Counterpoint SCI* Global Owner Managed Feeder Fund

Minimum Disclosure Document

As of 2020/07/31

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 interest of the Counterpoint Global Owner Managed Flexible Fund established under the Sanlam Global Funds PLC approved by the Central Bank of Ireland in August 2016. The fund will seek to achieve its investment objective by investing globally in equities, bonds, property related securities (which may include real estate investment trusts and equities in real estate companies) and money market instruments. This underlying fund will invest primarily in securities of companies whose key individual shareholder is actively involved in the business, in the capacity of Chief Executive Office, Director or Executive Chairman. In normal market conditions the underlying funds exposure to Owner Managed Securities will at all times be at least 60% of its net assets. The underlying fund may also invest indirectly in such assets through investment in Collective Investment Schemes which invest in assets described above. The underlying fund may use specialist financial techniques (derivatives) to manage the underlying funds risk exposure and for efficient portfolio management.

Fund Information

Ticker	CPGFFB
ISIN	ZAE000278479
Portfolio Manager	Sam Houlie & Piet Viljoen
ASISA Fund Classification	Global Multi Asset - Flexible
Risk Profile	Aggressive
Benchmark	75% MSCI World + 20% US$ Cash + 5% Stefi
Fund Size	R 6 928 618
Portfolio Launch Date*	2019/10/15
Fee Class Launch Date*	2019/10/15
Minimum Lump Sum Investment	R 10 000
Minimum Monthly Investment	R 500
Income Declaration Date	December
Income Payment Date	1s business day of 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)	B-Class (%)
Maximum Initial Advice Fee	3,45
Maximum Annual Advice Fee	—
Manager Annual Fee	0,11
Total Expense Ratio	—
Transaction Cost	—
Total Investment Charges	—
Performance Fee	—
TER Measurement Period	N/A

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.

***SCI is an abbreviation for Sanlam Collective Investments.**

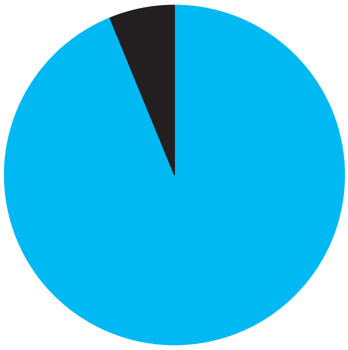
****Returns and expense measures (excluding the annual manager fee) are only published from the fund's first 12-month anniversary.**

Top Ten Holdings

Top Ten Holdings	(%)
SANLAM-COUNTERPNT GLOBAL OWNER MANAGED	96,9
Cash	3,1

Asset Allocation

Portfolio Date: 2020/06/30



	%
Counterpoint Global Owner Managed Funs	93,8
Cash	6,2
Total	**100,0**

Annualised Performance (%)**

	Fund	Benchmark
1 Year	—	—
3 Years	—	—
5 Years	—	—
Since Inception	—	—

Cumulative Performance (%)**

	Fund	Benchmark
1 Year	—	—
3 Years	—	—
5 Years	—	—
Since Inception	—	—

Highest and Lowest Annual Returns**

Time Period: Since Inception to 2019/12/31

Highest Annual %	—
Lowest Annual %	—

Risk Statistics (3 Year Rolling)

Standard Deviation	—
Sharpe Ratio	—
Information Ratio	—
Maximum Drawdown	—

Distribution History (Cents Per Unit)

—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—

Administered by

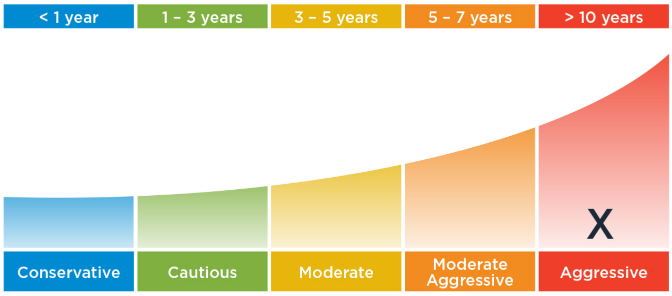
Counterpoint SCI* Global Owner Managed Feeder Fund

Minimum Disclosure Document

As of 2020/07/31

CONTEXTUAL VALUE™
COUNTERPOINT™
ASSET MANAGEMENT

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.

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 based investments. Any investment made through these products gives an investor a single point of entry into a selection of different investments.

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)....

Additional Information

Investment Manager Information
Counterpoint Boutique (Pty) Ltd
(FSP) License No. 44508
Physical Address: 6thFloor, Claremont Central, 8 Vineyard Road, Claremont, Cape Town
Postal Address: PO Box 5291, Tygervalley, 7530
Tel: +27 (21) 943 4480
Email: Nicolel@cpam.co.za
Website: www.cpam.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

Counterpoint SCI* Global Owner Managed Feeder Fund

Minimum Disclosure Document

As of 2020/07/31

CONTEXTUAL VALUE™
COUNTERPOINT™
ASSET MANAGEMENT

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 pedestrian quarter, with a 6.4% advance in US dollars. Sector allocation and stock selection explains most of the lag in performance relative to the broader equity market. Equity market leadership has been very narrow and sector-specific. Our defensive positioning protected capital in the previous quarter but held us back this quarter, while stock selection continued to detract. Furthermore, our lack of exposure to the winning sectors exacerbated the performance lag.

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 the 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. In addition, our underweight position in Energy detracted at the margin.

Our diversified selection of quality Owner-Managed equities has a natural bias towards Consumer Cyclicals, Real Estate and Diversified Financials. In the second quarter this bias resulted in lacklustre participation from our selection of financial stocks. Our technology and consumer names were generally ahead of the market, but our low aggregate weighting could not mitigate the impact of the detractors in the Fund.

We have an intentional bias towards Owner-Managed stocks with strong balance sheets, cheaper valuations and solid fundamentals. 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 stocks. 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.

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

Portfolio positioning

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

During the quarter we sold down a selection of consumer cyclicals and technology stocks, including the market darlings Amazon, Facebook and Google. The mega-cap Technology stocks are the quintessential owner-managers but valuations became too rich for us to justify our holding. We utilised cash to increase exposure to existing holdings, most notably Berkshire Hathaway and Fairfax Financial.

Cash levels are back to the same level as at the start of the year. Cash declined during March and April, to fund our purchases of technology and cyclical stocks. The rapid ascent of the market towards the end of the quarter, led us to reduce overall equities and portfolio risk. The overwhelming signal from our underlying Owner-Managers remains cautious, with high cash on the balance sheet.

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 Manager
Sam Houlie
CA(SA) & CFA

Piet Viljoen
B Com (Hons), CFA