



Obsidian Sanlam Collective Investments Balanced Fund

Minimum Disclosure Document (Fund Fact Sheet)

July 2019

Issue date: 16 August 2019

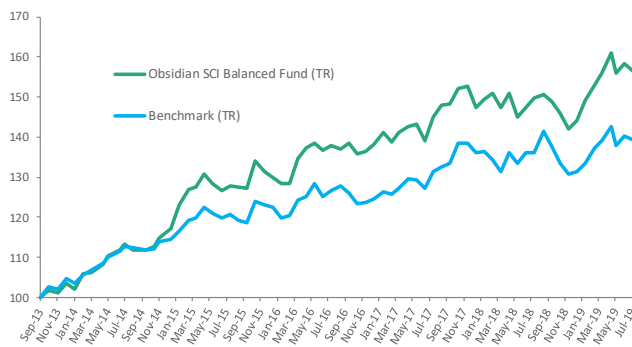
Fund objective

The primary objective of this fund is to deliver capital growth over the medium-to-long term. Because the fund is diversified across a number of asset classes, it aims to generate those returns taking only moderate risks.

Fund strategy

The fund combines asset allocation and stock selection to achieve its objective. The portfolio is diversified broadly across equities, bonds, money market instruments, listed property, as well as international equities, and fixed income investments. Active asset allocation and securities selection strategies appropriate to the needs of moderate investors will be followed. The fund can hold a maximum of 75% in equity and is limited to 30% in offshore assets and is Reg. 28 compliant. Investments are made independent of benchmark weightings and positions. The investment manager will also 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. The portfolio may also invest in participatory interests of underlying unit trust portfolios.

Cumulative portfolio return - 31 July 2019



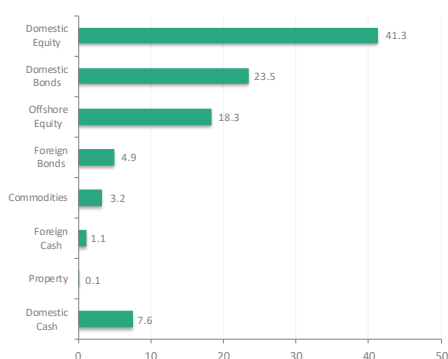
Performance as at 31 July 2019 on a rolling monthly basis

	Cumulative (%)		Annualized (%)	
	Fund	Benchmark	Fund	Benchmark
1 Year	4.5	2.3		
3 Year	13.6	10.5	4.3	3.4
5 Year	38.0	24.7	6.7	4.5
Since Inception	56.5	40.2	8.0	6.0

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Benchmark	
2013										1.6%	-0.4%	2.4%	3.7%	4.8%	
2014	-1.4%	3.7%	0.1%	2.1%	1.7%	1.6%	1.3%	-1.3%	-0.2%	1.0%	1.7%	2.1%	13.1%	9.3%	
2015	5.0%	3.2%	0.4%	2.6%	-1.8%	-1.5%	1.0%	-0.2%	-0.4%	5.5%	-2.0%	-1.1%	10.9%	7.0%	
2016	-1.2%	0.1%	4.7%	2.0%	1.0%	-1.3%	0.8%	-0.5%	1.1%	-2.0%	0.5%	1.4%	6.4%	1.5%	
2017	2.0%	-1.6%	1.6%	1.2%	0.4%	-3.0%	4.4%	2.0%	0.1%	2.7%	0.4%	-3.4%	6.7%	9.5%	
2018	1.4%	0.9%	-2.3%	2.4%	-3.9%	1.6%	1.7%	0.6%	-1.2%	-2.0%	-2.7%	1.5%	-2.2%	-3.6%	
2019	3.6%	2.6%	1.9%	3.1%	-3.0%	1.5%	-1.2%						8.6%	6.0%	
													Annualised since inception*	8.0%	6.0%

*Returns are presented net of all fees

Asset Allocation & Top Equity Holdings - 31 July 2019



Top equity holdings	%
Naspers	4.6
ABSA	4.3
MTN	3.5
Standard Bank	3.3
Transaction Capital	3.1
Imperial Brand Tobacco	3.0
Banorte (Mexico)	2.6
NewGold ETF	2.6
SYGUK	2.3
BHP Billiton	2.2

Actual highest and lowest annual figures for rolling 10 years

Highest annual (%)	2014-2015	12.6%
Lowest annual (%)	2017-2018	3.3%

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
Portfolio launch date	01 October 2013
Portfolio size	R886m
Benchmark	Mean of High Equity Category
ASISA fund classification	SA-Multi Asset-High Equity
Risk profile	Moderate
Bi-annual distributions	25.04cpu on 31 December 2018 31.60cpu on 30 June 2019
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	Local newspaper www.sanlamunitrusts.co.za
Repurchase period	3 working days

Fees (Incl. VAT)

1 Apr 2016 - 31 Mar 2019	Retail Class (%)	
Period:	<u>3 year</u>	<u>1 year</u>
Initial advice fee	None	" "
Annual management fee	1.15	" "
Total expense ratio (TER)	1.21	1.22
Transaction costs	0.59	0.46
Total investment charges	1.80	1.68

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 1.15% p.a. (incl. VAT). No performance fees are charged for this fund.

Total expense ratio (TER) | This fund class has a TER of 1.21% for the period 1 April 2016—31 March 2019. 1.21% 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 | 0.59% 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) | 1.80% 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

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

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.

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.

Bond

A bond is an interest-bearing debt instrument, traditionally issued by governments as part of their budget funding sources, and now also issued by local authorities (municipalities), parastatals (Eskom) and companies. Bonds issued by the central government are often called "gilts". Bond issuers pay interest (called the "coupon") to the bondholder every 6 months. The price/value of a bond has an inverse relationship to the prevailing interest rate, so if the interest rate goes up, the value goes down, and vice versa. Bonds/gilts generally have a lower risk than shares because the holder of a gilt has the security of knowing that the gilt will be repaid in full by government or semi-government authorities at a specific time in the future. An investment in this type of asset should be viewed with a 3 to 6 year horizon.

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.



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Distributions

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

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.

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.

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% African Assets.

Sharpe ratio

The Sharpe ratio measures risk-adjusted performance of an investment or portfolio. It measures the amount of risk associated with the returns generated by the portfolio and indicates whether a portfolio's returns are due to excessive risk or not. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance has been (i.e. a higher return with a contained risk profile, where the portfolio manager is not taking excessive risk to achieve those returns).

Standard deviation

Standard deviation (also called monthly volatility) measures how much the returns on an investment change from month to month. It is typically used by investors to gauge the amount of expected volatility in an investment.

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.