

Fund Objective

This is a pure equity fund diversified across all sectors of the JSE. It offers a reasonable level of current income and the potential for long term outperformance. The fund managers only invests in shares which are undervalued and are very aware of downside risks. A maximum of 25% offshore assets may be held.

Fund Strategy

This fund may invest in any listed share, but focuses on financially sound companies which offer exceptional value. This portfolio may invest in derivatives for efficient portfolio management. This portfolio may also invest in participatory interests of underlying unit trust portfolios.

Why choose this fund?

*Our value investment philosophy has delivered superior long term performance.

*The fund can invest up to 25% in foreign listed companies, increasing the opportunity to invest in good companies at a discount.

*The fund is not benchmark cognisant and aims to maximise real wealth for investors over time.

*The fund is consistently managed by motivated and passionate investment professionals.

Fund Information

ASISA Fund Classification	SA - Equity - General
Risk profile	Aggressive
Benchmark	FTSE/JSE All Share Index
Portfolio launch date	01 Oct 1998
Fee class launch date	01 Oct 1998
Minimum investment	Lump sum: R10 000 Monthly: R500
Portfolio size	R2 277.3 million
Last two distributions	30 Jun 2017: 0.00 cents per unit 31 Dec 2016: 7.78 cents per unit
Income decl. dates	30 Jun 31 Dec
Income price dates	1st working day in July and January
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)

	Retail Class (%)
Advice initial fee (max.)	3.00
Manager initial fee	N/A
Advice annual fee (max.)	1.14
Manager annual fee	1.53
Total Expense Ratio (TER)	1.77

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.

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.

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 own.

Total Expense Ratio (TER) | PERIOD: 1 July 2014 to 30 June 2017

Total Expense Ratio (TER) | 1.77% 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. Inclusive of the TER of 1.77%, a performance fee of 0.19% of the net asset value of the class of participatory interest of the portfolio was recovered.

Transaction Cost (TC) | 0.30% 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) | 2.07% of the value of the Financial Product was incurred as costs relating to the investment of the Financial Product.

Manager Performance Fee (incl. VAT) | Performance Fee Benchmark: FTSE/JSE All Share Index, Base Fee: 1.53%, Fee at Benchmark: 1.53%, Fee hurdle: FTSE/JSE All Share Index, Sharing ratio: 20%, Minimum fee: 1.53%, Maximum fee: 3.42%, Fee example: 1.53% p.a. if the fund performs in line with its Performance Fee benchmark being FTSE/JSE All Share Index.

The performance fee is accrued daily, based on performance over a rolling one year period with payment to the manager being made monthly. Performance fees will only be charged once the performance fee benchmark is outperformed and only if the fund performance is positive. A copy of the performance fee FAQ is available on www.sanlamunitrusts.co.za.

Top 10 Holdings

Securities	% of Portfolio
Steinhoff Int Hldgs N.v	5.03
Sanlam Global Best Ideas Universal Fund E	4.83
Anglos	4.24
Allied Electronics Corp A	4.13
Reinet Investments	3.94
Oracle Corp	3.69
Old Mutual	3.57
Combined Motor	3.22
Investec	2.89
Stanbank	2.86

Top 10 Holdings as at 30 Jun 2017

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

Retail Class	Fund (%)	Benchmark (%)
1 year	(1.83)	10.15
3 year	0.20	6.56
5 year	8.44	13.10
10 year	8.07	10.18

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

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

Retail Class	Fund (%)	Benchmark (%)
1 year	(1.83)	10.15
3 year	0.61	20.99
5 year	49.97	85.02
10 year	117.35	163.55

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

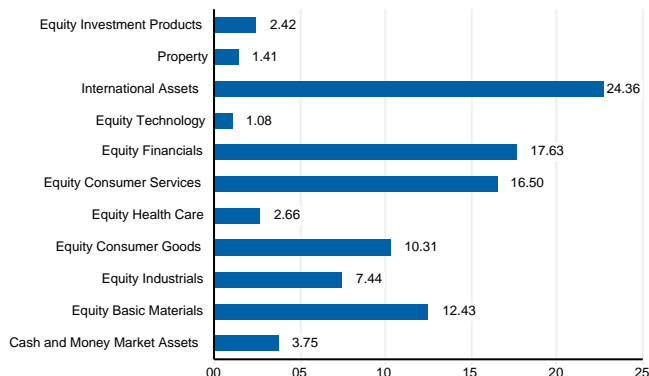
Risk statistics: 3 years to 31 Aug 2017

Std Deviation (Ann)	10.91
Sharpe Ratio (Ann)	(0.62)

Actual highest and lowest annual returns*

Highest Annual %	22.54
Lowest Annual %	(11.57)

This monthly Minimum Disclosure Document should be viewed in conjunction with the Glossary Terms Sheet.

Asset Allocation

Portfolio Manager(s) Quarterly Comment - 30 Jun 2017
Market overview

The last quarter has proven to be extremely challenging. The announcement of the Cabinet reshuffle on 30 March was another nail in the coffin for the South African economy. The damage that this has done to both consumer and business confidence cannot be underestimated. The subsequent credit rating downgrades and the announcement of Mosebenzi Zwane's poorly structured Mining Charter is adding fuel to an already raging fire. It is, therefore, no surprise that we have drifted into a recession. The impact of the political travails should not be underestimated. If one excludes the impact of Naspers on the FTSE/JSE Shareholder Weighted and All Share Indices, the indices are down 2.24% and 2.23% respectively for the quarter.

Let's, however, not be overly pessimistic. CEOs of corporate South Africa have faced many challenges in the past and, undoubtedly, they will navigate these choppy waters and probably come out of this a lot stronger. Surprisingly, the rand has been extremely resilient and most of the relative strength can probably be ascribed to the real yields that investors are able to earn in South Africa relative to most developed and emerging markets.

The lower growth outlook for South Africa is likely to support the call to potentially cut interest rates (or at worst leave rates unchanged for some time). Assuming inflation remains benign, the likelihood of interest rate cuts will increase. In turn, this may be supportive of improving consumer confidence levels.

As we move into the second half of the year and approach the ANC Elective Conference in December, we may get an early Christmas present with the hope that sanity about the future of a democratic South Africa will prevail.

The portfolio remains well diversified. We have exposure to a number of rand hedges that are trading well below intrinsic value (like Capital & Counties, Brait, Aspen, Reinert and Steinhoff). There is a healthy balance between domestic defensive stocks (like Shoprite, Tiger Brands and Rhodes Food Group) and other domestic small and mid-cap stocks (like Hudaco, Italtile, Altron and EOH) that offer significant upside to intrinsic value. Our select resources exposure like Anglo, BHP Billiton, Northam and Sasol also offers attractive upside with rand hedge qualities. We have a number of high-quality businesses that generate returns well above their weighted average costs of capital that will continue to grow their intrinsic value over time (like Woolies, recently added Pick n Pay, Foschini and Shoprite).

Performance

We have had an extremely tough quarter, one of the toughest since the onslaught of the Global Finance Crises. This is extremely frustrating, especially following a fantastic calendar year 2016 performance when the portfolio was up 12%. The biggest contributor to the performance was our investment in the Naspers stub (core Naspers assets excluding Tencent). This detracted approximately 3.2%. The implied negative value on the Naspers assets (excluding their holding in Tencent) is now the widest it has ever been at a negative US\$30 billion - this is more than the market capitalisation of Sasol and Remgro combined! Our assessment of the value of the assets that comprise the Naspers stub is a positive US\$12 billion (conservatively). To put this into context, one of the assets in the stub includes MultiChoice South Africa, which alone generates US\$738 million (almost R10 billion) of operating profits. There are also a number of classified e-commerce assets that generate profit margins (EBITDA margins) in excess of 45%. We believe there is substantial

upside but it is likely to take the market some time to recognise this value.

Post the announcement of the Cabinet reshuffle, domestic SA stocks continued to come under pressure over the quarter. Our holdings in Hudaco (which has been one of the larger positive contributors over the past 12 months) gave back some of the good performance. In addition, Stefanutti Stocks and Pioneer Foods Group contributed to the tough quarter.

On the positive side, Steinhoff showed a steady recovery, while Altron continued its positive contribution to overall performance with the stock up 4% for the quarter. Combined Motor Holdings was up 22.6% over the quarter. In addition, some of our international holdings performed extremely well. Our investment in the Sanlam Global Financial Fund (managed by Denker Capital) was up 5%, while our investments in both Samsung and Oracle (both up 10% over the quarter) also made a positive contribution.

Outlook

While we've had a challenging quarter, we are resolute in our pursuit of generating positive returns for our clients and ensuring that we exceed our clients' expectations as long-term investors.

Your portfolio has significant upside to its intrinsic value. This is evidenced by the attractive valuation metrics at the aggregate level relative to the market. The portfolio is well diversified with a number of attractively valued rand hedges, good quality defensive stocks that generate returns well above their cost of capital (and hence grow shareholder value over time). Your portfolio is also differentiated relative to many of its peers given its exposure to a number of mid and small-cap stocks - an area of the market that we believe is extremely mispriced and therefore offers some of the most attractive upside.

The international exposure of the portfolio is currently at its maximum of 25% and adds to the diversification in an uncertain local and global macro environment.

Portfolio Manager(s)
Claude van Cuyck

BCom (Hons), CFA

Ricco Friedrich

B Bus Sc (Finance), CA, CFA

Management of Investments

The appointed investment manager is Denker Capital, a division of 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. The portfolio may invest in other unit trust portfolios which 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 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 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.

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.

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Trustee Information**Standard Bank of South Africa LTD**

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

Glossary Terms**Annualised total returns**

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

Benchmark cognisant

This is an investment manager who follows a strategy where in the process of evaluating the performance of any investment, compares its performance against an appropriate benchmark. In the financial field, there are dozens of indexes that analysts use to gauge the performance of any given investment including the S&P 500, the Dow Jones, etc.

Downside risk

The likelihood of a fund's potential to decline in value if market conditions change.

Linked Investment Service Provider (LISP)

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 provides a client a single entry into a selection of investment elements.

Net asset value (NAV)

Net asset value (NAV) is the value of a fund's asset less the value of its liabilities per unit.

Price to earnings ratio

Price to earnings ratio or PE ratio is calculated by dividing the price per share by the earnings per share. This ratio provides a better indication of the value of a share, than the market price alone.

Pure equity fund

This is a fund that invests primarily in higher-risk asset classes such as equities (stocks or shares).

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 (excluding 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.

Value investment philosophy

This is a philosophy which enables our fund managers to make rational - not emotional - decisions based on in-depth research. This gives them insight into what an asset is truly worth, not what investors are willing to pay based on greed or fear. We invest in stocks that are, in our opinion, trading below their intrinsic value.