Sanlam

Minimum Disclosure Document
(Fund Fact Sheet)

Sanlam Investment Management Value Fund

December 2017

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 089.1 million
Last two distributions	30 Jun 2017: 0.00 cents per unit 31 Dec 2017: 9.33 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.sanlamunittrusts.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)	1.76

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.

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 October 2014 to 30 September 2017
Total Expense Ratio (TER) | 1.76% 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 1.76%, a performance fee of 0.18% of the net asset value of the class of participatory interest of the portfolio was recovered.

Transaction Cost (TC) | 0.29% 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) | 2.05% 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 Frequently Asked Questions can be obtained from our website: www.sanlaminvestments.com.

Top 10 Holdings

Securities	% of Portfolio
Naspers -N-	5.22
Anglos	5.20
Sanlam Global Best Ideas Universal Fund E	4.58
Old Mutual	3.91
Combined Motor	3.49
Barclays Group Africa	3.45
REINET INVESTMENTS S.C.A	3.32
Stanbank	3.23
Samsung Electronics Co Ltd	3.07
Italtile	2.83

Top 10 Holdings as at 31 Dec 2017

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

Retail Class	Fund (%)	Benchmark (%)
1 year	(1.83)	20.95
3 year	0.23	9.28
5 year	6.15	11.93
10 year	7.60	10.67

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

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

Retail Class	Fund (%)	Benchmark (%)
1 year	(1.83)	20.95
3 year	0.68	30.50
5 year	34.75	75.71
10 year	108.08	175.53

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

Risk statistics: 3 years to 31 Dec 2017

Std Deviation (Ann)	11.88
Sharpe Ratio (Ann)	(0.58)

Actual highest and lowest annual returns*

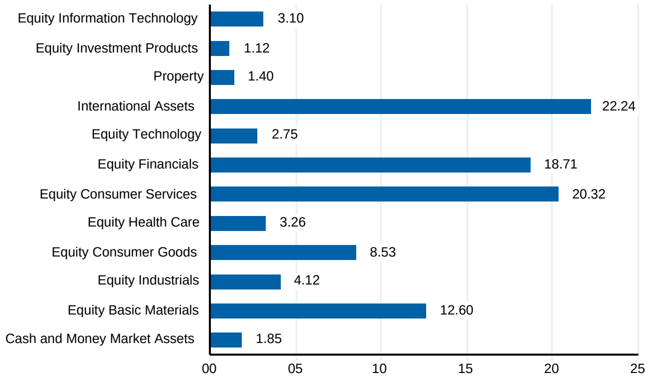
Highest Annual %	33.95
Lowest Annual %	(23.25)

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

Investments

Issue Date: 22 Jan 2018

Asset Allocation



Portfolio Manager(s) Quarterly Comment - 31 Dec 2017

Market overview

Without a doubt, 2017 was an eventful year full of surprises for South Africans. With elevated levels of government corruption, further cabinet reshuffles, a ballooning budget deficit, business and consumer confidence at extremely low levels, credit downgrades, ailing GDP growth, the Steinhoff debacle and finally, a ray of sunshine with the election of Cyril Ramaphosa as the next ANC president. Although there is a clear split in the top six candidates of the National Executive Committee (NEC), with half in the Ramaphosa camp and half in the Nkosazana Dlamini-Zuma camp, we are hopeful that Ramaphosa will be able to reduce government corruption and influence government policy in the right direction.

With all the challenges we faced in 2017, who would have guessed that the rand would have been the sixth best performing emerging market currency in the world, appreciating by 10.9% relative to the dollar (even though that 9.5%, was achieved in the fourth quarter). The reality is, as has been evidenced in the past, markets pre-empt bad news so the fear of credit downgrades, political challenges and the weak economy were priced into the rand a while ago.

From an equity market perspective, the FTSE/JSE Capped Shareholders Weighted All Share Index (Capped Swix) was up 16.5% for the year and 8.4% for the quarter. The FTSE/JSE Shareholders Weighted All Share Index (Swix) and the FTSE/JSE All Share Index (Alsi) were up 21.2% and 21% respectively for the year and 9.6% and 7.4% respectively for the quarter. Once again, Naspers had a massive impact on the overall markets return for the year with its share price up 71.8%. Excluding Naspers, the Swix and Alsi returns were 11.26% and 12.96% respectively.

The small and mid cap sectors lagged the overall returns of the market with small caps up 3% for the year and mid cap shares up 7.4%. This highlights the extent of the concentration of the market's overall returns in large cap shares, driven by the Top 40 shares that were up 23.1% for the year. To further understand the concentration of returns in the market it is important to note that of the 176 stocks that make up the Alsi 41 stocks (i.e. 23%) outperformed the market. This means that 77% of the stocks on the JSE underperformed. A total of 59 stocks (34%) had negative returns in 2017. The median return of the 176 stocks was a meagre 1.35%.

From a sector perspective, the quarter was dominated by the performance of financials post the outcome of the ANC elective conference. A Ramaphosa win saw financials return 16% over the quarter, while resources and industrials lagged with returns of 4.9% and 4.7% respectively.

Global markets performed well with the MSCI World Index increasing by 24.6% (in US dollars). In US dollar terms, returns in markets excluding the US were generally flattered by the weaker dollar. When translated into rand terms returns were less flattering, negated by the rand that strengthened by 10.9% over the year.

Performance

The portfolio returns lagged the overall market as a result of our underweight position in Naspers and the underperformance of our investment in the Naspers core assets. The announcement by Steinhoff of the resignation of the CEO, Markus Jooste, together with the announcement that they had appointed PWC to perform an independent investigation into accounting irregularities took us and the market by surprise. We acted swiftly and immediately sold out of our investment. Our decision was based on the inability to assess the true value of the business on the basis of not being able to rely on the audited financial statements. We sold out at an average price of approximately 1880 cents per share. The valuation underpin, in our opinion, was the value of Steinhoff's holding in PSG, KAP and Steinhoff Africa Retail (three listed investments that it owns). This closely equates to the exit price of our investment.

On a more positive note, Ramaphosa being elected was generally positive for many of the domestic SA stocks that we hold in the portfolio. For the quarter, Barclays Group Africa was up by 29.7%, Foschini was up 44.8%, and Standard Bank rose 24.2%, while Tiger Brands and Pick n Pay rose 21.9% and 21.2% respectively. Some of our small cap holdings like Adcorp and Italtile rose 20.6% and 12% respectively.

Over the 12-month period ending December 2017, two of our core resources holdings performed well. Northam Platinum rose 29.7% and Anglo American was up 34.2%. Our best performing small cap holdings were Altron and Hudaco, up 34% and 31% respectively. Some of the global stocks in the portfolio also performed well in US dollar terms. Samsung and Oracle rose 55.9% and 22.6% respectively, although these returns were lower when translated into rand (given the strong rand over the period).

Outlook

A Ramaphosa victory was crucial, in our opinion, for South Africa. This is likely to result in a gradual improvement in both business and consumer confidence over time. We must, however, not expect a swift recovery. Much damage has been done to the economy due to the high levels of corruption and poor execution of economic policies that have weighed heavily on the growth outlook in South Africa in a period where the rest of the world has shown synchronised growth. The synchronised global recovery, however, will likely provide much needed support to the SA economy and together with a more stable rand and deft leadership from Ramaphosa, the domestic outlook for 2018 is likely to be more encouraging than 2017.

Commodity prices remain strong with copper prices up 30.5% in 2017, iron ore prices have been surprisingly strong given increased supply and while platinum prices are only up by 2.8% in 2017 ($ prices), the palladium price is up by 56%. The oil price has also been strong, rising by 12.5% in 2017. Commodity prices remain supportive of a more stable rand and we would expect our resource stocks to continue to see earnings upgrades as analysts factor in the higher commodity prices. This should be positive for our holdings in Anglo American, BHP Billiton, Northam Platinum and Sasol.

The many conversations that we had with management teams last year pointed to a "wait and see" approach to the outcome of the ANC elective conference. Corporate SA was reluctant to invest additional capital in an uncertain political environment. Although the ANC elective conference concluded with somewhat of a compromised NEC we believe the Ramaphosa win, and the fact that there is greater certainty now that the elective conference is behind us, will result in Corporate SA being more decisive in their capital allocation decisions. This, we believe will be more supportive of some of the small and mid cap shares that have lagged the overall markets returns over the last few years. This will be positive for our clients' portfolios.

Should the rand remain stronger and more stable in 2018, we could expect some of the larger rand hedges to tread water and show more modest returns in 2018. However, this is a general statement and returns will clearly be determined by the underlying performance of the companies we own in the portfolio. We believe that the outlook for British American Tobacco, Reinet and Richemont remains positive and supports our holdings in these rand hedges.

Overall, we believe that the portfolio is well positioned for 2018, especially in the environment that we have described above. We see significant value in domestic SA stocks, in particular in the small and mid cap sectors. The portfolio remains well diversified with broad exposure to small, mid and large cap shares as well as domestic SA and select rand hedges where we see long-term value.

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.

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December 2017

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. 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. Sanlam Collective Investments (RF) (Pty) Ltd is a registered and approved Manager in Collective Investment Schemes in Securities. Collective investment schemes are generally medium- to long-term investments. Past performance is not necessarily a guide to future performance, 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 on request. 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. The Manager does not provide any guarantee either with respect to the capital or the return of a portfolio. 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. Forward pricing is used. Performance is based on NAV to NAV calculations with income reinvestments done on the ex-div date. Performance is calculated for the portfolio and the individual investor performance may differ as a result of initial fees, actual investment date, date of reinvestment and dividend withholding tax. The manager has the right to close the portfolio to new investors in order to manager it more efficiently in accordance with its mandate. The performance of the portfolio depends on the underlying assets and variable market factors. 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.

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.

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.

Trustee Information

Standard Bank of South Africa LTD

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Glossary of 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.

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