

30 June 2017

Taylorred Moderate Aggressive

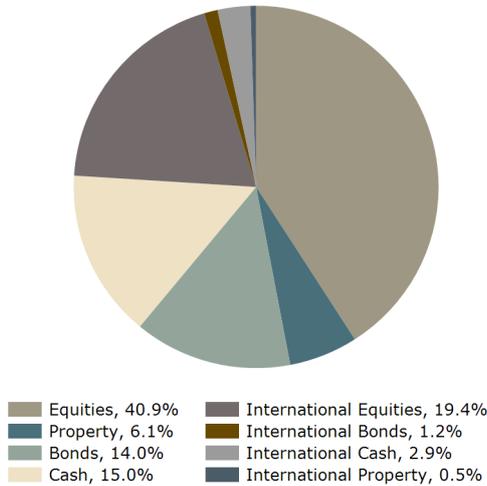
Fund Details

Fund Category	SA Multi Asset High Equity
Benchmark	CPI+5% over a 5-year rolling period
Risk Profile	Moderate Aggressive
Investment period	5 years
Launch Date	01 October 2014
Fund Size	R 3 million

Fund Objective

The wrap fund aims to provide a high level of capital growth over the long term. Investors in this fund are prepared to tolerate high fluctuations in the value of their investment over the short term. The fund will be diversified across all major asset classes with a bias towards equities (maximum of 75%). Investors in this fund should have a minimum investment horizon of 5 years. The fund is compliant with Regulation 28 of the Pension Funds Act, 1956.

Asset Allocation

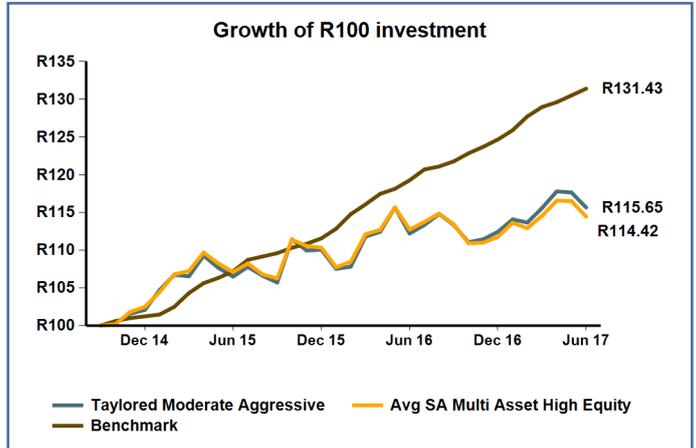


Investor Profile

This fund is suitable for investors looking for:

- High level of capital growth
- Able to tolerate high levels of volatility
- A minimum investment horizon of 5 years

Cumulative performance since launch *



Performance (%)	Fund*	Fund Benchmark	Avg SA Multi Asset High Equity
1 Month	-1.70	0.69	-1.79
3 Months	0.05	1.89	-0.12
6 Months	2.86	5.41	2.38
1 Year	3.07	10.19	1.50
2 Years (annualised)	4.21	10.73	3.36
YTD	2.86	5.41	2.38
Since Launch	5.43	10.45	5.02

Risk statistics (2 years)	Fund*
Returns (annualised)	4.21%
Standard deviation (annualised)	6.82%
% Positive months	58.33%
Maximum drawdown	-3.99%
Sharpe ratio	-0.39

Manager Selection (%)

Coronation Balanced Plus	10.00	Sanlam Multi Managed Balanced FoF	21.25
Investec Opportunity	12.75	Satrix Balanced Index	10.00
Prudential Balanced	20.00	SIM Balanced	10.00
Rezco Value Trend	16.00		

Monthly Fund Performance* (%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2017	1.47	-0.37	1.70	1.90	-0.12	-1.70							2.86
Fund 2016	-2.31	0.27	3.70	0.58	2.87	-2.99	1.01	1.29	-1.27	-2.02	0.36	0.89	2.16
Fund 2015	2.58	1.94	-0.17	2.57	-1.49	-1.08	1.22	-1.09	-0.85	5.43	-1.34	0.10	7.84

Fees (% incl. VAT)

Annual wrap fee	0.57
Underlying Manager TER's	1.07

* 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

The second quarter of 2017 was an eventful one with much focus on Geopolitical events as well as monetary policy decisions. The US Federal Reserve continued their rate hiking cycle, raising rates by 0.25%. UK Prime Minister Theresa May called a snap election to strengthen her government's hand in Brexit negotiations. However, this backfired and potentially casts doubt over Brexit. The important French election resulted in an Emmanuel Macron victory, an important stabiliser to the region. The result, combined with good economic growth data, led to a rally to global equity markets. The MSCI World delivered 3.4% (USD) during the quarter. MSCI Emerging Markets (EM) also had a strong quarter, delivering 5.5% (USD), which is indicative of the general strong risk appetite globally. This means that year to date Emerging Markets have returned 17.2% (USD). Global bonds as measured by the Bloomberg Barclays Capital Global Aggregate delivered 2.6% (USD) assisted by benign global inflation numbers, while Emerging Markets delivered 2.5% (USD).

Locally, there has been a lot of focus on political events. The combination of a Moody's rating downgrade, confirmation that the economy has entered into recession and weak consumer and business confidence hurt sentiment. All of this led to a greater risk-off sentiment locally. The All Share Index was down 0.4% (ZAR). This was primarily driven by the resources being down 6.1% (ZAR) off the back of the newly released Mining Charter, which puts more pressure on mining houses and jobs. The All Bond Index (ALBI) returning 1.5% (ZAR) as foreign investors' search for yield continues. Similarly listed property returned 0.9% (ZAR) during the quarter while cash was up 1.9% (ZAR). The rand strengthened against the US dollar by 2.4% over the quarter off the back of the risk on trade globally into emerging markets.

Strategies which have been more defensive and had large offshore allocations therefore outperformed this quarter. We remain conservatively positioned, considering the shorter term prospects for equity as well as the prevailing macroeconomic and political environment.

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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