

Minimum Disclosure Document (MDD) for South African Unit trusts

The Why, How and What of a Minimum Disclosure Document (MDD).

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What is an MDD?

AN MDD IS A SHORT SUMMARY OF A UNIT TRUST, WHICH IS PUBLISHED MONTHLY OR quarterly by the manager of the unit trust. The information on the document shows a snapshot of the fund's performance, as well as the factors which were responsible for returns; like the risk taken and the investments made by the fund. The MDD will also show information concerning how the fund operates, including any regulations it is subject to, fees and information regarding the investment manager and management company. Below we look at a few of the important information you will find in an MDD.

1 Returns

Performance or 'returns' show how the fund has performed over a given period. The total returns seen on an MDD include the capital growth, as well as show any income earned by the fund. The performance is typically displayed using a returns table, showing performance over multiple time periods: e.g. one year, three years, etc., where performance is annualized for periods longer than one year. Performance can also be displayed in a graph or table showing the historic monthly returns. With these historical returns, an investor can see how the fund has performed over time, against its selected benchmark and possibly how it compares to its peer group. Although historic returns can never be used as a guarantee for future returns, it is helpful to understand how the fund has performed during different market cycles.

2 Underlying Exposure

The exposures or underlying investments made by the fund are reported on an MDD. An MDD can show a number of graphs and tables that help an investor understand what the fund is invested in, as this will impact the returns of the fund. Multi-asset funds will show a breakdown of the exposure in each asset class. Some MDDs show asset class specific details. For example, equity funds may show geographic or sector specific exposure. Often, managers will report on the top ten instruments the fund is invested in. Fund of funds and multi-managed funds also show the underlying unit trusts they are invested in. All of these metrics give the investor insight into how the manager invests on behalf of the fund, as well as what is responsible for the fund's performance.

3 Investment horizon

The stated investment horizon is the minimum recommended term an investor should stay invested for, given the fund's objective.

4 Goals and objectives

Each MDD will state the fund's investment objective, as well as the metrics used to determine whether the fund is meeting that objective. This is known as a benchmark and/or target.

APS Ci Managed Growth Fund

June 2023



4

INVESTMENT OBJECTIVE

The objective of this portfolio is to provide investors with maximum long-term capital growth from a portfolio that maintains a moderate to high risk profile. Income will not be an objective of this portfolio. The composition of the portfolio shall reflect the investment structure of a retirement fund with a moderate to high risk profile and will comply with Regulation 28 of the Pension Funds Act. The portfolio may from time to time invest in listed and unlisted financial instruments, in order to achieve the portfolio's investment objective.

ABOUT THE PORTFOLIO MANAGER

APS Asset Management ("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. APS is an authorised financial services provider (FSP No. 1722).

3

ABOUT THE FUND

Fund Launch	01 November 2006
ASISA Classification	South African - Multi Asset - High Equity
Risk Profile	High
Benchmark	CPI for all urban areas + 6% p.a. over a rolling 5 year period
Equity Exposure	The portfolio will have an Equity exposure between 0% and 75% at all times
Foreign Exposure	Up to 45%
Opening NAV Price	1787.13 cents per unit (Class A1)
Frequency of Pricing	Our daily NAV prices are published on our website

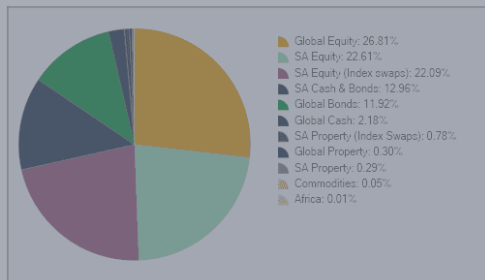
UNDERLYING HOLDINGS

SA Equity (Index swap instrument)	22.87%
APS Global Flexible Fund	20.11%
APS Ci Global Flexible Feeder Fund	20.03%
SA Cash & Ci Diversified Income Fund	9.61%
Ci Alpha Fund	9.21%
SA Direct Equity	7.45%
Ci Engineered Equity Core Fund	4.43%
STANLIB Corporate Money Market Fund	2.57%
Ci Equity Fund	2.21%
Global Cash	1.51%

HISTORIC PORTFOLIO PERFORMANCE

Annualised Returns	Class Launch	YTD	1 year	3 years	5 years	Inception
Fund (Class A1)	1 July 2014	7.23%	15.68%	11.07%	7.56%	6.60%
SA CPI		2.62%	6.30%	6.01%	4.90%	5.01%
SA CPI + 6%		5.51%	12.31%	12.01%	10.90%	11.02%
ASISA Sector Average		7.36%	14.65%	11.41%	7.49%	6.51%
Highest 1 year rolling return						35.47%
Lowest 1 year rolling return						-11.54%

ASSET ALLOCATION



Asset allocations are one month lagged

TOP TEN EQUITY EXPOSURES

CF Richemont	4.15%
Anglo American Plc	2.77%
Naspers Ltd	2.68%
Sasol	2.42%
Standard Bank	2.38%
British American Tobacco	2.34%
BHP Group limited	2.16%
Prosus NV	1.91%
Impala Platinum	1.57%
Glencore PLC	1.50%

Top 10 equity exposures 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 Analytics Consulting, for the periods ending at the month end date of this MDD, 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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APS Ci Managed Growth Fund Page 1 of 2



5 Risk

Typically, the lower the risk, the lower the potential return, and conversely the higher the risk, the higher the potential return. That said, there is no guarantee that returns will be higher when investing in a portfolio with a higher risk profile. Investors can easily see what level of risk fund they are investing in on the MDD by looking at the table of risk statistics.

Note: Risk profiles are a mere guide based on the holdings/exposures of each fund and what it is designed to achieve. It is important to note that the risk profile is typically a subjective categorization. In addition, the risk profile does not take the impact of exchange rate fluctuations into account that are associated with offshore feeder funds.

6 Fees


Fees are always shown on an MDD. The Total Investment Charge (TIC) is the expense the fund incurred over the calculation period, expressed as a percentage of the fund value and annualised. The TIC is made up of the Total Expense Ratio (TER) and the Transaction Costs (TC). A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. If a performance fee is applicable to the fund, it will be disclosed in the MDD.

7 Disclaimers and Restriction

Often found near the end of an MDD are the disclaimers, which disclose what regulations the fund is subject to and more specific details on how the fund operates. Regulations include the maximum and minimum allocation a fund is allowed to have exposure to in different asset classes or types of investments.

APS Ci Managed Growth Fund

June 2023



THE PRINCIPLE OF FINANCIAL SOLUTIONS

6

ADDITIONAL INFORMATION

Fund Size	R 957.9 million	Total Expense Ratio	Class A1 : 1.86%
Initial Fee	Class A1 : 0%	Transaction Cost	Class A1 : 0.09%
Initial Advisory Fee	Max 3.45% (Incl. VAT)	Total Investment Charge	Class A1 : 1.95%
Annual Service Fee	Class A1 : 1.73% (Incl. VAT)	Calculation Period	1 Jan 2020 to 31 Dec 2022
Annual Advisory Fee	Max 1.15% (Incl. VAT)	Income Reinvestment / Pay-out Dates	2nd working day in July and January
Transaction cut-off time	14:00	Previous 12 Months Distributions (cents per unit)	30/06/2023: (A1) 3.75, 30/12/2022: (A1) 0.00
Valuation Time	17:00	Income Declaration Dates	30 June & 31 December

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. The APS funds may obtain exposure to various asset classes by investing in another APS portfolio, in which APS does not earn an investment management fee. APS aggregates foreign investments within the APS Global Flexible Fund, and 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 advisory 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
This is a multi-asset high equity portfolio which means that it may invest in a spectrum of equity, bond, property and money market and aims to achieve total returns in excess of inflation (CPI) + 6% over rolling 5 years and is ideal for aggressive investors seeking capital growth. The portfolio may have a maximum equity exposure of up to 75% and complies with the regulation governing retirement funds. This portfolio may, at the discretion of the portfolio manager, invest up to 45% of the assets outside of South Africa.


Risk Reward Profile: High
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 high, as may invest up to 75% in equity securities, both locally and abroad.

RISK DEFINITIONS
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 portfolio 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 portfolio trades such instruments, could result in losses to the portfolio.
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.

5

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 Asset Management 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 portfolio 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. A FX fee of up to 0.05% (incl. VAT) on any FX transactions may be payable to APS in addition to the annual fees referred to above. 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.
APS is an authorised financial services provider (FSP No. 1722).
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APS Ci Managed Growth Fund Page 2 of 2 ISIN - Class A1 : ZAE000189171

7



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