Ampersand Sanlam Collective Investments CPI Plus 2 Fund of Funds

Minimum Disclosure Document

As of 2020/07/31

ampers&nd ASSET MANAGEMENT

MDD Issue Date: 2020/08/21

Fund Objective

The primary objective of the portfolio is to outperform SA CPI Plus 2% per annum on a rolling 24 month basis. The secondary objective is capital preservation over all 12 month rolling periods.

Fund Strategy

Investments to be included in the portfolio will, apart from assets in liquid form, consist solely of participatory interests in portfolios of collective investment schemes registered in the Republic of South Africa or of participatory interests in collective investment schemes or other similar schemes operated in territories with a regulatory environment which is to the satisfaction of the Manager and the Trustee of a sufficient standard to provide investor protection which is at least equivalent to that in South Africa. The portfolio will consist of a mix of collective investment scheme portfolios investing in equity, bond, money market and property markets as well as multi-asset class portfolios and is not limited to certain asset classes. The portfolio shall adhere to the multi asset : low equity classification requirements as set out by the Asisa standard: fund classification for South African regulated collective investment scheme portfolios, which currently limits the equity exposure to 40%. The portfolio will be managed in accordance with regulations governing pension funds.

Fund Information

Ticker	VPCFC
Portfolio Manager	Tom Barlow
ASISA Fund Classification	South African - Multi Asset - Low Equity
Risk Profile	Cautious
Benchmark	30% FTSE/JSE All Share Index & 70% STeFi Composite
Fund Size	R 1 153 965 389
Portfolio Launch Date*	2008/05/12
Fee Class Launch Date*	2008/05/12
Minimum Lump Sum Investment	R 10 000
Minimum Monthly Investment	R 2 000
Income Declaration Date	June & December
Income Payment Date	1st business day of July & January
Portfolio Valuation Time	17:00
Transaction Cut Off Time	15:00
Daily Price Information	Local media
Repurchase Period	2-3 business days

Fees (Incl. VAT)

Fees (Incl. VAT)	A-Class (%)
Maximum Initial Advice Fee	—
Maximum Annual Advice Fee	1,15
Manager Annual Fee	0,80
Total Expense Ratio	1,88
Transaction Cost	0,22
Total Investment Charges	2,10
Performance Fee	—
TER Measurement Period	01 April 2017 - 31 March 2020

Total Expense Ratio (TER) is the percentage value of the Financial Product that 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.

Transaction Cost (TC) is the percentage value of the Financial Product that 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) is the total percentage value of the Financial Product that was incurred as costs relating to the investment of the Financial Product.

Performance fees are incentive fees earned by the manager for performance in excess of the benchmark. Performance fees form part of the cost structure of the fund and are included in the Total Expense Ratio. Please visit www.sanlamunittrusts.co.za for a detailed list of our funds that charge performance fees together with their calculation methodologies.

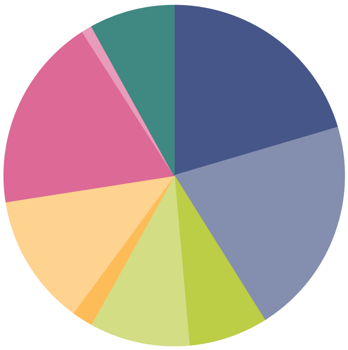
*The Ampersand Sanlam Collective Investments CPI Plus 2 Fund of Funds transitioned to Sanlam Collective Investments (RF) (Pty) Ltd on 01 July 2017.

Top Holdings

Top Holdings	(%)
VPFP International Cautious Fund	25,27
Ampersand SCI Equity Fund	22,53
Saffron SCI Active Bond Fund	19,59
Ampersand SCI Flexible Property Income Fund	14,41
Ampersand SCI Income Fund	10,26
Saffron African Yield Fund	2,36
Stanlib Bond Fund	1,83
Saffron SCI Large Cap Fund	1,05

Asset Allocation

Portfolio Date: 2020/06/30



	%
SA Equity	20,43
SA Fixed Income	20,66
SA Listed Property	7,50
Global Equity	9,50
Global Listed Property	1,99
Global Fixed Income	12,45
SA Cash	18,42
Global Cash	1,00
African Fixed Income	8,05
Total	**100,00**

Annualised Performance (%)

	Fund	Benchmark
1 Year	-7,66	5,69
3 Years	-0,38	6,35
5 Years	2,09	6,63
10 Years	6,26	7,80
Since Inception	6,36	7,64

Cumulative Performance (%)

	Fund	Benchmark
1 Year	-7,66	5,69
3 Years	-1,13	20,28
5 Years	10,91	37,86
10 Years	83,54	111,90
Since Inception	112,54	145,98

Highest and Lowest Annual Returns

Time Period: Since Inception to 2019/12/31

Highest Annual %	13,99
Lowest Annual %	-0,17

Risk Statistics (3 Year Rolling)

Standard Deviation	5,11
Sharpe Ratio	-0,85
Information Ratio	-0,98
Maximum Drawdown	-5,23

Distribution History (Cents Per Unit)

2020/06/30	2.44 cpu	2018/06/30	1.70 cpu	2016/06/30	3.16 cpu
2019/12/31	2.47 cpu	2017/12/31	3.46 cpu		
2019/06/30	2.94 cpu	2017/06/30	2.46 cpu		
2018/12/31	2.52 cpu	2016/12/31	1.52 cpu		

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Risk Profile

Cautious

This portfolio aims to protect capital in real (after inflation) terms, while providing a reasonable level of income. The portfolio displays low volatility levels, designed to reduce the probability ofcapital losses. This portfolio has limited exposure to equities. It is designed for maximumcapital protection and aims to ensure a stable income and/or income growth.

Glossary Terms

Annualised Returns
Annualised return is the weighted average compound growth rate over the period measured.

Asset Allocation
Asset allocation is the percentage holding in different asset classes (i.e. equities, bonds, property, etc.). It is used to determine the level of diversification in a portfolio.

Capital Volatility
Volatility is a measure of 'risk' and refers to the extent to which the price of an investment or capital value fluctuates over a certain period of time. Funds with high volatility usually offer the potential for higher returns over the longer term than low volatility funds.

Cumulative Returns
Cumulative return is the total growth experienced over the period measured.

Derivatives
Derivatives are instruments generally used as an instrument to protect against risk (capital losses), but can also be used for speculative purposes. Examples are futures, options and swaps.

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

Diversification
This is a strategy designed to reduce risk within a portfolio by combining a variety of investments (or asset classes) such as equities, bonds, cash or property, which are unlikely to all move in the same direction at the same time. This is designed to reduce the risk (and protect against capital losses) within a portfolio. Diversification allows for more consistent performance under a wide range of economic conditions as it smoothes out the impact of negative market events. The positive performance of some investments or asset classes should neutralize the negative performance of others.

Financial Instruments
Derivatives also known as financial instruments (such as a future, option, or warrants) whose value derives from and is dependent on the change in value of an underlying asset (such as a commodity, currency, or security) to protect against risk (capital losses).

Fund Objective
The fund objective is the portfolio's core goal.

Fund Strategy
The fund strategy is the way that the fund is managed to achieve the fund objective.

Information Ratio
The Information Ratio measures the market risk-adjusted performance of an investment or portfolio. The greater a portfolio's Information Ratio, the better its risk-adjusted performance has been compared to the market in general.

Collective Investment Schemes
Collective Investment Schemes (CIS) (also called unit trusts) are portfolios of assets such as equities, bonds, cash and listed property, in which investors can buyunits. 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 ofprofessional fund management, and reducing their costs.

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 investments.

Market Capitalization
Market capitalization is the total value of the issued shares of a publicly traded company; it is calculated by multiplying the share price by the number of shares in issue.

Maximum Drawdown
The maximum drawdown measures the highest peak to trough loss experienced by the fund.

Participatory Interests
When you buy a unit trust, your money is pooled with that of many other investors. The total value of the pool of invested money in a unit trust fund is split into equal portions called participatory interests or units. When you invest your money in a unit trust, you buy a portion of the participatory interests in the total unit trust portfolio. Participatory interests are therefore the number of units that you have in a particular unit trust portfolio.

Sharpe Ratio
The Sharpe Ratio measures total 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) is a measure of how much returns on an investment change from month to month. It is typically used by investors to gauge the volatility expected of an investment.

Additional Information

All reasonable steps have been taken to ensure the information on this MDD 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 on request from the Manager. Sanlam Collective Investments (RF) Pty Ltd, 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 on request 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, and the date of reinvestment of income as well as dividend withholdingtax. 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. The portfolio may invest in participatory interests of other unit trust portfolios. These underlying funds levy their own fees, and may result in a higher fee structure for our portfolio. All the portfolio options presented are approved collective investment schemes in terms of Collective Investment Schemes Control Act, No 45 of 2002 ("CISCA"). The Manager may borrow up to 10% the market value of the portfolio to bridge insufficient liquidity. 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 fund may invest in financial instruments (derivatives) for efficient portfolio management purposes. A fund of funds portfolio is a portfolio that invests in portfolios of collective investment schemes that levy their own charges, which could result in a higher fee structure for the fund of funds. The Manager has the right to close any portfolios to new investors to manage them more efficiently in accordance with their mandates. Management of the portfolio is outsourced to Ampersand Asset Management (Pty) Ltd, (FSP) Licence No. 33676, an Authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act, 2002. Sanlam Collective Investments (RF) (Pty) Ltd retains full legal responsibility for the co-named portfolio. Standard Bank of South Africa Ltd is the appointed trustee of the Sanlam Collective Investments scheme. Sources of Performance and Risk Data: Morningstar Direct, INET BFA and Bloomberg. The risk free asset assumed for the calculation of Sharpe ratios: STEFI Composite Index. The highest and lowest 12-month returns are based on a calendar year period over 10 years or since inception where the performance history does not exist for 10 years. Obtain a personalised cost estimate before investing by visiting www.sanlamunittrustsmdd.co.za and using our Effective Annual Cost (EAC) calculator. Alternatively, contact us at 0860 100 266.

Investment Manager Information
Ampersand Asset Management (Pty) Ltd
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Portfolio Manager Comment

As at 30 June 2020

Economic Market Overview

"Know what you own, and know why you own it." - Peter Lynch

The start of the new decade has come with extreme volatility and uncertainty last experienced post The Great Depression in the 1930's. The events of the first two quarters of 2020 severely tested even the most seasoned and informed investor's nerve.

The carnage seen in the first few months of the year was replaced with a dramatic and nearly outlandish recovery in the following months. While the compound effect of returns for the year is now only marginally negative in many cases, we believe it critical to remain vigilant as the medium-term economic impact of the pandemic remains, at best, unpredictable.

The stimulus packages that were announced and implemented by all major Central Banks and other supportive financial organisations like the IMF and World Bank have been astonishing. Based on prevailing data and commitments, the total monetary and fiscal injection will be well in excess of 10% of Global GDP and in some markets like the US and Japan this number is expected to breach 20% of GDP.

Furthermore, we have started witnessing the social impact of a tenuous economic situation playing out, particularly in the US. The ramifications of the US pursuing a more internally focussed set of policies (at the cost of the more globally focussed role the US fulfilled post WWII)will be judged by the US citizens in the November 2020 Presidential elections, and perhaps earlier by areas such as the Eurozone and China. Hence when looking backwards at this moment in time, to assess what the future may hold remains in our opinion, fairly binary i.e. any number of diametrically opposed outcomes can possibly result – politically, socially and economically.

Position going forward

The primary focus of Ampersand in the first and second quarters was to reinforce the risk and liquidity profiles within each specific investment product we manage. As mentioned previously, the portfolios retain a high degree of diversification across geography and asset class as we believe this is the most prudent approach to ensuring return and risk consistency. Hence, we continue to look for ways to responsibly embrace opportunities to provide optimal risk-return trade-offs across the return spectrum.

During the course of Q2 we have also reduced the market variance and the effective costs of the portfolios. We trust this will lead to enhanced returns over the long-term for our clients.

Portfolio Manager
Tom Barlow
CFA ®, BCom (Economics)