

# GTC Fixed Income Fund

## Minimum Disclosure Document

31 July 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.

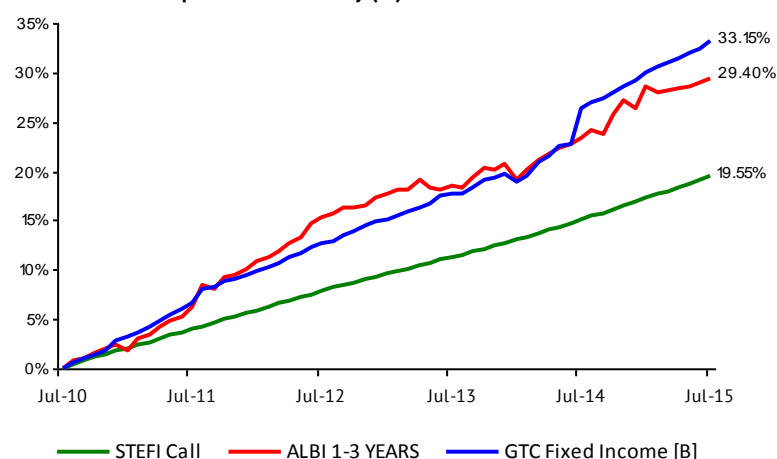
### Investment features

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

### 5 Year cumulative performance history (%)



### Performance history (%)

	1 Year	2 Year*	3 Year*	4 Year*	5 Year*
Fixed Income Class A <sup>1</sup>	5.31	6.10	5.42	5.33	5.50
Fixed Income Class B <sup>1</sup>	5.34	6.36	5.75	5.70	5.89
ALBI 1-3 year <sup>1</sup>	4.90	4.53	3.92	5.04	5.29
SteFi Call Rate <sup>1</sup>	3.91	3.66	3.49	3.55	3.64

\*Annualised

<sup>1</sup>The stated performance is after fees have been deducted

<sup>^</sup> Income distributions not included in the performance calculation.

<sup>^</sup> Performance is calculated for the portfolio; individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax.

### 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	0.43	0.22	0.61						3.06
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 <sup>1</sup>	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 <sup>1</sup>	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 <sup>1</sup>	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

<sup>1</sup> The stated performance is after fees have been deducted

### Fund Facts

Manager: Taquanta  
 Inception date: July 2007  
 Classification: SA – Multi Asset- Income  
 Fund size: R 750 352 025  
 Benchmark: Better of STEFI Call rate and ALBI 1-3 year measured over a 3 year rolling period.  
 Trustee: Societe General  
 Auditors: KPMG Inc  
 Administrators: Global Independent Administrators  
 Target Return: Better of STEFI Call rate and ALBI 1-3 year measured over a 3 year rolling period.

Management Company: GTC Management Company  
 Income declarations: 28 Feb, 31 May, 31 Aug, 30 Nov  
 Income distribution: First day of following month  
 Value Distributed:

Sept 2014: 3.9157  
 Dec 2014: 1.4094  
 Mar 2015: 1.6375  
 June 2015: 1.3734  
 Minimum initial investment: R20 000  
 Initial fees: 0-5% excl VAT  
 NAV & dealing prices: Class B  
 R 1.055985  
 Valuation: Priced a day in arrears

### Fund Base Fees

Base fees were 0.14% (Class B)

### Total expense ratio (TER)

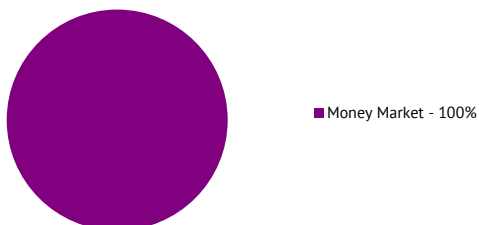
A Total Expense Ratio (TER) is a measure of a portfolio's assets that are relinquished as operating expenses. The total operating expenses are expressed as a percentage of the average value of the portfolio. Included in the TER is the proportion of costs that are incurred by the performance component, 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<sup>1</sup> was therefore 0.14% (Class B). TERs shown include VAT  
<sup>1</sup>as at March 2015

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### Asset Class Exposure (%)



### Fund Commentary

Global bonds fell 2.9% over the quarter as renewed speculation on potential US rate hikes and risk of the Greek contagion spreading to peripheral similarly indebted nations. The local bond market saw a rise in yields, particularly at the long end of the curve, with the All Bond Index closing down 1.4%. Inflation linked bonds bucked the trend, posting a 1.6% appreciation. Inflation came in at 4.5% while food inflation has decelerated, we will likely see this reversing as the impacts of higher maize prices and drought takes effect. June also saw an increase in the petrol price and coupled with electricity increases in July, will see inflation pushing towards the upper band of the SARB's target by year end. Eskom continues to dominate local news with the National Energy Regulator refusing to agree to Eskom's proposed 25% hike in electricity tariffs. Increased electricity costs coupled with rising oil prices and a weakening currency led the SA Reserve Bank to highlight the risk to breaching their inflation target. With credit agencies watchful and potential rate hikes bound to impact growth prospects, governor Lesetja Kganyago appears caught between a rock and a hard place.

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### Contact Us

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Hurlingham Manor, Sandton  
Tel: 010 594 2124

#### Trustees:

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Tel: 011 448 8800

### Disclaimer

This is a minimum disclosure document. GTC Management Company is a member of ASISA. Collective Investment Schemes in Securities are generally medium to long term investments. The value of participatory interests may go down as well as up and the manager does not provide any guarantee either with respect to the capital or the return of a portfolio. CIS's are traded at ruling prices and can engage in borrowing and scrip lending. Different classes of units apply to these portfolios and are subject to different fees and charges. A schedule of fees and charges and maximum commissions is available on request from the manager. The manager has a right to close portfolios to new investors in order to manage them more efficiently in accordance with their mandates. Commission and incentives may be paid and if so, would be included in the overall costs. Forward pricing is used. The manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Actual investment performance will differ based on the initial fees applicable, the actual investment date and the date of reinvestment of income. . Past performance is not indicative of future performance. Performance is calculated for the portfolio as well as that the individual investor. Performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. The investment performance is for illustrative purposes only. Dealing prices are calculated on a net asset value and auditor's fees, bank charges and trustee fees are levied against the portfolios. GTC does not provide any guarantee either with respect to the capital or the return of a portfolio. Risk profile of the fund ranges from low risk to high risk with a low risk potentially associated with lower rewards and a high risk with potentially higher rewards. Fund of funds are portfolios that invests in portfolios of collective investment schemes that levy their own charges, which could result in a higher fee structure for the fund of funds. GTC does not provide any guarantee either with respect to the capital or the return of a portfolio. Risk profile of the fund ranges from low risk to high risk with a low risk potentially associated with lower rewards and a high risk with potentially higher rewards. GTC's portfolios are valued daily at approximately 15h00. Instructions must reach Silica before 14h00 to ensure same-day valuation. One can also obtain additional information on GTC products on the GTC website and all price related queries or information is readily available on request. GTC is an Authorised Financial Services Provider. FSP731.