Minimum Disclosure Document

(Fund Fact Sheet)

Sanlam Select Flexible Equity Fund

February 2017

Fund Objective

This is a flexible asset allocation fund which is looking to deliver equity like returns at lower risk levels. The Fund aims to achieve maximum capital growth over the medium to long term. This Fund is suitable for investors who can withstand potential capital volatility in the short term.

Fund Strategy

The Fund will have a large exposure to equity instruments and will look for companies where strong earnings growth is expected over the short to medium term, based on a top-down macro view. When investment ideas in the equity market are limited the Manager will look to diversify across other asset classes to protect from potential market downturns. The investment manager will also be allowed to invest in derivatives as allowed by the Act from time to time in order to achieve its investment objective.

Why choose this fund?

• The fund will consistently hold a large portion in equity instruments, providing long term capital growth.
• This fund is less volatile than a pure equity fund.
• The small Assets Under Management (AUM) of the manager means that the manager is very nimble and able to execute ideas quickly and react speedily to changes in market conditions.

Fund Information

ASISA Fund Classification	South African Multi Asset Flexible
Risk Profile	Aggressive
Benchmark	ASISA South African Multi Asset Flexible Category Average
Fee Class Launch date*	01 September 2014
Portfolio Launch date	01 April 2003
Minimum investment	LISP minimums apply
Portfolio Size	R 1523 million
Monthly distribution	
28/02/2017: 0.00 cents per unit 31/01/2017: 2.86 cents per unit 31/12/2016: 0.00 cents per unit 30/11/2016: 0.00 cents per unit 31/10/2016: 0.00 cents per unit 30/09/2016: 0.00 cents per unit	31/08/2016: 0.00 cents per unit 31/07/2016: 0.00 cents per unit 30/06/2016: 0.00 cents per unit 31/05/2016: 0.00 cents per unit 30/04/2016: 2.85 cents per unit 31/03/2016: 0.00 cents per unit
Income decl. dates	Monthly
Income price dates	1st working day
***Portfolio valuation time**	15:00
Transaction cut off time	15:00
Daily price information	The local newspaper and www.sanlamunittrusts.co.za
Repurchase period	3 working days

Fees (Incl. VAT)	LISP-class (%)
Advice initial fee (max.)	neg.
Manager initial fee (max.)	0.00
Advice annual fee (max.)	neg.
Manager annual fee (max.)	1.02
Total Expense Ratio (TER)	1.44

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.sanlamunittrustsmdd.co.za and using our Effective Annual Cost (EAC) calculator. Alternatively, contact us at 0860 100 266.

This fund is available via certain LISPS (Linked Investment Service Providers), which levy their own fees.

Manager annual fee: 1.03% p.a. (incl. VAT) | Maximum Performance Fees: 2.85% (incl. VAT) and sharing rate: 20%. Performance fees will only be charged once the performance benchmark is outperformed, irrespective of whether the fund performance is positive or negative. If the fund performs in line or below the bench mark, then the minimum fee of 1.03% p.a. (incl. VAT) is charged. The performance fee is accrued daily, based on daily performance and paid to the manager monthly.

TOTAL EXPENSE RATIOS
PERIOD: 2 January 2014 to 31 December 2016

Total Expense Ratio (TER) |1.44% 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 in the TER of 1.44%, a performance fee of 0.60% of the net asset value of the class of Financial Product was recovered.

Transaction Cost (TC) | 0.76% 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) | 2.20% of the value of the Financial Product was incurred as costs relating to the investment of the Financial Product.

Top 10 Equity Holdings

Top 10	% of Equity
Naspers	10.23
Blue Label Telecoms	6.26
Steinhoff Int Hldgs N.v	5.46
Discovery Holdings Limited	5.39
Sappi	4.83
BHP Billiton Plc	4.36
Tiger Brands Limited	4.07
Glencore Xstrata Plc	3.93
Anglo American	3.87
Spar group	3.41

Performance (Annualised) as at 28 Feb 2017 on a rolling monthly basis*

LISP-class	Fund (%)	Benchmark (%)
1 Year	2.24	4.91
3 Year	N/A	N/A
5 Year	N/A	N/A
Since inception	5.85	4.31

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 28 Feb 2017 on a rolling monthly basis*

LISP-class	Fund (%)	Benchmark (%)
1 Year	2.24	4.91
3 Year	N/A	N/A
5 Year	N/A	N/A
Since inception	15.28	11.12

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

*Significant changes to this fund came into effect from 01 September 2014 and all performance figures are calculated from this date and not the original fund launch date.

Risk statistics: 3 years to 28 Feb 2017

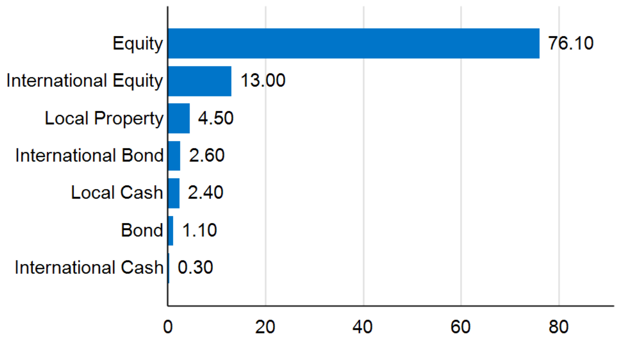
Std Deviation (Ann)	N/A
Sharpe Ratio (Ann)	N/A

Actual highest and lowest annual returns*

Highest Annual %	2.24
Lowest Annual %	1.44

*Performance figures sourced from Morningstar.

Asset Allocation



Investment Manager Monthly Commentary

The South African equity market performed poorly in February with the FTSE/JSE Shareholder Weighted Index (including dividends) returning a negative 1.49%. The Sanlam Select Flexible Equity Fund returned a negative 1.35% in the period, 0.15% better than its benchmark. Earnings season in South Africa commenced with the mining sector reporting results which were marginally ahead of expectations, although the positive sentiment fizzled out by the end of February with both Anglo American and BHP Billiton tracking back by month end. Gold companies also underperformed in February as the chances of a US rate hike increased from 40% to over 80% through the month. Woolworths and Truworths financial results showed margin losses year-on-year emphasising the tough trading environment in 2016. The outlook for clothing retailers appears even tougher ahead as international competitors bed down store expansion strategies for South Africa. The US S&P Index gained 3.65% in February as key growth and labour data pointed to a healthy economy, which was now nearing a point that justifies a more aggressive rate hiking cycle.

The main contributors to performance in February were:

·Discovery – Discovery reported results on 23 February which were marginally ahead of expectations in our view. Importantly the market started to price in the potential upside from its 25% stake in Ping An Health and other “Blue Sky” opportunities. Notably, Discovery alleviated fears of a pending rights offer for now. We remain comfortable with our Discovery exposure as green shoots from its emerging assets start appearing.

·Steinhoff – Both Steinhoff and Shoprite rallied on the back of the potential tie-up being called off. Steinhoff’s valuation appears attractive at current levels and it remains one of our portfolio’s core positions.

·Balwin Properties – Balwin rallied post its pre-close update and trading statement guiding to earnings of between R1.36 and R1.41. Balwin currently trades at below R8 per share, making its valuation appear cheap given its projected 15% annual growth.

The main detractors from performance for February were:

·BHP Billiton – BHP Billiton performed well in January and then gave back some gains in February. BHP’s commodity basket continues to appear attractive at current levels while China’s growth remains stable and the US looks likely to initiate a major infrastructure spending programme.

·Sappi – Post a good run to R90, Sappi gave back some ground in 2017 as a consequence of the stronger rand. Given the favourable transformation of the Sappi business, we believe it can continue to expand margins while awaiting a potentially value-accretive deal in the near term.

·Anglo American – In line with BHP Billiton the diversified miner gave back January gains ahead of results which were slightly ahead of consensus. The company also indicated it may initiate a dividend policy in 2017. We continue to monitor our exposure to Anglo American but believe it remains undervalued in comparison to spot commodity prices.

Looking ahead, we remain cautious of global political events both locally and abroad. The ANC’s 54th National Conference in December this year will effectively position the new leader to take the ANC forward. In Europe, elections (France and Germany) and the potential triggering of Article 50 may increase volatility within financial markets in the region. We believe that SA growth may surprise on the upside as forward indicators and PMIs turn positive for the first time since June 2016. We believe the US market is likely to see a rate hike in the next two months as its economy continues to hit inflation and growth targets set out by the Federal Reserve.

Appointed Investment Manager

Capricorn Fund Managers (Pty) Ltd

Investment Manager Disclaimer

The management of investments are outsourced to Capricorn Fund Managers (Pty) Ltd, FSP 863, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002.

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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.

Trustee Information

Standard Bank of South Africa Ltd

Tel no.: 021 441 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 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, 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 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.

The lowest and highest annualised performance numbers are based on 10 non-overlapping one year periods or the number of non-overlapping one year periods from inception where performance history does not yet exist for 10 years.

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.

Capital growth
Capital growth is the profit made on an investment, measured by the increase in its market value over the invested amount or cost price. It is also called capital appreciation.

Distributions
The income that is generated from an investment and given to investors through monthly or quarterly distribution payouts.

Equities
Equities are shares that represent an institution's or individual's ownership in a listed company. These shares are also the "vehicle" through which they are able to "share" in the profits made by that company. As the company grows, and the expectation of improved profits increases, the market price of the share will increase which translates into a capital gain for the shareholder. Similarly, negative sentiment about the company will result in the share price falling.

Shares / equities are usually considered to have the potential for the highest return of all the investment classes but also have the highest level of risk i.e. share investments have the most volatile returns over the short term. An investment in equities should be viewed with a 7 to 10 year horizon.

LISP (Linked Investment Service Provider)
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 gives an investor a single point of entry into a selection of different investments.

Pure equity fund
This is a fund that invests primarily in higher-risk asset classes such as equities (stocks or shares) and aims to achieve aggressive capital growth over the long term. This type of fund will experience volatility in the short term.

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.

Manager information: Sanlam Collective Investments (RF)(Pty.) Ltd. Physical address: 2 Strand Road, Bellville 7530, Postal address: PO Box 30, Sanlamhof 7532
Tel: +27 (21) 916 1800, Fax: +27 (21) 947 8224, Email: service@sanlaminvestments.com, Website: www.sanlamunittrusts.co.za