

31 January 2017

Taylorred Cautious

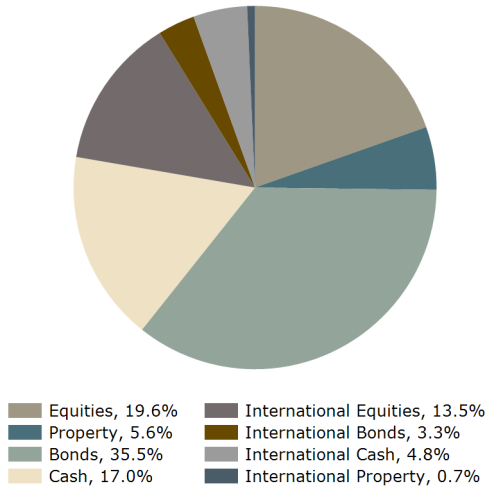
Fund Details

Fund Category	SA Multi Asset Low Equity
Benchmark	CPI+3% over a 3-year rolling period
Risk Profile	Cautious
Investment period	3 years
Launch Date	01 October 2014
Fund Size	R 541 280

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

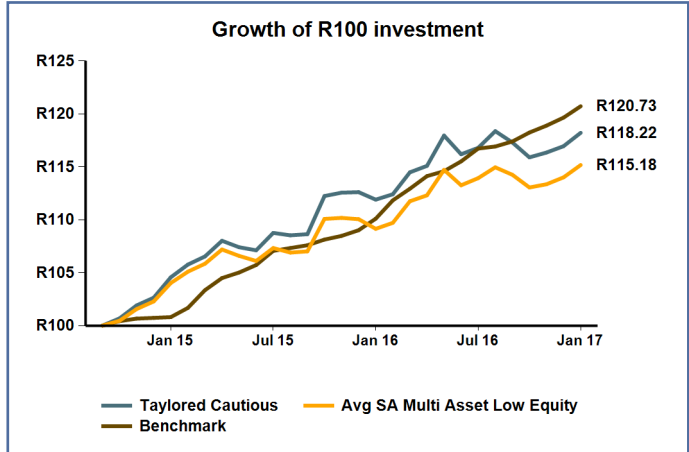


Investor Profile

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 since launch *



Performance (%)	Fund*	Fund Benchmark	Avg SA Multi Asset Low Equity
1 Month	1.08	0.90	1.02
3 Months	2.00	2.10	1.88
6 Months	1.21	3.43	1.09
1 Year	5.64	9.65	5.52
2 Years (annualised)	6.33	9.44	5.22
YTD	1.08	0.90	1.02
Since Launch	7.44	8.41	6.24

Risk statistics (2 years)	Fund*
Returns (annualised)	6.33%
Standard deviation (annualised)	3.95%
% Positive months	70.83%
Maximum drawdown	-2.09%
Sharpe ratio	-0.14

Manager Selection (%)

Coronation Balanced Defensive	12.50	Sanlam Multi Managed Defensive FoF	10.00
Nedgroup Stable	10.00	Satrix Low Equity	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 2017	1.08												1.08
Fund 2016	-0.63	0.46	1.84	0.53	2.49	-1.50	0.52	1.35	-0.90	-1.20	0.39	0.52	3.86
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

Fees (% incl. VAT)

Annual wrap fee	0.57
Underlying Manager TER's	0.97

* 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 fees) of the underlying unit trusts, and quoted excluding wrap fund fees. Performance quoted is pre-tax. Fund performance numbers shown are for a notional portfolio and do not reflect the actual performance of the client invested in the wrap fund due to timing differences of investments or disinvestments of the client. Benchmark returns for CPI are based on actual published returns and an estimated one month return for the month of the report date. ASISA Benchmark returns are the ASISA returns available as at the time of reporting.

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Manager Comment

Despite the overhanging uncertainty around the impending change in president in the US, global markets started the year strongly with the Dow Jones breaking through 20 000 points for the first time in its history, as investor sentiment was buoyed by improving economic data out of the US and Europe.

Global emerging markets (+5.45% in US dollar) outperformed developed markets (+2.35% in US dollar) over the month while global bonds and global property rose 1.13% and 0.58% respectively in USD. Locally, the All Share rose a handsome 4.31%, driven mostly by industrials and resources stocks. Large cap stocks (4.67%) outperformed mid (1.66%) and small-caps (2.42%), while resources (10.47%) outperformed financials (-0.99%) and industrials (4.39%). Bank stocks were 4.48% weaker following a strong end to 2016 while platinum miners were among the strongest gainers during the month. Nominal bonds (1.33%), inflation-linked bonds (1.41%) and property (1.63%) also provided positive returns. The rand was mixed against major currencies, ending stronger against the US dollar and weaker against the euro, British pound and Japanese yen.

Most funds therefore provided positive returns over the month, especially those with greater exposures to equity. In the multi-asset space therefore, flexible income funds typically lagged the more aggressive flexible equity portfolios.

Global politics are likely to continue to impact market sentiment for the coming year as populist politics gains momentum. The impact of Donald Trump's economic policy on global trade and foreign relations, Brexit and elections across Europe are just some of the potential concerns. Locally, sovereign credit ratings will remain a focus with a downgrade still a possibility. With the growing uncertainty we prefer a balanced exposure of strategies in portfolios.

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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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.

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