Ampersand Sanlam Collective Investments Flexible Property Income Fund

Minimum Disclosure Document

As of 30/04/2020

MDD Issue Date: 20/05/2020

Fund Objective

The portfolio's primary objective is to provide outperformance of its benchmark over a rolling 3 year period.

Fund Strategy

The investable universe of the portfolio will be property securities, property collective investment schemes, property loan stock, Real Estate equity, fixed interest securities (including, but not limited to, bonds, corporate bonds, inflation linked bonds, convertible bonds, cash deposits and money market instruments), debentures, preference shares, non-equity securities, derivatives, and assets in liquid form. The minimum portfolio exposure to JSE listed property shares, property loan stock and property portfolios will be 33% of the portfolio's market value. The Manager may only include forward currency agreements, interest rate and exchange rate swap transactions for efficient portfolio management purposes.

Top Holdings

Top Holdings	(%)
Metope Property Income Prescient Fund	18.87
Stanlib Bond Fund	18.65
Lighthouse Capital Ltd	9.82
Equities Property Fund Ltd	5.69
Metope Property Prescient Fund	5.14
NEPI Rockcastle Plc	3.00
Resilient Reit Ltd	1.26

Fund Information

Ticker	AFICA
Portfolio Manager	Tom Barlow
ASISA Fund Classification	South African - Real Estate - General
Risk Profile	Aggressive
Benchmark	67% FTSE/JSE Listed Property Index & 33% Stefi
Fund Size	R 275,266,012
Portfolio Launch Date*	01/11/2013
Fee Class Launch Date*	01/11/2013
Minimum Lump Sum Investment	R 1,000,000
Minimum Monthly Investment	R 100,000
Income Declaration Date	March, June, September & December
Income Payment Date	1st business day of April, July, October & 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)

Fees (Incl. VAT)	A-Class (%)
Maximum Initial Advice Fee	—
Maximum Annual Advice Fee	—
Manager Annual Fee	1.72
Total Expense Ratio	2.12
Transaction Cost	0.25
Total Investment Charges	2.37
Performance Fee	—
TER Measurement Period	01 January 2017 - 31 December 2019

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.

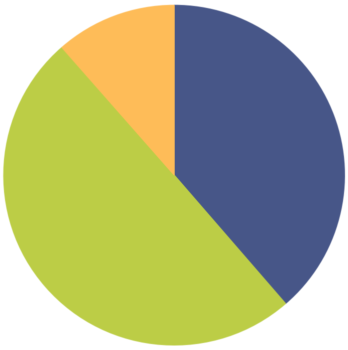
Total Investment Charges (TER + TC) is the total percentage value of the Financial Product that was incurred as costs relating to the investment of the Financial Product. Performance fees are incentive fees earned by the manager for performance in excess of the benchmark.

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 Flexible Property Income Fund transitioned to Sanlam Collective Investments (RF) (Pty) Ltd on 01 July 2017.

Asset Allocation

Portfolio Date: 31/03/2020



	%
SA Listed Property	38.66
SA Fixed Income	49.88
Other	11.46
Total	**100.00**

Annualised Performance (%)

	Fund	Benchmark
1 Year	-44.01	-30.12
3 Years	-21.24	-11.77
5 Years	-12.00	-5.52
Since Inception	-4.49	-0.35

Cumulative Performance (%)

	Fund	Benchmark
1 Year	-44.01	-30.12
3 Years	-51.15	-31.33
5 Years	-47.23	-24.72
Since Inception	-25.81	-2.25

Highest and Lowest Annual Returns

Time Period: Since Inception to 31/12/2019

Highest Annual %	23.03
Lowest Annual %	-18.23

Risk Statistics (3 Year Rolling)

Standard Deviation	10.03
Sharpe Ratio	-0.88
Information Ratio	-0.65
Maximum Drawdown	-21.03

Distribution History (Cents Per Unit)

31/03/2020	1.35 cpu	31/03/2019	1.67 cpu	31/03/2018	1.53 cpu
31/12/2019	1.58 cpu	31/12/2018	2.22 cpu	31/12/2017	2.04 cpu
30/09/2019	1.23 cpu	30/09/2018	2.10 cpu	30/09/2017	1.46 cpu
30/06/2019	1.61 cpu	30/06/2018	1.68 cpu	30/06/2017	1.62 cpu

Administered by

Ampersand Sanlam Collective Investments Flexible Property Income Fund

Minimum Disclosure Document

As of 30/04/2020

ampers&nd ASSET MANAGEMENT

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.

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

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

Administered by

Sanlam

Ampersand Sanlam Collective Investments Flexible Property Income Fund

Minimum Disclosure Document

As of 30/04/2020

ampers&nd ASSET MANAGEMENT

Portfolio Manager Comment

As at 31 March 2020

Economic Market Overview

“The stock market is a device for transferring wealth from the impatient to the patient” – Warren Buffett.

This quote has probably never been more apt than the present, and yet it provides very little solace to investors that have been exposed to the rout we have experienced over the last few weeks and months.

2019 was a reasonable year for many asset classes but the new decade and year has brought with it a plague of uncertainty and concern that will be written about in history books for generations to come.

Financial markets experienced levels of distress not seen before and even though there are some comparisons with the market volatility seen during the Roaring 20’s pre the full onslaught of the Great Depression, what we experienced during the first quarter of 2020 was severe when referencing any similar timeframe in history.

Every single asset class with any component of risk experienced negative returns and even perceived safe haven assets like physical gold lost value. The retreat was particularly severe in assets that offered liquidity as the often fear driven desire for “cash in the bank” became extreme – this resulted in liquid risk assets and markets being sold down even more.

South African assets were caught in the proverbial “perfect storm” as we have one of the most liquid stock markets in the Emerging Market Index. South Africa traditionally provides higher real yields than many other fixed income environments on the globe and we also have one of the most dynamic derivative markets and banking systems in the world, which allowed many global speculators to express “risk off” views that impacted all our markets negatively while providing some perceived short term protection.

This scenario was further compounded by the Moody’s Credit Ratings Downgrade but this event had a marginal impact in comparison to the Covid-19 pandemic. Undoubtedly, every one of our clients and investors have been impacted by this pandemic in some way or form. The long-term effects are however impossible to definitively estimate or predict. What we do know at this point is that Covid-19 will probably change the manner in which we live our lives – the travel industry, office life and how we do our shopping are perhaps obvious examples of these pending changes.

In response to these probable changes we can report that we have reduced the overall risk in our portfolios while retaining a significant exposure to assets that provide inflation protection over the medium to long term. Our portfolios remain invested across different geographies, currencies, asset classes and strategies to provide the highest probability of protection. The quarterly negative returns experienced however have been material and challenging especially in light of the subdued return profile over the previous 3 years or so.

We however continue to urge investors to remain patient and committed to their specific financial plan as this is the roadmap that ultimately produces the arrival at the required destination. We cannot over-emphasize the need for financial discipline and the minimization of emotional decision making at this time.

Position going forward

We have increased our cash holdings at the expense of listed property in the international and domestic portfolios. This is based on expected reduced economic activity over the course of the next 24 months and the potential change in the nature of how consumers engage in future. We will continue to monitor this position to determine an optimum long-term weighting in an ever-changing economic environment. We have furthermore reduced international equity to just below benchmark weighting and therefore further increased USD cash reserves for a similar reason as above.

We have seen a dramatic change in the valuation of SA Government Bonds. The domestic 10 year government bond is trading around 11,7% up from 8,8% a few months ago. This is a very attractive long-term yield with reasonable certainty relative to many other asset classes (including local property).

We are aware that domestic equities were cheap prior to COVID-19 given our economic slump in SA over the last 5 years. They have become even cheaper based on historical norms. We have started engaging with selective managers to understand what opportunities may exist post a stabilisation in markets.

We cannot make accurate projections at this time. We are unsure of the economic outcome of current events. However, as we have stated before, history over many centuries has shown that diversification is the only strategy that survives consistently through unquantifiable events. We therefore remain disciplined to this principle across all our portfolios within their designated risk profiles – again this will not change.

In conclusion we recognise that the last 3 months have been severely challenging and although we believe the portfolios are well diversified, we realise that many investors may find it psychologically extreme to withstand the recent onslaught. We remain available if you would like to discuss the portfolio positioning and structure in more detail and we wish you all strength in these challenging times. Ultimately, while we understand the need for patience in the short term, we are excited by the opportunities that will no doubt become available in this changing investment landscape.

Portfolio Manager
Tom Barlow
CFA ®, BCom (Economics)

Administered by

Sanlam