

Fixed Income Fund

30 April 2015

Investment mandate and objective

The primary investment objective of the Fund is to generate real positive returns over time through the active management of a combination of money market, bond and income generating instruments. The strategy and investment mandate of the fund has a focus on income generation, with downside protection of capital.

Investment features

Domestic- Fixed Income-Interest Fund

The Fund will primarily invest in a range of fixed income securities including instruments guaranteed by the Republic of South Africa, gilts, semi-gilts, loan stock, preference shares, debentures, debenture stock, debenture bonds, unsecured notes, financially sound listed property investments, participatory interest in collective investment schemes and any other instruments guaranteed by the Republic of South Africa which are considered consistent with the fund's primary objective.

Risk Profile of the Fund

Low Risk

Fund Facts

Manager: Prescient
 Inception date: July 2007
 Classification: Domestic Fixed Income Varied Specialist
 Fund size: **R 679 041 859**
 Benchmark: Better of STEFI Call rate and ALBI 1-3 year measured over a 3 year rolling period.
 Trustee: ABSA Bank
 Auditors: KPMG Inc
 Administrators: Global Independent Administrators
 Management Company: GTC Management Company
 Income declarations: 28 February, 31 May, 31 August, 30 November
 Class A: 1.6386cpu
 Class B: 1.6375cpu
 Income distribution: First day of following month
 Minimum initial investment: R20 000
 Initial fees: 0-5% excl VAT
 NAV & dealing prices: Class A Class B
 R 1.0593 R 1.0593

Valuation: Priced a day in arrears

Performance fees

Performance fees are absolute return based, which implies that performance fees are only accrued on positive performances above an adjusted cash benchmark.

Fund Base Fees

Base fees were 0.62% (Class A) and 0.23% (Class B)

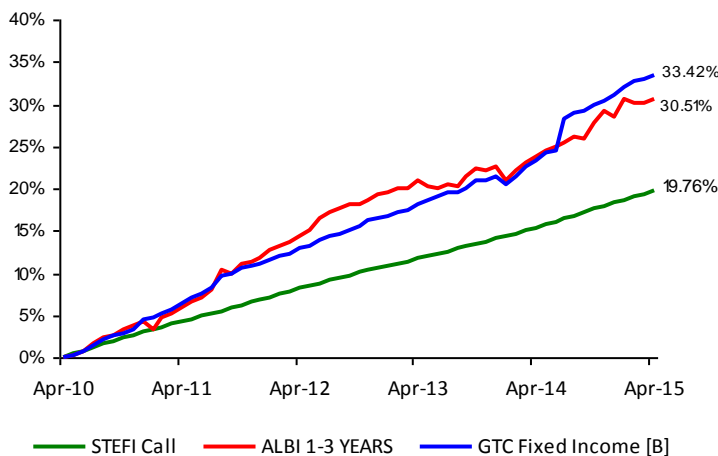
Performance Fee

20% of performance over Alexander Forbes Money Market (capped at 2%). Manager Performance fee - 15% of out-performance of Albi 1-3 year. Performance fees of 0.11% (Class A) and 0.05% (Class B) were levied on the fund due to outperformance of the benchmark.

Total expense ratio (TER)

A Total Expense Ratio (TER) is a measure of a portfolio's assets that are relinquished as operating expenses. The total operating expenses are expressed as a percentage of the average value of the portfolio. Included in the TER is the proportion of costs that are incurred by the performance component, fee at target, trading costs (including brokerage, VAT, STT, STRATE and insider trading levy) and other expenses. These are disclosed separately as percentages of the net asset value. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs. The total TER* was therefore 0.73% (Class A) and 0.28% (Class B). TERs shown include VAT *as at December 2014

5 Year cumulative performance history (%)



Performance history (%)

	1 Year	2 Year*	3 Year*	4 Year*	5 Year*
Fixed Income Class A ¹	8.00	5.97	5.39	5.41	5.52
Fixed Income Class B ¹	8.12	6.33	5.74	5.82	5.94
ALBI 1-3 year ¹	5.54	3.84	4.47	5.34	5.47
SteFi Call Rate ¹	3.85	3.55	3.47	3.54	3.67

*Annualised

¹The stated performance is after fees have been deducted

Fund Performance history (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Cumulative
Class B 2015	0.65	0.49	0.28	0.33									1.77
Class B 2014	-0.77	0.63	1.11	0.58	0.72	0.16	3.00	0.45	0.26	0.52	0.45	0.50	7.89
Class B 2013	0.23	0.38	0.21	0.42	0.42	0.56	0.22	0.01	0.53	0.62	0.16	0.41	4.26
Class B 2012	0.37	0.33	0.35	0.48	0.37	0.53	0.35	0.31	0.45	0.43	0.47	0.34	4.78
Class B 2011	0.28	0.52	0.42	0.67	0.57	0.55	0.62	1.30	0.18	0.65	0.14	0.38	6.28
Class B 2010 ¹	0.60	0.70	0.86	0.71	0.30	0.51	0.65	0.60	0.43	0.38	0.48	0.95	7.41
Class B 2009 ¹	1.00	0.98	0.93	1.02	0.52	0.76	0.73	0.72	0.80	0.67	0.73	0.61	9.89
Class B 2008 ¹	0.37	0.74	0.62	0.45	-0.08	1.12	1.76	1.05	1.05	0.75	1.38	1.03	10.72

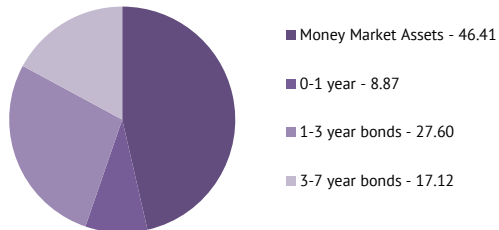
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Asset Class Exposure (%)



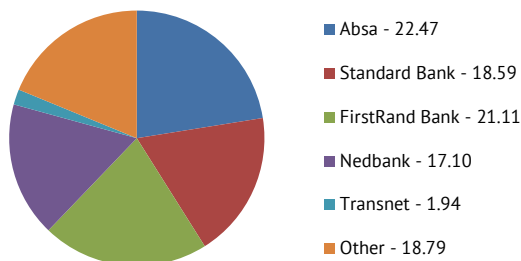
Fund Commentary

The South African economy was dominated by two major events over the quarter namely Finance Minister Nhlanelhla Nene's 2015 budget and the ongoing fiasco at Eskom which is having a major impact on economic development as well as putting substantial pressure on an already weakened Rand. Finance Minister Nhlanelhla Nene's 2015 budget was much as expected save for the increase in fuel levies which was only made possible by the recent sharp decline in the oil price. Undoubtedly mindful of the country's fiscal slippage and the ever looming threat of a possible sovereign debt credit rating downgrade. Nene's rhetoric was aimed at restoring investor confidence and underscoring the need to consolidate public finances. Overall a R25 billion reduction in budgeted expenditure is planned for over the next two years.

Fund statistics (%)

Duration	0.33
Modified Duration	0.32
Yield to maturity	3.59

Issuer exposures (%)



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