

## Fund Managers Thoughts

The Capricorn SCI Balanced fund outperformed the market and its benchmark in February gaining +1.1% while its ASISA high equity benchmark declined (1.3%) and SWIX declined (1.2%). February was an eventful month which saw Jacob Zuma's swift resignation and a consolidation of power by Cyril Ramaphosa which included a cabinet reshuffle. Even Capricorn who are bullish on South Africa were surprised by the speed and magnitude of the change. The All Share surprisingly traded backwards through the political reform as Naspers underperformed (-3.3%) and the property sector (-16.8%) was materially affected by the Resilient Group's decline. In line with our SA Inc. bias, the fund performed well in February as banks gained 9.5% in the month while general financials also performed well. Global technology giants Tencent, Amazon and Alibaba sold off early in February post a strong performance in January before clawing back the losses to end the month flat. Internationally we remain positive on the trend of global synchronized growth continuing and keenly await China's Q1 GDP data which traditionally sets the tone for the year.

## Fund Managers



**Matthew Auerbach**

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



**Seten Naidoo**

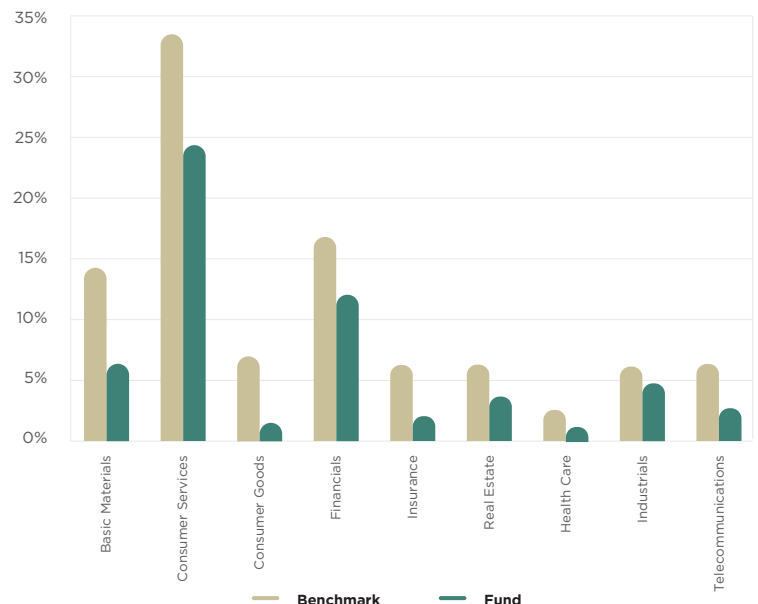
Fund Manager / Analyst  
BBuSci (Fin Hons)  
8 yrs industry experience  
Top rated equity analyst

## Positioning Our Portfolio

Capricorn maintains its SA Inc. portfolio bias as we believe foreign investors continue to buy into the political reform while closing their underweight South Africa positions. We believe key catalysts lie ahead, with SA possibly avoiding a Moody's Credit Rating downgrade at the end of March. The SARB also indicated the potential for a rate cut at their next meeting, as inflation remains in their target range while political risks have substantially reduced since their last meeting.



## Sector weightings: Benchmark vs Fund



Date: as at 28/02/2018 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 February 2018 · Market Commentary

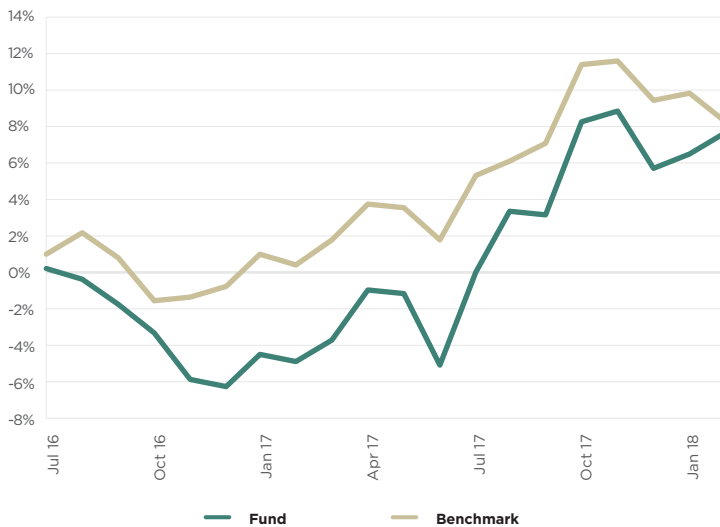
## Why choose our fund

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	R441m
Minimum Investment	R100,000
Manager Annual Fee	1.02%
Launch Date	01/07/2016
Benchmark	Asisa Multi Asset High Equity

Date: 28/02/2018 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

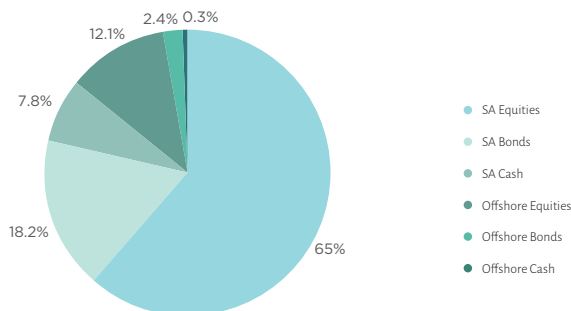


## Annualised Performance Since Inception



Date: as at 28/02/2018. Source: Capricorn Fund Managers (Pty) Ltd

## Equity Asset Allocation



## Largest Holdings

- |                    |                     |
|--------------------|---------------------|
| Naspers            | Bidvest             |
| Firstrand          | Sanlam              |
| The Foschini Group | Massmart            |
| Standard Bank      | Blue Label Telecoms |
| Barclays           | Exxaro              |

## 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%)	<b>(6.1%)</b>	<b>(0.9%)</b>
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%)	<b>11.9%</b>	<b>9.9%</b>
2018	0.8%	1.1%											<b>1.9%</b>	<b>(0.9%)</b>

Date: as at 28/02/2018 (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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