

# STONEHAGE FLEMING SANLAM COLLECTIVE INVESTMENTS EQUITY FUND

## Minimum Disclosure Document (Fund Fact Sheet)

June 2017

Issue Date: 13 July 2017

### FUND OBJECTIVE

The objective of this portfolio is to provide above average growth in capital over the medium to long term. Income will be of secondary importance. The risk associated with this portfolio shall be the same as the risk associated with SA equities as an asset class. Volatility of capital can occur over the short-term.

### FUND STRATEGY

The portfolio shall invest in assets in liquid form and in securities across all sectors of the JSE Securities Exchange of South Africa as well as international exchanges and other permissible assets allowed by the Act. The portfolio shall be allowed to invest in listed and unlisted financial instruments (derivatives) as allowed by the Act from time to time in order to achieve its investment objective, and shall be permitted to invest in offshore investments as legislation permits. This portfolio will invest predominantly in equities. Apart from the above, the portfolio may also invest in participatory interests of portfolios of collective investment schemes registered in the Republic of South Africa or of participatory interests in collective investment schemes.

The fund will be managed with a high conviction approach, typically holding no more than 20 positions at any time. In line with the investment manager's investment philosophy and process, the holdings will be concentrated in selected JSE Top 50 companies with the buy-to-hold management approach encouraging minimal portfolio turnover.

### INVESTMENT MANAGER INFORMATION

#### Stonehage Fleming Investment Management (South Africa) (Pty) Ltd

FSP Number	42847
Address	Ground Floor Block A, 7 West Quay Road Victoria & Alfred Waterfront
Website	<a href="http://www.stonehagefleminginvestments.com">www.stonehagefleminginvestments.com</a>
Tel No	021 446 2100
Email Address	<a href="mailto:jp.duplessis@stonehagefleming.com">jp.duplessis@stonehagefleming.com</a>

Stonehage Fleming Investment Management is the specialist investment division of the Stonehage Fleming Group. Stonehage Fleming is one of the world's leading independently owned family offices with 11 offices situated in 7 global jurisdictions. The fund is managed by Jean-Pierre du Plessis, a director of Stonehage Fleming Investment Management (South Africa). Jean-Pierre has over 10 years experience in equity markets and joined the group in 2011 to help establish the Group's onshore direct equity offering.

### FUND INFORMATION

Portfolio Manager	Jean-Pierre du Plessis
Assistant Portfolio Manager	Gawie Louw, CA (SA), CFA
ASISA Fund Classification	SA Equity General
Portfolio Launch Date	1 June 2016
Fee Class Launch Date	1 June 2016
Portfolio Size	R542 million
Benchmark	JSE All Share Index (Total Return) (J203T)
Risk Profile	Aggressive, the fund is not suitable for investors with a time horizon under 5 years or looking to preserve capital.
Income Declaration Dates	30 June and 31 December
Last Two Distributions	30 Jun 2017: A1: 4.20 cpu; A2:5.98 cpu 31 Dec 2016: A1: 6.71 cpu; A2: 8.90 cpu
Income Payment Dates	1 <sup>st</sup> working day in January and July
Portfolio valuation Time	3pm
Transaction Cut-off	3pm
Repurchase Period	3 working days
Availability of Daily Pricing Information	Local newspapers <a href="http://www.sanlamunitrusts.co.za">www.sanlamunitrusts.co.za</a>
Investment Manager	Stonehage Fleming Investment Management (South Africa) (Pty) Ltd
Trustee	Standard Bank of South Africa Ltd Tel: 021 441 4100, <a href="mailto:compliance-Sanlam@standardbank.co.za">compliance-Sanlam@standardbank.co.za</a>
Management Company	Sanlam Collective Investments (RF)(Pty)Ltd 2 Strand Road, Bellville 7530 PO Box 30, Sanlamhof 7532 Tel: 021 916 1800, <a href="mailto:service@sanlaminvestments.com">service@sanlaminvestments.com</a> <a href="http://www.sanlamunitrusts.co.za">www.sanlamunitrusts.co.za</a>

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#### PORTFOLIO MANAGER MONTHLY COMMENT

During the month of June Naspers reported year-end results. Tencent, the listed Chinese associate of Naspers, continues to dominate the results. Naspers reported a 41% jump in core earnings to USD1.7 billion, with Tencent alone contributing USD2.5 billion in earnings meaning that the rest of the group delivered a loss of USD800 million.

Despite evidence of progress across a number of geographies and markets, the group continues to invest heavily across their internet platforms, notably in the online travel and food, ecommerce, classifieds and payments segments. The division reported a USD730million loss over the period.

The video entertainment business delivered a poor performance, despite subscriber growth in South Africa and the rest of Africa. This was largely due to Multichoice's inability to pass on input cost increases and consumers downgrading to lower-cost subscription packages.

Given the continued underperformance of Naspers versus Tencent and the resulting deep discount that the so called 'rump' of the business is now trading at, management will be acutely aware of the growing restlessness amongst certain Naspers shareholders. In a recent open letter to Naspers management, Swiss based investment firm AIM&R accused management of destroying over R334 billion over the past 3 years. They went further and called for Tencent to be unbundled to shareholders.

With a significant number of Naspers' nascent investments now through the trough of the 'J-curve', we anticipate the performance and cash flow profile of the Internet division to improve significantly in the 2018 and 2019 financial years. Sustained delivery should then result in a rerating in the rump, driving growth in shareholder value and in doing so building on Naspers exemplary track record of shareholder delivery.

#### ANNUALISED PERFORMANCE AT 31 MAY 2017

Period	Fund	Benchmark
1 year (A1 class)	-8.40%	1.69%
1 year (A2 class)	-8.03%	1.69%

#### ACTUAL HIGHEST AND LOWEST ANNUAL FIGURES FOR ROLLING 10 YEARS

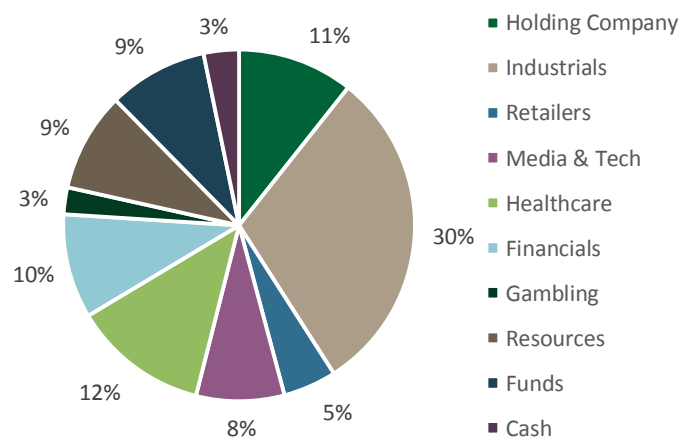
Highest Annual (A1 class) % (2016/2017)	-8.40%
Lowest Annual % (A1 class)	NA
Highest Annual (A2 class) % (2016/2017)	-8.03%
Lowest Annual % (A1 class)	NA

The lowest and highest annualized 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 exist for 10 years.

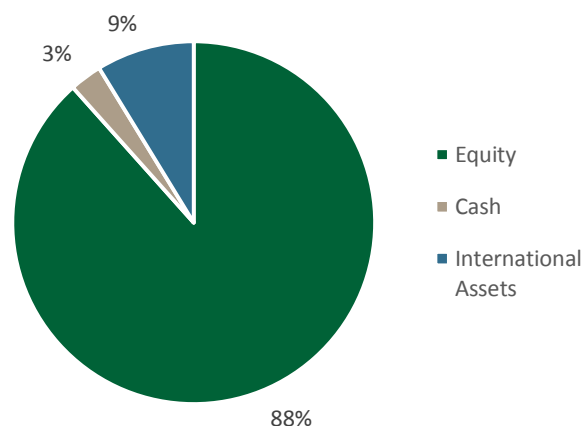
#### TOP 10 HOLDINGS (AS AT 30 JUNE 2017)

AB Inbev
Aspen
Bidcorp
Brait/British American Tobacco
Richemont
Mediclinic International
Mondi
Naspers
Remgro
Stonehage Fleming Global Best Ideas

#### SECTOR EXPOSURE (BY WEIGHTING)



#### ASSET ALLOCATION



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### FEES AND FUND CLASSES

Fees (Incl. VAT)	A1 Class	A2 Class
Minimum Investment	R1 000 000	R30 000 000
Advice Initial Fee (max.)	NA	NA
Advice Annual Fee (max.)	NA	NA
Investment Manager Initial Fee	NA	NA
Investment Manager Annual Fee	1.14%	0.74%
Performance Fee	None	None
Total Expense Ratio (TER)	1.21%	0.81%
Transaction Costs	0.39%	0.39%
Total Investment Charges	1.60%	1.20%

Advice fees are negotiable between the client and their advisor. Annual advice fees are paid through a repurchase of units from the investor.

The fund is available through certain LISPs which levy their own fees.

Total Expense Ratio (TER) | PERIOD: 1 June 2016 to 31 March 2017.

Total Expense Ratio (TER) | 1.21% (A1 class) and 0.81% (A2 class) 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) | 0.39% 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) | 1.60% (A1 class) and 1.20% (A2 class) of the value of the Financial Product was incurred as costs relating to the investment of the Financial Product.

The TER and Transaction Costs cannot be determined accurately because of the short life span of the Financial Product. Calculations are based on actual data where possible and best estimates where actual data is not available.

Disclosed performance information is calculated after all fees and costs deducted.

Glossary:

#### DERIVATIVES

An arrangement or product (such as a future, option, or warrant) whose value derives from and is dependent on the value of an underlying asset, such as a commodity, currency, or security.

### 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 a guide to 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, 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. The fund manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Performance is based on NAV to NAV calculations with income reinvestments done on the ex-div date. Lump sum investment performances are quoted. Source: Money Mate. 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 are outsourced to financial services providers authorized in terms of the Financial Advisory and Intermediary Services Act, 2002. Manager Information: Sanlam Collective Investments (RF) (Pty) Ltd (Sanlam Collective Investments), PO Box 30 Sanlam 7532 / Sanlam Head Office, 2 Strand Rd, Bellville 7530. The Manager retains full legal responsibility for the co-named portfolio. Stonehage Fleming Investment Management (South Africa) (Pty) Ltd is responsible for the management of the investments held in the Fund. The management of investments are outsourced to Stonehage Fleming Investment Management (South Africa) (Pty) Ltd, FSP 42847 an authorized Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002. Standard Bank of South Africa Ltd is the appointed trustee of the Sanlam Collective Investments Scheme.