

Fund Managers Thoughts

The Capricorn SCI Balanced Fund performed well in January gaining 0.8% while its ASISA High Equity benchmark returned 0.4% and SWIX declined by -0.7%. Our offshore portfolio was the largest contributor to performance in January with US and Chinese tech shares and NMC Healthcare rallying to new highs. We have since trimmed these exposures. January was another volatile month for some large cap SA stocks as the hunt for the next “Steinhoff fallout” continued. Viceroy published a report on Capitec which led to the stock falling 25% with associated company, PSC Group, also taking some pain.

Post Cyril Ramaphosa’s win in December, the Rand continued to strengthen (4% in January) with the net around Jacob Zuma closing in. The market seems to have started pricing in the leadership change although we believe there are significantly more profits left in the trade. Consumer sentiment is improving with SA’s leading indicator at its best level since 2001. These green shoots are starting to show with the JSE General Retailers index outperforming in the month of January.

Fund Managers



Matthew Auerbach

Fund Manager
M.COM, CA(SA), CFA
15 yrs industry experience



Seten Naidoo

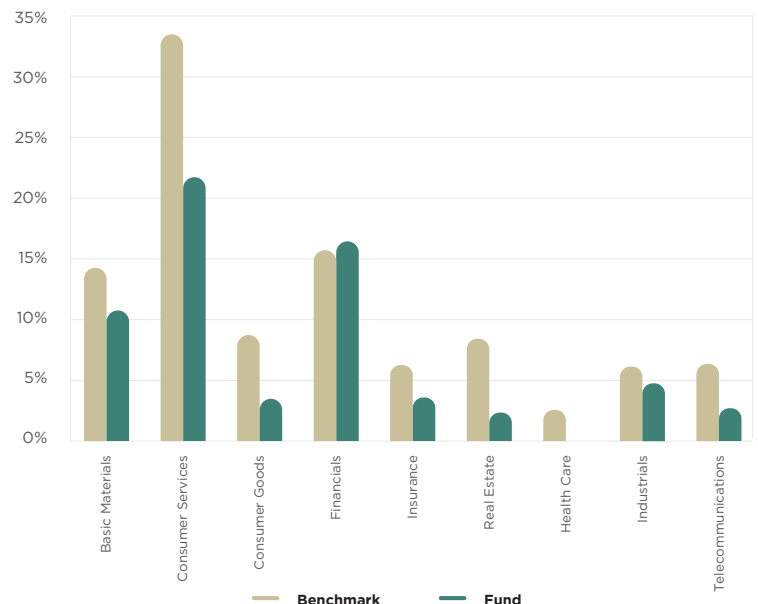
Fund Manager / Analyst
BBuSci (Fin Hons)
8 yrs industry experience
Top rated equity analyst

Positioning Our Portfolio

As the net around Jacob Zuma closes in, we believe that SA is on the brink of significant momentum in the equity market, similar to that experienced in Brazil (Bovespa +98% in 24 months post President Rousseff’s impeachment). We continue to remain SA Inc. biased and believe the next wave in momentum for SA Inc. stocks will commence with the removal of Jacob Zuma with SA banks and retailers likely to benefit in this scenario. We remain cautious of the US market given the extended bull market run and recent rise of US yields, consequently we have trimmed our offshore exposure in favour of SA Inc. stocks.



Sector weightings: Benchmark vs Fund



Date: as at 31/01/2018 Source: Capricorn Fund Managers (Pty) Ltd

The information contained in this document are the views of the fund manager and does not constitute financial advice as contemplated in terms of the Financial Advisory and Intermediary Services Act, and should be read in conjunction with the MDD. Use of or reliance of this information is at own risk. Independent professional financial advice should be sought before making any investment decision. Past performance is not necessarily a guide to future performance.

Sanlam Collective Investments Balanced Fund January 2018 · Market Commentary

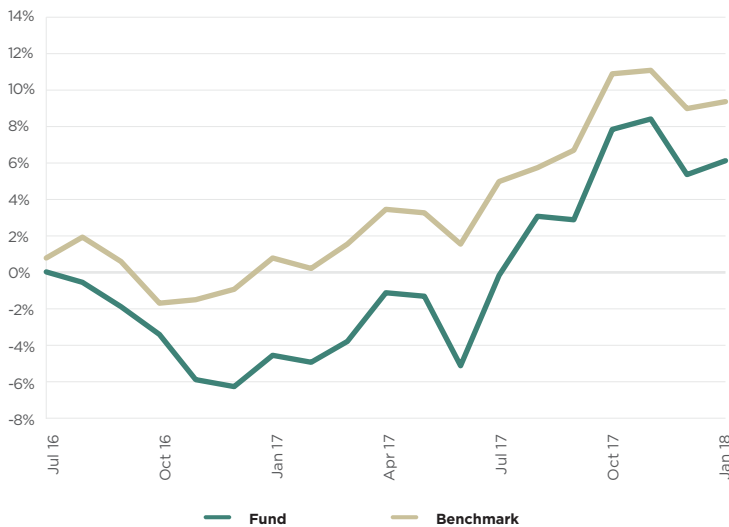
Why choose our fund

The Capricorn Sanlam Collective Investments Balanced Fund is a well-diversified portfolio housing moderate risk qualities with the primary objective of capital preservation, while generating long term real returns. The portfolio invests in a combination of equities, bonds, money market instruments, listed property as well as international equities and fixed interest investments to diversify return streams and reduce risk. This fund has a maximum equity exposure of 75% and maximum allocation of 25% to offshore asset classes. The fund is Reg 28 compliant, therefore suitable for pension funds and retirement savings.

Fund Facts	
Portfolio Size	R450m
Minimum Investment	R100,000
Manager Annual Fee	1.02%
Launch Date	01/07/2016
Benchmark	Asisa Multi Asset High Equity

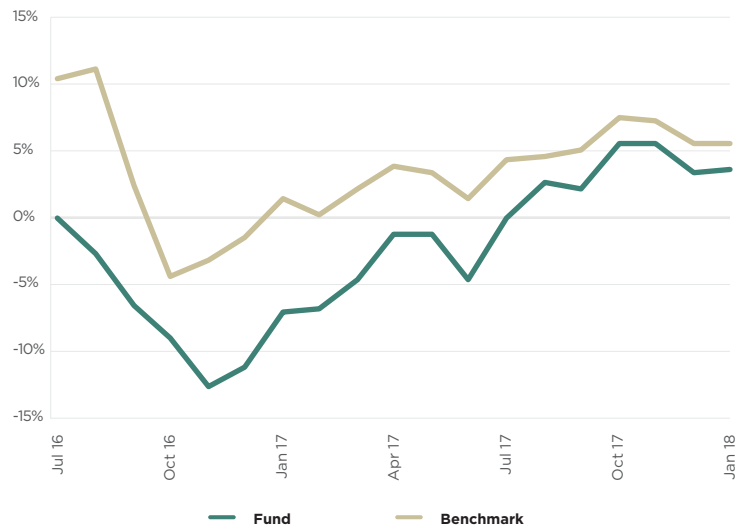
Date: 31/01/2018 Source: Capricorn Fund Managers (Pty) Ltd
 *Annualised Return is calculated from the historical returns of the fund since inception and is the annual growth rate that gets you from the initial investment value to the ending investment value if you assume that the investment has been compounding annually over the time period.

Cumulative Performance Since Inception

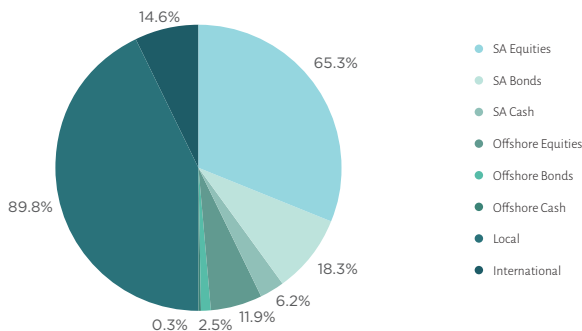


Date: as at 31/01/2018. Source: Capricorn Fund Managers (Pty) Ltd

Annualised Performance Since Inception



Equity Asset Allocation



Date: as at 31/01/2018. Source: Capricorn Fund Managers (Pty) Ltd
www.capricornfundmanagers.com

Largest Holdings

- | | |
|--------------------|---------------------|
| Naspers | Sanlam |
| FirstRand | Massmart |
| The Foschini Group | Blue Label Telecoms |
| Standard Bank | Barloworld |
| NMC Health | Balwin |

Historical Monthly Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Benchmark
2016							(0.0%)	(0.5%)	(1.4%)	(1.5%)	(2.5%)	(0.4%)	(6.1%)	(0.9%)
2017	1.8%	(0.5%)	1.2%	2.8%	(0.2%)	(3.9%)	5.0%	3.3%	(0.2%)	5.1%	0.5%	(3.1%)	11.9%	9.9%
2018	0.8%												0.8%	0.4%

Date: as at 31/01/2018 (net of fees). Source: Capricorn Fund Managers (Pty) Ltd

Important information

Sanlam Collective Investments (RF) (Pty) Ltd 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. 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. 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. Performance fees are calculated at 20% above the benchmark performance (Asisa Multi Asset High Equity). Lump sum investment performances are being quoted. Sanlam Collective Investments retains full legal responsibility for this co-named portfolio. The portfolio management of the fund is outsourced to Capricorn Fund Managers, an authorised financial services provider in terms of the FAIS Act. The Manager has a right to close the portfolio to new investors in order to manage it more efficiently in accordance with its mandate. The information contained within this document has been prepared by Capricorn Fund Managers (Pty) Ltd and is unaudited.

Contact Information

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