Ampersand Sanlam Collective Investments CPI Plus 6 Fund of Funds

Minimum Disclosure Document

As of 31/05/2019

MDD Issue Date: 01/07/2019

Fund Objective

The primary objective of the portfolio is to outperform SA CPI Plus 6% per annum on a rolling 48 month basis. The secondary objective is capital preservation over all 24 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 multi-asset class portfolios and is not limited to certain asset classes. The portfolio shall adhere to the multi asset: high equity classification requirements as set out by the Asisa standard: fund classification for South African regulated investment scheme portfolios, which currently limits the equity exposure to 75%. The portfolio will be managed in accordance with regulations governing pension funds.

Fund Information

Ticker	VPCFU
Portfolio Manager	Tom Barlow
ASISA Fund Classification	South African - Multi Asset - High Equity
Risk Profile	Aggressive
Benchmark	65% FTSE/JSE All Share Index & 35% SteFi Composite
Fund Size	R 305,593,891
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)

Fees (Incl. VAT)	A-Class (%)
Maximum Initial Advice Fee	—
Maximum Annual Advice Fee	1.15
Manager Annual Fee	0.80
Total Expense Ratio	2.06
Transaction Cost	0.19
Total Investment Charges	2.25
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.sanlamunittrusts.co.za for a detailed list of our funds that charge performance fees together with their calculation methodologies.

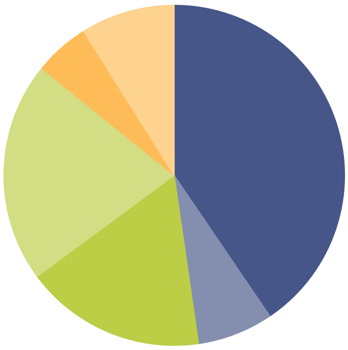
*The Ampersand Sanlam Collective Investments CPI Plus 6 Fund of Funds transitioned to Sanlam Collective Investments (RF) (Pty) Ltd on 01 July 2017.

Top Holdings

Top Holdings	(%)
Ampersand SCI Equity Fund	42.55
VPFP International Growth Fund	25.87
Ampersand SCI Flexible Property Income Fund	17.82
Saffron African Yield Fund	5.33
Saffron SCI Active Bond Fund	3.76
Ampersand SCI Income Fund	2.62
Saffron SCI Opportunity Income Fund	0.11

Asset Allocation

Portfolio Date: 31/03/2019



	%
Local Equity	40.50
SA Fixed Income	7.21
SA Listed Property	17.15
Global Equity	20.94
Global Listed Property	5.25
Global Fixed Income	8.94
Total	**100.00**

Annualised Performance (%)

	Fund	Benchmark
1 Year	3.58	4.29
3 Years	0.58	5.46
5 Years	3.46	6.15
10 Years	8.68	10.63
Since Inception	6.65	8.39

Cumulative Performance (%)

	Fund	Benchmark
1 Year	3.58	4.29
3 Years	1.76	17.27
5 Years	18.54	34.76
10 Years	129.95	174.57
Since Inception	103.79	143.64

Highest and Lowest Annual Returns

Time Period: Since Inception to 31/12/2018

Highest Annual %	16.78
Lowest Annual %	-5.20

Risk Statistics (3 Year Rolling)

Standard Deviation	8.34
Sharpe Ratio	-0.75
Information Ratio	-0.92
Maximum Drawdown	-8.20

Distribution History (Cents Per Unit)

31/12/2018	0.67 cpu	31/12/2016	0.17 cpu
30/06/2018	1.32 cpu	30/06/2016	1.76 cpu
31/12/2017	0.77 cpu		
30/06/2017	1.35 cpu		

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Risk Profile

Aggressive
You can afford to take on a higher level of risk (ie, will have a greater exposure to equities in your portfolio) because of your investment time horizon or your appetite for risk. You know that in taking the risk, you need to be patient if you want to achieve the results. So you are willing to invest for the long-term and are prepared to tolerate some volatility in the short term, in anticipation of the higher returns you expect to receive in five years or beyond.

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.

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 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 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 instruments which could be accompanied by additional risks as well as potential limitations on the availability of market information. Investments in foreign instruments are also subject to fluctuations in exchange rates which may cause the value of the fund to go up or down. 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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As of 31/05/2019

ampers&nd ASSET MANAGEMENT

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, 3rd 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)

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