Counterpoint SCI* Global Equity Feeder Fund

Minimum Disclosure Document

As of 2020/07/31

COUNTERPOINT ASSET MANAGEMENT — CONTEXTUAL VALUE™

MDD Issue Date: **2020/08/24**

Fund Objective

The investment objective of the portfolio is to provide investors with long-term capital growth.

Fund Strategy

The portfolio will apart from assets in liquid form, invest solely in the participatory interests of the Counterpoint Global Equity Fund established under the Sanlam Global Funds PLC scheme. This portfolio invests in participatory interests of underlying portfolios that provide exposure to investments across a broad range of asset classes, currencies and market sectors, operated in territories with a regulatory environment which is to the satisfaction of the Manager and Trustee of a sufficient standard to provide investor protection at least equivalent to that in South Africa.

Fund Information

Ticker	CMGFB
ISIN	ZAE000212395
Portfolio Manager	Sam Houlie, Ray Shapiro & Piet Viljoen
ASISA Fund Classification	Global - Equity - General
Risk Profile	Aggressive
Benchmark	MSCI World Index
Fund Size	R 114 584 298
Portfolio Launch Date*	2015/12/07
Fee Class Launch Date*	2015/12/07
Minimum Lump Sum Investment	R 10 000
Minimum Monthly Investment	R 500
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	3,45
Maximum Annual Advice Fee	—
Manager Annual Fee	0,11
Total Expense Ratio	2,05
Transaction Cost	0,11
Total Investment Charges	2,16
Performance Fee	—
TER Measurement Period	01 April 2017 - 31 March 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.

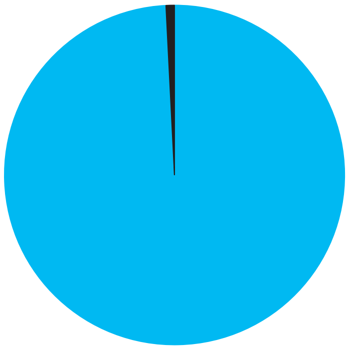
Total Investment Charges (TER + TC) is the total percentage value of the Financial Product that was incurred as costs relating to the investment of the Financial Product.

*The Counterpoint Sanlam Collective Investments Global Equity Feeder Fund transitioned to Sanlam Collective Investments (RF) (Pty) Ltd on 2 December 2017.

Top Ten Holdings	(%)
SANLAM-COUNTERPNT GL EQ-BUSD	99,4
Cash	0,6

Asset Allocation

Portfolio Date: 2020/06/30



	%
Counterpoint Global Equity Fund	99,2
Cash	0,8
Total	**100,0**

Annualised Performance (%)

	Fund	Benchmark
1 Year	-2,7	29,5
3 Years	3,7	17,7
Since Inception	0,9	13,8

Cumulative Performance (%)

	Fund	Benchmark
1 Year	-2,7	29,5
3 Years	11,4	63,1
Since Inception	4,4	82,4

Highest and Lowest Annual Returns

Time Period: Since Inception to 2019/12/31

Highest Annual %	13,6
Lowest Annual %	-15,1

Risk Statistics (3 Year Rolling)

Standard Deviation	18,7
Sharpe Ratio	-0,1
Information Ratio	-1,4
Maximum Drawdown	-17,2

Distribution History (Cents Per Unit)

2020/06/30	0.00 cpu	2018/06/30	0.00 cpu
2019/12/31	0.00 cpu	2017/12/31	0.00 cpu
2019/06/30	0.00 cpu		
2018/12/31	0.00 cpu		

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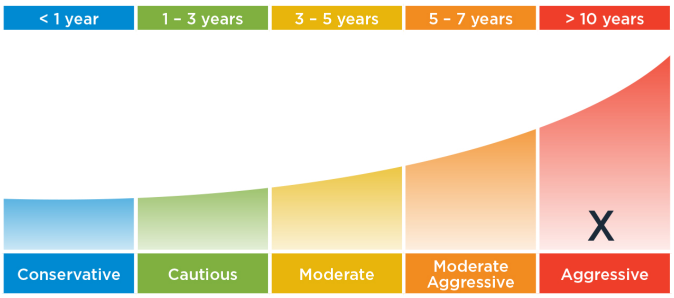
Risk Profile



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.

Distributions
The income that is generated from an investment and given to investors through monthly, quarterly, bi-annual or annual distribution pay-outs.

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.

Liquidity
The ability to easily turn assets or investments into cash.

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.

Maximum Drawdown
The maximum drawdown measures the highest peak to trough loss experienced by the fund.

Money Market Instruments
A money market instrument is a low risk, highly liquid, short-term (one year or less) debt instrument, issued by financial institutions or governments, that tend to have lower returns than high-risk investments.

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.

Regulation 28
Regulation 28 of the Pension Funds Act sets out prudent investment limits on certain asset classes in investment funds. It applies specifically to investments in Retirement Annuities and Preservation Funds. The allowed maximum exposures to certain asset classes is: 75% for equities, 25% for property, 25% for foreign (offshore) assets and 5% African assets.

Risk-adjusted returns
Risk-adjusted return refines an investment's return by measuring how much risk is involved in producing that return, which is generally expressed as a number or rating.

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. A feeder fund is a portfolio that invests in a single portfolio of a collective investment scheme, which levies its own charges and which could result in a higher fee structure for the feeder fund. 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 Counterpoint Boutique (Pty) Ltd, (FSP) Licence No. 44508, 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
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Portfolio Manager Comment

As at 30 June 2020

Market overview

The second quarter of 2020 dramatically reversed the adverse trend of the previous quarter, with a strong recovery, despite the ongoing Covid-19 induced economic slowdown. The US, together with Australia, New Zealand and Germany maintained strong relative momentum while emerging markets performed in line.

Rapidly increasing risk appetite fuelled a sustained advance across most asset classes, as market participants ignored narratives of escalating virus infections and a prolonged economic slowdown.

In the previous quarter, the US Fed stepped in aggressively with a series of unprecedented interventions. The Fed's intervention buoyed a rally in risk assets, which was sustained throughout the second quarter. Market participants embraced the increased positive sentiment. The speed and magnitude of the recovery matched the sell-off that preceded it.

The CBOE Volatility Index (VIX) spiked in February and has declined steadily since then, despite remaining elevated. Central bank support has now become the overriding narrative and time will tell whether policy intervention can mute the impact of deteriorating fundamentals and the risk of a second wave of Covid-19.

An additional feature of the quarter was the surprising resilience in developed market bonds. Global Bonds advanced by 2.7% as market participants sought safe havens in anticipation of continued policymaker intervention. Emerging market bonds rallied strongly, due to a combination of currency strength and the revived global search for yield. The signal from EM bond markets is one of increasing risk appetite. For the moment, yield considerations have taken a front seat relative to perceived safety.

For the quarter, most major asset classes advanced, with relatively few losers. Gold surged by 12.9% in line with declining nominal yields and despite US dollar weakness. Gold appears to be responding to an environment of rising uncertainty. The volatility and trend in the $ gold price during 2020 and the recent quarter has been surprising. It is unusual for gold to be positively correlated with risk assets, and time will tell which asset class is providing the correct signal.

The MSCI World Index rallied by 19.5%. The MSCI Emerging Market Index recovered in line with the Index advancing by 18.2% over the quarter, accompanied by sustained strength in EM currencies relative to the US dollar.

Global property, as measured by the iShares Developed Market Property Yield ETF which tracks the FTSE EPRA/NAREIT Developed Index rallied by 19.5% over the quarter. Global property was decimated during the coronavirus sell-off and is slowly recovering off a low base.

Portfolio overview

The Fund had a positive quarter, with a 6.3% advance in US$, which lagged the MSCI World Index return of 19.4%.

Sector allocation explains most of the lag in performance. Cash and gold equities advanced and mitigated the downside volatility in the remaining portfolio. Market leadership has been very narrow and sector specific. Our defensive positioning protected capital in the previous quarter but since then stock selection has detracted. Furthermore, our lack of exposure to the winning sectors exacerbated the performance lag during the second quarter.

For the majority of the second quarter, Technology and Consumer Cyclicals led the market higher. Narrow price leadership has been mirrored in terms of valuations with technology stocks expanding their significant premiums to the market. The risk-on sentiment has been funnelled into mega cap technology and cyclical sectors with price momentum.

Dollar weakness provided a mild tailwind to non-US listed stocks. The Fund has low direct EM exposure, which contributed at the margin during the second quarter as EM Equities kept pace with developed markets. Stock-picking within Retail and Precious Metals contributed significantly, despite the Fund being under-exposed to Consumer Cyclicals and Materials.

At the sector level, lower exposure to Technology was the single biggest detractor. On the other hand, our significant underweight position in Utilities and Non-Tobacco Consumer Staples contributed at the margin.

We have an intentional bias towards stocks with strong balance sheets and cheaper valuations. We anticipated an environment where excessive debt and high valuations would become significant headwinds for equities. In March 2020, the US Federal Reserve acted aggressively to thaw the credit market and as a consequence, excessive debt gradually became less of an issue. Equity market participants embraced the liquidity and willingly disregarded the high valuation of momentum stocks, particularly technology. Our holdings lagged the broader advance.

The Fund is focused on stock-picking and accordingly, stock selection will always be the primary driver of returns. Over the quarter, gold stocks contributed. Financial holding companies and industrial conglomerates detracted significantly.

The Fund has maintained above-average liquidity since mid-2017. In the second quarter, cash acted as a significant drag at the overall Fund level.

Portfolio positioning

We are patient. Fund positioning has changed marginally in response to market conditions. The correction in the previous quarter enabled us to reposition our exposure, but the overall slant of the Fund remains intact.

During the quarter we sold the remnant of technology stocks held in the Fund. We also reduced listed property and bricks-and-mortar retailers. We utilised the cash raised to increase exposure to gold equities, tobacco and a selection of owner-managed financial companies, with strong balance sheets.

We continue to hold high quality businesses with resilient earnings prospects, solid balance sheets and cheap valuations.

We remain ready to recalibrate the portfolio, as market opportunities unfold.

Portfolio Managers
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