



# Obsidian Sanlam Collective Investments Equity Fund

## Minimum Disclosure Document (Fund Fact Sheet)

September 2018

Issue date: 18 October 2018

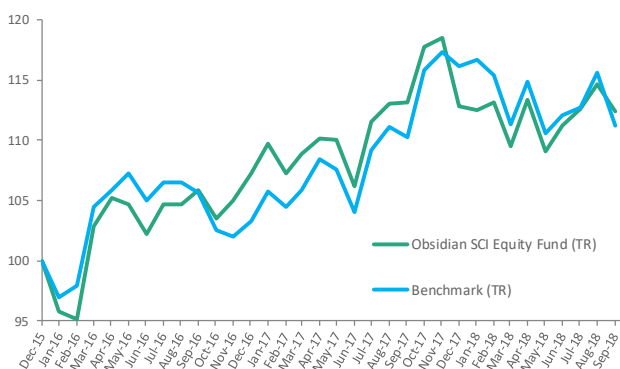
### Fund objective

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 shares across all sectors of the JSE Securities Exchange of South Africa 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. The portfolio will also be allowed to invest in offshore exchange traded funds and exchange traded notes as allowed by the Act from time to time in order to achieve its investment objective. The portfolio may also invest in participatory interests of underlying unit trust portfolios.

### Cumulative portfolio return - 30 September 2018



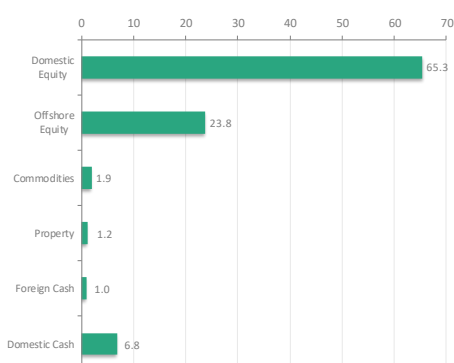
### Performance as at 30 September 2018 on a rolling monthly basis

	Cumulative (%)		Annualized (%)	
	Fund	Benchmark	Fund	Benchmark
<b>1 Year</b>	-0.6	1.1		
<b>2 Year</b>	6.1	5.4	3.0	2.7
<b>Since Inception</b>	12.4	11.2	4.3	3.9

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Benchmark
2016	-4.2%	-0.7%	8.1%	2.3%	-0.5%	-2.3%	2.4%	0.0%	1.2%	-2.3%	1.4%	2.2%	7.3%	3.3%
2017	2.3%	-2.3%	1.6%	1.1%	-0.1%	-3.5%	5.0%	1.4%	0.0%	4.1%	0.7%	-4.8%	5.2%	12.4%
2018	-0.3%	0.6%	-3.2%	3.4%	-3.7%	1.9%	1.2%	1.8%	-2.0%				-0.4%	-4.2%
<i>Annualised since inception*</i>													4.3%	3.9%

*\*Returns are presented net of all fees*

### Asset Allocation & Top Equity Holdings - 30 September 2018



Top equity holdings	%
Old Mutual Ltd	6.2
ABSA	5.7
Sasol	4.3
Naspers	4.0
Transaction Capital	4.0
BHP Billiton	3.9
Amplats	3.5
iShares Core MSCI EM ETF	3.3
Imperial Brands	3.1
Itaú Unibanco (Brazil)	2.9

### Actual highest and lowest annual figures for rolling 10 years

Highest annual (%)	2016-2017	6.8%
Lowest annual (%)	2017-2018	-0.6%

*Note: 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
Portfolio launch date	28 December 2015
Portfolio size	R36m
Benchmark	Mean of General Equity Category
ASISA fund classification	SA General Equity
Risk profile	Moderate
Bi-annual distributions	0.00 cpu on 31 December 2017 22.70 cpu on 30 June 2018
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
Class	Obsidian SCI Equity B3: OSEB3
Repurchase period	3 working days

### Fees (Incl. VAT)

28 Dec 2015 - 30 Jun 2018	B3 Class (%)
Initial advice fee	None
Annual management fee	0.22
Total expense ratio (TER)	3.74
Transaction costs	1.58
Total investment charges	5.32

**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 0.22% p.a. (incl. VAT). No performance fees are charged for this fund.

**Total expense ratio (TER)** | This fund has a TER of 3.74% for the period 28 December 2015 to 30 June 2018. 3.74% 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.

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**Transaction costs (TC) | 1.58%** 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) | 5.32%** of the value of the Financial Product was incurred as costs relating to the investment of the Financial Product.

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

#### 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

#### Trustee information

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

#### Additional information

All reasonable steps have been taken to ensure the information on this minimum disclosure document 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 d, 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. Standard Bank of South Africa Ltd is the appointed trustee of the Sanlam Collective Investments scheme. 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. Obsidian Capital (Pty) Ltd is responsible for the management of the investments held in the Fund. The management of investments are outsourced to Obsidian Capital (Pty) Ltd, FSP 32444 an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002.

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#### Glossary terms

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##### **Annualised total returns**

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

##### **Capital preservation**

This is an investment strategy where the primary goal is to preserve (protect) capital and prevent losses in a portfolio. Preserving capital is a priority for retirees and those approaching retirement, since they may be relying on their investments to generate income to cover their living expenses, and have limited time to recoup losses if markets experience a downturn.

##### **Distributions**

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

##### **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.

##### **LISP (Linked Investment Service Provider)**

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.

##### **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, auditors' 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.

##### **Moderate risk profile**

This is a medium-risk portfolio that aims to deliver income and capital growth over the medium term. This portfolio is designed to minimise volatility and aims to cultivate as smooth a ride as possible. There is some exposure to risky asset classes (such as equities) necessary to grow capital over the medium to long term. This portfolio has a medium to long-term investment horizon. The portfolio is diversified across all major asset classes with an average exposure to equities, and offers real (after inflation) returns but with lower volatility.