

Fund Objective

The objective of the portfolio is to provide an investment vehicle for investors who want to achieve long term capital appreciation. The portfolio aims to outperform the MSCI Emerging Market Total Return Net Index over a rolling three year period.

Fund Strategy

The portfolio will apart from assets in liquid form, invest in participatory interests of the SIM Global Emerging Markets Fund established under the Sanlam Universal Funds PLC approved by the Irish Regulator. The Sanlam Investment Management Global Emerging Markets Feeder Fund will have foreign exposure of at least 85% at all times. Subject to the investment restrictions, the underlying portfolio will primarily invest in equity securities (including equity linked securities such as common stock and preference shares) of companies traded in or dealt on the stock exchanges or regulated markets. The underlying portfolio may, where the Manager considers it in the best interests of the portfolio, invest up to 100% of its net assets in securities traded in or dealt on the stock exchanges or regulated markets considered by the manager to be emerging and frontier markets. The portfolio may also invest in financial instruments for the exclusive purpose of hedging against exchange rate risk.

Tax Free Unit Trust

This Fund qualifies as a tax free investment according to section 12T of the Income Tax Act, with effect from 1 March 2015. South African individuals qualify for the associated tax benefits namely no tax on dividends, income or capital gains whilst still enjoying all the benefits of a unit trust. Note contributions to tax free investments are limited to R33 000 per tax year, with a lifetime limit of R500 000. Amounts invested in excess of these permissible thresholds are taxable.

Fund Information

ASISA Fund Classification	Global - Equity - General
Risk profile	Aggressive
Benchmark	MSCI World Emerging Market Index
Portfolio launch date	1 Aug 2016
Fee class launch date	1 Aug 2016
Minimum investment	Lump sum: R10 000 Monthly: R500
Portfolio size	R70.3 million
Last two distributions	30 Jun 2017: 0.00 cents per unit 31 Dec 2016: 0.00 cents per unit
Income decl. dates	30 Jun 31 Dec
Income price dates	1st working day in January and July
Valuation time of fund	15:00
Transaction cut off time	15:00
Daily price information	Local newspaper and www.sanlamunitrusts.co.za
Repurchase period	3 working days

Fees (Incl. VAT)

	A1-Class (%)
Advice initial fee (max.)	3.42
Manager initial fee	N/A
Advice annual fee (max.)	1.14
Manager annual fee	0.57
Total Expense Ratio (TER)	2.40

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.

If there is a positive net income (e.g. income earned on cash held in the portfolio) such income will be paid to investors. In the event that the income accrual is negative, such negative accrual will be capitalised at financial year-end, i.e. 31 December.

Obtain a personalised cost estimate before investing by visiting www.sanlamunitrustsmdd.co.za and using our Effective Annual Cost (EAC) calculator. Alternatively, contact us at 0860 100 266.

No initial fees are payable when there is no advisor involved.

Total Expense Ratio (TER) | PERIOD: 1 August 2016 to 30 June 2017

Total Expense Ratio (TER) | 2.40% of the value of the Financial Product was incurred as expenses relating to the administration of the Financial Product. 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 Cost (TC) | 0.61% of the value of the Financial Product was incurred as costs relating to the buying and selling of the assets underlying the Financial Product. 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.

Total Investment Charges (TER + TC) | 3.01% of the value of the Financial Product was incurred as costs relating to the investment of the Financial Product. 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.

A Feeder Fund is a portfolio that, apart from assets in liquid form, consists solely of participatory interests in a single portfolio of a collective investment scheme. The portfolio manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. This fund is also available via certain LISPS (Linked Investment Service Providers), which levy their own fees. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down.

Top 10 Holdings

Securities	% of Portfolio
Alibaba Group Holdin	6.90
Samsung Electronics	6.60
Sberbank	4.90
Matahari Department Store TB	4.88
Vipshop Holdings Ltd	4.75
Netease.Com Inc	4.63
Magnit OJSC-SPON GDR	4.51
Banco Commercial Portugues-R	4.27
Estacio Participacoes SA	3.21
Baidu Com Inc	3.11

Top 10 Holdings as at 30 Sep 2017

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

A1-Class	Fund (%)	Benchmark (%)
1 year	29.44	32.65
3 year	N/A	N/A
5 year	N/A	N/A
Since inception	25.83	26.44

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

A1-Class	Fund (%)	Benchmark (%)
1 year	29.44	32.65
3 year	N/A	N/A
5 year	N/A	N/A
Since inception	33.27	34.07

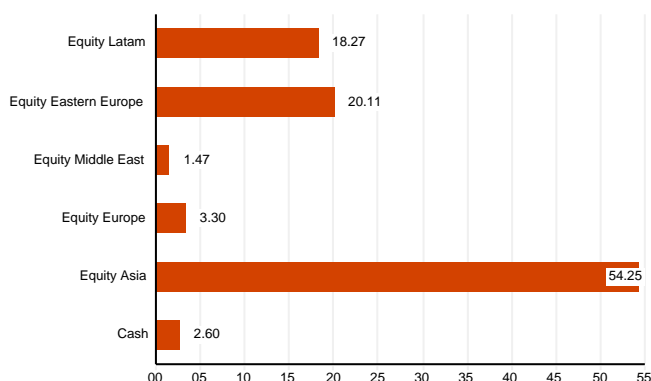
Risk statistics: 3 years to 31 Oct 2017

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

Actual highest and lowest annual returns*

Highest Annual %	29.44
Lowest Annual %	29.44

Asset Allocation



Portfolio Manager(s) Quarterly Comment - 30 Sep 2017

Review

The third quarter of 2017 saw the MSCI Emerging Markets Index outperform the MSCI World Index by 3%, extending emerging markets' outperformance against their developed market counterparts to 4.3% for the 12 months ending 30 September.

The 7.9% return of the MSCI Emerging Markets Index for the quarter was largely driven by Brazil (up 22%), Russia (up 15%) and China (up 14%).

Performance

The fund performed well for the quarter, outperforming the MSCI Emerging Markets Index and contributing to the fund's outperformance of the index for the 12-month period.

The fund's overweight position in Brazil, Russia and China, and the stock selections within those areas, contributed strongly to the outperformance of the fund during the quarter. It should be noted that with regard to our geographical positioning, we build our portfolio on a bottom-up basis.

The biggest contributors to the relative performance of the portfolio during the quarter were Estacio Participacoes in Brazil, Brilliance China Automotive Holdings in China and TCS Group in Russia.

- **Estacio Participacoes** (up 122% for the quarter), Brazil's second largest private educational service provider, was the fund's top contributor of performance - pushing it into our top 10 holdings. Its performance came on the back of: the anti-trust authorities (CADE) vetoing the Kroton/ Estacio merger; an outstanding Q2 net earnings result, which beat consensus estimates by 56%; and management giving a detailed view of the strategic growth pillars they are focusing on.
- **Brilliance China Automotive Holdings** (up 46%), BMW's joint venture manufacturing partner in China, contributed strongly to the performance of the fund. The share performance during the quarter was supported by strong first half earnings, which were up 48% year-on-year (YoY). Management also raised volume growth guidance to 25%, due to them being at the beginning of a very powerful model cycle that started with the X1 SUV in Q2 2016, followed by the recent successful launch of the new 5-series sedan, X3 SUV in mid-2018, new 3-series sedan in 2019 and X2 crossover in early 2020. While we still see healthy upside at the current price, we trimmed our position to realise profits - taking the company out of our top 10 holdings.
- **TCS Group** (up 43%) operates in Russia and engages in the provision of online retail financial services. The company reported strong Q2 2017 results, handily beating consensus estimates, with net profits up 80% YoY and delivering a return on equity (ROE) of 49%. The outperformance was driven by net interest income, which rose 44% YoY on higher loan volumes and expanding net interest margins. Management also issued increased 2017 earnings guidance, up 21% on higher net loans growth, reduced funding costs and a reduced cost of risk. We still see solid upside from the current price and have maintained our original position, which has grown organically to be in our top 10 holdings.

Matahari Department Stores and NetEase were among the top detractors from performance for the quarter.

- **Matahari Department Stores** (down 35% for the quarter) is Indonesia's leading mid income department store chain with over 150 stores in more than 65 cities and holds a 42% market share. The company reported Q2 2017 sales and net profit increasing 17% and 20% YoY respectively. Despite the decent results, management guided that same store sales growth (SSSG) would be flat or slightly negative by year-end, given the current macro-environment. The company represents a top 10 holding for the fund and we have taken advantage of share price weakness to add to our position.
- **NetEase** (down 12%) is a leading online games company headquartered in China. It also provides various online services, such as advertising, email and ecommerce. The company reported Q2 2017 results with revenues increasing 49% YoY, slightly ahead of consensus estimates. This was mainly driven by the 69% YoY growth in the ecommerce business on active '6/18' promotions. Net profit was up 9% YoY, but the net profit margin was weaker due to a higher than expected selling expense ratio from promotions on online games and ecommerce. We believe the company is merely in a transition period before the launch of its next hit, so a short-term slowdown in earnings is expected and we have used the market's pessimism to accumulate a bigger position in the company.

During the quarter we increased our exposure to Turkey, adding a new name to the portfolio. We also exited two positions, one in Japan after the investment case changed and the other in India as the company passed our estimate of intrinsic value.

Outlook

Emerging markets continue to benefit from a combination of low valuations, relatively stable political climates, improving business sentiment, and central banks that in most cases have room to reduce interest rates to stimulate growth if needed.

Investing is a long-term endeavour and we are confident that our bottom-up approach of constructing the portfolio will see the patient investor richly rewarded. We focus on companies:

- * with strong sustainable competitive advantages;
- * which generate returns well above their cost of capital;
- * which generate significant free cash flow; and
- * which are trading at significant discounts to their intrinsic value.

Portfolio Manager(s)

Neal Smith

B.Comm, CA(SA)

Risk Consideration:

*The fund is focused on investment in global listed companies; accordingly the performance of the fund is directly linked to the performance of the global equity markets.

*Investing in international companies means the currency exchange rate fluctuations will have an impact on the fund's investment performance.

*As the SA Rand can be a volatile currency, this could lead to significant fluctuations in the rand value of this fund.

Management of Investments

This fund is managed by Denker Capital (Pty) Ltd an appointed investment advisor to Sanlam Investment Management (Pty) Ltd, FSP 579, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002.

Risk Profile (Aggressive)

This is an aggressively managed, high-risk portfolio that aims to deliver capital growth over the long term (greater than 5 years). It is designed to substantially outperform the markets and therefore carries a long-term investment horizon (5 years and upwards). The portfolio will be diversified across all major asset classes with significant exposure to equities, and may include offshore equities. There may be some capital volatility in the short term, although higher returns may be expected from five years or beyond.

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 a guide to 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. 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 instruments which could be accompanied by additional risks as well as potential limitations on the availability of market 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 are outsourced to financial services providers authorized in terms of the Financial Advisory and Intermediary Services Act, 2002. A feeder fund is a portfolio that invests in a single portfolio of collective investment schemes, which levies its own charges and which could result in a higher fee structure for the feeder fund. Standard Bank of South Africa Ltd is the appointed trustee of the Sanlam Collective Investments scheme.

Sources of Performance and Risk Data: Morningstar Direct, INET BFA and Bloomberg.

The risk free asset assumed for the calculation of Sharpe ratios: STEFI Composite Index.

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.

Trustee Information

Standard Bank of South Africa LTD

Tel no.: 021 441 4100, E-mail: Compliance-SANLAM@standardbank.co.za

Glossary Terms

Active stock-picking investment process

This is when asset managers actively and tactically vary their stock selections based on economic and market data, and fundamental valuations, etc. This should lessen an investor's exposure to declining markets and helps preserve capital.

Annualised total returns

Annualised return is the weighted average compound growth rate over the period measured.

Capital growth

Capital growth is the profit made on an investment, measured by the increase in its market value over the invested amount or cost price. It is also called capital appreciation.

Collective investment scheme

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.

Financial Instruments (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.

Equities

Equities are shares that represent an institution's or individual's ownership in a listed company. These shares are also the "vehicle" through which they are able to "share" in the profits made by that company. As the company grows, and the expectation of improved profits increases, the market price of the share will increase which translates into a capital gain for the shareholder. Similarly, negative sentiment about the company will result in the share price falling. Shares /equities are usually considered to have the potential for the highest return of all the investment classes but also have the highest level of risk i.e. share investments have the most volatile returns over the short term. An investment in equities should be viewed with a 7 to 10 year horizon.

Feeder fund

A feeder fund is a South African-based fund that feeds exclusively into its primary foreign-based fund. It allows investors easy access to investing in an offshore fund, eliminating complicated tax and other implications. The shares of the feeder fund represent shares in the primary fund (called a master fund).

Liquidity

The ability to easily turn assets or investments into cash.

LISP (Linked Investment Service Provider)

A Linked Investment Service Provider is a financial institution which packages, distributes and administers a broad range of unit trust based investments. Any investment made through these products gives an investor a single point of entry into a selection of different investments.

Money market instruments

A money market instrument is a low risk, highly liquid, short-term (one year or less) debt instrument, issued by financial institutions or governments, that tend to have lower returns than high-risk investments.

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.

Sharpe ratio

The Sharpe ratio measures risk-adjusted performance of an investment or portfolio. It measures the amount of risk associated with the returns generated by the portfolio and indicates whether a portfolio's returns are due to excessive risk or not. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance has been (i.e. a higher return with a contained risk profile, where the portfolio manager is not taking excessive risk to achieve those returns).

Standard deviation

Standard deviation (also called monthly volatility) is a measure of how much returns on an investment change from month to month. It is typically used by investors to gauge the amount of expected volatility in an investment.

Total Expense Ratio (TER)

This is the total costs associated with managing and operating an investment administration, financial planning and servicing fees). These costs consist primarily of management fees and additional expenses such as trading fees, legal fees, auditor fees and other operational expenses. The total cost of the fund is divided by the fund's total assets under management to arrive at a percentage amount, which represents the TER.

Undervalued equity stocks / Investing in neglected global equities

This is a strategy of selecting shares that trade for less than their intrinsic values. Value investors actively seek stocks that they believe the market has undervalued. They believe the market overreacts to good and bad news, resulting in stock price movements that do not correspond with the company's actual long-term fundamentals. The result is an opportunity for value investors to profit by buying when the price is deflated.