Stonewood AM Ci Temperate Fund

March 2021

STONEWOOD ASSET MANAGEMENT

INVESTMENT OBJECTIVE

The objective of this portfolio is to provide investors with significant capital growth while maintaining a moderate level of income. The emphasis is on growth through maximum diversification, more so than short-term capital preservation. The portfolio maintains a moderate risk profile and equity exposure will typically lie between 20% and 40%, property exposure will lie between 10% and 25%, while cash exposure will be between 0% and 75% and all other non-equity exposure will be between 0% and 80% of the portfolio's net asset value. The Fund may from time to time invest in listed and unlisted derivatives, in order to achieve the Fund's investment objective. The portfolio adheres to the guidelines set by Regulation 28.

Risk Weighting: Moderate

PORTFOLIO MANAGER

Stonewood respects the inherent uncertainty of markets and the difficulty of outperforming the market through active stock-picking or tactical asset allocation. As a result, they choose to pursue a top-down strategic approach, relying on their core strengths of asset allocation, blending of management styles, smart indexing and managing volatility.

INVESTMENT COMMENTARY

Temperate is primarily a strategic asset allocation fund, which means that we adhere closely to a long-term asset allocation. We hold a basket of assets which have unique and complimentary risk and return characteristics, ensuring that we achieve our benchmark of CPI+3% per annum over any rolling 5 year period.

The Temperate Fund is somewhat more exposed to equity than its Multi Asset Low Equity peer group – we expect the fund to outperform in markets that are supportive of growth assets in the local context. This is with a 5 year time frame in mind.

The fund blends actively managed sub-funds by best of breed fund management teams with some passive building blocks to ensure that the funds' overall strategic objectives are met. The blending of various strategies entails sophisticated qualitative and quantitative analysis to ensure that you get the benefits of each management team without diluting the overall fund style.

Stonewood has a meaningful strategic exposure to SA property – in a moderate multi-asset fund like this the predictable short-term income and significant longer-term inflation escalations make it a uniquely valuable asset class. The fund also has exposure to other emerging markets, which gives the fund a unique global flavour which over time we believe will add not only to the return of the fund but also the diversification benefits the fund is designed to enjoy.

We currently utilise Coronation, Investec, Prudential, Allan Gray and Satrix to manage 80% of the fund. The remaining 20% is managed in house, balancing out our strategic asset class allocations.

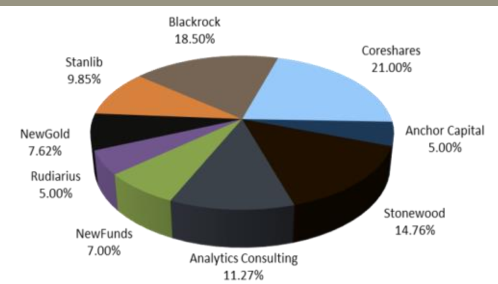
INFORMATION DISCLOSURE

ASISA Classification	South African - Multi Asset - Low Equity
Risk Profile	Moderate
Benchmark	CPI +3% p.a over a rolling 5 year period
Equity Exposure	The Fund will have a maximum effective exposure of 40% for equity and 25% for property
Foreign Exposure	Up to 30% of the assets may be invested offshore and an additional 10% invested in Africa, ex RSA
Opening NAV Price	100.00 cents per unit
Launch Date	2 February 2015
Fund Size	R 97 million
Initial Fee	Class A: 0%
Initial Advisory Fee	Maximum 3.45% (Incl VAT)
Annual Service Fee	Class A: 0.805% (Incl VAT)
Annual Advisory Fee	Maximum 1.15% (Incl VAT)
Total Expense Ratio	Class A 1.4%
Transaction Costs	Class A 0.16%
Total Investment Charge	Class A 1.56%
Calculation Period	1 January 2018 to 31 December 2020
Income Declaration Dates	30 June & 31 December
Last 12 months Distributions (cpu)	30/06/2020: (A) 1.19, 31/12/2020: (A) 1.19
Income Reinvestment / Payout Dates	2nd working day in July and January
Transaction cut-off Time	14:00
Valuation time	17:00
Frequency of pricing	Daily. Our NAV prices are published on our website and in the national newspaper

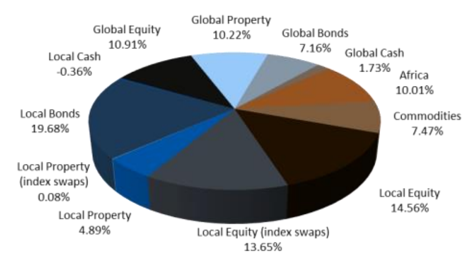
ANNUALISED PERFORMANCE

	1 year	3 year	Since Inception
Stonewood Ci Temperate	14.75%	6.06%	4.19%
Benchmark	5.87%	6.85%	7.76%
Lowest 1 year rolling return			-5.29%
Highest 1 year rolling return			14.75%

TARGETED UNDERLYING FUND MANAGERS



ASSET ALLOCATION



Asset allocation 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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COLLECTIVE INVESTMENTS

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FAIS Conflict of Interest Disclosure

The annual fee for the A class includes a fee up to 0.345% payable to Stonewood; a fee up to 0.230% payable to Ci Collective Investments; and a fee up to 0.230% payable to Analytics Consulting.

All fees stated are inclusive of VAT.

Please note that in most cases where the Financial Services Provider (FSP) is a related party to the portfolio manager, the FSP/distributor may earn additional fees other than those charged by the portfolio manager. It is the FSP's responsibility to disclose such additional fees to the investor.

Characteristics, risk reward profile and nature of risks

Characteristics

This is a multi-asset low equity portfolio which means that it may invest in a spectrum of equity, bond, money market or real estate securities and tends to display reduced short term volatility and aims for long term capital growth. The portfolio may have a maximum equity exposure of up to 40% and a maximum property exposure of 25% at all times and complies with the regulation governing retirement funds.

This portfolio may, at the discretion of the portfolio manager, invest up to 30% of the assets outside of South Africa plus an additional 10% of the assets in Africa excluding South Africa.

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 moderate, 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.

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.

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.

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.

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.

Total Investment Charge 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.

The TER and Transaction Costs cannot be determined accurately because of the short life span of the Financial Product. Calculations are based on actual data where possible and best estimates where actual data is not available.

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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FSP: Stonewood Asset Management (Pty) Ltd, 54 Glenhove Road, Melrose Estate, 2196, Tel: +27 11 883 2897 email james@stonewoodam.co.za

Company/scheme: Ci Collective Investments (RF) (Pty) Limited, PO Box 412249, Craighall, 2024; Tel: 0861 000 881, website: www.cicollective.co.za

Trustee: FirstRand Bank Limited Tel: (011) 371 2111