

### Fund Objective

The primary objective of the portfolio is to outperform SA CPI Plus 4% per annum on a rolling 36 month basis. The secondary objective is capital preservation over all 18 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 : medium 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 60%. The portfolio will be managed in accordance with regulations governing pension funds.

### Fund Information

Ticker	VPCFF
Portfolio Manager	Tom Barlow
ASISA Fund Classification	South African - Multi Asset - Medium Equity
Risk Profile	Moderate
Benchmark	50% FTSE/JSE All Share Index & 50% STeFi Composite
Fund Size	R 965,514,790
Portfolio Launch Date*	12/05/2008
Fee Class Launch Date*	12/05/2008
Minimum Lump Sum Investment	R 1,000,000
Minimum Monthly Investment	R 100,000
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) A-Class (%)

Maximum Initial Advice Fee	—
Maximum Annual Advice Fee	1.15
Manager Annual Fee	0.80
Total Expense Ratio	1.91
Transaction Cost	0.18
Total Investment Charges	2.09
Performance Fee	—
TER Measurement Period	01 January 2016 - 31 December 2018

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.sanlamunitrusts.co.za](http://www.sanlamunitrusts.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 4 Fund of Funds transitioned to Sanlam Collective Investments (RF) (Pty) Ltd on 01 July 2017.

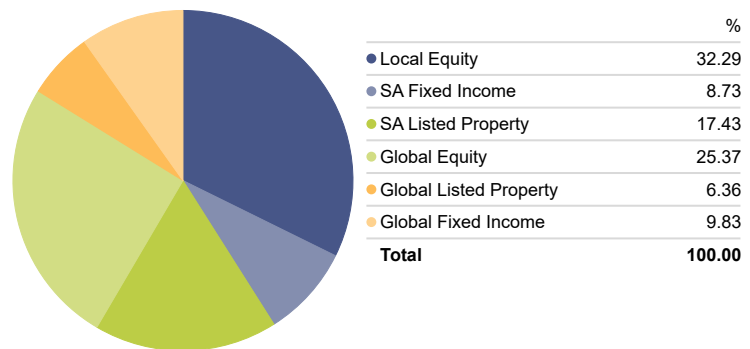
MDD Issue Date: 01/07/2019

### Top Holdings

	(%)
Ampersand SCI Equity Fund	34.15
VPFP International Growth Fund	31.37
Ampersand SCI Flexible Property Income Fund	18.19
Saffron African Yield Fund	5.46
Saffron SCI Active Bond Fund	5.45
Element Specialist Income SCI Fund	2.48
Saffron SCI Large Cap Fund	0.05
Ampersand SCI Income Fund	0.02
Saffron SCI Opportunity Income Fund	0.01

### Asset Allocation

Portfolio Date: 31/03/2019



### Annualised Performance (%)

	Fund	Benchmark
1 Year	3.57	5.04
3 Years	1.36	5.96
5 Years	4.51	6.41
10 Years	8.36	9.74
Since Inception	7.36	7.98

### Cumulative Performance (%)

	Fund	Benchmark
1 Year	3.57	5.04
3 Years	4.12	18.97
5 Years	24.70	36.41
10 Years	123.22	153.23
Since Inception	116.44	138.16

### Highest and Lowest Annual Returns

Time Period: Since Inception to 31/12/2018

Highest Annual %	15.24
Lowest Annual %	-4.29

### Risk Statistics (3 Year Rolling)

Standard Deviation	7.32
Sharpe Ratio	-0.76
Information Ratio (geo)	-0.93
Maximum Drawdown	-7.81

### Distribution History (Cents Per Unit)

31/12/2018	1.18 cpu	31/12/2016	0.61 cpu
30/06/2018	1.32 cpu	30/06/2016	2.82 cpu
31/12/2017	2.09 cpu		
30/06/2017	1.84 cpu		

Administered by

## Risk Profile

### Moderate

You want to protect yourself from the ups and downs as much as possible and, in so doing, have as smooth a ride as is possible. But you know you need to take some risk to grow your capital. You have a medium to long-term investment horizon; you are looking for a diversified portfolio (ie, a portfolio that invests in a number of different asset classes to spread your risk), and one that offers real (after inflation) returns but with lower volatility. This fund would appeal to anyone nearing retirement (in the capital accumulation phase) and as well as after retirement (in the deaccumulation or capital preservation phase).

## 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 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.

### 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.

### 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

### Investment Manager Information

Ampersand Asset Management (Pty) Ltd  
(FSP) License No. 33676  
Physical Address: 1 Tuscany Office Park, 6 Coombe Place, Rivonia, Sandton, 2191  
Postal Address: P.O. Box 926, Rivonia, 2128  
Tel: +27 (11) 803 6597  
Email: [queries@ampersand.co.za](mailto:queries@ampersand.co.za)  
Website: [www.ampersandam.co.za](http://www.ampersandam.co.za)

### Manager Information

Sanlam Collective Investments (RF) (Pty) Ltd  
Physical Address: 2 Strand Road, Bellville, 7530  
Postal Address: P.O. Box 30, Sanlamhof, Bellville, 7532  
Tel: +27 (21) 916 1800  
Email: [service@sanlaminvestments.com](mailto:service@sanlaminvestments.com)  
Website: [www.sanlamunittrusts.co.za](http://www.sanlamunittrusts.co.za)

### Trustee Information

Standard Bank of South Africa Ltd  
Tel: +27 (21) 441 4100  
Email: [compliance-sanlam@standardbank.co.za](mailto:compliance-sanlam@standardbank.co.za)

## Portfolio Manager Comment

As at 31 March 2019

### Economic Market Overview

"The time to buy is when there's blood in the streets, even if the blood is your own" – Victor Rothschilds, 3<sup>rd</sup> Baron Rothschild.

Even the most seasoned and optimistic long-term investors felt the anxiety and distress experienced in the last quarter of 2018. As examined and explained in our previous newsletter regarding the last quarter of last year, investors relived some of the most dramatic drops seen over the past 100 years. The drop was eclipsed only by the losses suffered during the Great Depression in the late 1920's. There were pundits and market commentators, both locally and abroad, pushing the narrative that this was the "beginning of the end" and perhaps the "start of the great unwind". Most of these pundits based their predictions on recent information and volatility, extrapolating the experience of the last quarter of 2018 forward into perpetuity. Although they could have been proven correct "if all else remained equal", the market adjusted to new information and resulted in a marked change in the exact opposite direction that many of these bearish pundits predicted.

The most obvious change that occurred related to the US Fed which has turned decidedly dovish, removing any concerns around interest rates moving up too quickly. This dovish tone encouraged risk taking and resulted in a material recovery across all growth assets.

As we stressed during our last communiqué, short-term volatility will present patient investors with opportunities across a number of different sectors, assets and geographies. In spite of risks and uncertainties which might impact these investments negatively over the next few months, we believe the long-term entrenched growth opportunity justifies increasing or at least maintaining an allocation to growth assets, both locally and abroad.

### Position going forward

Our key positions across the portfolios remain biased toward growth assets in both the local and global environment although our lower risk and more constrained portfolios do have significant exposure to local fixed income assets. The two largest absolute and peer relative positions remain our allocation to offshore assets and our allocation to local listed property.

Whilst remaining cognisant with market valuations and exogenous risks, we need to retain growth assets in the portfolio to ensure we achieve our longer-term real return objectives. As highlighted above, we have also seen a significant revaluation over the last 3 months as volatility has subsided after the carnage seen in the last quarter of 2018, resulting in many growth assets recovering most if not all of the losses seen in that quarter. This resulted in the valuation of many growth assets moving closer to earnings and market fundamentals, although some disconnect remains which presents further near-term opportunities. We believe premium valuations in certain growth sectors could experience normalisation, yet the general valuation across many sectors present interesting, albeit select, opportunities, especially if the monetary environment remains accommodative.

Asset allocation and diversification therefore remain key to ensuring downside risk management while entrenching long term inflation protection and real returns. Our aim is to provide our investors with diverse exposure across various investment strategies, investment managers and assets while continuing to focus our attention on consistently applying our philosophy and process. The result is a rigorous blend of exposures that should have a high probability of achieving our long-term return objectives (a time horizon of at least 3 years, and longer for the more risk-orientated portfolios) while providing protection against short term swings and negative surprises, and reducing the overall risk our investors face.

We urge investors to remain patient and committed to their chosen investment strategy even though negative surprises are possible. We are continuously looking for ways to increase the certainty of cash flow while remaining cognisant of our longer term capital preservation objectives.

Our belief in and commitment to our investment approach remains firm and resolute as we have weathered comparable and even worse challenges over the past 11 years. With the commitment from our clients, we remain confident that our philosophy will again result in positive outcomes and ensure safe passage through turbulent markets.

### Portfolio Manager

Tom Barlow  
CFA®, BCom (Economics)