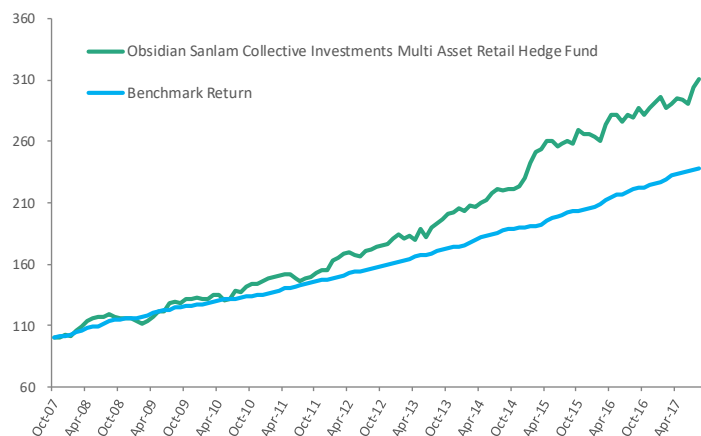


Fund objective

The Obsidian Sanlam Collective Investments Multi Asset Retail Hedge Fund will aim to maximise investment returns over the medium to long term. It invests across the full asset class spectrum, both locally and offshore and uses a combination of asset allocation and stock selection to achieve long-run outperformance of the CPI + 3% benchmark. The fund mandate is available upon request.

Cumulative portfolio return - 31 August 2017



Performance as at 31 August 2017 on a rolling monthly basis

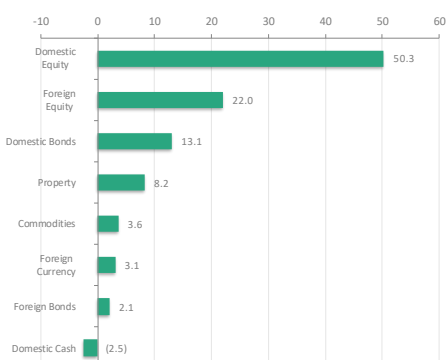
	Cumulative (%)		Annualized (%)	
	Fund	Benchmark	Fund	Benchmark
YTD	6.7	5.7		
1 Year	11.3	7.7		
3 Year	41.3	27.3	12.2	8.4
5 Year	80.2	52.8	12.5	8.8
Since Inception	208.9	138.1	12.2	9.3

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Benchmark
2007										0.70%	-0.28%	2.08%	2.51%	2.01%
2008	-1.47%	5.08%	2.56%	4.27%	2.22%	0.62%	0.18%	1.85%	-1.72%	-1.11%	0.37%	-0.29%	13.02%	13.98%
2009	-1.68%	-2.48%	2.96%	2.86%	3.86%	-0.39%	5.32%	0.65%	-0.38%	2.54%	-0.40%	1.62%	15.13%	9.03%
2010	-0.91%	-0.36%	2.35%	0.35%	-3.30%	0.81%	4.62%	-0.52%	2.97%	2.27%	-0.48%	2.08%	10.08%	6.72%
2011	0.87%	1.33%	0.18%	1.13%	-0.25%	-1.74%	-1.84%	1.27%	0.73%	2.64%	1.21%	0.50%	6.10%	9.33%
2012	4.47%	1.93%	1.52%	0.84%	-1.28%	-0.50%	2.49%	0.93%	0.91%	0.83%	0.69%	2.48%	16.30%	8.79%
2013	2.03%	-2.27%	1.21%	-1.40%	5.02%	-3.53%	4.04%	1.81%	1.82%	1.97%	0.78%	1.84%	13.79%	8.54%
2014	-1.21%	2.17%	-0.89%	1.72%	1.30%	2.59%	1.27%	-0.30%	0.72%	-0.34%	1.35%	2.90%	11.78%	9.01%
2015	5.27%	3.72%	0.71%	3.00%	-0.28%	-1.73%	0.80%	1.08%	-0.85%	4.40%	-1.31%	0.15%	15.70%	7.94%
2016	-1.13%	-1.18%	5.12%	2.73%	0.10%	-2.08%	2.03%	-0.71%	2.85%	-1.95%	1.93%	1.48%	9.28%	9.83%
2017	1.89%	-3.10%	0.95%	1.82%	-0.42%	-1.25%	4.50%	2.35%					6.74%	5.70%
	Annualised returns since inception												12.23%	9.25%

*Returns are presented net of all fees

*Highlighted performance was generated prior to the CIS establishment date

Asset Allocation & Top Equity Holdings - 31 August 2017



Top Long/Shorts	%
Standard Bank	8.4
Naspers	7.0
Truworths	4.6
Sasol	4.1
BHP Billiton	3.9
Clicks	-4.5
Famous Brands	-3.5
RMI	-2.9
Cashbuild	-2.8
Discovery	-2.3

Actual highest and lowest annual figures for rolling 10 years

Highest annual (%)	""	-
Lowest annual (%)	""	-

Note: Income reinvested on ex-dividend date. The lowest and highest annualised 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.

Fund information

Fund managers	Richard Simpson, BSc Hons, PDM Royce Long, CA (SA), CFA
Fund Inception (prior to CIS)	25 October 2007
CIS Establishment Date	1 February 2017
Portfolio size	R281m
Benchmark	CPI + 3%
ASISA fund classification	Retail Investor Hedge Fund
Risk profile	Moderate
Bi-annual distributions	9.34c on 30 June 2017
Income payment dates	1st working day of January and July
Income distribution dates	30 June and 31 December
Portfolio valuation time	15h00
Transaction cut off time	15h00
Daily price information	www.sanlamunitrusts.co.za

Risk Statistics

	Current	Maximum	Mandate Limit
1 month VAR at Risk at 99%	9.43%	10.51%	20%
Leverage	1.6x	N/A	2.0x
Liquidity	0.4	0.42	30

Counterparty Exposure

Firstrand Bank limited	100% (Gross)
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- All performance prior to the CIS establishment date are actual net of fee performances in pre-regulated investment structures.
- When return and risk figures are quoted for periods greater than 12 months, these returns are annualised. In other words, they are scaled to represent an equivalent one year measure.
- VAR represents the statistical loss that the fund can experience given its current holdings over a one month period with a 1% probability.
- Sources of leverage are from equity and/or fixed interest derivatives provided by the Prime Broker. The types and sources of leverage are based on strategies that implement derivatives, short selling, and borrowed money as by the Prime Broker.
- Portfolio stress testing is performed by subjecting the portfolio to extreme market conditions and noting profit and loss, VAR, and exposure movements.
- The assets of the portfolio is deployed through a Prime Broker and may be re-hypothecated.



Obsidian Sanlam Collective Investments Multi Asset Retail Hedge Fund

Minimum Disclosure Document (Fund Fact Sheet)

August 2017

Issue date: 18 Sept 2017

Fees (excluding VAT)

	Retail Class (%)
Initial advice fee	None
Annual management fee	1.68%
Performance fee	20% above benchmark, Highwater mark*
Total Expense Ratio (TER)	N/A
Transactions costs	N/A
Total investment charges	N/A

*The portfolio applies a high water mark when charging performance fees, this means if the portfolio outperforms the benchmark by 20% only then are performance fees charged.

Initial 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

Annual management fee | The minimum fee is 1.68% p.a. (incl. VAT).

Total expense ratio (TER) | 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 costs | 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) | N/A

The portfolio 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 the underlying international investments to go up or down. This fund is also available via certain LISPS (Linked investment service providers), which levy their own fees.

Investment manager information

Obsidian Capital (Pty) Ltd	
Physical Address	Suite 1, 5 Fricker Road, Illovo, Johannesburg, 2196
Postal Address	PO Box 413407, Craighall, Johannesburg, 2196
Website	www.obsidiancapital.co.za
Tel no.	011 219 6311
Fax	011 268 5251
Email	wkelly@obsidiancapital.co.za

Independent Prime Brokers and Risk Monitoring

Prime Brokers	RMB
Risk Specialist	Risk Café

Management company information

Sanlam Collective Investments RF (Pty) Ltd	
Physical Address	2 Strand Road, Belville, Cape Town 7530
Postal Address	PO Box 30, Sanlamhof, 7532
Website	www.sanlamunitrusts.co.za
Tel no.	021 916 1800
Fax	021 947 8224
Email	service@sanlaminvestments.com

Portfolio manager quarterly comment - 30 June 2017

Holding the faith on domestic assets

The valuations on offer from our domestic assets remain attractive, in our opinion. Unfortunately, a deterioration of investor confidence has, for now, cast a quarantine over this undervaluation. There are certainly question marks around the ability of SA-centric corporates to generate earnings in light of the politically influenced mismanagement of our economy. As a result we made an incremental shift into higher yielding SA government bonds at the expense of domestic interest rate sensitive (IRS) equity through the quarter. We do however continue to see a decent margin of safety in both the yields of SA Government bonds, and the dividend yields on offer from the domestic banking, retailing, and property counters; our local IRS bet is still material as a consequence.

Thoughts on the ZAR

From a currency perspective, our view of the rand against the US dollar remained constructive throughout the quarter. We believe the ZAR will hold its ground against the greenback going forward as long as global growth continues to improve, a trend we think is still in place. A neutral rand feeds into our view of a substantial reduction in SA inflation as food and fuel prices continue to fall. We are cognizant of the oddity of a falling oil price during a period of accelerating global growth. We see the rand as overvalued against the British pound and euro and do not expect further rand strength against these currencies.

Still like bonds

Our expectation of falling inflation should support domestic IRS equity as the market begins to anticipate rate cuts. But such a move from the South African Reserve Bank may be thwarted by the risk of a local currency downgrade to junk. We believe the downgrade to be a certainty but remain unsure, as is the SARB, as to its timing and eventual impact on our market. Our initial inclusion in the World Government Bond Index (WGBI) - the bond index we'll be excluded from in the event of a local currency downgrade - didn't have any noticeable impact on the rand. Our bond yields did however rally over the next 12 months, but it's difficult to attribute that to WGBI inclusion alone when global bond yields were falling aggressively during that period.

With proposed outflow figures of anywhere between R60bn - R150bn as a result of the forced selling that will accompany WIGBI exclusion, there will be a significant risk to bond yield stability in the short term. But our analysis suggests that the impact of rating downgrades is baked into the currency during the run-up to the announcement.



Obsidian Sanlam Collective Investments Multi Asset Retail Hedge Fund

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We reduced our exposure to domestic cyclical through Q2 2017. AECI, Merafe, and Barloworld were sold on the back of good performance and a subsequent lack of valuation support. Toward the backend of the quarter we swapped out of platinum producers in favour of the physical as a result of the proposed mining charter and what it signals.

Emerging assets still our preferred offshore flavour

Our exposure to developed market (DM) assets remains limited given the relative value on offer in EM's. That said, we do have exposure to both the UK and Eurozone in equity and select property counters. These investments were premised on attractive currency valuations (the rand entered overvalued territory against the euro and pound in early 2017), and a more bullish outlook for corporate earnings.

We added to our EM equity bet during the quarter, favouring Mexican assets. The trend of falling EM inflation (and therefore rates), on which our original move into EM was premised, also saw us add an EM bond index to the funds. Furthermore, the rand is overvalued against most of the EM currencies we are exposed to.

Conclusion

Our positioning requires the continuation of synchronized global growth and the support it has historically lent to commodity prices and emerging market assets. The probability of converting the attractive domestic valuations into tangible returns hinges on whether rate cuts eventuate, but the margin of safety remains high. Should the global economy slow, we would need to review our current portfolio construction.

We have now maximised our offshore exposure premised on the fact that the rand's valuation no longer supports a strong bias to domestic assets only.

Additional information

Sanlam Collective Investments (RF) Pty Ltd ("SCI") is a registered and approved Manager in Collective Investment Schemes in Securities and is a member company of the Sanlam Group. The Sanlam Group is a full member of the Association for Savings and Investment SA. The management of investments are outsourced to the authorised Financial Services Provider ("FSP") as stated in this Minimum Disclosure Document ("MDD"). The information contained in this MDD 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 Upfront Disclosure Document. Use of or reliance on this information is at own risk. Independent professional financial advice should be sought before making an investment decision. Collective investment schemes are generally medium-to long-term investments. 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. This fund has no Initial Fees. 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 instruments which could be accompanied by additional risks as well as potential limitations on the availability of market information. The Manager has the right to close any portfolios to new investors to manage the fund more efficiently in accordance with their mandates. The Manager retains full legal responsibility for the third-party named portfolio. 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. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. Collective investments are calculated on a net asset value ("NAV") 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. Please note that past performance is not necessarily a guide to future performance, and that the value of participatory interests / units in investments /

unit trusts may go down as well as up. The promulgation of hedge fund regulations in 2015 prompted the launch of this fund on the stated launch date. As a result, the returns of the fund prior to the launch date are presented as either simulated or actual returns based on past experience in pre-regulated structures. Where referenced, annualised returns describe the average amount of money earned by an investment each year over a given time period. The level of counterparty exposure is restricted to funds that are administered by Sanlam Collective Investments and the respective prime brokers of the underlying portfolio. A schedule of fees and charges and maximum commissions is available from the Manager, SCI. Additional information of the proposed investment, including brochures, application forms and annual or quarterly reports, can be obtained from the Manager, free of charge on the SCI website (www.sanlamcollectiveinvestments.com).

Trustee information

Standard Bank of South Africa
Tel no: 021 441 4100
E-mail: Compliance-SANLAM@standardbank.co.za

Glossary terms

Annualised total returns

An annualised return is the weighted average compound growth rate over the period measured.

Asset allocation funds

Also known as balanced or managed funds. A fund manager invests in a spread of assets such as equities, property, bonds and cash depending on market conditions.

Collective Investment Schemes (CIS)

Collective Investment Schemes (also called unit trusts) are portfolios of assets such as equities, bonds, cash and listed property, in which investors can buy units. They allow private investors to pool their money together into a single fund, thus spreading their risk across a range of investments, getting the benefit of professional fund management, and reducing their costs.

Distributions

The income that is generated from an investment and given to investors through monthly or quarterly distribution payouts.

Fixed-interest investments

Fixed interest funds invest in bonds, fixed-interest and money market instruments. Interest income is a feature of these funds and, in general, capital should remain stable. A fixed-interest investment aims to offer investors a regular income at a set interest rate, which can be fixed over a specified term. If interest rates fall, the fixed interest investment typically becomes more valuable. Conversely if interest rates rise, the value of the investment will fall. The interest provides you with a fixed amount at regular intervals. So this is usually a very predictable way of getting an income from your investment.

LISP (Linked Investment Service Providers)

A Linked Investment Service Provider is a financial institution which packages, distributes and administers a broad range of unit trust based investments. Any investment made through these products gives an investor a single point of entry into a selection of different investments.

Leverage

This refers to the use of various financial instruments or borrowed capital, such as margin, to increase the potential return of an investment.

Value at Risk (VaR)

A measure of a maximum expected loss of a portfolio at a given confidence level over a specified time period.

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.

Risk Profile (Moderate)

The primary objective of the Fund is to provide consistently superior, risk-adjusted absolute returns to investors.