



30 June 2018

Lalapanzi Conservative

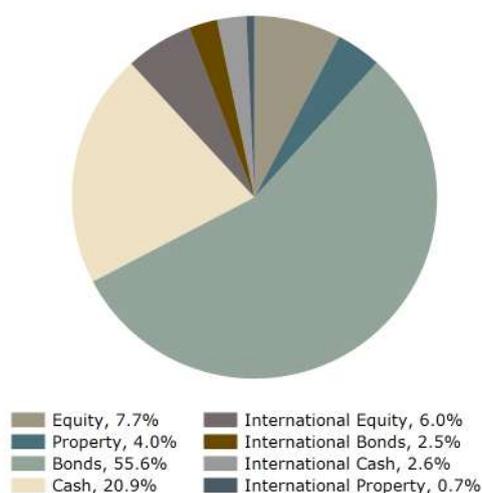
**Fund Details**

<b>Fund Category</b>	SA Multi Asset Income
<b>Benchmark</b>	CPI+2% over a 2-year rolling period
<b>Risk Profile</b>	Conservative
<b>Investment period</b>	1 year or longer
<b>Launch Date</b>	01 May 2017
<b>Fund Size</b>	R 1 032

**Fund Objective**

The wrap fund aims to provide investors with a high level of income over the short term. The preservation of capital is of primary importance. The fund will consist primarily of income orientated assets with limited exposure to equities (maximum of 20%). Investors in this fund have an investment horizon of 1 year or longer. The fund is compliant with Regulation 28 of the Pension Funds Act, 1956.

**Asset Allocation**

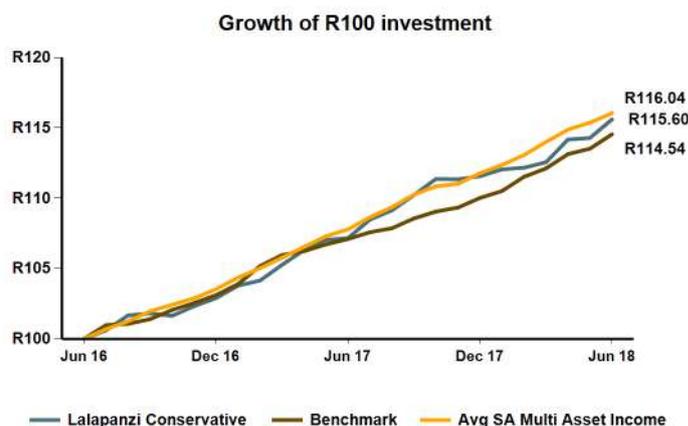


**Investor Profile**

This fund is suitable for investors looking for:

- High level of income over the short term
- Capital preservation, with limited exposure to equities
- A minimum investment horizon of 1 year or longer

**Cumulative performance - 2 years \***



Performance (%)	Fund*	Fund Benchmark	Avg SA Multi Asset Income
1 Month	1.15	0.90	0.57
3 Months	2.71	2.16	1.79
6 Months	3.62	4.11	3.82
1 Year	7.87	6.96	7.65
2 Years (annualised)	7.52	7.02	7.72
YTD	3.62	4.11	3.82
Since Launch	7.45	6.67	7.60

Risk statistics (2 years)	Fund*
Returns (annualised)	7.52%
Standard deviation (annualised)	1.56%
% Positive months	91.67%
Maximum drawdown	-0.17%
Sharpe ratio	0.02

**Manager Selection (%)**

Coronation Strategic Income	20.00	Sanlam Multi Managed Defensive FoF	12.50
Nedgroup Stable	12.50	SIM Active Income	22.50
Prescient Income Provider	22.50	SIM Inflation Plus	10.00

Monthly Fund Performance* (%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2018	0.44	0.10	0.35	1.44	0.10	1.15							3.62
Fund 2017	0.86	0.35	1.07	1.00	0.68	0.13	1.23	0.60	1.00	1.04	-0.02	0.19	8.42
Fund 2016							0.60	1.06	0.14	-0.17	0.67	0.57	2.89

**Fees (% incl. VAT)**

Annual wrap fee	0.40
Underlying Manager TER's	0.85

\* The simulated analysis before launch date was created using Morningstar and is for illustrative purposes only. It provides an indication of hypothetical past performance given historic asset and manager allocation, and cannot be construed as providing an indication of expected future performance. The investor is liable for CGT on any transactions in the units of the underlying unit trusts within the wrap funds. Compulsory investments are not subject to CGT. Performance is calculated using net returns (after fees) of the underlying unit trusts, and quoted excluding wrap fund fees. Performance quoted is pre-tax. Fund performance numbers shown are for a notional portfolio and do not reflect the actual performance of the client invested in the wrap fund due to timing differences of investments or disinvestments of the client. Benchmark returns for CPI are based on actual published returns and an estimated one month return for the month of the report date. ASISA Benchmark returns are the ASISA returns available as at the time of reporting.



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### Manager Comment

The World Bank highlighted that global growth is set to slow over the next two years as central banks raise borrowing rates and fiscal stimulus starts to fade in countries such as the US and China. Furthermore, halfway through 2018, markets have not exactly performed as many expected. Worries that a full-blown trade war will break out between the US and key trading partners continue to weigh on emerging market currencies and risk assets. Easing political concerns in Europe and a more dovish ECB did little to cushion the sell-off of emerging market assets. The Fed raised interest rates for the second time this year, as expected, but also signalled that it expected two further increases in 2018 – one more than it had previously forecast. The ECB, meanwhile, said it planned to halt its quantitative easing programme in December, but said interest rates were unlikely to rise in the foreseeable future.

Most of the gains from developed equity markets in the first half of the month were wiped out by renewed global trade war concerns and more protectionism across major trading partners. Rising trade tensions hurt investor sentiment and saw emerging market currencies depreciate relative to the dollar and a broad-based sell-off in emerging market risk assets. As such, the rand relative to the dollar depreciated by some 7.60% during the month of June. The MSCI World index was marginally down in dollar terms, delivering -0.05%, while the MSCI EM index delivered -4.13% in dollars. The Fed rate hike and a nearly 3% US 10-year yield during the month disrupted financial markets outside the US. The 10-year yield closed at 2.94% mid-month and eased to 2.83% at month-end. As such, the JP Morgan Global Aggregate index delivered -0.28% in dollars. For emerging market debt the backdrop of more protectionist rhetoric and a stronger dollar was less rosy as the JP Morgan EM index delivered -1.03% in dollars. Global listed property in regions like Hong Kong, Japan, and Singapore came under pressure in the month of June, while the US rallied and contributed 2.15% to the asset class total return. As such, despite valuations marginally deteriorating, the EPRA/NAREIT Developed Markets Property index delivered 1.57% in dollars.

The local equity market followed suit of emerging equity markets, but recovered strongly in the last week of June with the ALSI index gaining 2.78% in rands. A strong month for Resource and Industrial shares helped the local market post positive returns. As such the Resi20 index and Indi25 index delivered 6.40% and 4.88% respectively. The Fini15 bucked the trend, delivering -2.84% for the month of June. Foreigners were net sellers of the local bond market to the tune of R30.33bn during the month, as investors remain concerned about the recurring theme related to the reversal of 'easy money'. The SA 10-year yield pushed 29 bps higher and settled at 9.04% at month end. As such, the ALBI delivered -1.17% in rands. Inflation-linked bonds underperformed their sovereign counterparts, delivering -2.11% in rands and -9.54% in dollars. The local listed property market came under pressure as bond yields pushed higher. As such, the SAPY index delivered -3.45% in rands and -10.79% in dollars. Furthermore, local cash returned 0.57% for the month.

### Investment Committee

The investment committee forms an integral part of the investment management process. The investment committee members are involved in the process of multi management by participating in the Investment Committee Framework (the "Framework"). This Framework provides intermediaries with a platform to share their research and views with qualified investment professionals who will, based on certain constraints, construct a portfolio taking the intermediary's research into account.

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### Portfolio Manager



**Stephan Venter**

Bcom (Accounting)  
Bcompt (Hons) CTA Bcom  
(Hons) in Financial  
Analysis and Portfolio  
Management

### About the Portfolio Manager

Stephan joined Sanlam Investments as a Portfolio Manager in November 2015, he has 10 years' experience in financial markets and the financial services industry and is currently working under supervision. He started his career at Deloitte and completed his articles at the Deloitte Cape Town office in 2008 as part of the FIST division focussing mostly on pension funds and asset management clients.

Post articles he traded mostly risk currencies and single stock futures. In 2011 he enrolled at UCT for a second honours degree to further enhance his investment knowledge in the field of financial analysis and portfolio management. During 2012-2013 he lectured financial management, alternative investments and portfolio management at Stellenbosch University. The last 2 years he was part of the Discovery Invest Investment Specialist team advising on constructing retail client portfolios.

### Manager Information

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