

### Fund Objective

The Octagon Sanlam Collective Investments Growth fund of fund is a portfolio with aggressive risk characteristics and investments are diversified across asset classes. The primary objective is to achieve higher than average long-term capital growth. Short-term volatility in the portfolio value will be reflective of the risk profile of the portfolio.

### Fund Strategy

This is an actively managed fund which is broadly diversified across a combination of local equity, bonds, money market instruments, listed property, including offshore equities and fixed interest investments. Its moderately aggressive risk profile results in a 75% maximum allocation to equities. The portfolio will also be allowed to invest in listed and unlisted financial instruments (derivatives) as allowed by the Act from time to time, as well as offshore investments in line with Regulation 28. Investors should be prepared to tolerate capital fluctuations over the shorter term, with a recommended investment horizon of 5 years and longer.

### Why choose this fund?

- The fund offers a high quality, diversified multi-asset portfolio at a reasonable cost.
- It is appropriate for investors looking for long term capital growth, but at volatility levels lower than a pure equity fund
- The fund is Regulation 28 compliant.

### Fund Information

<b>ASISA Fund Classification</b>	SA Multi Asset High Equity
<b>Risk Profile</b>	Moderate Aggressive
<b>Benchmark</b>	CPI+5%
<b>Fee Class Launch date</b>	21 January 2016
<b>Portfolio Launch date</b>	21 January 2016
<b>Minimum investment</b>	LISP dependent
<b>Portfolio Size</b>	R 512 million
<b>Bi-annual Distributions</b>	30/06/20: 16.03 cents per unit 31/12/19: 13.92 cents per unit
<b>Income decl. dates</b>	30/06   31/12
<b>Income price dates</b>	1st working day in January and July
<b>Portfolio valuation time</b>	17:00
<b>Transaction cut off time</b>	15:00
<b>Daily price information</b>	The Local newspaper and www.sanlamunitrusts.co.za
<b>Repurchase period</b>	2 to 3 working days

Fees (Incl. VAT)	B1-Class (%)
<b>Advice initial fee</b>	Neg.*
<b>Manager initial fee (max.)</b>	0.00
<b>Advice annual fee</b>	Neg.*
<b>Manager annual fee (max.)</b>	0.86
<b>Total Expense Ratio (TER)</b>	1.69

\* 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.

\* This fund is also available via certain LISPS (Linked Investment Services Providers), who levy their own fees.

Obtain a personalised cost estimate before investing by visiting [www.sanlamunitrustsmdd.co.za](http://www.sanlamunitrustsmdd.co.za) and using our Effective Annual Cost (EAC) calculator. Alternatively, contact us at 0860 100 266.

PERIOD: 01 April 2017 to 31 March 2020

Total Expense Ratio (TER) | 1.69% 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.

Transaction Cost (TC) | 0.19% 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) | 1.88% of the value of the Financial Product was incurred as costs relating to the investment of the Financial Product.

A fund of fund unit trust only invests in other unit trusts, which levy their own charges, which could result in a higher fee structure for these funds. The fund manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down.

### Fund Composition

Securities (%)	30-Jun
Passive Balanced Strategy	29.3
Ninety One Balanced	15.7
Ninety One Opportunity	11.7
Coronation Strategic Income	9.5
Amplify SCI Balanced	7.1
Amplify SCI Flexible Equity	6.3
Coronation Equity	5.5
PSG Flexible	4.7
Truffle Flexible Property	3.0
Ninety One Global Franchise Feeder	2.0
Coronation Top 20	2.0
Amplify SCI Strategic Income	1.8
Ginsglobal Emerging Markets	1.1
Illiquid Bonds	0.3

### Performance (Annualised) as at 30 Jun 2020 on a rolling monthly basis\*

B1-Class	Fund (%)	Benchmark (%)
1 Year	-1.87	7.40
3 Year	2.07	8.81
5 Year	N/A	N/A
Since inception	2.18	9.63

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 30 Jun 2020 on a rolling monthly basis\*

B1-Class	Fund (%)	Benchmark (%)
1 Year	-1.87	7.40
3 Year	6.34	28.81
5 Year	N/A	N/A
Since inception	10.04	50.45

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

### Risk statistics: 3 years to 30 Jun 2020

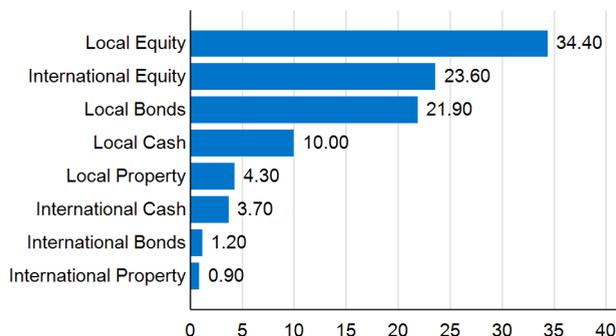
Std Deviation (Ann)	12.23
Sharpe Ratio (Ann)	-0.42

### Actual highest and lowest annual returns\*

Highest Annual %	12.81
Lowest Annual %	-12.97

\*The highest and lowest 12 month returns are based on a 12 month rolling period over 10 years or since inception where the performance history does not exist for 10 years.

### Portfolio Detail



### Portfolio Manager(s) Comment

In the last month of the second quarter of 2020, it became apparent that most economies have not met the conditions for a speedy recovery. A second round of infections, without a vaccine, remains a material risk to the global outlook. Risky assets held up well in June, although it was not a smooth ride. But just as equity markets start to recover, uncertainty looms around escalating tensions between the US and China. Over the short term, geopolitical, trade, and US election risks increasingly weigh on the global economic outlook. Subsequent waves of COVID-19 outbreaks and a failure to develop effective treatments or a vaccine, or a monetary policy mistake or some hesitancy over fiscal support, could derail the global recovery.

Quantitative easing by emerging market central banks have helped stabilise financial markets. Despite small quantities, the result has been lowered government borrowing costs and this has slowed the further weakening of already weak currencies. While Minister Mboweni painted a grim picture of the country's finances in his special adjustment budget, he said the government would be required to build high quality bridges, roads, railways, ports, and other infrastructure. The country is already borrowing at a rate of more than R1 billion a day, but even that may not be enough to plug a hole in government finances. This is as much as 15% of gross domestic product, which is more than double the 6.8% shortfall that was projected in February.

Investors continue to focus on guidance regarding the shape of the macro and earnings recovery. The MSCI World delivered some 1.16% in rands and the MSCI Emerging Markets index fared far better than its developed market counterparts, delivering some 5.81% in rands in June. Emerging markets and Europe outperformed the US in dollar terms. Developed market bonds delivered -0.57% in rands. Also, developed market property rallied 1.21% in rands. The local equity market tracked other emerging markets during June, and the ALSI rallied 7.74% in rands. After a terrible start to the year, the listed property sector rallied strongly in June delivering 13.41% in rands. In June we saw a further steepening in the yield curve as yields rose with some flattening from the 15-year area of the yield curve. As such, the ALBI declined some 1.18% in rands. Inflation-linked bonds followed suit and delivered marginal negative returns of -0.40% in rands. Local cash delivered some 0.44% in rands for the month of June.

### Portfolio Management

The management of investments are outsourced to Octagon Asset Managers (Pty) Ltd (FSP) Licence No. 45236, an Authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002.

#### Menachem Kay

BCom;  
CERTIFIED FINANCIAL PLANNER®

### Investment Consultant

The investment consulting is provided by Graviton Financial Partners (Pty) Ltd, (FSP) Licence No. 4210, an Authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002.

### Risk Profile (Moderate Aggressive)

In this portfolio, capital growth is of primary importance and results in a higher allocation to equities. The portfolio may display capital fluctuations over the shorter term, however, volatility levels should be lower than a pure equity fund. While diversified across all the major asset classes, this portfolio is tilted more towards equities and other risky asset classes to ensure the best long-term returns of all the asset classes. Fixed income positions are minimized.

### Trustee Information

#### Standard Bank of South Africa Ltd

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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 performances are not necessarily an accurate determination of future performances, 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 in 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 countries and therefore it may have risks regarding liquidity, the repatriation of funds, political and macroeconomic situations, foreign exchange, tax, settlement, and the availability of 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 Manager retains full legal responsibility for the co-named portfolio.

Octagon Asset Managers (Pty) Ltd is responsible for the management of the investments held in the Fund. The management of investments are outsourced to Octagon Asset Managers (Pty) Ltd, (FSP) Licence No. 45236, an Authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002.

### Glossary of Terms

#### 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.

#### Derivative strategies

A derivative is a financial instrument (like futures and options) that is derived from some other financial instrument, known as the underlying instrument. For example, the Dow Jones Industrial is an indicator of whether the stock market is going up or down.

You can 'bet' on the direction of the Dow by selling a 'futures' contract on it. This futures contract is a derivative as it derives from the Dow Index. If you think the market will go up, you will buy the Dow futures contract, and vice versa.

#### Diversification

This is a strategy designed to reduce risk within a portfolio by combining a variety of investments (or asset classes) such as equities, bonds, cash or property, which are unlikely to all move in the same direction. This is designed to reduce the risk (and protect against capital losses) within a portfolio. Diversification allows for more consistent performance under a wide range of economic conditions as it smoothes out the impact of negative market events. The positive performance of some investments or asset classes should neutralize the negative performance of others.

#### Equities

An equity or share represents an institution/individual's ownership in a listed company and is 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 and this 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 with a higher level of risk i.e. share investments have the most volatile returns over the short term. An investment in this type of asset should be viewed with a 7 to 10 year horizon.

#### Fund of Funds

A "fund of funds" is an investment strategy of holding a portfolio of other investment funds rather than investing directly in stocks, bonds or other securities. This type of investing is often referred to as multi-manager investment. Investing in a fund of funds may achieve greater diversification. The benefit of diversification is that it can reduce volatility and the overall risk in the portfolio, while maintaining returns.

#### Regulation 28

Regulation 28 of the Pension Funds Act sets out prudent investment limits on certain asset classes in investment funds. It applies specifically to investments in Retirement Annuities and Preservation Funds.

The allowed maximum exposures to certain asset classes is:

75% for equities

25% for property

30% for foreign (offshore) assets +10% to African Assets

#### 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.