



Market Commentary

The IMF highlighted that the world economy is plateauing as the lender cut its growth forecast for the first time in more than two years, citing escalating trade tensions and stresses in emerging markets. Investors have continued to overhaul their expectations for the US economy and the prospects for interest rate tightening after the dramatic sell-off on global sovereign debt markets early in October. Also, the sharpness of the bond sell-off has rattled equity investors. As such, global equities were hit by a heavy bout of selling, as participants continued to focus on the recent jump in global bond yields. Locally, the underlying economic conditions remain weak, with consumers under pressure from rising inflation and high unemployment, and businesses still grappling with weak demand conditions and a difficult policy environment. Also, the October MTBPS did not address fiscal slippage, and did little to convince investors that the stimulus package would materially drive short-term growth prospects.

Developed market equities were hurt by expectations of lower earnings as trade tensions escalated in October. Technology stocks were at the forefront of the selling. As such, the MSCI World index delivered some -3.32% in rands. Emerging market equities came under significant pressure, which reversed their outperformance of most of the past two years. The MSCI EM index underperformed their developed market counterpart delivering some -4.73% in rands. As developed market bond yields backed higher during the month, the JP Morgan Global Aggregate delivered some 3.12% in rands. Furthermore, emerging market bonds underperformed their developed counterparts delivering some 2.15% in rands. Given the rout in risk assets during October, the rand depreciated some 4.16% relative to the dollar.

Local equities came under pressure in October, hurt by economic weakness and rising global risk aversion. The weak economy translated into poor earnings prospects, pressuring financial and industrial stocks. The recent weakness in dominant Naspers due to a sell-off in Tencent also hurt the overall market. As such, the ALSI declined some -5.76% in rands. Longer dated bonds yields rose during October, largely on the back of the MTBPS. Also, bond yields were driven by movements in the rand, with currency weakness driving yields mostly higher. As such, the ALBI delivered some -1.71% in rands. Inflation-linked bonds outperformed their sovereign counterparts in October. Furthermore, the month presented a favourable inflation uplift as the lagged CPI prints generated 0.64% in rands. Given rising bond yields and equity market weakness, the listed property market also sold off. As such, the SAPY index delivered some -1.69% in rands. Money market rates were largely unchanged through October, and cash delivered some 0.59% in rands.

Market Index Returns

As of Date: 2018/10/31 Currency: South African Rand

	1 Month	3 Months	6 Months	1 Yr	3 Yr	5 Yr
Best	Cash 0.6	Global Equities 6.3	Global Equities 15.7	Resources 13.9	Resources 11.9	Global Equities 15.4
	Property -1.7	Resources 2.5	Resources 11.3	Bonds 7.8	Global Equities 10.3	Emerging Market Equities 9.8
	Bonds -1.7	Cash 1.8	Cash 3.6	Cash 7.3	Emerging Market Equities 8.9	Financials 8.7
	Financials -3.2	Emerging Market Equities -0.4	Emerging Market Equities -1.1	Global Equities 5.6	Cash 7.4	Cash 6.8
	Global Equities -3.3	Property -2.2	Bonds -4.0	Financials 2.1	Bonds 6.6	Bonds 6.7
	Resources -4.0	Bonds -3.3	Equities -8.5	Equities -8.4	Equities 2.1	Equities 6.0
	Emerging Market Equities -4.7	Financials -4.9	Financials -9.4	Emerging Market Equities -8.6	Financials 1.2	Property 5.8
Worst	Equities -5.8	Equities -7.6	Property -11.6	Property -18.7	Property -2.6	Resources -0.4

■ Cash

■ Equities

■ Global Equities

■ Bonds

■ Resources

■ Emerging Market Equities

■ Property

■ Financials

In-Focus Fund Details



SIM Managed Capability

The Sanlam Investment Management (SIM) Managed solutions are diversified across all asset classes, both locally and internationally. These funds will only invest in collective investment schemes managed within Sanlam's investment cluster, giving you exposure to the best investment expertise within Sanlam Investments.

The portfolios are diversified across equities, bonds, cash, listed property and offshore assets. Being a fund of fund, manager risk is diversified using a combination of the best investment expertise within Sanlam Investments.

The funds are available across all Sanlam administration platforms.

SIM Managed Fund Range

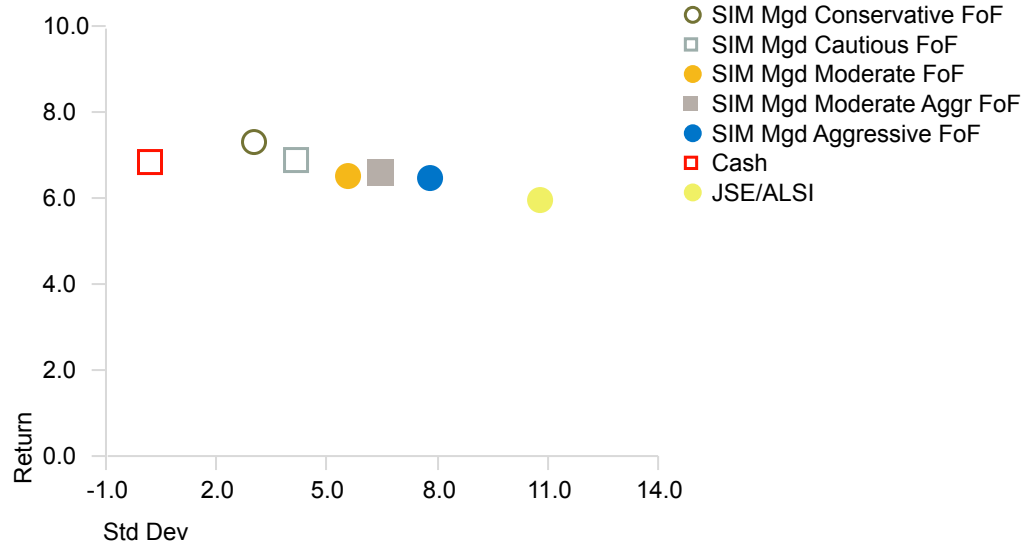
Fund Name	Description	Risk profile	Minimum time horizon	Asset class exposure	Equity exposure
SIM Mgd Conservative FoF	Provides a high level of income whilst maximising returns above cash	Conservative	1-2 years	Multi-Asset	Max 20%
SIM Mgd Cautious FoF	Protects capital while providing a reasonable level of income	Cautious	3 years	Multi-Asset	Max 40%
SIM Mgd Moderate FoF	Medium capital growth across all asset classes over the long term	Moderate	5 years	Multi-Asset	Max 40% - 60%
SIM Mgd Moderate Aggr FoF	High capital growth across all asset classes over the long term	Moderate Aggressive	5 years	Multi-Asset	Max 50% - 65%
SIM Mgd Aggressive FoF	Long term capital growth with less volatility than an equity fund	Aggressive	5 years +	Multi-Asset	Max 60% - 75%

In-Focus

Risk and Performance

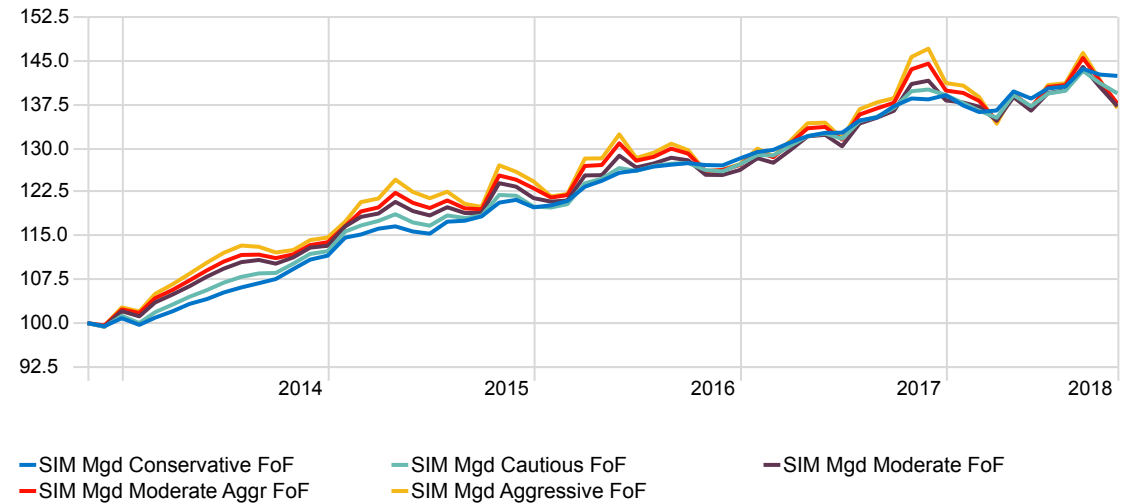


Risk-Reward - 5 Years



Investment Growth

Time Period: 2013/11/01 to 2018/10/31



Performance

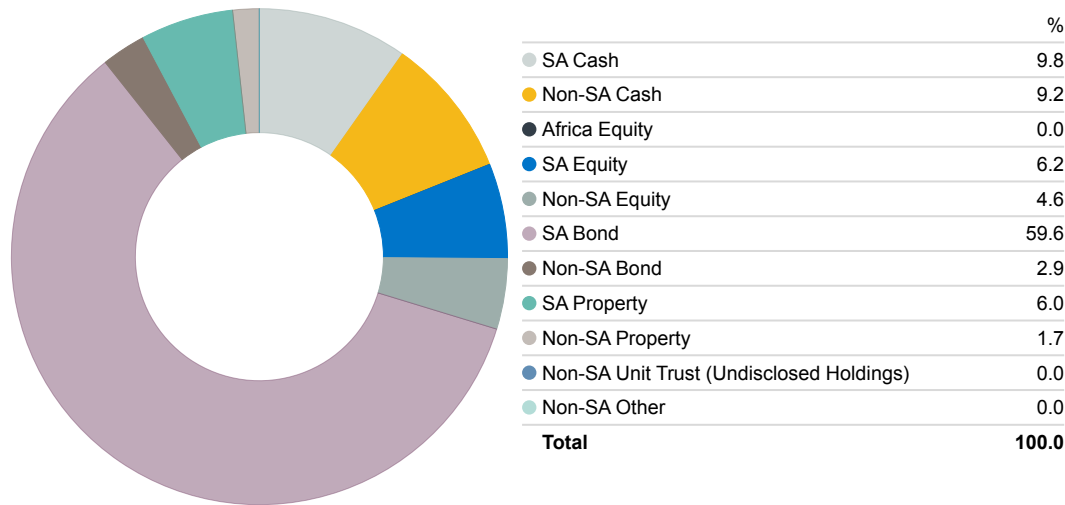
	1 Year Return	3 Year Return	5 Year Return	10 Year Return	Since Inception	Inception Date
SIM Mgd Conservative FoF	2.80	5.68	7.33	8.29	8.30	2006/10/26
SIM Mgd Cautious FoF	-0.26	4.55	6.87	8.75	8.94	2006/08/18
SIM Mgd Moderate FoF	-2.71	3.43	6.53	10.31	10.07	2006/08/18
SIM Mgd Moderate Aggr FoF	-4.09	3.18	6.60	10.90	9.86	2006/10/26
SIM Mgd Aggressive FoF	-6.03	2.51	6.48	11.89	10.60	2006/08/18

In-Focus | Asset Allocation and Top Holdings



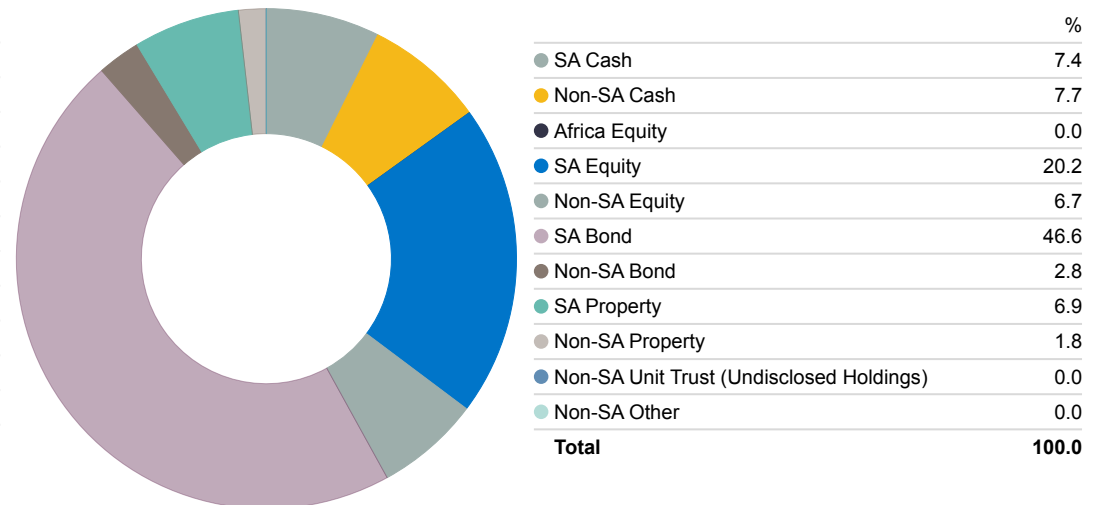
SIM Mgd Conservative FoF

Portfolio Date: 2018/09/30



SIM Mgd Cautious FoF

Portfolio Date: 2018/09/30



Portfolio Date: 2018/09/30

Holding Name	Portfolio Weighting %
SIM Active Income B1	33.47
SIM Enhanced Yield B3	23.40
SIM Bond Plus B3	13.68
SIM General Equity B12	5.90
Cap Sett Usd Smcons Receivables	5.27
SIM Property B2	5.05
Satrix World Equity Tracker I USD Acc	3.44
Sanlam Global Bond C	2.68
Sanlam Global Liquidity A	1.92
Sanlam Global Property B \$ Acc	1.76

Portfolio Date: 2018/09/30

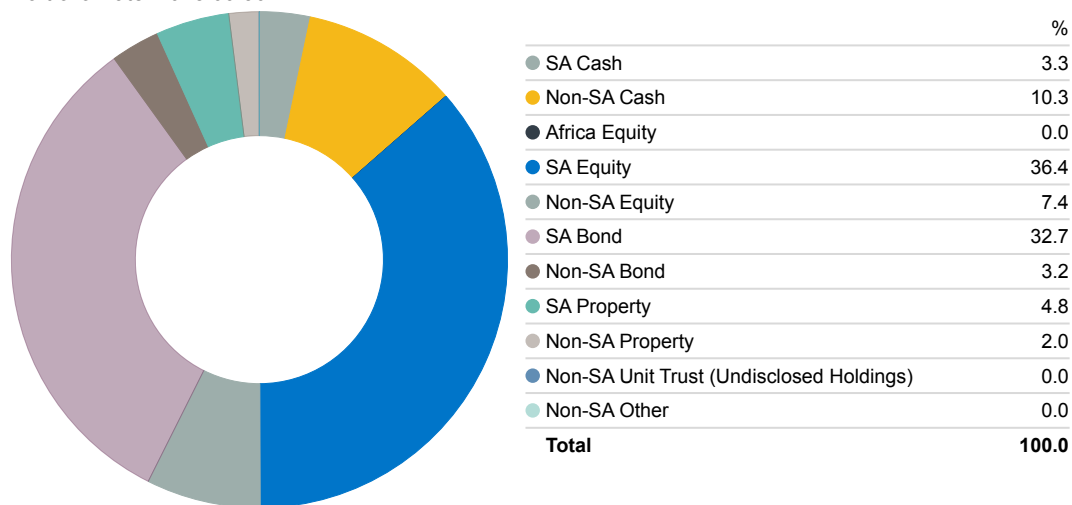
Holding Name	Portfolio Weighting %
SIM Active Income B1	19.89
SIM Bond Plus B3	17.07
SIM Enhanced Yield B3	16.90
SIM General Equity B12	15.86
SIM Top Choice Equity B1	6.27
SIM Property B2	5.99
Cap Sett Usd Smcfof Receivables	4.50
Satrix World Equity Tracker I USD Acc	3.52
Sanlam Global Bond C	2.71
Cap Sett Acc Smcfof Current Accounts	1.80

In-Focus | Asset Allocation and Top Holdings



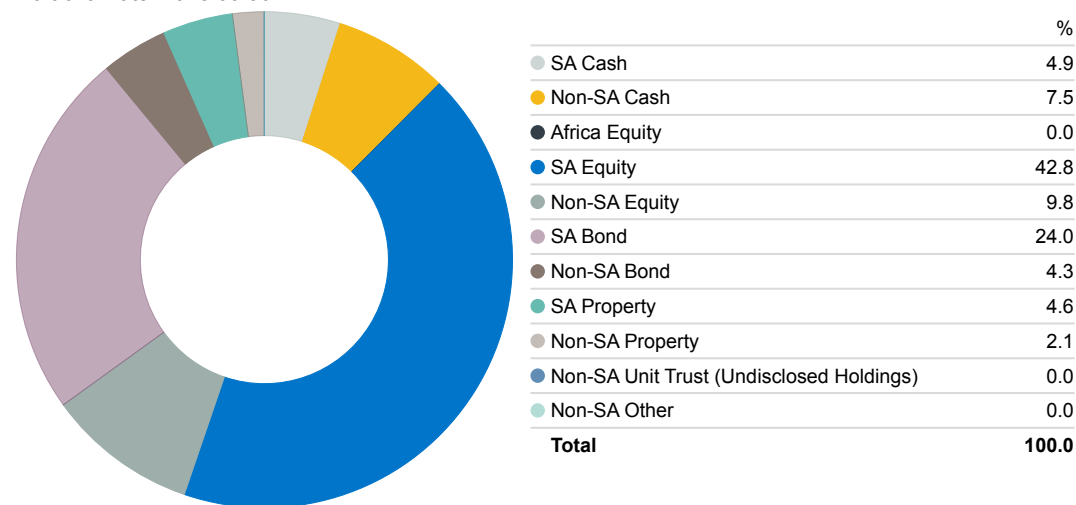
SIM Mgd Moderate FoF

Portfolio Date: 2018/09/30



SIM Mgd Moderate Aggr FoF

Portfolio Date: 2018/09/30



Portfolio Date: 2018/09/30

Holding Name	Portfolio Weighting %
SIM General Equity B12	29.98
SIM Bond Plus B3	24.30
SIM Top Choice Equity B1	10.18
SIM Active Income B1	5.88
SIM Enhanced Yield B3	5.48
Cap Sett Usd Smmfof Current Accounts	4.68
Satrix World Equity Tracker I USD Acc	4.08
SIM Property B2	3.78
Sanlam Global Liquidity A	3.76
Sanlam Global Bond C	2.68

Portfolio Date: 2018/09/30

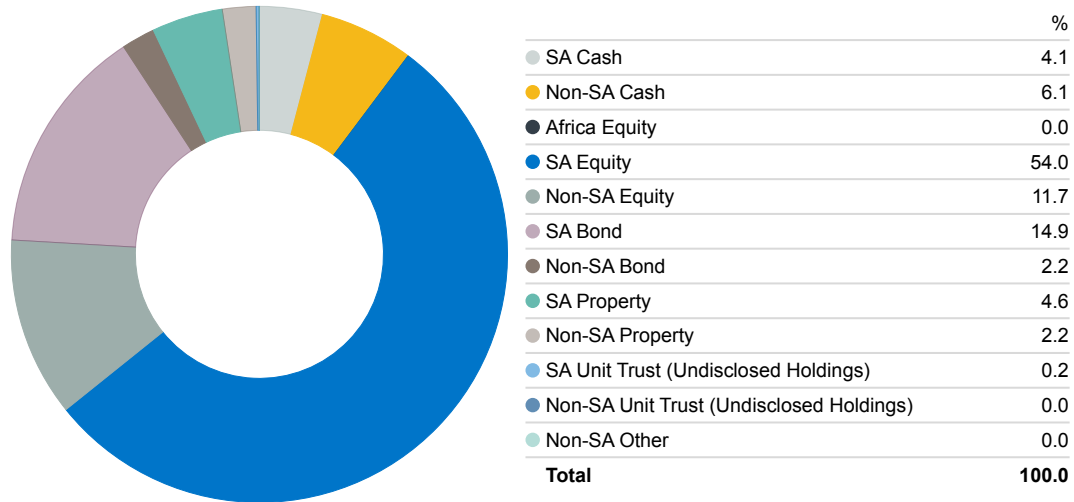
Holding Name	Portfolio Weighting %
SIM General Equity B12	33.45
SIM Top Choice Equity B1	14.21
SIM Bond Plus B3	13.10
SIM Active Income B1	9.29
Satrix World Equity Tracker I USD Acc	6.55
SIM Enhanced Yield B3	5.13
Sanlam Global Bond C	4.54
Cap Sett Usd Smmmoda Current Accounts	3.66
SIM Property B2	3.40
Cap Sett Acc Smmmoda Current Accounts	2.63

In-Focus | Asset Allocation and Top Holdings



SIM Mgd Aggressive FoF

Portfolio Date: 2018/09/30



Portfolio Date: 2018/09/30

Holding Name	Portfolio Weighting %
SIM General Equity B12	39.13
SIM Top Choice Equity B1	19.79
SIM Bond Plus B3	8.30
Satrix World Equity Tracker I USD Acc	7.65
SIM Enhanced Yield B3	4.80
Cap Sett Usd Smafof Current Accounts	3.94
SIM Active Income B1	3.44
SIM Property B2	3.34
Cap Sett Acc Smafof Current Accounts	2.72
Sanlam Global Bond C	2.24

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