

GTC Fixed Income Minimum Disclosure Document

29 February 2016



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. Taquanta Asset Management is our preferred investment manager mandated to achieve the above.

Risk Profile of the Fund

Low Risk

Fund facts:

Investment manager/s:	Taquanta
Fund classification:	SA - Multi Asset - Income
Benchmark:	Alexander Forbes MM Index
Trustee:	Societe General
Auditors:	KPMG Inc
Management company:	GTC Management Company
Target	Better of SteFi Call Rate and ALBI 1-3years
Inception date:	July 2007
Fund size:	R737 236 961
Income declarations:	28 Feb, 31 May, 31 Aug, 30 Nov
Income distribution:	Third day of the following month
Value distributed:	Mar 15 14 Jun 15 Sept 15 Dec 15
Class B	1.6375 1.3734 1.5503 1.8635
NAV & dealing prices:	Class B: R 1.066854
Valuation:	Priced a day in arrears

Performance history (%)

	1 Year	2 Years*	3 Years*	4 Years*	5 Years*
GTC Fixed Income Class B ¹	5.68	7.47	6.12	5.78	5.90
SteFi Call Rate ²	4.20	4.00	3.72	3.64	3.66
ALBI 1-3 year ³	2.87	4.74	3.70	4.29	5.05
SteFi ⁴	4.98	4.73	4.37	4.25	4.22

¹Stated performance is after fees have been deducted

²Annualised. The figures refer to the average yearly return of an investment over a given time period. Returns for period less than one year are not annualised.

³Lump sum investment performances quoted.

⁴Income distributions not included in the performance calculation.

⁵Performance 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.

Risk/Reward

This is considered to be a low risk portfolio with an expected range of returns around the benchmark

Total Investment Charges

as at 31 December 2015

Total Expense Ratio (TER)	1.88%
Weighted TER portion of underlying	1.88%
Performance Fees	0.00%
Transaction Costs (TC)	0.00%
Total Investment Charges (TIC)	1.88%

TER: expenses relating to the administration of the Financial Product. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not be necessarily an accurate indication of future TERs.

TC: Costs relating to the buying and selling of the assets underlying the Financial Product.

TIC: Transaction costs are a necessary cost in administering the Financial Product returns. It should 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.

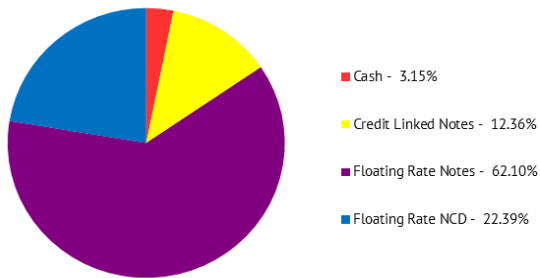
Performance history (%)

	Highest annual return (%)				Lowest Annual Returns (%)			
	Portfolio	SteFi Call Rate	SteFi	ALBI 1-3years	Portfolio	SteFi Call Rate	SteFi	ALBI 1-3years
2015	0.65	0.37	0.42	1.77	0.22	0.27	0.35	-1.60
2014	3.00	0.33	0.40	1.56	-0.77	0.25	0.28	-1.34
2013	0.62	0.27	0.31	0.97	0.26	0.22	0.26	-0.70
2012	0.53	0.32	0.34	1.23	0.31	0.25	0.30	0.09
2011	1.30	0.31	0.37	2.05	0.14	0.27	0.31	-0.76
2010	0.95	0.43	0.49	0.89	0.30	0.32	0.38	0.17
2009	1.02	0.79	0.83	1.12	0.52	0.41	0.47	-0.09
2008	1.76	0.82	0.86	3.56	-0.08	0.68	0.70	-1.53
2007	1.14	0.71	0.72	1.42	0.01	0.52	0.51	-0.88

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Asset class exposure



Portfolio commentary

Global bonds fell 1.2% over the quarter as the Fed kicked off their long awaited interest rate hiking cycle, raising rates by 25bps.

The markets were rocked in December with the surprise dismissal of the Finance Minister, Nhlanhla Nene by President Jacob Zuma replacing him with the unbeknownst David van Rooyen. The Rand went into a tailspin, blowing out to a low of 15.53 to the US dollar. Under immense pressure, President Zuma replaced van Rooyen with previous Finance Minister Pravin Gordhan and markets breathed a collective sigh of relief.

Yields in the local bond market increased by 1.5% in December on the back of the musical chairs played at the Finance ministry with the market eventually closing down 6.7% in December and 6.4% over the quarter. Property fell 4.7% over the quarter (December -6.1%). The South African Reserve Bank MPC increased interest rates at their meeting in anticipation of the Fed increase. Expectations are that inflation will remain within the inflation targeted range, breaching in Q1 2016. The Rand ended 2015 down 10.5% for the quarter and 25.9% down for the year.

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Disclaimer

This is a minimum disclosure document. Collective Investment Schemes (CIS) are generally medium to long term investments. The value of participatory interests may go down as well as up. The manager does not provide any guarantee either with respect to the capital or the return of a portfolio. Past performance is not necessarily an indication of future performance. 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, will be included in overall costs. Forward pricing is used. The manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Income is re-invested on the re-investment date. The reinvestment of income is calculated on the actual amount distributed per participatory interest by using the ex-dividend date NAV price of the applicable class of the portfolio, irrespective of the actual reinvestment date. Actual investment performance will differ based on the initial fees applicable, the actual investment date and the date of reinvestment of income. Dealing prices are calculated on a net asset value and auditor's fees, bank charges and trustee fees are levied against the portfolios. Income distributions are included in the performance calculations prior to deduction of applicable taxes. The investment performance is for illustrative purposes only. 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 calculated after taking the actual initial fees and all ongoing fees into account. The risk profile of the fund ranges from low risk to high risk. According to the risk reward investment trade off, higher levels of risk is usually compensated with higher levels of expected return. Prices are published on Finswitch by 10h00 daily. GTC's portfolios are valued daily at approximately 15h00. Instructions must reach Silica before 14h00 to ensure same-day valuation. Monthly reports are issued on the 16th day of every month. 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. The incumbent Investment Manager is an authorised Financial Services Provider registered in terms of the Financial Advisory and Intermediary Services Act, 2002, (Act No. 37 of 2002). Their role is to manage the portfolio on behalf of the client in terms of the investment mandate. GTC is an Authorised Financial Services Provider. FSP731.