Incl. VAT)
Total Investment Charge:	1.55% (Incl. VAT)

RISK PROFILE



Low - Medium Risk

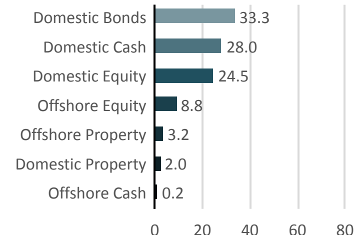
- This portfolio has relatively low equity exposure, resulting in relatively low volatility compared to higher risk portfolios.
- Where the asset allocation contained in this MDD reflects offshore exposure, the portfolio is exposed to currency risks
- The portfolio is exposed to default and interest rate risks.
- Therefore, it is suitable for medium term investment horizons.
- The expected potential long term investment returns are lower over the medium to long term than higher risk portfolios.

BOUTIQUE COLLECTIVE INVESTMENTS

SELECT BCI CAUTIOUS FUND (A)
MINIMUM DISCLOSURE DOCUMENT | 31 DECEMBER 2017

PORTFOLIO HOLDINGS

Asset Allocation (%) As at 31 Dec 2017



Top Holdings (%)	As at 31 Dec 2017
Fairtree ALBI Plus Prescient B2	10.5
Fairtree Global Smart Beta Prescient B3	9.1
BCI Money Market B	6.4
Naspers Ltd	3.5
Fairtree Global Real Estate Prescient B3	3.3
ABSA BANK LTD 20/06/22 10.262%	2.5
ABSA BANK LTD 20/06/18 8.792%	1.9
FIRSTRAND BANK LTD 20/09/27 10.292%	1.8
AFRICAN BANK LTD 04/04/26 14.408%	1.6
AIRPORTS COMPANY SOUTH AFRICA SOC LTD 15/03/19 8.58%	1.6

INFORMATION AND DISCLOSURES

Risks

Where foreign securities are included in the portfolio there may be additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information. Certain investments - including those involving futures, options, equity swaps, and other derivatives may give rise to substantial risk and might not be suitable for all investors.

* Total Expense Ratio (TER)

Please note: A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's. Transaction Costs are a necessary cost in administering the Fund and impacts Fund 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 Fund, the investment decisions of the investment manager and the TER. The TER and Transaction cost calculations are based upon the portfolio's direct costs for the financial year ended 31 August 2017, whilst the underlying portfolios' ratio and cost calculations are based upon their most recent published figures, being 30 September 2017.

Effective Annual Cost: Boutique Collective Investments adopted the ASISA Standard on Effective Annual Cost ("EAC"). The EAC measure allows you to compare charges on your investments as well as their impact on your investment returns prior to investing. For further information regarding the ASISA Standard on Effective Annual Cost and access to the EAC calculator please visit our website at www.bcis.co.za.

Fund

* Total Expense Ratio (TER)	Transactional Cost (TC)	Total Investment Charge (TER & TC)
1.25%	0.30%	1.55%
Of the value of the Fund was incurred as expenses relating to the administration of the Fund.	Of the value of the Fund was incurred as costs relating to the buying and selling of the assets underlying the Fund.	Of the value of the Fund was incurred as costs relating to the investment of the Fund.

FAIS Conflict of Interest Disclosure

Please note that your financial advisor may be a related party to the co-naming partner and/or BCI. It is your financial advisor's responsibility to disclose all fees he/she receives from any related party. The portfolio's TER includes all fees paid by portfolio to BCI, the trustees, the auditors, banks, the co-naming partner, underlying portfolios, and any other investment consultants/managers as well as distribution fees and LISP rebates, if applicable. The portfolio's performance numbers are calculated net of the TER expenses. The investment manager earns a portion of the service charge and performance fees where applicable. In some instances portfolios invest in other portfolios which form part of the BCI Scheme. These investments will be detailed in this document, as applicable.

Investment Manager

Fairtree Capital (Pty) Ltd is an authorised Financial Service Provider FSP 25917.

- Additional information, including application forms, annual or quarterly reports can be obtained from BCI, free of charge or can be accessed on our website www.bcis.co.za.
- Valuation takes place daily and prices can be viewed on our website (www.bcis.co.za) or in the daily newspaper.
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Custodian / Trustee Information

The Standard Bank of South Africa Limited
Tel: 021 441 4100

BOUTIQUE COLLECTIVE INVESTMENTS

DISCLAIMER

Boutique Collective Investments (RF) (Pty) Ltd ("BCI") is a registered Manager of the Boutique Collective Investments Scheme, approved in terms of the Collective Investments Schemes Control Act, No 45 of 2002 and is a full member of ASISA. Collective Investment Schemes in securities are generally medium to long term investments. The value of participatory interests may go up or down and past performance is not necessarily an indication of future performance.BCI does not guarantee the capital or the return of a portfolio. Collective Investments are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees, charges and maximum commissions is available on request. BCI reserves the right to close the portfolio to new investors and reopen certain portfolios from time to time in order to manage them more efficiently. Additional information, including application forms, annual or quarterly reports can be obtained from BCI, free of charge. Performance figures quoted for the portfolio are from Morningstar, as at the date of this minimum disclosure document for a lump sum investment, using NAV-NAV with income reinvested and do not take any upfront manager's charge into account. Income distributions are declared on the ex-dividend date. Actual investment performance will differ based on the initial fees charge applicable, the actual investment date, the date of reinvestment and dividend withholding tax.BCI retains full legal responsibility for the third party named portfolio. Although reasonable steps have been taken to ensure the validity and accuracy of the information in this document, BCI does not accept any responsibility for any claim, damages, loss or expense, however it arises, out of or in connection with the information in this document, whether by a client, investor or intermediary. This document should not be seen as an offer to purchase any specific product and is not to be construed as advice or guidance in any form whatsoever. Investors are encouraged to obtain independent professional investment and taxation advice before investing with or in any of BCI's products.

Minimum Disclosure Document

(Fund Fact Sheet)

Sanlam Investment Management Inflation Plus Fund

December 2017

Fund Objective

This is a multi asset low equity fund which aims to deliver smooth, positive real returns (adjusted for the effects of inflation) targeting CPI +4% over a rolling 3 year period. Equity exposure is limited to 40%. The fund is managed in accordance with Reg. 28 guidelines.

Fund Strategy

This actively managed fund is a combination of investments in equity, bonds, money market instruments and listed property both locally and abroad. It can invest 25% offshore. The fund is mandated to invest in unlisted financial instruments (derivatives) for efficient portfolio management. The investment manager will also be allowed to invest in financial instruments (derivatives) as allowed by the Act from time to time in order to achieve its investment objective.

Tax Free Unit Trust

This Fund qualifies as a tax free investment according to section 12T of the Income Tax Act, with effect from 1 March 2015. South African individuals qualify for the associated tax benefits namely no tax on dividends, income or capital gains whilst still enjoying all the benefits of a unit trust. Note contributions to tax free investments are limited to R33 000 per tax year, with a lifetime limit of R500 000. Amounts invested in excess of these permissible thresholds are taxable.

Fund Information

ASISA Fund Classification	SA - Multi Asset - Low Equity
Risk profile	Cautious
Benchmark	CPI +4% over a 3 year rolling period
Portfolio launch date	01 Apr 1999
Fee class launch date	02 Jul 2007
Minimum investment	Lump sum: R1 000 000 | Monthly: R200
Portfolio size	R14 088.3 million
Last two distributions	30 Jun 2017: 11.24 cents per unit 31 Dec 2017: 11.85 cents per unit
Income decl. dates	30 Jun | 31 Dec
Income price dates	1st working day in January and July
Valuation time of fund	15:00
Transaction cut off time	15:00
Daily price information	www.sanlamunittrusts.co.za
Repurchase period	3 working days

Fees (Incl. VAT)

	B4-Class (%)
Advice initial fee (max.)	N/A
Manager initial fee	N/A
Advice annual fee (max.)	1.14
Manager annual fee	0.68
Total Expense Ratio (TER)	0.79

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.

Sanlam Reality members may qualify for a discount on the Manager annual fee.

Total Expense Ratio (TER) | PERIOD: 1 October 2014 to 30 September 2017
Total Expense Ratio (TER) | 0.79% 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) | 0.07% 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) | 0.86% of the value of the Financial Product was incurred as costs relating to the investment of the Financial Product.

The portfolio manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. This fund is also available via certain LISPS (Linked Investment Service Providers), which levy their own fees. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down.

Top 10 Holdings

Securities	% of Portfolio
Naspers -N-	5.72
BTI Group	1.26
FirstRand / RMBH	1.12
Sasol	1.08
Stanbank	1.07
MTN	1.02
Old Mutual	0.87
Anglos	0.69
Sanlam	0.62
Barclays Group Africa	0.59

Top 10 Holdings as at 31 Dec 2017

Performance (Annualised) as at 31 Dec 2017 on a rolling monthly basis

B4-Class	Fund (%)	Benchmark (%)
1 year	8.75	8.90
3 year	8.43	9.63
5 year	10.03	9.52
10 year	9.16	9.93

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

Performance (Cumulative) as at 31 Dec 2017 on a rolling monthly basis

B4-Class	Fund (%)	Benchmark (%)
1 year	8.75	8.90
3 year	27.47	31.75
5 year	61.30	57.56
10 year	140.19	157.77

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

Risk statistics: 3 years to 31 Dec 2017

Std Deviation (Ann)	3.58
Sharpe Ratio (Ann)	0.36

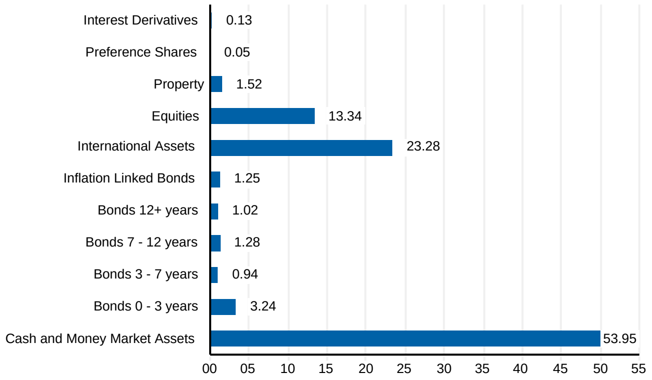
Actual highest and lowest annual returns*

Highest Annual %	16.14
Lowest Annual %	(0.36)

Sanlam Investment Management Inflation Plus Fund

December 2017

Asset Allocation



Portfolio Manager(s) Quarterly Comment - 31 Dec 2017

Market review

The end of the quarter brought a number of unknowns to the fore, leading to some sharp share price dislocations. We knew about the precarious financial position of state-owned enterprises (SOEs), but did not know that it would be Steinhoff International that would make the ignominious headline as possibly one of the largest collapses in the history of corporate South Africa. We also knew that South Africa's credit rating was on a knife-edge, but did not know that Moody's would decide on a stay of execution. And finally, we have become accustomed to expect the unexpected when it comes to global political events. And yet, it still came as a surprise that one of the longest-serving African presidents, Robert Mugabe, was deposed in a bloodless coup and Cyril Ramaphosa was chosen to lead the ANC, 27 years after standing next to Nelson Mandela on the balcony of the Cape Town City Hall.

The FTSE/JSE Shareholder Weighted Index (SWIX) had a strong close to the year, up by some 9.6% in the final quarter to end the year up 21.2%. This is also a reflection of very positive risk-on sentiment towards emerging markets globally with the latter also up a whopping 37.4% in dollars in 2017, which led global equities up by over 20%, the best returns we have experienced since 2009. Globally, politics played a key role to drive markets higher with US President Trump's tax reform plan driving the S&P up 21.8% for the year, while Emmanuel Macron's unexpected victory at the French presidential elections helped inspire European equities (up 22%) and Japanese Prime Minister Shinzo Abe's landslide victory fuelled the Japanese market (up 22%) to anticipate more reflationary policies.

Bond market developments in the final quarter were dominated by the Medium-Term Budget Policy Statement (MTBPS) delivered by the minister of finance on 25 October 2017. The MTBPS disappointed deeply as it projected deficits of more than 4% for the current fiscal year due to a revenue shortfall of around R50 billion and increased spending in support of South African Airways, the South African Post Office and other SOEs. The minister also projected spending of R3 billion in excess of the expenditure ceiling, thus going against an earlier undertaking to keep support for SOEs 'budget neutral'. The MTBPS alerted on much wider deficits over the forecast horizon and a deterioration in the net debt-to-GDP ratio to 60.8% in 2022 from current levels of about 52.3%. Failure to stick to the previously outlined fiscal consolidation path was the main reason why S&P downgraded South Africa further into junk status on 24 November. On the same day Moody's placed South Africa on review for a downgrade, which must be resolved within 90 days. In Moody's judgment the election outcome of the ANC president could have a material effect on the policy direction of the ruling party and thus the country and as a result they decided to delay the rating action. For now, our sovereign debt remains part of the Citi World Government Bond Index, which has an estimated US$6 - 10 billion in mandates tracking our bonds via that index. Since our sovereign bonds had sold off ahead of the downgrade and were already anticipating a double downgrade, this was a positive surprise. Initially our currency weakened slightly from below R14 to the US dollar by some 30 cents, but subsequently staged a rally, which was also fuelled by the outcome at the ANC elective conference.

As soon as the credit downgrade event was out of the way, markets started focusing on the ANC elective conference. Given the spectacular failure of polls to predict political outcomes globally over the past few years, the leadership race threatened to be another embarrassment for the pundits. Early on, it appeared that market participants favoured the more market-friendly Cyril Ramaphosa and the rand and domestic stocks strengthened slightly ahead of the conference. That trend accelerated when indication of a Ramaphosa win emerged with domestic financials experiencing an 8.4% rally in December with the rand being one of the strongest currencies in December, gaining 9.6% against the greenback. Bonds followed the currency stronger, with the yield on the R186 benchmark bond rallying from 9.20% to 8.60%, surpassing pre-MTBPS levels.

As market participants, we were more interested in the policy pronouncements at the conference. The announcement of free tertiary education for the poor will have long-term benefits, but details of the funding model for the R12 billion per annum needed and conditions attached to such a project to ensure deserving students gain access to further education while maintaining the quality of outcomes, remain key. Last year there were some 150 000 applicants for 100 000 tertiary places, showing the chronic undersupply of available capacity. In addition, it is key that scarce skills needed to boost economic growth get prioritised. There was also a declaration on redistribution of land without compensation. Again, a dovish view is that our constitution already makes provision for such a pronouncement.

For the quarter to December, the rand strengthened from R13.50 against the US dollar to R12.38. Nominal bonds returned 2.2%, cash returned 1.8% and inflation-linked bonds 1.5%. On the international front, the MSCI Emerging Markets Index was 7.3% firmer in US dollar terms and the MSCI World Index returned 5.5%. Locally, the SWIX rose 9.6% quarter-on-quarter with all major equity sectors delivering positive returns. Within equities, SA Financials rose 16.0%, SA Resources increased 4.9% and SA Industrials were 4.7% higher over the quarter.

Asset allocation

We slightly increased our position in conventional bonds as the asset class offers an approximate 3% real yield, which is attractive when compared to domestic bonds of similarly rated countries. Inflation remains under control and well within the target inflation band. Cash continued to be enhanced over the quarter via the addition of select credit assets at attractive yield pick-ups over money market rates.

The fund's gross and effective equity exposures were higher, largely due to the strong equity move over the three-month period to end December. Given estimates of earnings growth, the local market is now fairly priced with the one-year forward price-earnings (P/E) at 13.5 if we exclude Naspers, which now makes up 25% of the SWIX. If we include Naspers the one-year forward P/E is at 16.

On the international front, we retain our preference for equities and property over fixed-income assets, with a favourable bias to European assets from a relative valuation perspective. The backdrop for developed market bonds remains poor as central banks remain on course to withdraw liquidity.

Investment strategy

While markets have discounted a view that economic policy will become more market-friendly, corruption will be halted and credit downgrades postponed, there is still a lot of water to flow under the proverbial bridge. There is no doubt that the business experience of the new ANC president will bring in more rationality to some of the policy debate, but we believe that the minister of finance will find it tough to meet expectations of 'radical social economic transformation' while striking a conservative tone and finding R40 billion in expenditure cuts/tax hikes to satisfy the rating agencies come March.

Over the very long run, conventional SA government bonds gave a 2% real return. In the third quarter of 2017 we increased our long-run real required return for SA long bonds from 2% to 3% due to the deteriorating position in state finances. Bonds currently trade marginally above this 3% real return assuming inflation remains well behaved within the target range. We see nominal bonds as fairly valued and prefer nominals over inflation-linked bonds on relative valuation measures over the medium term.

We believe the SA equity market to be selectively attractive, offering reasonable upside from current levels. Given the current market valuation together with capital protection over a 12-month rolling basis being one of the key fundamental goals of our Absolute Return offering, we believe it prudent and necessary to continue our strategy of explicitly protecting a portion of our local equity exposure through derivative overlays. Internationally, we believe US markets to be overpriced on most valuation metrics while European equities remain relatively cheaper on several key valuation metrics. We therefore maintain a positive outlook and fund position with respect to Europe through our global equity and property allocation.

Equities

The SWIX had a strong close to the year, up by 9.6% in the final quarter to end the year up 21.2%, delivering exceptionally strong returns against a politically and economically challenging backdrop. Within equities, SA Financials rose 16.0%, SA Resources increased 4.9% and SA Industrials were 4.7% higher over the quarter.

Financial stocks experienced a Santa Claus rally driven by a strengthening of the rand and net inflows into domestic stocks of approximately R63 billion for the year (while the overall market recorded net outflows of some R35 billion). Industrials had a challenging final quarter as the Steinhoff International debacle weighed on sentiment but nonetheless was up by 22.5% for the year. On a relative basis for the year, Resources stocks lagged after a bumper 2016, up 17.9% over the 12-month period.

The SIM house view portfolio was up 19% this year with our position in Steinhoff International, down 92%, hurting performance in the final quarter of the year. This was an extremely disappointing outcome with value as a philosophy underperforming this year and our position in Steinhoff being the main detractor from performance, costing over 1% of outperformance in the past year. The largest position in the portfolio remains Naspers, which was up over 71.8% this year. Within the resources space, we were pleased that our overweight position in Anglo American delivered a 34.2% return for the past year. However, despite being relatively overvalued and delivering lacklustre results, Discovery led the way in the financial space, up by 64.1% in the year. We remain concerned that at 100% premium to embedded value, the downside risk to owning the stock is even larger. Capitec, another underweight in the portfolio, was up 59.9% and remains very expensive at a price to book of 6x!

SIM equity strategy

A year ago, there was general apathy towards SA equities and the focus on political and economic downside risks in South Africa meant that many investors sat on the sidelines, which teed up the strong relief rally we witnessed at the end of the year with the SWIX up 21.2% in 2017. This is also a reflection of very positive risk-on sentiment towards emerging markets globally. As contrarian investors, we are the most cautious when market participants become overly bullish and discount potential risks. In South Africa, the danger is that too much, too soon may be expected from the new ANC leadership and also global risks from Fed tapering may now be underestimated.

December saw the Steinhoff International share price collapse as auditors held back on signing off its financial statements and its CEO abruptly departed. This could well be one of the worst cases of value destruction that corporate South Africa has witnessed as the market value of Steinhoff International, a global company ranking second in Europe in the household goods sector to IKEA, with over 130 000 employees, dwindled from R242 billion to R20 billion in a matter of days. We don't know yet what will emerge from the Steinhoff debacle but remain cautious of its potential ripple effects. The value destruction inflicted is nonetheless disturbing and we will pursue all possible avenues to rescue some value for our investors.

The fund remains focused on investing in companies with clear moats and diversified franchises with the muscle to stay the course in the long term.

Minimum Disclosure Document

(Fund Fact Sheet)

Sanlam Investment Management Inflation Plus Fund

December 2017

Equity outlook

The local market is now fairly priced with the one-year forward price-earnings (P/E) at 13.5 if we exclude Naspers, which now makes up 25% of the SWIX. If we include Naspers the one-year forward P/E is at 16.

In this past year the risk of a China hard landing appears to have abated but there are continued concerns about the path of the US economy and future Fed actions. Emerging markets, SA included, benefited from a buoyant global growth environment but valuations have now normalised.

That being said, as fundamental value investors, although the market (at an aggregate level) appears to be trading at fair value, we still see selective value in local equities.

As regards our holding in Steinhoff International, the company is presently caught in an information vacuum. There have been no pronouncements as to what was inflated or omitted from the past financial statements and we will have to await the release of new information to know the full extent of over- or under-statements of the accounts. In addition, the company is now caught up in a liquidity squeeze with the risk that funders are unlikely to roll further funding and credit agencies having downgraded the company's rating to sub-investment grade. Finally, various directors such as billionaire Christo Wiese and former CEO Markus Jooste had borrowed against the security of Steinhoff International shares and the collapse of the share price has led to margin calls, which have triggered further selling as covenants were breached and lenders took hold of the collateral, exacerbating the share price decline.

Our view is that the group will have to be restructured, broken up and its structure simplified. New management will have to be brought on board to regain investor confidence and those guilty of wrongdoing will have to be held responsible legally with the commensurate punishment. Until then, **the stock is likely to remain highly speculative and a value trap**. We have therefore curtailed our position to neutral in the portfolios notwithstanding the potential upside that we see in a breakup scenario.

International

Most economic indicators suggest that the global upswing has remained in place in the fourth quarter. The US economy remained strong and consumers remained upbeat. There were signs of faster wage growth in some industries and house prices continued on their uptrend. In December, both business and investor confidence received a boost when President Trump signed into law the Comprehensive Tax Reform Bill. As part of this tax bill, the corporate tax rate will be cut from 35% to 21%. On the interest rate side, as was expected, the Fed hiked the target range for the federal funds rate by 0.25% to 1.25 - 1.5%. In Europe, the European Central Bank kept policy rates intact at its December meeting. The opening policy statement suggests that quantitative easing (QE) is still scheduled to run until next September, or longer if required, and rates are expected to be on hold until the end of the QE purchases. Underlying economic conditions remained strong with manufacturing conditions pointing to the fastest expansion since 2011 and services growth remaining steady. In China, the People's Bank of China raised the reverse repo rate by 0.05% during December, their third rate hike in 2017. Industrial production, exports, imports and retail sales rose in November. China's top policymakers met in December to set out economic policies with the aim of pursuing high-quality growth and further promoting supply-side structural reforms.

For the quarter in dollar terms, the MSCI Emerging Markets Index (MSCI EM) recorded a return of 7.3% while the MSCI World Index returned 5.5%. For the calendar year 2017, the MSCI EM outperformed world markets with a return of 37.4% versus 22.4%. EM performance in 2017 was largely boosted by the strong Asian region with heavyweights China and Korea each delivering close to a 50% return. Global bonds, as measured by the Bloomberg Barclays Capital Aggregate Bond Index, rose 1.1% over the quarter. The local currency appreciated by a whopping 9.1% over the quarter to a level of R12.38 to the US dollar from R13.50 at the end of September, proving to be the strongest global currency performance against the dollar for the three-month period to end December 2017.

Looking to our portfolios, within global equities we maintain a preference for European equities over other developed markets from a relative valuation perspective. The US market looks highly valued on most valuation measures such as Tobin's Q ratio (EV/replacement value), stock market capitalisation to GDP ratio and the Shiller P/E ratio. Europe is still a fair degree cheaper. We therefore retain our overweight Europe position in our global equity portfolio. Our select global property exposure currently has an average dividend yield of close to 6%, which remains attractive if a real return of about 4% is required.

Bonds

The rand strengthened over the quarter from R13.50 against the US dollar to R12.38 at the end of December. The local bond market endured a tumultuous ride and yields sold off more than a 100 basis points as the market anticipated a negative mini-budget and Finance Minister Malusi Gigaba revealed the extent of the fiscal deterioration in the MTBPS. 2017 foreign inflows into the bond market reversed sharply from a high of R73 billion in October to around R45 billion just before the ANC conference, before recovering to R53 billion on confirmation of a Ramaphosa win. The FTSE/JSE All Bond Index returned 2.2% for the quarter, outpacing cash returns of 1.8% on the STeFI Composite. The 5.7% rally in December resulted in bond returns of 10.2% for the year. The benchmark SA 10-year bond yield rallied from 9.2% to 8.6% over the quarter.

The local corporate bond markets saw very robust issuance in 2017, with final gross issuance for the year achieving an all-time record of R142 billion, driven by record bank and corporate issuance, despite muted SOE issuance. The event that rocked the market, however, was the announcement by Steinhoff International of possible 'accounting irregularities' with respect to the annual financial results released by the group since at least 2015. The announcement kicked off a 92% decline in the share price and a downgrade by Moody's from BBB- to CCC+. Our portfolios had about 80 basis points exposure to Steinhoff bonds and spreads on Steinhoff bonds issued in the local market widened, resulting in bond prices of 10% to 15% below par. Despite this, we have decided to maintain our holdings of these bonds in the absence of any definitive news from the company, and with no reasonable bids in the market for the bonds.

November saw S&P downgrade the sovereign's foreign currency rating to BB and its local currency rating to BB+, i.e. sub-investment grade. The knock-on effect of this was that several local borrowers with international scale ratings (mainly banks and SOEs) also faced rating downgrades or reviews for downgrades, at least in line with that of the sovereign. The possibility exists that these downgrades, as well as the adverse news from Steinhoff International (previously a significant borrower in local markets) will result in softer corporate bond market conditions at the start of 2018.

For our funds, cash continued to be enhanced through investments in select corporate debt as specific opportunities presented themselves at decent yield pick-ups over money market rates. Nominal bonds were marginally increased earlier in the quarter on valuation grounds. We believe that local fixed-income assets remain an attractive investment to consider if compared to the domestic bonds of similarly rated countries. Locally, we see real yields of some 3% on offer against a contained inflation target range background. That being said, we err on the side of caution. We agree that political risk is now lower and, in fact, should President Jacob Zuma be recalled by the ANC, local assets could rally further given positive sentiment. But the medium- and longer-term outlook are more challenging owing to the deteriorated fiscal situation and the political stalemate in the ANC that could potentially hinder much-needed fundamental reforms. Nominal bonds are preferred to inflation-linked bonds on a relative value basis.

Portfolio Manager(s)

Natasha Narsingh

BSc(Chem), MBA

Management of Investments

The management of investments are outsourced to Sanlam Investment Management (Pty) Ltd, FSP 579, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002.

Minimum Disclosure Document

(Fund Fact Sheet)

Sanlam Investment Management Inflation Plus Fund

December 2017

Risk Profile (Cautious)

This portfolio aims to protect capital in real (after inflation) terms, while providing a reasonable level of income. The portfolio displays low volatility levels, designed to reduce the probability of capital losses. This portfolio has limited or no exposure to equities. It is designed for maximum capital protection and aims to ensure a stable income and/or income growth.

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. 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. Sanlam Collective Investments (RF) (Pty) Ltd is a registered and approved Manager in Collective Investment Schemes in Securities. Collective investment schemes are generally medium- to long-term investments. 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 on request. 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 does not provide any guarantee either with respect to the capital or the return of a portfolio. 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. Forward pricing is used. Performance is based on NAV to NAV calculations with income reinvestments done on the ex-div date. Performance is calculated for the portfolio and the individual investor performance may differ as a result of initial fees, actual investment date, date of reinvestment and dividend withholding tax. The manager has the right to close the portfolio to new investors in order to manager it more efficiently in accordance with its mandate. The performance of the portfolio depends on the underlying assets and variable market factors. 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.

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 12-month rolling 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.

Trustee Information

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Glossary of Terms

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

Asset allocation funds
Also known as balanced or managed funds. A fund manager invests in a spread of assets such as equities, bonds and cash depending on market conditions.

Balanced fund
Also known as an asset allocation or managed funds. A fund manager invests in a spread of assets such as equities, bonds, cash or property depending on market conditions.

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.

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

Diversification
This is a strategy designed to reduce risk within a portfolio by combining a variety of investments (or asset classes) such as equities, bonds, cash or property, which are unlikely to all move in the same direction. This is designed to reduce the risk (and protect against capital losses) within a portfolio. Diversification allows for more consistent performance under a wide range of economic conditions as it smoothes out the impact of negative market events. The positive performance of some investments or asset classes should neutralize the negative performance of others.

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 provides a client a single entry into a selection of investment elements.

Sharpe ratio
The Sharpe ratio measures 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 amount of expected volatility in an investment.

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.

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Important notes

Disclaimer

All of the unit trusts except the Allan Gray Money Market Fund may be closed at any time. This is to allow them to be managed according to their mandates. A feeder fund is a unit trust fund that, apart from assets in liquid form, consists solely of units in a single portfolio of a collective investment scheme. A fund of funds unit trust may only invest in other unit trusts, which levy their own charges that could result in a higher fee structure for these portfolios. Permissible deductions may include management fees, brokerage, STT, auditor's fees, bank charges and trustee fees. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. The Fund may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Allan Gray Unit Trust Management Limited ('the Company') is a member of the Association for Savings & Investment SA (ASISA). Allan Gray Proprietary Limited, an authorised financial services provider, is the appointed investment manager of the Company. The Company is incorporated and registered under the laws of South Africa and is supervised by the Financial Services Board. The Company has been approved by the Regulatory Authority of Botswana to market its unit trusts in Botswana, however it is not supervised or licensed in Botswana.

Unit price

Unit trust prices 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 permissible deductions from the portfolio divided by the number of units in issue. Forward pricing is used and Fund valuations take place at approximately 16:00 each business day. Fluctuations and movements in exchange rates may also cause the value of underlying international investments to go up or down.

The Allan Gray Money Market Fund aims to maintain a constant price of 100 cents per unit. The total return to the investor is primarily made up of interest received but may also include any gain or loss made on any particular instrument held. In most cases this will have the effect of increasing or decreasing the daily yield, but in some cases, for example in the event of a default on the part of an issuer of any instrument held by the fund, it can have the effect of a capital loss. Such losses will be borne by the Fund and its investors and in order to maintain a constant price of 100 cents per unit, investors' unit holdings will be reduced to the extent of such losses.

Performance

Collective Investment Schemes in Securities (unit trusts) are generally medium- to long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to the future.

General notes

Values shown are calculated using more decimal places than are displayed. You may find small rounding differences when attempting to reconcile individual components back to totals.