

GTC Fixed Income Fund

Minimum Disclosure Document



As of 31/07/2021

Investment mandate and objectives

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.

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 investment objectives.

Performance (%)

	SI**	5 Yr*	3 Yr*	1 Yr	6 M
GTC Fixed Income A	6.69	7.70	6.92	4.58	2.28
GTC Fixed Income B	6.58	7.10	6.30	4.00	1.99
AF MM Index (STEFI)	4.90	5.47	5.16	3.08	1.44

*Annualised

AF Money Market Index was replaced by STEFI

Stated performance is after fees have been deducted

**Since Inception

Performance history (%)

	Highest Annual Return:	Lowest Annual Return:
GTC Fixed Income B	9.44	3.21

*Performance measured over rolling 12 months

Risk statistics: 5 years rolling

Time Period: 01/08/2016 to 31/07/2021	
Standard Deviation	0.50
Tracking Error	0.25

Risk profile of the fund

Low Risk

Fund facts:

Multi Manager:	GTC
Fund Classification:	SA - Multi Asset - Income
Trustee:	Rand Merchant Bank
Management Company:	GTC Management Company
Benchmark:	AF Money Market Index (Stefi)
Inception Date:	08/02/2010
Fund Size:	R 883 829 258
Fund Units:	836 908 526
NAV Price:	1.0550
Class B NAV:	R 197 764 762
Latest Dividend Date:	01/06/2021
Dividend Distribution Frequency:	Quarterly
Value Distributed:	1.0019

Investment managers:

Taquanta 100%

Total investment charges (%)

Total Investment Management Charges (TIC)	0.79
Total Expense Ratio (TER)	0.79
Performance Fee	0.00
Transaction Costs (TC)	0.00

Costs reflected are quarterly in arrears.

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: Transaction costs are a necessary cost in administering the Financial Product returns. Costs relating to the buying and selling of the assets underlying the Financial Product.

TIC: Should not 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.

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Asset class exposure (%)

Local Bond	79.66
Local Cash	20.36
Local Other	-0.02

Quarterly commentary

The Reserve bank kept the interest rate unchanged at 3.5% at their final meeting of 2020 even as it revised down its forecast for growth. The local bond market delivered 6.71% over the quarter, well in excess of the cash at 0.97%. The portfolio remains conservatively positioned around liquidity and credit given the state of the economic climate.

Top 10 fixed income holdings

	Fund exposure (%)
Standard Bank NCD 18/07/2022	6.29
Absa Bank Ltd NCD 2024/08/01	5.99
Nedbank Ltd FRN 4/30/2024	4.57
FirstRand Bank Ltd NCD 16/05/2024	4.56
Absa Bank Ltd NCD 02/04/2025	4.01
Nedbank Ltd NCD 04/07/2024	3.44
Standard Bank of South Africa Stepped Note 18/01/2	3.43
FirstRand Bank Ltd NCD 02/04/2024	3.09
Nedbank Ltd NCD 2026/01/09	2.86
FirstRand NCD 22/09/2021	2.83
Total	41.07

updated quarterly

Mandate compliance

The fund remains within the reporting regime as at the date of this report.

	31/07/2021	30/06/2021	31/05/2021
Fund Units:	836 908 526	839 403 123	907 149 548
Class B NAV:	R 197 764 762	R 198 162 240	R 204 472 342
Fund NAV:	R 883 829 258	R 883 329 488	R 963 760 021

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As of 31/07/2021

Contact us

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Disclaimer

This is a minimum disclosure document and general investor report. Collective Investment Schemes 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. The charges for the most expensive class [Class B] have been disclosed in the Total Investment 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. 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. Dealing prices are calculated on a net asset value and auditor's fees, bank charges and trustee fees are levied against the portfolios. 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. Recurring investment or lump sum investment performances are quoted. Income distributions are included in the calculations. Performance numbers and graphs are sourced from GTC. NAV to NAV figures have been used. The investment performance is for illustrative purposes only. The investment performance is calculated after taking the actual initial fees and all ongoing fees into account. 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. No performance fees are charged on the GTC Fixed Income Fund. The GTC Fixed Income Fund Class B charges an annual service fee of 0.64% (excluding VAT).

The Risk profile of the portfolios ranges from low risk to high risk with a low risk potentially associated with lower rewards and a high risk with potentially higher rewards. This portfolio has a low risk profile. It is suitable for medium to long term investment horizons. It has a balanced exposure to various asset classes and has more equity exposure than a moderate risk portfolio but less than a high-risk portfolio. In turn the expected volatility is higher than a medium risk portfolio, but less than a high-risk portfolio. Where the asset allocation contained in this MDD reflects offshore exposure, the portfolio may be exposed to the following risks: potential constraints liquidity and the repatriation of funds; macroeconomic risks; political risks; foreign exchange risks; tax risks; settlement risks and potential limitations on the availability of market information. The portfolio is exposed to equity as well as default and interest rate risks. The probability of losses is higher than that of a moderate risk portfolio, but less than a high-risk portfolio. The portfolio is subject to market or systematic risk which is the possibility of the portfolio experiencing losses due to factors that affect the overall performance of the financial markets..

Definition of the terms used to measure the risk in the portfolios a) Tracking Error: tracking error or active risk is a measure of the risk in an investment portfolio that is due to active management decisions made by the portfolio manager; it indicates how closely a portfolio follows the index to which it is benchmarked and b) Standard deviation: is a measure that is used to quantify the amount of variation or dispersion of a set of data values around the mean value. This measure is commonly known as volatility and referenced as an explicit measure of risk. One can also obtain additional information on GTC products on the website and all price related queries or information is readily available on request. 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. The daily cut off time is 14:00 for trades and the valuation point is 17:00. Prices are published on Finswitch by 10:00 daily. GTC Management Company (RF) (Pty) Ltd is registered as a Collective Investment Scheme Manager in terms of Section 5 of the Collective Investment Schemes Control Act and is a member of ASISA.

MDD issue date: 16th working day of the month