

APS Ci Cautious Fund

June 2020



INVESTMENT OBJECTIVE

The objective of this portfolio is to provide investors with long-term capital growth from a portfolio that maintains a low risk profile. Investors will also be able to earn a reasonable amount of income. The composition of the portfolio shall reflect the investment structure of a retirement fund with a cautious risk profile and will comply with Regulation 28 of the Pension Funds Act. The Fund may from time to time invest in listed and unlisted derivatives, in order to achieve the Fund's investment objective.

ABOUT THE PORTFOLIO MANAGER

Associated Portfolio Solutions ("APS") is an association of independent financial advisors who specialise in wealth and portfolio management. Each associate is approved as an authorised financial services provider by the Financial Sector Conduct Authority and has been specifically invited to become an associate by the APS board on the basis of the associates' years of experience in the industry, expertise and reputation in the financial services industry.

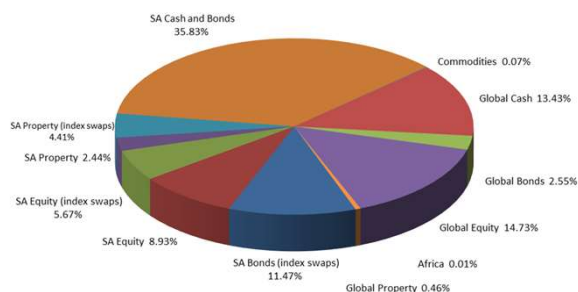
ABOUT THE FUND

| | |
|----------------------|---|
| Launch Date | 01 November 2006 |
| ASISA Classification | South African – Multi Asset – Low Equity |
| Risk Profile | Low |
| Benchmark | CPI for all urban areas + 3% p.a. over a rolling 3 year period |
| Equity Exposure | The Fund will have an Equity exposure between 0% and 40% at all times |
| Foreign Exposure | Up to 30% of the assets may be invested offshore and an additional 10% invested in Africa, ex RSA |
| Opening NAV Price | 1000.00 cents per unit |
| Frequency of pricing | Our daily NAV prices are published on our website |

HISTORIC PORTFOLIO PERFORMANCE

| Annualised returns | YTD | 1 year | 3 years | 5 years | 7 years | 10 years | 12 years | Inception |
|-------------------------------|-------|--------|---------|---------|---------|----------|----------|-----------|
| Fund (Class A1) | 0.93% | 4.08% | 4.92% | 5.60% | N/A | N/A | N/A | 6.48% |
| Benchmark | 2.19% | 5.06% | 6.63% | 7.50% | N/A | N/A | N/A | 7.65% |
| ASISA Sector Average | 0.56% | 3.23% | 5.20% | 5.18% | N/A | N/A | N/A | 5.81% |
| Lowest 1 year rolling return | | | | | | | | -4.15% |
| Highest 1 year rolling return | | | | | | | | 12.69% |

ASSET ALLOCATION



UNDERLYING HOLDINGS

| | |
|------------------------------------|--------|
| APS Ci Global Flexible Feeder Fund | 11.98% |
| APS Global Flexible Fund | 17.68% |
| Ci Alpha Fund | 4.17% |
| Ci Engineered Equity Core Fund | 0.18% |
| Ci Equity Fund | 1.98% |
| Ci Property Fund | 2.24% |
| SA Bond index swap instrument | 11.47% |
| Direct Equity | 2.79% |
| SA Equity index swap instrument | 5.78% |
| SA Property index swap instrument | 4.30% |
| Stanlib Bond Fund | 15.75% |
| Foreign Cash | 2.04% |
| SA Cash | 19.64% |

Asset allocations are one month lagged.

This document is a Minimum Disclosure Document (MDD) which contains key information about this portfolio. This MDD will be updated on a monthly basis. Sources: Performance sourced from Morningstar and Portfolio Analytics Consulting (Pty) Ltd, for a lump sum using NAV-NAV prices with income distributions reinvested. CPI for all urban areas sourced from FactSet. Asset Allocation and Top 10 holdings data compiled by Global Investment Reporting SA ("GIRSA").

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Additional Information

| | | | |
|--------------------------|-----------------------------|------------------------------------|---|
| Fund Size | R 276 million | Total Expense Ratio | Class A1: 1.45% |
| Initial Fee | Class A1: 0% | Transaction Cost | Class A1: 0.08% |
| Initial Advisory Fee | Max. 3.45% (Incl. VAT) | Total Investment Charge | Class A1: 1.53% |
| Annual Service Fee | Class A1: 1.73% (Incl. VAT) | Calculation Period | 1 April 2017 to 31 March 2020 |
| Annual Advisory Fee | Max. 1.15% (Incl. VAT) | Income Declaration Dates | 31 March, 30 June, 30 September & 31 December |
| Transaction cut-off time | 14:00 | Last 12 months Distributions (cpu) | 30/06/2020: 9.58 (A1) 31/03/2020: 4.01 (A1) 31/12/2019: 9.89 (A1) 30/09/2019: 13.03 (A1) |
| Valuation time | 17:00 | Income Reinvestment / Payout Dates | 2nd working day in April, July, October and January |

FAIS Conflict of Interest Disclosure

The Annual Service Fee includes a fee of up to 0.920% payable to APS, a fee up to 0.115% payable to Ci, and a fee up to 0.690% payable to Analytics Consulting, all fees are VAT inclusive. In most cases where the FSP is a related party to the portfolio manager, the portfolio manager and/or distributor earns additional fees apart from the FSP's client advisory fees. It is the FSP's responsibility to disclose additional fees to you as the client. APS aggregates all foreign investments within the APS global portfolio. The portfolio may therefore be invested in the APS International offshore portfolio from time to time. APS International and SIP may earn an annual investment management fee of up to 1.00% on all such investments. APS does not charge any annual management fee in South Africa against the value of any investments that are placed in any of the APS International offshore portfolio.

Characteristics

The fund aims to achieve total returns in excess of inflation (CPI) + 3% over rolling 3 years and is ideal for cautious investors seeking capital growth at low levels of volatility. The fund invests in portfolios investing in equities, bonds, listed property and money market instruments, both locally and abroad and is managed to comply with the regulations governing retirement funds. The fund is ideal for investors who do not wish to actively manage their portfolio.

Risk Reward profile: Low

Typically, the lower the risk, the lower the potential return and the higher the risk, the higher the potential return. There is no guarantee that returns will be higher when investing in a portfolio with a higher risk profile. The risk profile for this portfolio is rated as low, as it may only invest up to 40% in equity securities, both locally and abroad.

Risks

Market Risk

Equity markets are volatile and the price of equities fluctuate based on a number of factors such as changes in the economic climate, general movements in interest rates and the political and social environment which will also affect the value of the securities held in the unit trust, thereby affecting the overall value of the unit trust.

Currency Risk / Foreign Exchange Risk

This risk is associated with investments that are denominated in foreign currencies. When the foreign currencies fluctuate against the South African Rand, the investments face currency gains or losses.

Concentration Risk

Unit trusts pool the assets of many investors and use the proceeds to buy a portfolio of securities. There are regulations in place which limit the amount that a unit trust may invest in securities, thereby spreading the risk across securities, asset classes and companies.

Liquidity Risk

This relates to the ability of the unit trust to trade out of a security held in the portfolio at or near to its fair value. This may impact on liquidity and in the case of foreign securities, the repatriation of funds.

Total Return Swaps Risk

This portfolio may invest in total return swaps. Total return swaps are unlisted instruments issued by a bank to provide the return of a specific index. Therefore, the equity exposure in this portfolio is derived through the total return swap and not by physically holding the equities in the portfolio. The value of the instrument is directly linked to the performance of the basket of assets per the index and will fluctuate in line with the daily market movements.

Credit Risk

Credit risk arises where an issuer of a non-equity security or a swap is unable to make interest payments or to repay capital. The Fund may be exposed to credit risk on the counterparties in relation to instruments such as cash, bonds and swaps that are not traded on a recognised exchange. The possibility of the insolvency, bankruptcy or default of a counterparty with which the Fund trades such instruments, could result in losses to the Fund.

Inflation Risk

The risk of potential loss in the purchasing power of your investment due to a general increase of consumer prices.

Political Risk

The risk that investment returns could suffer as a result of a country's political changes or instability in the country. Instability could come from changes in the country's government, policy makers or military.

Tax Risk

This risk relates to any change to tax laws or to the interpretation of existing tax laws which has an impact on the manner in which unit trusts are taxed.

Compliance Risk

This refers to the risk of not complying with the legislation, regulations, prescribed investment limits and internal policies and procedures by the manager or the portfolio manager.

This document is not intended to address the personal circumstances of any Financial Services Provider's (FSP's) client nor is it a risk analysis or examination of any client's financial needs. Collective Investment Schemes in Securities ("CIS") are generally medium to long term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to future performance. CIS are traded at ruling prices and can engage in borrowing and scrip lending. Different classes of units apply to this portfolio and are subject to different fees and charges. A schedule of fees and charges is available on request from Ci. Ci does not provide any guarantee either with respect to the capital or the return of the portfolio. Forward pricing is used. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. International investments may include additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information. The portfolio may be closed from time to time in order to manage it more efficiently in accordance with its mandate. The APS portfolios are portfolios established and administered by Ci, and APS has been appointed to manage and market the portfolios. APS is an indirect shareholder of Ci. As a shareholder, APS may earn dividends from time to time and participation in any dividends may be linked to the revenue generated by Ci from the APS portfolios, and from any other Ci portfolios. Ci retains full legal responsibility for this co-named portfolio. Additional information on the portfolio may be obtained, free of charge, directly from Ci. Ci is a Non-Voting (Ordinary) Member of the Association for Savings & Investment SA (ASISA). Total Expense Ratio (TER): The above TER % has been annualised and indicates the percentage of the value of the portfolio which was incurred as expenses relating to the administration of the portfolio over the rolling 3 year period or since fund inception, on an annualised basis. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER's cannot be regarded as an indication of future TER's.

Transaction Cost (TC): The above TC % has been annualised and indicates the percentage of the value of the portfolio which was incurred as costs relating to the buying and selling of the assets underlying the portfolio. Transaction Costs are a necessary cost in administering the portfolio and impacts portfolio 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 portfolio, investment decisions of the investment manager and the TER.

TIC is the TER plus TC which indicates the percentage of the value of the portfolio which was incurred as costs relating to the investment of the portfolio.

Performance quoted is for lump sum investment with income distributions, prior to deduction of applicable taxes, included. NAV to NAV figures have been used. The annualised return is the return of the performance period re-scaled to a period of one year. Performance is calculated for the portfolio and individual investor performance may differ as a result of initial fees, actual investment date, date of reinvestment and dividend withholding tax.

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