DENKER CAPITAL

Minimum Disclosure Document

(Fund Fact Sheet)

Denker Sanlam Collective Investments Balanced Fund

31 October 2017

Fund Objective

The objective of the portfolio is to provide attractive risk adjusted returns to the investors, by investing across a wide range of assets, both locally and internationally. The portfolio will avoid unnecessary, or diversifiable, macro-economic risk and aims to earn the available risk premiums expected from the various asset classes over the long-term.

Fund Strategy

This is an actively managed fund which invests in local and international asset classes. The fund may include participatory interests of collective investment schemes, listed and unlisted financial instruments (derivatives), unlisted forward currency, interest rate and exchange rate swap transactions for efficient portfolio purposes. The Manager shall be permitted to invest on behalf of the portfolio in offshore investments as legislation permits.

To maximise returns for investors, exposure to asset classes varies while the fund can invest up to 75% in equities. The fund is Regulation 28 compliant.

Why choose this fund?

- The portfolio is managed to avoid unnecessary macro-economic risk, so should have less volatility than other multi asset high equity funds.
- We try to limit erratic returns by aiming to earn the available risk premiums expected per asset class over the long term.
- Regulation 28 compliant.

Fund Information

ASISA Fund Classification	SA Multi Asset High Equity
Risk Profile	Moderate Aggressive
Benchmark	Composite: 60% ALSI CAPI; 15% STeFi; 15% MSCI World; 10% US 10 Yr Treasury
Fee Class Launch date	02 May 2017
Portfolio Launch date	02 May 2017
Minimum investment	Lump Sum: R10 000 | Monthly: R500
Portfolio Size	R 3 million
Bi-annual Distributions	30/06/17: 0.00 cents per unit
Income decl. dates	30/06 | 31/12
Income price dates	1st working day in January and July
Portfolio valuation time	15:00
Transaction cut off time	15:00
Daily price information	Local Newspapers and www.sanlamunittrusts.co.za
Repurchase period	2 to 3 working days

Fees (Incl. VAT)	A-Class (%)
Advice initial fee	3.42
Manager initial fee (max.)	0.00
Advice annual fee	1.14
Manager annual fee (max.)	0.85
Total Expense Ratio (TER)	N/A

Advice fee | Any advice fee is negotiable between the client and their financial advisor. An annual advice fee negotiated is paid via a repurchase of units from the investor.

Total Expense Ratio (TER) | A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. Transaction Costs are a necessary cost in administering the Financial Product and impacts Financial Product returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Financial Product, the investment decisions of the investment manager and the TER. The TER and Transaction Costs cannot be determined accurately because of the short life span of the Financial Product. Calculations are based on actual data where possible and best estimates where actual data is not available.

The fund manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down.

Fund Composition

Securities (%)	31-Oct
Sanlam Global Best Ideas Unive	12.9
Cash (RSA)	6.4
Naspers	5.1
SIM Global Emerging Market Fd	3.7
Steinhoff Int Hldgs N.v	3.2
ABSA F/R 14052020	3.1
FirstRand F/R 15092021	3.1
Barclays Africa Group Limited	2.9
SBK F/R 121120	2.8
Investec Plc	2.4

Performance (Annualised) as at 31 Oct 2017 on a rolling monthly basis*

A-Class	Fund (%)	Benchmark (%)
1 Year	N/A	N/A
3 Year	N/A	N/A
5 Year	N/A	N/A
Since inception	N/A	N/A

An annualised rate of return is the average rate of return per year, measured over a period either longer or shorter than one year, such as a month, or two years, annualised for comparison with a one-year return.

Performance (Cumulative) as at 31 Oct 2017 on a rolling monthly basis*

A-Class	Fund (%)	Benchmark (%)
1 Year	N/A	N/A
3 Year	N/A	N/A
5 Year	N/A	N/A
Since inception	N/A	N/A

Cumulative return is the aggregate return of the portfolio for a specified period.

Risk statistics: 3 years to 31 Oct 2017

Std Deviation (Ann)	N/A
Sharpe Ratio (Ann)	N/A

Actual highest and lowest annual returns*

Highest Annual %	N/A
Lowest Annual %	N/A

*Since launch performance will only be provided once the fund reaches 12 months performance history.

*The highest and lowest 12 month returns are based on a 12 month rolling period over 10 years or since inception where the performance history does not exist for 10 years.

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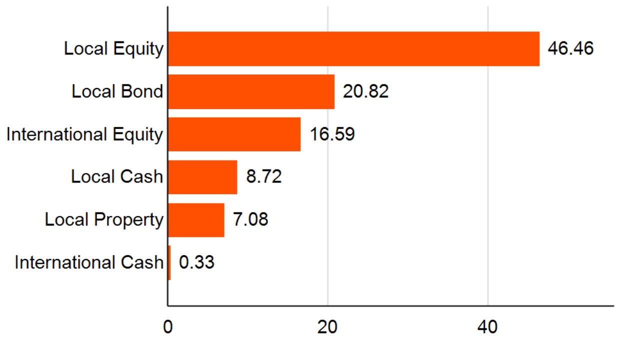
Portfolio Detail



Portfolio Manager(s) Comment

Philosophy
This is a high equity fund suitable for pre-retirement savers. The objective of the fund is to earn the best risk adjusted returns by acquiring mispriced securities, while limiting the exposure to any particular macroeconomic or political risk. Asset allocation and stock selection is done on a bottom-up basis. We have resolved not to manage the asset allocation or the stock selection on a top-down basis. We think that by managing the assets in the fund this way, investors are most likely to meet their long-term investment objectives. The fund was launched on 2 May 2017.

Performance
Asset markets delivered good returns during the quarter. Both domestic and international equity delivered strong performance - the FTSE/JSE All Share gained 8.8% and the MSCI World Index closed 9.1% higher. As a result of rand weakness lower risk offshore assets also delivered reasonably good rand returns – the JP Morgan Global Bond Index and JP Morgan Cash Index gained 5.6% and 6.7%, respectively. South African government bonds and domestic cash were the laggards gaining 3.6% and 1.8%, respectively.

Noteworthy Allocations
The fund has no exposure to long dated developed market government debt. Interest rates are simply too low to justify investments in these assets - they offer very low returns with the potential for substantial losses. The asymmetry in outcomes is extremely unattractive to us. As a result, we have chosen to roll shorter dated cash investments instead. Although shorter dated instruments offer lower interest returns the risk of sustaining capital losses is substantially reduced.

In South Africa we similarly prefer shorter dated loans to corporates (money market instruments) over long-term loans to government. There is just too much uncertainty about the economy, the fiscus and inflation targeting to risk capital losses.

The price of insurance against market losses in the developed markets remains at historic lows. As a result, we have hedged out downside risk on the offshore equity investments.

News flow
The SA Reserve Bank surprised the market twice this quarter. By cutting interest rates by 25bp in July and then by failing to cut again in September. The repo rate therefore remains at 6.75%. The money markets do not expect the SA Reserve Bank to make any changes to this rate for the foreseeable future.

StatsSA reported that the SA economy grew by 2.5% in the second quarter of the year, ahead of economist expectations of 2.1%. Although the economy has escaped the recession, company results released during the quarter indicate that the economy continues to experience subdued demand. Tax revenue numbers released by National Treasury suggests slower growth than budgeted in February. Treasury has indicated that downward revisions to growth projections threaten the affordability of planned expenditures.

Outlook
Globally asset markets offer little reward for bearing risk. Given the restrictions on foreign assets embedded in Regulation 28, investors remain exposed to South African political risk. Where possible, we have positioned assets to limit capital losses from potentially adverse political events. A significant component of this risk mitigation strategy is to maintain the offshore assets at 25% of total fund value. As such, any rand strength could drag on portfolio performance.

Portfolio Management

The management of investments are outsourced to Denker Capital (Pty) Ltd, (FSP) Licence No. 47075, an Authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002.

Madalet Sessions

M.Comm. Economics

Jan Meintjes

B.Comm. (Hons), CA(SA), CFA®

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Risk Profile (Moderate Aggressive)

In this portfolio, capital growth is important and results in a higher allocation to equities. The portfolio may display capital fluctuations over the shorter term, however, volatility levels should be lower than a pure equity fund. While diversified, this portfolio is tilted more towards equities and other risky asset classes to ensure risk adjusted returns.

Trustee Information

Standard Bank of South Africa Ltd

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E-mail: Compliance-SANLAM@standardbank.co.za

Additional Information

All reasonable steps have been taken to ensure the information on this MDD is accurate. The information to follow does not constitute financial advice as contemplated in terms of the Financial Advisory and Intermediary Services Act. Use or rely on this information at your own risk. Independent professional financial advice should always be sought before making an investment decision.

The Sanlam Group is a full member of the Association for Savings and Investment SA. Collective investment schemes are generally medium- to long-term investments. Please note that past performances are not necessarily an accurate determination of future performances, and that the value of investments / units / unit trusts may go down as well as up. A schedule of fees and charges and maximum commissions is available from the Manager, Sanlam Collective Investments (RF) Pty Ltd, a registered and approved Manager in Collective Investment Schemes in Securities. Additional information of the proposed investment, including brochures, application forms and annual or quarterly reports, can be obtained from the Manager, free of charge. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. Collective investments are calculated on a net asset value basis, which is the total market value of all assets in the portfolio including any income accruals and less any deductible expenses such as audit fees, brokerage and service fees. Actual investment performance of the portfolio and the investor will differ depending on the initial fees applicable, the actual investment date, and the date of reinvestment of income as well as dividend withholding tax. Forward pricing is used. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The performance of the portfolio depends on the underlying assets and variable market factors. Performance is based on NAV to NAV calculations with income reinvestments done on the ex-div date. Lump sum investment performances are quoted. The portfolio may invest in other unit trust portfolios which levy their own fees, and may result is a higher fee structure for our portfolio. All the portfolio options presented are approved collective investment schemes in terms of Collective Investment Schemes Control Act, No 45 of 2002 (“CISCA”). The fund may from time to time invest in foreign countries and therefore it may have risks regarding liquidity, the repatriation of funds, political and macroeconomic situations, foreign exchange, tax, settlement, and the availability of information. The Manager has the right to close any portfolios to new investors to manage them more efficiently in accordance with their mandates. The portfolio management of all the portfolios is outsourced to financial services providers authorized in terms of the Financial Advisory and Intermediary Services Act, 2002. Standard Bank of South Africa Ltd is the appointed trustee of the Sanlam Collective Investments Scheme. The Manager retains full legal responsibility for the co-named portfolio.

Denker Capital (Pty) Ltd is responsible for the management of the investments held in the Fund. The management of investments are outsourced to Denker Capital (Pty) Ltd, (FSP) Licence No. 47075, an Authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002.

Glossary Terms

Collective Investment Scheme (CIS)
Collective investment schemes (also called unit trusts) are portfolios of assets such as equities, bonds, cash and listed property, in which investors can buy units. They allow private investors to pool their money together into a single fund, thus spreading their risk across a range of investments, getting the benefit of professional fund management, and reducing their costs.

Derivatives
Derivatives are instruments generally used as an instrument to protect against risk (capital losses), but can also be used for speculative purposes. Examples are futures, options and swaps.

Participatory interests
When you buy a unit trust, your money is pooled with that of many other investors. The total value of the pool of invested money in a unit trust fund is split into equal portions called participatory interests or units. When you invest your money in a unit trust, you buy a portion of the participatory interests in the total unit trust portfolio. Participatory interests are therefore the number of units that you have in a particular unit trust portfolio.

Regulation 28
Regulation 28 of the Pension Funds Act sets out prudent investment limits on certain asset classes in investment funds. It applies specifically to investments in Retirement Annuities and Preservation Funds. The allowed maximum exposures to certain asset classes is: 75% for equities; 25% for property; 25% for foreign (offshore) and 5% African assets.

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administered by Sanlam

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