

In-Focus | SMM Solutions Fund of Funds



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
Cash 0.6	Global Equities 6.3	Global Equities 15.7	Resources 13.9	Resources 11.9	Global Equities 15.4	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	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 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	Cash 6.8
Global Equities -3.3	Property -2.2	Bonds -4.0	Financials 2.1	Bonds 6.6	Bonds 6.7	Bonds 6.7
Resources -4.0	Bonds -3.3	Equities -8.5	Equities -8.4	Equities 2.1	Equities 6.0	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	Property 5.8
Equities -5.8	Equities -7.6	Property -11.6	Property -18.7	Property -2.6	Resources -0.4	Resources -0.4



In-Focus Fund Details



SMM Solutions Fund of Funds Capability

Sanlam Multi Management (SMM) researches, identifies, blends and manages portfolios that give you access to the best investment managers in the industry with the aim of achieving the best possible return at the appropriate level of risk.

We design and blend unique portfolios for clients, based on a deep understanding of their investment aims and a fundamental insight into how they perceive risk. By developing a mutual understanding of their investment aim and philosophy, we are able to assist them to achieve their investment goals in the long run.

Through our solutions, you gain access to our Best Investment View portfolios which will be managed on your behalf in accordance with our extensive market and manager research, portfolio construction and risk management objectives.

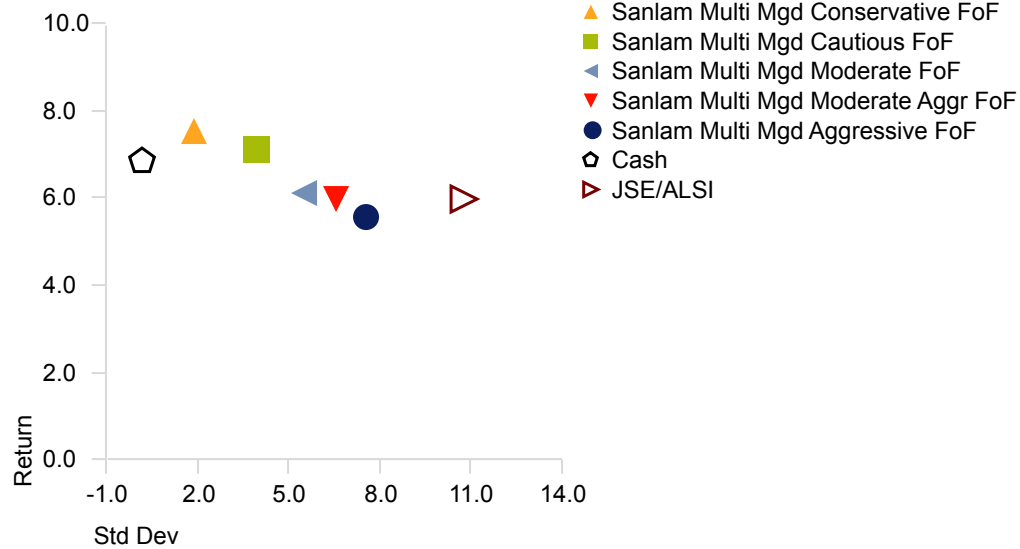
SMM Solutions Fund of Funds Range

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

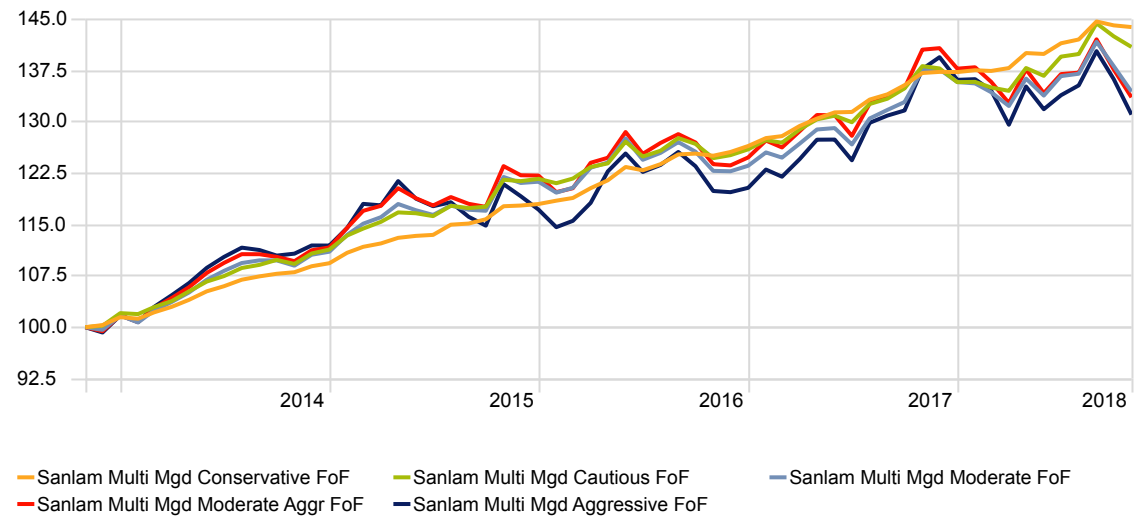


Risk-Reward - 5 Years



Investment Growth

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



Performance

	1 Year Return	3 Year Return	5 Year Return	Since Inception	Inception Date
Sanlam Multi Mgd Conservative FoF	4.90	6.93	7.55	7.51	2010/08/02
Sanlam Multi Mgd Cautious FoF	2.03	5.06	7.11	7.92	2010/08/02
Sanlam Multi Mgd Moderate FoF	-2.30	3.30	6.10	8.78	2010/08/02
Sanlam Multi Mgd Moderate Aggr FoF	-4.96	2.64	5.97	9.52	2010/08/02
Sanlam Multi Mgd Aggressive FoF	-4.84	2.73	5.56	9.94	2010/08/02

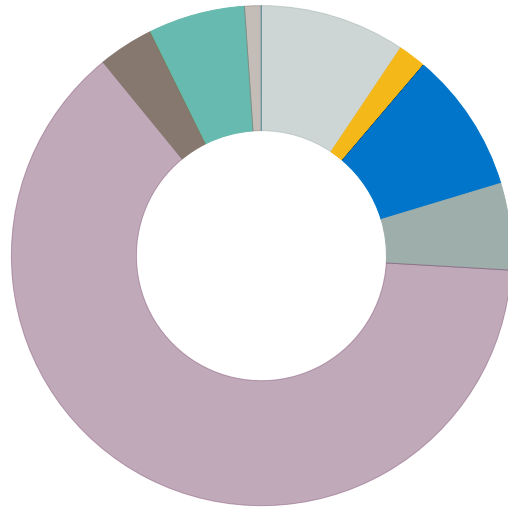
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Asset Allocation and Top Holdings



Sanlam Multi Mgd Conservative FoF

Portfolio Date: 2018/09/30



	%
SA Cash	9.4
Non-SA Cash	1.8
Africa Equity	0.0
SA Equity	9.1
Non-SA Equity	5.6
SA Bond	63.2
Non-SA Bond	3.6
Africa Property	0.0
SA Property	6.2
Non-SA Property	1.1
Non-SA Unit Trust (Undisclosed Holdings)	0.0
SA Other	0.0
Non-SA Other	0.0
Total	100.0

Equity Sectors

Portfolio Date: 2018/09/30

Basic Materials	6.61%
Consumer Cyclical	6.38%
Financial Services	13.81%
Real Estate	35.20%
Defensive	7.26%
Healthcare	5.02%
Utilities	0.78%
Communication Services	2.96%
Energy	4.24%
Industrials	4.04%
Technology	13.72%

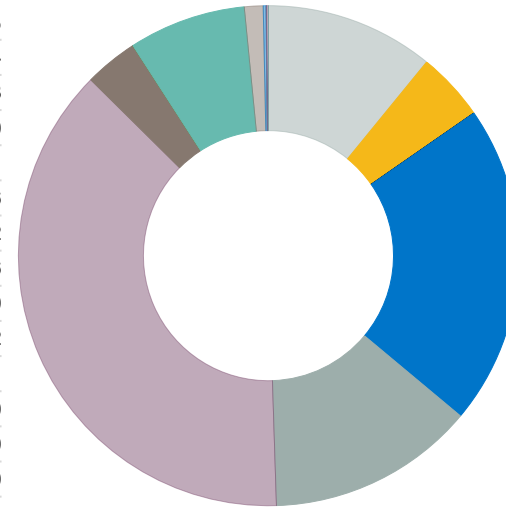
Fixed Income Maturity

Portfolio Date: 2018/09/30

Maturity 1-3 Yr	20.8%
Maturity 3-5 Yr	17.1%
Maturity 5-7 Yr	10.1%
Maturity 7-10 Yr	8.1%
Maturity 10-15 Yr	3.1%
Maturity 15-20 Yr	1.5%
Maturity 20-30 Yr	2.3%
Maturity 30+ Yr	1.5%

Sanlam Multi Mgd Cautious FoF

Portfolio Date: 2018/09/30



	%
SA Cash	10.9
Non-SA Cash	4.4
Africa Equity	0.0
SA Equity	20.7
Non-SA Equity	13.4
SA Bond	37.9
Non-SA Bond	3.5
Africa Property	0.0
SA Property	7.6
Non-SA Property	1.2
SA Unit Trust (Undisclosed Holdings)	0.2
Non-SA Unit Trust (Undisclosed Holdings)	0.0
SA Other	0.1
Non-SA Other	0.0
Total	100.0

Equity Sectors

Portfolio Date: 2018/09/30

Basic Materials	9.96%
Consumer Cyclical	7.26%
Financial Services	17.81%
Real Estate	21.09%
Defensive	8.35%
Healthcare	5.21%
Utilities	0.89%
Communication Services	3.25%
Energy	6.23%
Industrials	5.46%
Technology	14.50%

Fixed Income Maturity

Portfolio Date: 2018/09/30

Maturity 1-3 Yr	7.5%
Maturity 3-5 Yr	14.9%
Maturity 5-7 Yr	1.6%
Maturity 7-10 Yr	9.0%
Maturity 10-15 Yr	1.5%
Maturity 15-20 Yr	1.7%
Maturity 20-30 Yr	2.7%
Maturity 30+ Yr	0.1%

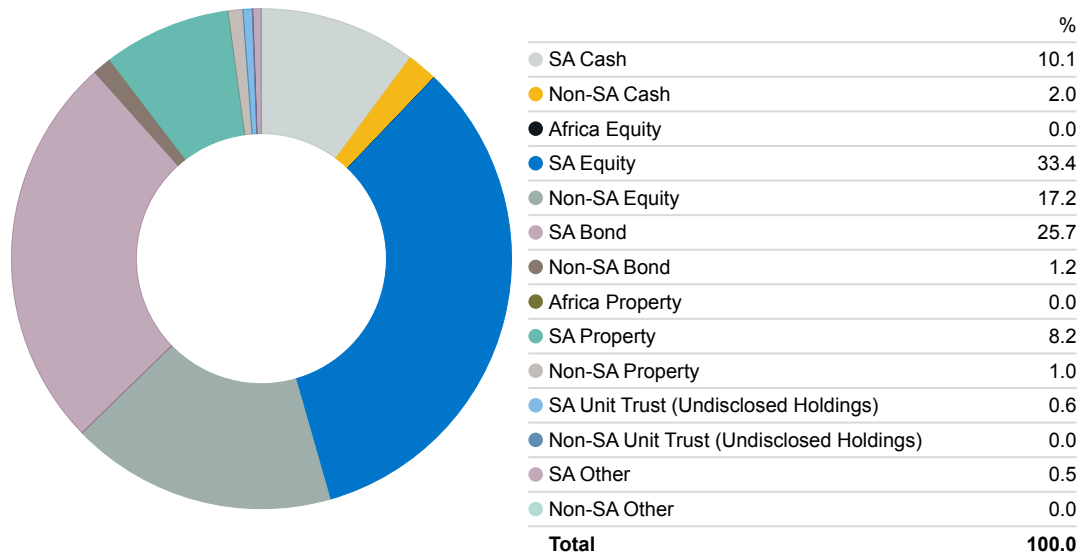
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Asset Allocation and Top Holdings



Sanlam Multi Mgd Moderate FoF

Portfolio Date: 2018/09/30



Equity Sectors

Portfolio Date: 2018/09/30

Basic Materials	10.30%
Consumer Cyclical	8.54%
Financial Services	18.05%
Real Estate	15.47%
Defensive	11.72%
Healthcare	6.09%
Utilities	0.59%
Communication Services	3.29%
Energy	4.68%
Industrials	4.06%
Technology	17.22%

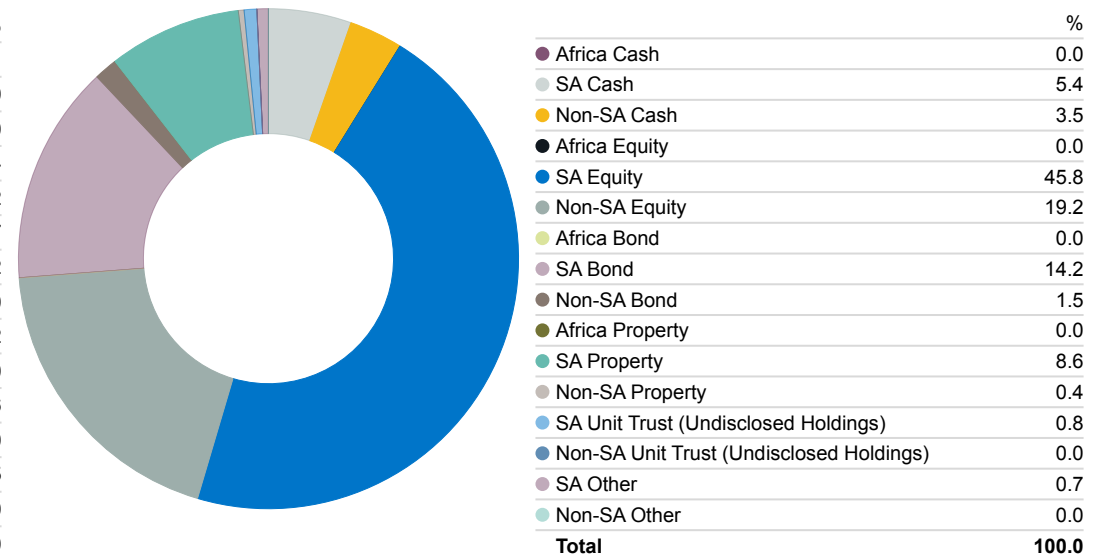
Fixed Income Maturity

Portfolio Date: 2018/09/30

Maturity 1-3 Yr	2.8%
Maturity 3-5 Yr	11.3%
Maturity 5-7 Yr	1.2%
Maturity 7-10 Yr	2.5%
Maturity 10-15 Yr	2.7%
Maturity 15-20 Yr	3.5%
Maturity 20-30 Yr	2.3%
Maturity 30+ Yr	0.1%

Sanlam Multi Mgd Moderate Aggressive FoF

Portfolio Date: 2018/09/30



Equity Sectors

Portfolio Date: 2018/09/30

Basic Materials	13.12%
Consumer Cyclical	9.26%
Financial Services	22.59%
Real Estate	12.63%
Defensive	10.38%
Healthcare	4.62%
Utilities	0.40%
Communication Services	3.17%
Energy	5.29%
Industrials	4.31%
Technology	14.23%

Fixed Income Maturity

Portfolio Date: 2018/09/30

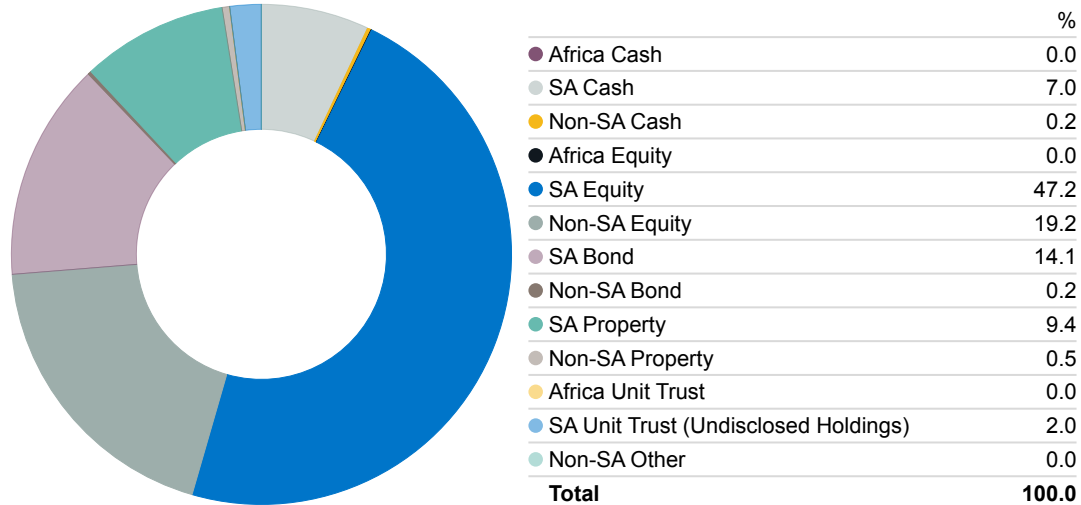
Maturity 1-3 Yr	0.9%
Maturity 3-5 Yr	2.2%
Maturity 5-7 Yr	0.8%
Maturity 7-10 Yr	3.1%
Maturity 10-15 Yr	2.2%
Maturity 15-20 Yr	3.9%
Maturity 20-30 Yr	1.5%
Maturity 30+ Yr	0.1%

In-Focus | Asset Allocation and Top Holdings



Sanlam Multi Mgd Aggressive FoF

Portfolio Date: 2018/09/30



Equity Sectors

Portfolio Date: 2018/09/30

Basic Materials	14.50%
Consumer Cyclical	9.96%
Financial Services	18.56%
Real Estate	12.98%
Defensive	10.34%
Healthcare	4.43%
Utilities	0.77%
Communication Services	3.23%
Energy	5.85%
Industrials	4.49%
Technology	14.89%

Fixed Income Maturity

Portfolio Date: 2018/09/30

Maturity 1-3 Yr	2.4%
Maturity 3-5 Yr	2.2%
Maturity 5-7 Yr	1.4%
Maturity 7-10 Yr	1.9%
Maturity 10-15 Yr	1.5%
Maturity 15-20 Yr	2.4%
Maturity 20-30 Yr	3.0%
Maturity 30+ Yr	0.0%

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