

INVESTMENT OBJECTIVE

The fund seeks to achieve positive investment returns over any 3 year time horizon, with less volatility than the ASX 200 Accumulation index.

The fund is ideally suited to the investor who wants to achieve equity style returns but with a reduced risk profile. The manager engages in an active asset allocation strategy that seeks to dramatically reduce the draw downs that commonly occur in standard long only funds.

PORTFOLIO MANAGER'S COMMENTS

The fund produced a return of +4.90% for the September 2016 quarter compared to a return from the ASX200 index of +3.86% and the official RBA interest return of +0.375%. Over a rolling 12 month period the fund is +12.77% compared to the index return of +8.25%. Official interest rates were cut again by the RBA in August. We query the point of such moves at already historically low levels but that is not the MO of this note.

On the whole we maintained our larger exposures while tilting towards resource and resource services plays. The coal and graphite sectors provided worthwhile trading exposures through the quarter at the same time gold names became more range bound. We did engage in portfolio insurance strategies as per our mandate but this proved to be a drag on overall performance as it wasn't required.

An addition to the portfolio was DTI GROUP (DTI) which offers a suite of surveillance products aimed primarily at mass transport, government run authorities. They continue to win new contracts in the space across the globe. Our exposure to superannuation services company DIVERSA (DVA) became a holding in ONEVUE (OVH) via an all script takeover at a premium to the prevailing share price which we accepted. Planning and design services company OTOC (OTC) was also accumulated both on market and via a placement.

We remain underexposed to large caps which have spent the bulk of the past 15 months trading in a historically tight range. The fundamentals of many of our top 20 names are mixed, and macro forces such as the potential gradual withdrawal of central banks from their stimulus regimes is a live factor. Moreover, global political uncertainty has increased through calendar year 2016.

We have been happy to produce above benchmark returns in the current environment, but remain committed to capital protection at all points of the market cycle.

PERFORMANCE FIGURES

	3 Month	1 Year
Calibre Fund	+4.9%	+12.77%
ASX 200 Index	+3.86%	+8.25%
RBA Cash Rate	+0.375%	+1.5%

KEY INFORMATION

Risk rating	Moderate
Benchmark	RBA Cash Rate
Inception date	October 2010
Minimum investment	AUD \$50,000
Management company	Sanlam Private Wealth
Portfolio Manager	Albert Landman
Initial fees	Nil
Management fees	1.5% per annum
Withdrawal	Weekly

ABOUT SANLAM PRIVATE WEALTH

Sanlam Private Wealth is a holistic, integrated wealth management business that provides advice and manages assets for high net worth private individuals, cultural organisations, charitable institutions and similar entities, with investable assets of more than R1 million.

Ranked #1 wealth manager in South Africa for the second year running.

Full details and basis of the award is available on request from Sanlam Private Wealth.

TOP 5 HOLDINGS

Asia Pacific Data (AJD)
 DTI Group (DTI)
 Gale Pacific (GAP)
 Phoslock Water (PHK)
 Skydive The Beach Group (SKB)

APPROXIMATE ASSET BREAKDOWN

