

29 February 2016

Taylorred Cautious

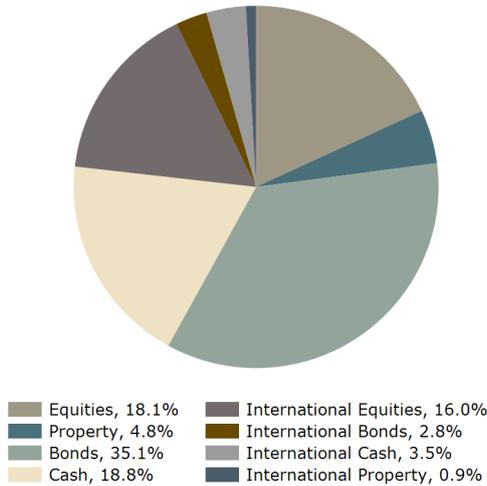
**Fund Details**

<b>Fund Category</b>	SA Multi Asset Low Equity
<b>Benchmark</b>	CPI+3%
<b>Risk Profile</b>	Cautious
<b>Investment period</b>	3 years
<b>Launch Date</b>	01 October 2014
<b>Fund Size</b>	R 507 502

**Fund Objective**

The wrap fund aims to provide investors with stable income and a high level of capital stability. The probability of capital loss over the medium to long term is low. The fund will consist primarily of income orientated assets with a below average exposure to equities (maximum of 40%). Investors in this fund should have a minimum investment horizon of 3 years. The fund is compliant with Regulation 28 of the Pension Funds Act, 1956.

**Asset Allocation**

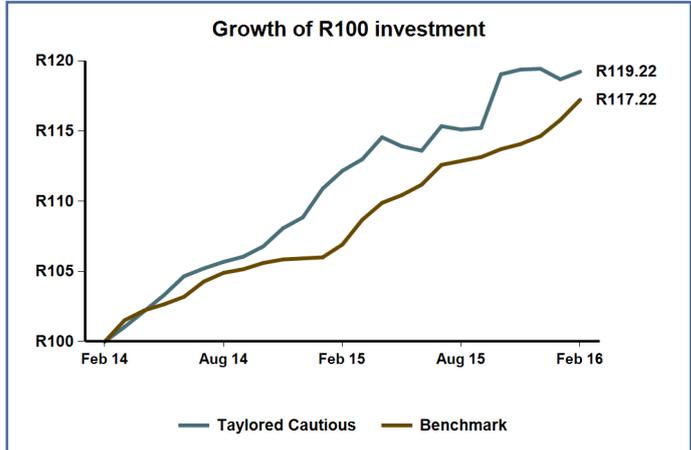


**Investor Profile**

This fund is suitable for investors looking for:

- Stable Income and a high level of capital stability
- Low probability of capital loss over the medium to long term
- A minimum investment horizon of 3 years

**Cumulative performance - 2 years \***



Performance (%)	Fund*	Benchmark
1 Month	0.46	1.24
3 Months	-0.13	2.76
6 Months	3.58	3.86
1 Year	6.29	9.64
2 Years (annualised)	9.19	8.27
Since Launch	8.61	7.97

Risk statistics (2 years)	Fund*
Returns (annualised)	9.19%
Standard deviation (annualised)	2.98%
% Positive months	83.33%
Maximum drawdown	-0.83%
Sharpe ratio	0.91

**Manager Selection (%)**

Coronation Balanced Defensive	12.50	Sanlam Multi Managed Defensive FoF	10.00
Nedgroup Stable	10.00	Satrix Low Equity Balanced Index	17.50
Prudential Inflation Plus	25.00	SIM Inflation Plus	25.00

Monthly Fund Performance* (%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2016	-0.63	0.46											-0.18
Fund 2015	1.88	1.15	0.73	1.39	-0.57	-0.27	1.53	-0.21	0.10	3.32	0.28	0.04	9.72
Fund 2014			1.05	1.12	1.12	1.29	0.53	0.45	0.35	0.69	1.21	0.71	8.85

**Fees (% incl. VAT)**

Annual wrap fee	0.57
Underlying Manager TER's	0.99

\* The simulated analysis before launch date was created using Morningstar and is for illustrative purposes only. It provides an indication of hypothetical past performance given historic asset and manager allocation, and cannot be construed as providing an indication of expected future performance. The investor is liable for CGT on any transactions in the units of the underlying unit trusts within the wrap funds. Compulsory investments are not subject to CGT. Performance is calculated using net returns (after fee) of the underlying unit trusts, and quoted gross of wrap fund fees. Performance quoted pre-tax. Benchmarks returns for CPI are estimated at report date.

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### Manager Comment

Fears of a global economic slowdown took centre stage as poor data from the likes of the US, coupled with the potential of Britain exiting the Euro area, caused significant market volatility, particularly in early February as global markets had their worst start to the year since 2008. However during the second half of February markets rallied as expectations for another interest rate increase by the US Federal Reserve was pushed out to later in the year and an increase in the oil price caused a Resource rally. As a result, equity markets were only slightly negative for the month with the MSCI World Index returning -0.7% (USD). Emerging markets fared slightly better with the MSCI Emerging Markets Index returning -0.2% (USD). Global bond yields fell as investors fled to safe haven assets with the Barclays Capital Global Aggregate Index returning 3.2% (USD).

Locally the South African equity market bucked the trend of global markets to finish the month positively with the All Share Index (ALSI) returning 0.6% (ZAR). This was mainly as a result of the rally in Resource stocks, to which the South African market has a higher than average exposure. The Resource Index returned 6.0% (ZAR) for the month while both Industrials and Financials performed negatively. However both the State of the Nation Address and Budget Speech were received cautiously and perhaps lacked the defining decisive decisions required to stave off a ratings downgrade. Rating agencies will closely monitor the execution of what was promised. The South African fixed interest market responded negatively with the All Bond Index returning -0.8% (ZAR) while inflation-linked bonds returned 0.3% (ZAR) as inflation numbers printed higher than expected at 6.2% to fall outside the 3% to 6% target range of the Reserve Bank. Listed property defied rising bond yields to be the best performing domestic asset class for the month as it returned 3.6% (ZAR). The rand gained some ground against the US dollar ending the month 0.7% stronger.

The biggest contributors to the positive performance in February were the offshore equity, local property and local equity exposures with an overweight to resources. The largest detractors from performance were funds that were underweight Resource stocks.

We continue to remain prudently positioned as there are many risks to the global economy at this stage, which makes it difficult to get very bullish on risk assets to any meaningful degree. Risk management is going to be vital as it appears volatility is here to stay for the next while.

### Investment Committee

The investment committee forms an integral part of the investment management process. The investment committee members are involved in the process of multi management by participating in the Investment Committee Framework (the "Framework"). This Framework provides intermediaries with a platform to share their research and views with qualified investment professionals who will, based on certain constraints, construct a portfolio taking the intermediary's research into account.

### Portfolio Manager



**Pawan Singh, MBA**

BCom, Accounting  
MBA, Finance &  
Investments  
CFA L3 candidate

### About the Portfolio Manager

Pawan has been a Portfolio Manager with Sanlam Investments since August 2014. Pawan has 7 years' international experience in the financial markets and banking industry. He started his career in Mumbai working for an accounting firm before moving to New York, USA where he finished his MBA studies and also completed an internship with UBS Financial in their wealth management group. Post MBA he went to work for Deloitte at their global headquarters in New York where he worked as a cash flow modeller structuring Credit Derivatives, Asset Backed and Mortgage Backed Securities. In South Africa he has worked for Capitec Bank as a Financial Analyst and also consulted independently for W.K. Kellogg Foundation regarding listed equities in South Africa.

### Manager Information

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