

31 May 2016

Taylorred Moderate Aggressive

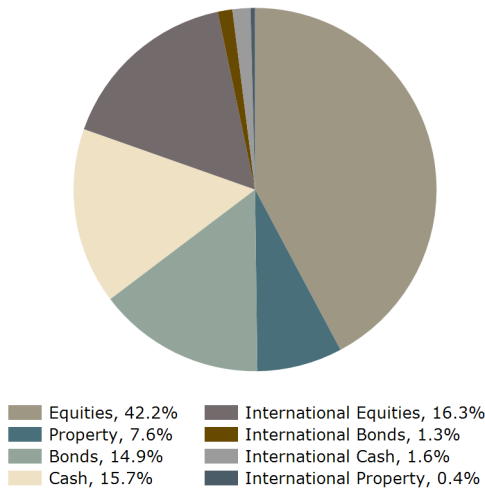
**Fund Details**

<b>Fund Category</b>	SA Multi Asset High Equity
<b>Benchmark</b>	CPI+5% over a 5-year rolling period
<b>Risk Profile</b>	Moderate Aggressive
<b>Investment period</b>	5 years
<b>Launch Date</b>	01 October 2014
<b>Fund Size</b>	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**

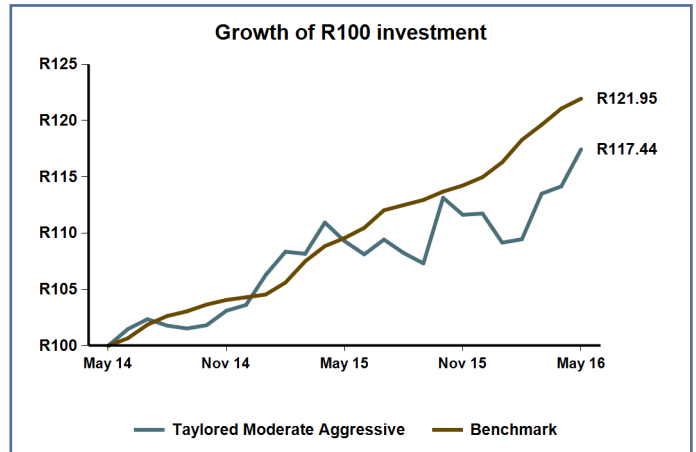


**Investor Profile**

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 - 2 years \***



Performance (%)	Fund*	Benchmark
1 Month	2.87	0.72
3 Months	7.29	3.09
6 Months	5.20	6.75
1 Year	7.45	11.29
2 Years (annualised)	8.37	10.43
Since Launch	9.12	10.62

Risk statistics (2 years)	Fund*
Returns (annualised)	8.37%
Standard deviation (annualised)	6.32%
% Positive months	62.50%
Maximum drawdown	-3.52%
Sharpe ratio	0.31

**Manager Selection (%)**

Coronation Balanced Plus	22.75	Sanlam Multi Managed Balanced FoF	21.25
Prudential Balanced	20.00	Satrix Balanced Index	10.00
Rezco Value Trend	16.00	SIM Balanced	10.00

Monthly Fund Performance* (%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2016	-2.31	0.27	3.70	0.58	2.87								5.10
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
Fund 2014						1.48	0.87	-0.56	-0.25	0.29	1.26	0.50	3.63

**Fees (% incl. VAT)**

Annual wrap fee	0.57
Underlying Manager TER's	1.01

\* 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 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 does 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.

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#### Manager Comment

Politics again took centre stage locally during May as news of a pending arrest of Finance Minister Pravin Gordhan placed pressure on sentiment, significantly affecting bond yields and the rand. Internationally, sentiment continued to be swayed by the US Fed as they signalled to markets that they may raise rates in June while the Bank of England opted to hold interest rates at 0.5%. Oil prices rose above \$50 per barrel for the first time this year as Saudi Arabia appointed a new energy minister. Metal prices, however, declined during the month.

May was a mixed month for markets as global equities ended flat in dollar terms. In USD, developed market equities returned 0.2%, outperforming global bonds which fell 1.3%, while emerging market equities fell 3.9%. Local equity markets were 1.8% higher during the month, driven mostly by large-cap stocks, many of which are seen as rand-hedges. From a sector perspective, resources were down 2.7% on lower commodity prices while industrials and financials rose 5.9% and 3.2% respectively. Bonds were 1.5% lower during the month as political concerns placed pressure on bond yields. Similarly, local property declined 3.5% while global property was flat in USD. The rand plummeted 9.5% relative to the USD during May, again mostly driven by concerns surrounding the finance minister.

In light of this, managers with a larger weight towards offshore assets, local cash and rand-hedge equity performed well over the quarter. Value as a style struggled especially due to weakness in the resources sector. Exposure to longer dated bonds and local property would have detracted in May.

Market sentiment remains especially sensitive to macroeconomic factors and as a result volatility remains high. We therefore maintain our view of holding a blend of managers with complementary investment styles and processes, favouring those with a more defensive nature.

#### 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

Sanlam Multi Manager International (SMMI) Pty Ltd

#### Physical address

55 Willie van Schoor Avenue, Bellville 7530  
Postal address: Private Bag X8, Tygervalley 7536  
Website: [www.sim.sanlam.com](http://www.sim.sanlam.com)

#### Client Contact Details:

Tel: +27 21 950-2500  
Fax: +27 21 950-2126  
Email: [retail@sanlaminvestments.com](mailto:retail@sanlaminvestments.com)

#### 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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