

Minimum Disclosure Document

As of 23/02/2018

Fund Objective

The objective of this feeder fund is to generate a growing stream of dividend income for investors through investing in equities, while at the same time pursuing moderate growth in the capital invested. The portfolio primarily invests in participatory interests of the FSB approved Sanlam Investment Management Global Equity Income Fund, a sub-fund of the Irish domiciled Sanlam Universal Funds plc. The portfolio may also hold ancillary liquid assets including cash and/or money market instruments.

Fund Strategy

The manager strives to achieve the fund objective through investing in the shares of companies that are offering relatively high dividend yields and are well established, have healthy balance sheets, generate strong cash flows and have demonstrated a commitment to paying regular dividends. This portfolio may also invest in financial instruments for the exclusive purpose of hedging exchange rate risks.

Tax Free Savings Account

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

Ticker	SGEA1
Portfolio Manager	Douw Steenekamp
ASISA Fund Classification	Global - Equity - General
Risk Profile	Aggressive
Benchmark	Composite: Annualised Yield of MSCI World High Dividend Yield Index & US CPI
Fund Size	R 60,683,258
Portfolio Launch Date	04/06/2013
Fee Class Launch Date	03/06/2013
Minimum Lump Sum Investment	R 10,000
Minimum Monthly Investment	R 500
Income Declaration Date	June & December
Income Pricing Date	2nd business day of July & January
Portfolio Valuation Time	15:00
Transaction Cut Off Time	15:00
Daily Price Information	Local media
Repurchase Period	3 business days

Fees (Incl. VAT)	A1-Class (%)
Maximum Initial Advice Fee	3.42
Maximum Annual Advice Fee	1.14
Manager Annual Fee	0.85
TER	1.89
TC	0.26
TIC	2.15

Total Expense Ratio (TER) is the percentage value of the Financial Product that 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. The TER and Transaction Costs cannot be determined accurately because of the short life span of the Financial Product. The TER presented is for the period 1 October 2014 to 30 September 2017.

Transaction Cost (TC) is the percentage value of the Financial Product that 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) is the total percentage value of the Financial Product that was incurred as costs relating to the investment of the Financial Product.

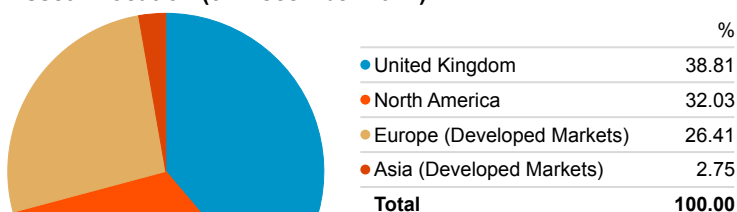
*Denker Sanlam Collective Investments Global Dividend Feeder Fund.

Top Ten Holdings (31 December 2017)

	% of Portfolio
Cisco Systems	4.46
British American Tobacco	4.25
Unilever	4.20
Royal Dutch Shell	4.12
Legal & General	4.10
Micro Focus International	3.41
AGEAS	3.04
Philip Morris International	2.96
McDonalds Corporation	2.93
AXA	2.90

These are the top holdings of the offshore fund in which this feeder fund invests.

Asset Allocation (31 December 2017)



Annualised Performance (%)

	Fund	Benchmark
1 Year	0.88	-7.92
3 Years	5.37	8.33
Since Inception	10.18	16.21

Cumulative Performance (%)

	Fund	Benchmark
1 Year	0.88	-7.92
3 Years	16.98	27.13
Since Inception	58.51	104.11

Highest and Lowest Annual Returns

Time Period: Since Inception to 31/12/2017	
Highest Annual %	41.49
Lowest Annual %	-14.12

Risk Statistics (3 Year Rolling)

Standard Deviation	16.06
Sharpe Ratio	-0.03
Information Ratio	-0.31
Maximum Drawdown	-18.24

Distribution History (Cents Per Unit)

31/12/2017: 26.10 cpu	30/06/2016: 08.84 cpu	31/12/2014: 24.39 cpu
30/06/2017: 15.10 cpu	31/12/2015: 26.80 cpu	30/06/2014: 11.75 cpu
31/12/2016: 30.39 cpu	30/06/2015: 18.91 cpu	31/12/2013: 13.46 cpu

Administered by



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.

Glossary Terms

Annualised Returns

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

Asset Allocation

Asset allocation is the percentage holding in different asset classes (i.e. equities, bonds, property, etc.). It is used to determine the level of diversification in a portfolio.

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.

Debt instrument

A debt instrument (e.g. a bond) is an electronic promise to repay a debt. It is issued by a corporation or government and sold to investors. A bond is an interest-bearing debt instrument, traditionally issued by government as part of their budget funding sources, and now also issued by local authorities (municipalities), parastatals (Eskom) and companies. Bond issuers pay interest to the bondholder every 6 months. The price/value of a bond has an inverse relationship to the prevailing interest rate, so if the interest rate goes up, the value goes down, and vice versa. Bonds generally have a lower risk than shares because the holder has the security of knowing that it will be repaid in full by government at a specific time in the future.

Distributions

The income that is generated from an investment and given to investors through monthly, quarterly, bi-annual or annual distribution pay-outs.

Dividend income

The investor's share of a company's profits, given to him or her as a part-owner of the company.

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.

Information Ratio

The Information Ratio measures the market risk-adjusted performance of an investment or portfolio. The greater a portfolio's Information Ratio, the better its risk-adjusted performance has been compared to the market in general.

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.

Maximum Drawdown

The maximum drawdown measures the highest peak to trough loss experienced by the fund.

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 total 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 volatility expected of an investment.

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. The portfolio may invest in participatory interests of other unit trust portfolios. These underlying funds levy their own fees, and may result in 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 Manager may borrow up to 10% the market value of the portfolio to bridge insufficient liquidity. 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. A feeder fund is a portfolio that invests in a single portfolio of a collective investment scheme, which levies its own charges and which could result in a higher fee structure for the feeder fund. Investments in foreign instruments are also subject to fluctuations in exchange rates which may cause the value of the fund to go up or down. The fund may invest in financial instruments (derivatives) for efficient portfolio management purposes. The Manager has the right to close any portfolios to new investors to manage them more efficiently in accordance with their mandates. Management of the portfolio is outsourced to Denker Capital (Pty) Ltd, (FSP) Licence No. 47075, an Authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002. Sanlam Collective Investments (RF) (Pty) Ltd retains full legal responsibility for the co-named portfolio. 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 calendar year period over 10 years or since inception where the performance history does not exist for 10 years. Obtain a personalised cost estimate before investing by visiting www.sanlamunittrustsmdd.co.za and using our Effective Annual Cost (EAC) calculator. Alternatively, contact us at 0860 100 266.

Investment Manager Information

Denker Capital (Pty) Ltd

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Risk Considerations

- 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.

Portfolio Manager Quarterly Comment

The fourth quarter of 2017 brought the curtain down on an extraordinary year for global equity markets. During the course of a year in which the MSCI World Index posted a positive return in every month for the first time in history, many regional markets recorded multiple all-time highs. As was the case during the first three quarters of the year, the index posted a robust advance during the last quarter rising 5.5% (measured in US dollars). The US market was buoyed by the successful passage of President Trump's tax amendments through Congress, which will result in a significant reduction in the corporate tax rate, the likely repatriation of many billions of dollars of earnings trapped in the foreign subsidiaries of US companies and a boost to personal incomes from lower income taxes and the windfall bonuses paid by many employers. In the UK, sentiment received a boost from the breakthrough achieved in the Brexit negotiation regarding the future status of Northern Ireland, which has allowed the process to move on towards talks about the future trading relationship between the EU and the UK.

Given the strong performance of global equity markets during the past year and the historically high valuation now attained by many of these markets, a lot of investors are understandably questioning the short-term outlook for equities. Despite a comparatively supportive macroeconomic environment and outlook for company earnings, it is difficult to present a persuasive argument in defence of the absolute valuation of equity markets. However, when compared to the valuation levels of other asset classes, an argument can be made that equities continue to offer some value. This argument centres on the fact that interest rates remain extremely low by all historical measures and the fact that there, as yet, appears to be no sign of inflation anywhere, despite all of the monetary stimulus provided by central banks in the decade following the global financial crisis.

Consistent with its mandate the fund remains strongly focused on companies that have well established business franchises, with healthy balance sheets, strong cash flows and attractive valuations. These attractive valuations are reflected in their above average dividend yields.

Despite being unable to match the performance of the overall market, the fund produced a robust positive return during the quarter. The largest positive contributions came from its holdings in Cisco Systems, Royal Dutch Shell, Boeing Company, British American Tobacco and Royal Ahold Delhaize. The largest detractors from its performance were its holdings in General Electric, GlaxoSmithKline, Sanofi and MITIE Group.

Cisco Systems reported results for the first quarter of their 2018 financial year that were slightly better than expected, but provided guidance for the next quarter that implied much better than expected growth and has led to a reassessment of the company's longer-term outlook by a number of analysts. We have for some time believed that the market has been too pessimistic about the company's prospects and that its improving fundamentals have been hidden by the short-term financial effect of migrating its revenue from a one-off product sale to a subscription basis. Despite the past quarter's performance, we remain convinced that the share's valuation does not yet adequately reflect the company's prospects nor the value of its market leading franchise.

Royal Dutch Shell reported third quarter results which confirmed the continuation of the positive breakeven and cash flow trends seen during the previous quarter. The directors' decision to withdraw the option of a scrip dividend and offer only a cash dividend was seen as a very positive development and a vote of confidence regarding the medium-term outlook. This positive sentiment was reinforced by the 17.5% rise in the price of Brent Crude Oil during the quarter. Despite this much improved outlook, the share continues to offer a dividend yield in excess of 5%. We believe that this leaves scope for further significant price appreciation.

Early in the period, General Electric reported third quarter results that were significantly worse than the already poor results that were expected in the wake of the management shake-up. Guidance for the rest of the year was also substantially reduced and a programme of significant cost cutting and restructuring announced. Compounding this bad news was the company's announcement of a 50% dividend cut at its investor day three weeks later. These developments added an additional 28% fall in the share price to the 24% fall already seen during the first three quarters of the year, leaving this share as the worst performing holding in the portfolio. Given the recent installation of a new executive management team, we are disinclined to over-react to these disappointing developments and are inclined to give them an opportunity to show that they can successfully execute their plans to extract value from what appears to be a collection of underappreciated assets.

Based on current consensus expectations the fund offers a significantly better yield than the overall market (dividend yield of 4.0% versus 2.2%), while trading on a lower valuation (forward P/E of 14.4x versus 16.9x) and producing a substantially better return (ROE of 21.9% versus 16.4%). When compared to the MSCI World Index the fund displays an active share of 91%. We believe that this positions the fund well for the future and, based on our current projections, we expect it to deliver a yield greater than the target yield during the coming 12 months.

Portfolio Manager

Douw Steenekamp
B. Compt (Hons), CA (SA)