

31 October 2017

Taylorred Moderate Aggressive

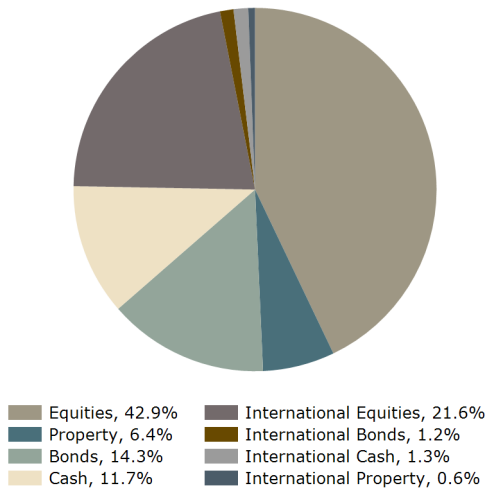
**Fund Details**

<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 4 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**

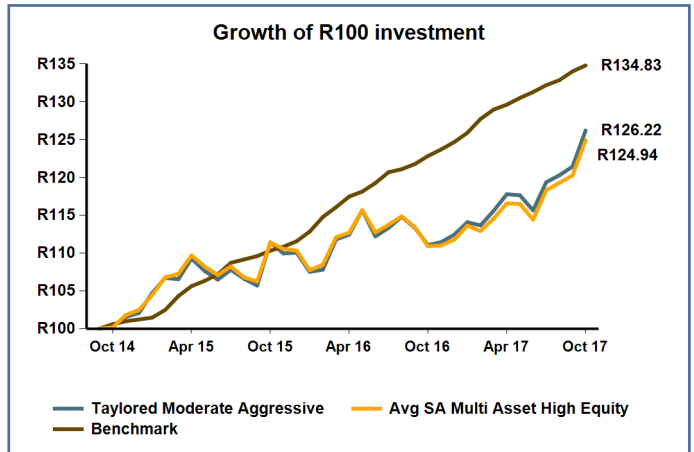


**Investor Profile**

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	3.94	0.59	3.90
3 Months	5.73	1.98	5.62
6 Months	7.16	4.00	7.19
1 Year	13.66	9.76	12.66
2 Years (annualised)	6.43	10.55	5.91
3 Years (annualised)	7.97	10.26	7.65
YTD	12.26	8.14	11.79
Since Launch	7.84	10.18	7.49

Risk statistics (2 years)	Fund*
Returns (annualised)	6.43%
Standard deviation (annualised)	6.45%
% Positive months	66.67%
Maximum drawdown	-3.99%
Sharpe ratio	-0.15

**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	3.22	0.76	0.96	3.94			12.26
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

October 2017 was another good month for risk assets. Globally markets were driven by stronger corporate earnings numbers and better than expected economic data. The JSE returned some rather upbeat numbers on the back of the globally coordinated growth as did the rest of emerging markets. Politics remained at the forefront in SA as the fallout around the so-called "state capture" project continued to come to light, but still with no arrests made. The bleak picture Gigaba painted of SA's finances in the Medium Term Budget saw the rand hit an 11-month low against the dollar, before retracing some of these losses and ending the month 4.2% down against the greenback (year to date the local currency is 2.8% weaker).

The MSCI World delivered 1.89% (USD) during the month. MSCI Emerging Markets also had a strong month, delivering 3.51% (USD), continuing the strong global growth from the previous quarter. This means that year to date Emerging Markets have returned 32.49% (USD). Global bonds and Emerging Market bonds were slightly negative at -0.58% (USD) and -0.13% (USD) respectively.

Commodity counters (especially platinum stocks), Naspers and some real estate shares, accounted for the bulk of October's best performers as a much-weaker rand lifted miners and rand-hedge, real estate sector stocks, while market heavyweight, Naspers also recorded good gains. The JSE was up 6.26% , driven by the likes of Lonmin 55.3% and Impala Platinum 26.5% following the rand weakness, Kumba Iron Ore 23.4% on Chinese record imports. Sibanye Gold was up 22.7% on upbeat production data from Q3. African Rainbow Minerals and Group Five recorded gains of 21.6% and 19.4%, respectively. Naspers which accounts for over 20% of the JSE's total market cap hit new record levels with an 18% gain on the back of positive trade in internet giant Tencent in Hong Kong. Within style factors, Value rose 4.40% and Growth increased 7.1%. Bonds sold off (-2.3%), underperforming cash (+0.61%) and SA Property (+1.99%) for the month.

Based on many commentators views of the odds in favour of a credit downgrade by S&P and Moody's in November we will move forward cautiously remaining overweight global equities, Rand hedge equities and property stocks. Local nominal bonds seem attractive on a real yield of close to 4.5% but we will keep a neutral position until the impact of downgrade has been fully digested by the market.

### 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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