DENKER CAPITAL

Minimum Disclosure Document

(Fund Fact Sheet)

Denker Sanlam Collective Investments Stable Fund

31 August 2017

Fund Objective

The objective of the portfolio is to provide income to the investor, from a diversified capital base that maintains its real value.

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 40% in equities. The fund is Regulation 28 compliant.

Why choose this fund?

- For retirees, the fund aims to:
  - protect capital,
  - grow income over time, and
  - provide a predictable, tax-efficient income.
- We use asset allocation to deliver stable, tax-efficient income.
- While the Fund is optimal for discretionary savings, it is the ideal initial building block for an investor's entire retirement income planning.

Fund Information

ASISA Fund Classification	SA Multi Asset Low Equity
Risk Profile	Cautious
Benchmark	CPI+4%
Fee Class Launch date	02 May 2017
Portfolio Launch date	02 May 2017
Minimum investment	R1 million
Portfolio Size	R 8 million
Bi-annual Distributions	30/06/17: 11.79 cents per unit
Income decl. dates	31/03 | 30/06 | 30/09 | 31/12
Income price dates	1st working day in January, April, July and October
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 (max.)	3.42
Manager initial fee (max.)	0.00
Advice annual fee (max.)	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

Exposure (%)	31-Aug
FTSE/JSE Top 40 Equity Index	24.3
MSCI World Index	13.0
Nedbank Floating Rate Note	12.5
FirstRand Floating Rate Note	12.5
Absa Floating Rate Note	12.4
Standard Bank Floating Rate Note 06102021 1	12.4
Standard Bank Floating Rate Note 121120	4.4
Cash	2.7
RSA Government Fixed Rate Bond R207	2.7
RSA Government Fixed Rate Bond R2023	2.7

Performance (Annualised) as at 31 Aug 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 Aug 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 Aug 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 the performance history does not exist for 10 years.

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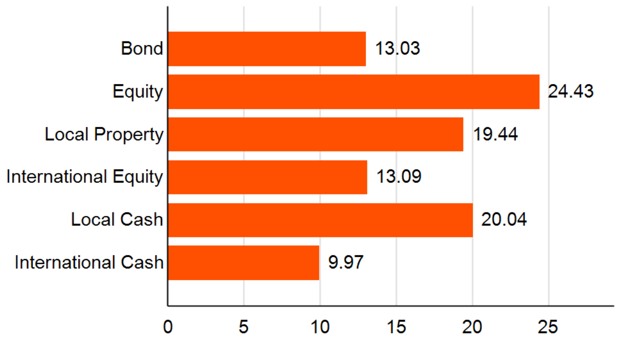
Portfolio Detail



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®

Portfolio Manager(s) Comment

Philosophy

The fund was launched on 2 May 2017. It has two specific objectives that make it suitable for post-retirement investors: Firstly, to provide capital protection. Large capital losses are especially harmful to retired investors as the forced disposal of assets to meet cash flow requirements can undermine the longevity of one's assets. Secondly, the fund aims to pay predictable quarterly income.

In order to achieve these objectives, we will:

- restrict investments in equities, excluding property, to 40% (including offshore equities),
- buy protection against capital losses when asset markets are expensive,
- avoid doubling up on economic risks within the fund,
- aim to be diversified so that the realisation of a particular risk cannot cause excessive losses to investors, and
- maintain 25% offshore exposure.

We believe that by managing the assets in the fund this way, investors are most likely to meet their long-term investment objectives.

Performance

Asset market returns continue to be lacklustre. The table below shows the rand returns for various asset classes between 2 May 2017, when the fund launched, and the end of the second quarter. Only domestic cash delivered positive returns.

Index	Performance (in rand)
FTSE/JSE All Share	-4.1%
FTSE/JSE SA Property	-0.3%
All Bond Index	0.0%
STeFI	1.2%
MSCI All Country World	-0.5%
US 10-year bonds	-3.3%
US overnight cash	-2.2%

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, instead we have chosen to roll shorter dated cash investments. 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.

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.

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Risk Profile (Cautious)

This portfolio aims to protect capital in real (after inflation) terms, while providing a reasonable level of income. The portfolio displays low volatility levels, designed to reduce the probability of
capital losses. This portfolio has limited exposure to equities. It is designed for capital protection and aims to ensure a stable income and/or income growth.

Trustee Information

Standard Bank of South Africa Ltd

Tel: +27 (21) 441-4100
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 Schemes (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) assets and 5% African assets.

Total Expense Ratio (TER)
This is the total costs associated with managing and operating an investment (excluding administration, financial planning and servicing fees). These costs consist primarily of management fees and additional expenses such as trading fees, legal fees, auditors’ 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.

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administered by Sanlam

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