

Fund Objective

The portfolio's primary objective is to provide outperformance of the SA Equity Market as measured by the CAPI over a rolling 5 year period while achieving this return at a lower risk.

Fund Strategy

The portfolio's investment universe consists of financially sound equity securities, preference shares, convertible bonds, property shares and property related securities listed on exchanges, and assets in liquid form. The portfolio's equity exposure will always exceed 80% of its net asset value. The Manager may also include unlisted forward currency, interest rate and exchange rate swap transactions for efficient portfolio management purposes.

Fund Information

| | |
|-----------------------------|------------------------------------|
| Ticker | AMECB |
| Portfolio Manager | Tom Barlow |
| ASISA Fund Classification | South African - Equity - General |
| Risk Profile | Aggressive |
| Benchmark | FTSE/JSE CAPI Index |
| Fund Size | R 530,820,106 |
| Portfolio Launch Date* | 01/04/2013 |
| Fee Class Launch Date* | 02/04/2013 |
| 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 | 15:00 |
| Transaction Cut Off Time | 15:00 |
| Daily Price Information | Local media |
| Repurchase Period | 2-3 business days |

Fees (Incl. VAT)

B-Class (%)

| | |
|----------------------------|-----------------------------|
| Maximum Initial Advice Fee | — |
| Maximum Annual Advice Fee | — |
| Manager Annual Fee | 0.86 |
| Total Expense Ratio | 1.59 |
| Transaction Cost | 0.48 |
| Total Investment Charges | 2.07 |
| Performance Fee | — |
| TER Measurement Period | 01 July 2017 - 30 June 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.sanlamunitrusts.co.za for a detailed list of our funds that charge performance fees together with their calculation methodologies.

*The Ampersand Sanlam Collective Investments Equity Fund transitioned to Sanlam Collective Investments (RF) (Pty) Ltd on 01 July 2017.

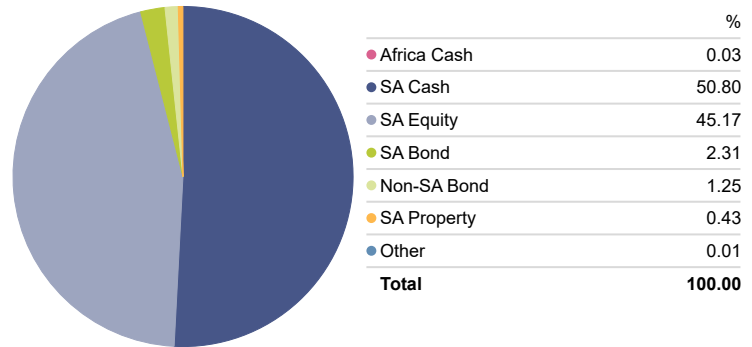
MDD Issue Date: 21/10/2020

Top Holdings

| | (%) |
|---|-------|
| Saffron SCI Large Cap Fund | 21.98 |
| Stanlib ALSI 40 Fund | 19.32 |
| 1Invest Top 40 ETF | 15.69 |
| CoreShares S&P SA Top 50 Index Tracker Fund | 7.21 |
| TOP40TR SWAP 181120 | 6.62 |
| CoreShares S&P SA Top 50 ETF | 5.20 |
| TOP40T SWAP4 181120 | 3.41 |
| TOP40T SWAP2 181120 | 3.29 |
| TOP40T SWAP3 181120 | 3.25 |
| RMB Ltd NCD 20112020 | 2.84 |

Asset Allocation

Portfolio Date: 30/09/2020



Annualised Performance (%)

| | Fund | Benchmark |
|-----------------|--------|-----------|
| 1 Year | -13.31 | 0.95 |
| 3 Years | -6.19 | 1.51 |
| 5 Years | -1.73 | 4.16 |
| Since Inception | 0.52 | 7.05 |

Cumulative Performance (%)

| | Fund | Benchmark |
|-----------------|--------|-----------|
| 1 Year | -13.31 | 0.95 |
| 3 Years | -17.45 | 4.58 |
| 5 Years | -8.35 | 22.61 |
| Since Inception | 3.97 | 66.76 |

Highest and Lowest Annual Returns

Time Period: Since Inception to 31/12/2019

| | |
|------------------|-------|
| Highest Annual % | 14.64 |
| Lowest Annual % | -8.11 |

Risk Statistics (3 Year Rolling)

| | |
|--------------------|-------|
| Standard Deviation | 9.16 |
| Sharpe Ratio | -0.70 |
| Information Ratio | -0.54 |
| Maximum Drawdown | -9.91 |

Distribution History (Cents Per Unit)

| | | | | | |
|------------|----------|------------|----------|------------|----------|
| 30/06/2020 | 2.37 cpu | 30/06/2018 | 0.25 cpu | 30/06/2016 | 0.46 cpu |
| 31/12/2019 | 1.37 cpu | 31/12/2017 | 1.31 cpu | 30/04/2016 | 1.05 cpu |
| 30/06/2019 | 1.53 cpu | 30/06/2017 | 0.89 cpu | 31/12/2015 | 1.23 cpu |
| 31/12/2018 | 1.54 cpu | 31/12/2016 | 1.48 cpu | | |

Administered by



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 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

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 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. 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. 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

(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

Website: 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

Website: www.sanlamunittrusts.co.za

Trustee Information

Standard Bank of South Africa Ltd

Tel: +27 (21) 441 4100

Email: compliance-sanlam@standardbank.co.za

Portfolio Manager Comment

As at 30 September 2020

Economic Market Overview

"I fear not the man who has practiced 10,000 kicks once, but I fear the man who has practiced one kick 10,000 times." – Bruce Lee

Q3 2020 reminded us just how tenuous the "recovery" we experienced in Q2 2020 actually is. Sentiment remained strong throughout the back end of Q2 2020 and into mid-August 2020 and this led to improved pricing on risk assets across the board. I remember a distinct change in narrative delivered by newscasters across channels, away from the then prevalent "new economy" driven by technology and all its potential, to three concerns:

1. A second wave of Covid-19 in Europe & the UK combined with stubbornly high numbers in the US (I am writing this on the morning of the announcement that President Trump has contracted Covid-19);
2. Increased tensions around the globe especially between China and the US (best captured in the Tik-Toc story) but also areas like the India/China border dispute, tensions in the East China Sea, etc.;
3. And finally, the inevitable return of the Brexit debacle, this time with Boris Johnson openly stating that the UK may violate international law.

The strong performance of risk assets around the world mentioned above should be seen against the back drop of about a 40% drop in quarterly earnings announced by the major global companies in Q2 2020 when compared to a year ago. The IMF and other "major" forecasters continued to revise down GDP expectations and actual numbers announced demonstrated the severe economic implications of a legislated lock down.

I believe as market pundits were influenced by the change in narrative in the press as per paragraphs 1 to 3 above and re-evaluated the subdued numbers delivered by economies and companies, they began to reduce risk and hence a fairly material "pull back" at the back end of September 2020. The only anomaly perhaps being the strong performance of the ZAR/USD over this period moving from around R17.67 per USD in mid-August to the current R16.49. But to be fair, this is a very short timeframe and we will have to watch this volatility carefully before making any pronouncements.

Position going forward

Ampersand has continued to make material strides in the refinement of the risk and liquidity profiles within the specific investment products we manage. We expect this work to conclude during Q4 of 2020 and are excited about the prospects of a more efficient and explainable set of outcomes given the continuing uncertain global economic environment.

Over the duration of Q3 2020 the only active position was a 25% to 30% underweight position in the domestic property asset class – this position served us well. Our final step in this asset class is to switch a component of our actively managed exposure to passive management and in time, as economic certainty returns, to move to a more neutral position relative to our long-term strategic asset allocation of 10%. We do however not anticipate moving to this neutral position for the balance of 2020.

In the domestic equity asset class, we completed the move to a more certain outcome in the month of September. We believe that with only indexation present in our exposure we have reduced costs, enhanced liquidity and are more certain of the relative return profile of this asset class in the foreseeable future.

Internationally we have re-allocated the equity asset class to roughly a 50% active and 50% passive exposure. We are at present considering a number of options relating to the international property and bond exposure to enhance certainty of performance outcomes while further reducing costs.

On full completion of the above we believe we will be in an excellent position to adopt the "Bruce Lee" approach to investment management i.e. to focus on our core principle of asset class diversification within a disciplined framework. We continue to monitor managers and valuation metrics but focus our energies on delivering explainable and repeatable investment returns based on the eight primary asset classes we expose our clients to.

Portfolio Manager

Tom Barlow
CFA®, BCom (Economics)