

# TAX FREE SAVINGS ACCOUNT MANAGED PORTFOLIO

**SECURITAS**  
WEALTH

A Division of Securitas Financial Group (Pty) Ltd (FSP 6536)

**FEBRUARY 2018**

## INFORMATION SHEET

ASISA Category	SA Multi Asset High Equity
Portfolio benchmark	CPI + 3% calculated on a 3-year rolling average
Model inception date	24 May 2017
Investment Managers	4D Wealth Management (Pty) Ltd
Regulation 28	Compliant

## CONTRIBUTION DETAILS

Minimum monthly	R500
Minimum lump sum	R20 000

## FEE STRUCTURE

Initial fees:	0%-3.42% (VAT incl.)
Annual Advisor fees:	0%-1.14% (VAT incl.)
Weighted TIC	1.87%

## RISK STATISTICS

	1 YEAR
REAL RETURN P.A	4.35%
MAXIMUM DRAWDOWN	-1.15%
NOMINAL RETURN P.A	9.83%
VOLATILITY	13.59%

## ASSET ALLOCATION

LOCAL NET EQUITY	43.91%
FOREIGN NET EQUITY	17.41%
LOCAL CASH	15.27%
LOCAL BONDS	13.16%
LOCAL PROPERTY	3.15%
OTHER	1.95%
FOREIGN CASH	3.11%
FOREIGN BONDS	2.22%

## FUND OBJECTIVES

The Portfolio aims to create long-term wealth for Investors. The portfolio aims to outperform the average return of the sector and achieve a return in excess of CPI + 3% over a 5 year period. The Portfolio assumes some risk which includes market fluctuations. The Portfolio may have a potential drawdown of 25% over any given period. The portfolio is suitable for an investment term of 5 years or longer. The Portfolio invests in a mix of shares, bonds, property, commodities and cash.

## RISK PROFILE

Risk				
Low	Low-Medium	Medium	Medium-High	High
Advisable Minimum Term				
Minimum term				
1 Year	1 - 3 Years	3 - 5 Years	5 - 7 Years	7 Years +

## PORTFOLIO FUND HOLDINGS



Prudential Balanced Fund A



Nedgroup Investments Core Diversified Fund C

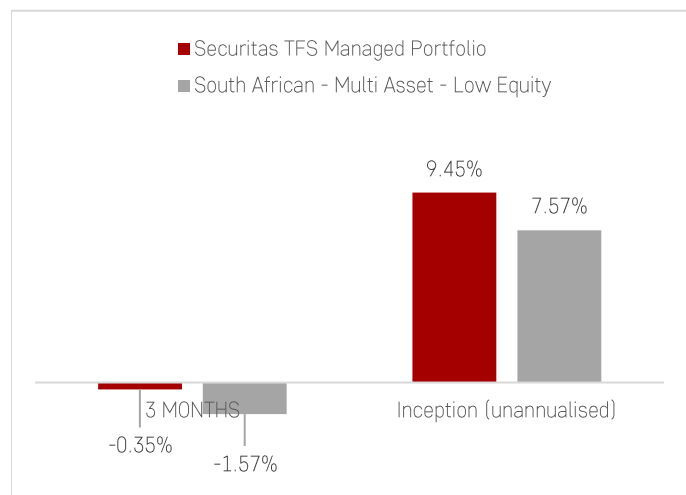


Investec Managed Fund R



Allan Gray Tax-Free Balanced Fund A

## PERFORMANCE (as at 01 FEB 2018)



Performance figures are net of fees (excl advice fee)

### Total Investment Charge (TIC)

The TIC is not charged as a separate fee but is built into the unit price of the unit trusts you have selected.

All values shown include VAT where applicable.

TIC	Administration fee deducted within unit trust	TIC for investment management
1.87%	0.02%	1.85%

To compare costs across unit trusts with different fee structures, the TIC for investment management is used. This is the unit trust's latest available total investment charge (TIC) less any administration fee deducted within the unit trust for the administration we perform. The TIC is not a separate fee, but is a measure of the actual expenses incurred by the unit trust, including the investment management fee and transaction costs where available. If the actual TIC is not available, an estimate is used. The expenses are expressed as a weighted average using the percentage allocation of each unit trust.

### FAIS Conflict of Interest Disclosure

Please note that your financial advisor may be a related party to the co-naming partner and/or BCI. It is your financial advisor's responsibility to disclose all fees he/she receives from any related party. The portfolio's TER includes all fees paid by portfolio to BCI, the trustees, the auditors, banks, the co-naming partner, underlying portfolios, and any other investment consultants/managers as well as distribution fees and LISP rebates, if applicable. The portfolio's performance numbers are calculated net of the TER expenses. The investment manager earns a portion of the service charge and performance fees where applicable. In some instances portfolios invest in other portfolios which form part of the BCI Scheme. These investments will be detailed in this document, as applicable.

### Discretionary Investment Manager

4D Wealth Management (Pty) Ltd is an authorised Financial Service Provider FSP 40794  
Model Portfolio Managers

- Reon Coetzee CFP®, Certified Investment Planning, BA in (Political Science)
- Albert van der Linde B.Com (Hons) Investment Management
- Henro Grove B.Com (Hons) Investment Management
- Johan Steyn RFP®
- Fanie Wasserman B.Com (Hons), PDPF, CFP®

### Mandatory disclosure.

The information contained in this document does not constitute advice by Sanlam Life. Whilst every attempt has been made to ensure the accuracy of the information contained herein, Sanlam cannot be held responsible for any errors that may occur. Past performance cannot be relied on as an indicator of future performance. Investment performance will depend on the growth in the underlying assets, which will be influenced by inflation levels in the economy and the prevailing market conditions.

## Fund description and summary of investment policy

The Fund is managed in broadly the same way as the Allan Gray Balanced Fund. It was created specifically for use in tax-free accounts and can only be accessed through these products. The Fund invests in a mix of shares, bonds, property, commodities and cash. The Fund may buy foreign assets up to a maximum of 25% of the Fund (with an additional 5% for African ex-SA investments). The Fund typically invests the bulk of its foreign allowance in a mix of funds managed by Orbis Investment Management Limited, our offshore investment partner. The maximum net equity exposure of the Fund is 75% and we may use exchange-traded derivative contracts on stock market indices to reduce net equity exposure from time to time. The Fund is managed to comply with the investment limits governing retirement funds. Returns are likely to be less volatile than those of an equity-only fund.

**ASISA unit trust category:** South African – Multi Asset – High Equity

## Fund objective and benchmark

The Fund aims to create long-term wealth for investors within the constraints governing retirement funds. It aims to outperform the average return of similar funds without assuming any more risk. The Fund's benchmark is the market value-weighted average return of funds in the South African – Multi Asset – High Equity category (excluding Allan Gray funds).

## How we aim to achieve the Fund's objective

We seek to buy shares at a discount to their intrinsic value. We thoroughly research companies to assess their intrinsic value from a long-term perspective. This long-term perspective enables us to buy shares which are shunned by the stock market because of their unexciting or poor short-term prospects, but which are relatively attractively priced if one looks to the long term. If the stock market offers few attractive shares we may increase the Fund's weighting to alternative assets such as bonds, property, commodities and cash, or we may partially hedge the Fund's stock market exposure. By varying the Fund's exposure to these different asset classes over time, we seek to enhance the Fund's long-term returns and to manage its risk. The Fund's bond and money market investments are actively managed.

## Suitable for those investors who

- Seek steady long-term capital growth
- Are comfortable with taking on some risk of market fluctuation and potential capital loss, but typically less than that of an equity fund
- Wish to invest in a tax-free investment account
- Typically have an investment horizon of at least three years

## Minimum investment amounts

Minimum lump sum per investor account	R20 000
Additional lump sum	R500
Minimum debit order*	R500

## Maximum investment amounts

Maximum lump sum per investor account	R33 000
Lifetime maximum	R500 000
Maximum debit order*	R2 750

\*Only available to investors with a South African bank account.

Minimum disclosure document and quarterly general investors' report **Issued:** 8 February 2018

## Fund information on 31 January 2018

Fund size	R499m
Number of units	35 987 269
Price (net asset value per unit)	R11.50

1. The market value-weighted average return of funds in the South African – Multi Asset – High Equity category (excluding Allan Gray funds). Source: Morningstar, performance as calculated by Allan Gray as at 31 January 2018.
2. This is based on the latest numbers published by IRESS as at 31 December 2017.
3. Maximum percentage decline over any period. The maximum drawdown occurred from 9 September 2016 to 4 November 2016 and maximum benchmark drawdown occurred from 30 May 2016 to 6 December 2016. Drawdown is calculated on the total return of the Fund/benchmark (i.e. including income).
4. The percentage of calendar months in which the Fund produced a positive monthly return since inception.
5. The standard deviation of the Fund's monthly return. This is a measure of how much an investment's return varies from its average over time.
6. These are the highest or lowest consecutive 12-month returns since inception. This is a measure of how much the Fund and the benchmark returns have varied per rolling 12-month period. The Fund's highest annual return occurred during the 12 months ended 30 November 2017 and the benchmark's occurred during the 12 months ended 31 October 2017. The Fund's lowest annual return occurred during the 12 months ended 31 May 2017 and the benchmark's occurred during the 12 months ended 31 May 2017. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.

## Performance net of all fees and expenses

% Returns	Fund	Benchmark <sup>1</sup>	CPI inflation <sup>2</sup>
<b>Cumulative:</b>			
Since inception (1 February 2016)	20.3	14.9	10.9
<b>Annualised:</b>			
Since inception (1 February 2016)	9.7	7.2	5.6
Latest 2 years	9.7	7.2	5.7
Latest 1 year	10.0	8.7	4.7
Year-to-date (not annualised)	0.6	0.2	0.5
<b>Risk measures (since inception)</b>			
Maximum drawdown <sup>3</sup>	-4.8	-6.3	n/a
Percentage positive months <sup>4</sup>	75.0	66.7	n/a
Annualised monthly volatility <sup>5</sup>	6.2	6.5	n/a
Highest annual return <sup>6</sup>	13.3	13.7	n/a
Lowest annual return <sup>6</sup>	2.6	1.0	n/a

## Fund history

This Fund is managed in broadly the same way as the Allan Gray Balanced Fund. It was created specifically for use in tax-free accounts. Refer to the Allan Gray Balanced Fund factsheet for a history of the Allan Gray Balanced Fund since its inception on 1 October 1999.

## Meeting the Fund objective

The Fund aims to create long-term wealth for investors within the constraints governing retirement funds. It aims to outperform the average return of similar funds without assuming any more risk. The Fund experiences periods of underperformance in pursuit of this objective. As the Fund is less than five years old it is too early to tell if it has met its objective. However, since inception the Fund has outperformed its benchmark and we are confident that the Fund will meet its objective over the long term.

## Income distributions for the last 12 months

To the extent that income earned in the form of dividends and interest exceeds expenses in the Fund, the Fund will distribute any surplus biannually.	30 Jun 2017	31 Dec 2017
<b>Cents per unit</b>	<b>11.7509</b>	<b>12.4376</b>

## Annual management fee

The fee we charge is fixed at 1.25% excluding VAT.

This fee only applies to the portion of the unit trusts that we manage. The offshore portion of the unit trust is managed by Orbis. Orbis charges fixed fees within these funds. Orbis pays a marketing and distribution fee to Allan Gray.

## Total expense ratio (TER) and Transaction costs

TER and Transaction Costs calculations are based on actual data, and best estimates where actual data is not available or provides a poor estimate of potential future costs. Due to the short lifespan of the fund, actual data provides a poor estimate of future costs, and so an estimated TER and Transaction cost calculation is shown. The annual management fees charged by both Allan Gray and Orbis are included in the below estimated TER. A TER is a measure of the actual expenses incurred by a Fund over a one and three-year period (annualised). Since Fund returns are quoted after deduction of these expenses, the TER should not be deducted from the published returns (refer to page 4 for further information). Transaction costs are disclosed separately.

## Top 10 share holdings on 31 December 2017 (SA and Foreign) (updated quarterly)<sup>8</sup>

Company	% of portfolio
Naspers <sup>7</sup>	6.5
Sasol	5.9
Old Mutual	3.7
British American Tobacco	3.6
Standard Bank	3.0
Remgro	2.7
Investec	1.9
Life Healthcare	1.4
Netcare	1.2
Woolworths	1.2
<b>Total (%)</b>	<b>31.1</b>

7. Including stub certificates.

## Total expense ratio (TER) and Transaction costs

TER and Transaction costs breakdown for the 1 and 3-year period ending 31 December 2017	1yr %	3yr %
<b>Total expense ratio</b>	<b>1.51</b>	<b>1.51</b>
Fixed fee	1.36	1.36
Other costs excluding transaction costs	0.02	0.02
VAT	0.13	0.13
<b>Transaction costs (including VAT)</b>	<b>0.09</b>	<b>0.07</b>
<b>Total investment charge</b>	<b>1.60</b>	<b>1.58</b>

## Asset allocation on 31 January 2018<sup>8</sup>

Asset Class	Total	South Africa	Africa ex-SA	Foreign ex-Africa
Net equity	59.8	47.0	0.9	11.9
Hedged equity	7.1	0.0	0.0	7.1
Property	1.3	0.9	0.0	0.4
Commodity-linked	3.1	2.9	0.0	0.3
Bonds	10.1	8.6	0.8	0.7
Money market and bank deposits	18.5	14.0	0.7	3.8
<b>Total (%)</b>	<b>100.0</b>	<b>73.4</b>	<b>2.4</b>	<b>24.2<sup>9</sup></b>

8. Underlying holdings of Orbis funds are included on a look-through basis.

9. Up to 25% of the Fund's value can be invested outside of Africa and 5% in Africa outside of South Africa. Market movements periodically cause the Fund to move beyond these limits. This must be corrected within 12 months.

Note: There may be slight discrepancies in the totals due to rounding.

## Since inception, the Fund's month-end net equity exposure has varied as follows:

Minimum	(February 2016) 57.5%
Average	60.9%
Maximum	(June 2017) 64.5%

It has been an action-packed year on the market. Here are some things that stood out for us:

- Naspers, which is now 20% of the FTSE/JSE All Share Index (ALSI), started the year at R2 000 per share, traded all the way up to R4 100, and is currently R3 400. Only two of the top hundred companies have beaten Naspers: Kumba and Exxaro.
- Steinhoff started the year as a R300 billion company, and now has a smaller market cap than Italtile.
- Our government's financial position continued to deteriorate, but sentiment towards local firms turned positive when Cyril Ramaphosa was elected as head of the ANC. Barclays went from R150 to nearly R200 in the four days following the national conference.
- The rand has strengthened by 10% against the US dollar since January 2017.
- The price of Bitcoin increased fourteen-fold.

We did not know who would win the ANC election. We do not have an edge in predicting this sort of thing, which is why we structure the portfolio for different outcomes. We also focus on buying undervalued shares, preferably shares under a cloud of negative sentiment and with lots of bad news priced in. This approach has worked well for us through numerous bubbles, crises, and upheavals. It is why we owned shares like Mr Price, Standard Bank, Foschini and Remgro - all of which benefitted from the change in sentiment after the ANC conference.

We were substantial net sellers of equity in the fourth quarter given the price appreciation of some of our largest holdings. We reduced our British American Tobacco holding in November while we were substantial sellers of Standard Bank in the latter half of December. That said we did add to our Woolworths position and initiate a small position in Steinhoff. As of writing the Steinhoff purchase was a mistake and has detracted 0.4% of Fund. There are a few things to be said:

1. We make many mistakes. Steinhoff was not the largest mistake in recent years. Not buying Kumba Iron Ore at R26 or Richemont at R80 were both way worse mistakes, to name just two.

2. There are different senses of the word "mistake". We are not aware of any errors in our analysis, or process, only in how we weighed the upside versus the downside risks. These types of errors are always clear with the benefit of hindsight, never at the time!
3. The accounts of any business may be fraudulent. For some the probability of fraud is higher than for others. We do not take audited accounts at face value. We look for internal inconsistencies, pose questions to management, and evaluate the quality of the audit committee. We found plenty of cause for concern at Steinhoff. This did not lead us to blackball the share, but instead we put in place position limits and conservative valuation multiples. We only started investing when we thought the potential upside outweighed the risks.
4. For context, if you had owned a passive fund tracking the ALSI, your total loss would have been 2.4% for the year. This made Steinhoff the top contributor in 2017 to our performance relative to the market.
5. We don't yet know the final outcome or magnitude of the fraud. It is possible that the share recovers some of its losses.

If we were only concerned about avoiding embarrassment, or if we tried to avoid all shares with downside risk, this would almost surely dent our long-term returns.

The Fund's performance over the year was helped by positions in Standard Bank and Astral Foods, while it was hindered by positions in Sasol and Life Healthcare. Unfortunately, we did not find value in Richemont even when the share was below R90 in January 2017 and missed out on the share's strong performance in 2017. Fortunately we could also not find value in AngloGold or Aspen, two large companies that underperformed.

Strong returns from international markets, and outperformance by Orbis, contributed to the performance of the Fund in 2017.

**Commentary contributed by Jacques Plaut**

## **Fund manager quarterly commentary as at 31 December 2017**

## Management Company

Allan Gray Unit Trust Management (RF) Proprietary Limited (the 'Management Company') is registered as a management company under the Collective Investment Schemes Control Act 45 of 2002, in terms of which it operates 11 unit trust portfolios under the Allan Gray Unit Trust Scheme, and is supervised by the Financial Services Board ('FSB'). The Management Company is incorporated under the laws of South Africa and has been approved by the regulatory authority of Botswana to market its unit trusts in Botswana, however it is not supervised or licensed in Botswana. Allan Gray Proprietary Limited (the 'Investment Manager'), an authorised financial services provider, is the appointed Investment Manager of the Management Company and is a member of the Association for Savings & Investment South Africa (ASISA). The trustee/custodian of the Allan Gray Unit Trust Scheme is Rand Merchant Bank, a division of FirstRand Bank Limited. The trustee/custodian can be contacted at RMB Custody and Trustee Services: Tel: +27 (0)87 736 1732 or [www.rmb.co.za](http://www.rmb.co.za)

## Performance

Collective Investment Schemes in Securities (unit trusts or funds) are generally medium- to long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to future performance. Movements in exchange rates may also cause the value of underlying international investments to go up or down. The Management Company does not provide any guarantee regarding the capital or the performance of the Fund. Performance figures are provided by the Investment Manager and are for lump sum investments with income distributions reinvested. Where annualised performance is mentioned, this refers to the average return per year over the period. Actual investor performance may differ as a result of the investment date, the date of reinvestment and dividend withholding tax.

## Fund mandate

The Fund may be closed to new investments at any time in order to be managed according to its mandate. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. The Fund may borrow up to 10% of its market value to bridge insufficient liquidity.

## Unit price

Unit trust prices are calculated on a net asset value basis, which is the total market value of all assets in the Fund including any income accruals and less any permissible deductions from the Fund divided by the number of units in issue. Forward pricing is used and fund valuations take place at approximately 16:00 each business day. Purchase and redemption requests must be received by the Management Company by 14:00 each business day to receive that day's price. Unit trust prices are available daily on [www.allangray.co.za](http://www.allangray.co.za)

## Fees

Permissible deductions may include management fees, brokerage, Securities Transfer Tax (STT), auditor's fees, bank charges and trustee fees. A schedule of fees, charges and maximum commissions is available on request from Allan Gray.

## Total expense ratio (TER) and Transaction costs

The total expense ratio (TER) is the annualised percentage of the Fund's average assets under management that has been used to pay the Fund's actual expenses over the past one and three-year periods. The TER includes the annual management fees that have been charged (both the fee at benchmark and any performance component charged), VAT and other expenses like audit and trustee fees. Transaction costs (including brokerage, Securities Transfer Tax [STT], STRATE and FSB Investor Protection Levy and VAT thereon) are shown separately. Transaction costs are a necessary cost in administering the Fund and impact Fund returns. They 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. Since Fund returns are quoted after the deduction of these expenses, the TER and Transaction costs should not be deducted again from published returns. As unit trust expenses vary, the current TER cannot be used as an indication of future TERs. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. Instead, when investing, the investment objective of the Fund should be aligned with the investor's objective and compared against the performance of the Fund. The TER and other funds' TERs should then be used to evaluate whether the Fund performance offers value for money. The sum of the TER and Transaction costs is shown as the Total investment charge.

## Compliance with Regulation 28

The Fund is managed to comply with Regulation 28 of the Pension Funds Act. Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within a reasonable time period. The Management Company does not monitor compliance by retirement funds with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28).

## Foreign exposure

This fund may invest in foreign funds managed by Orbis Investment Management Limited, our offshore investment partner.

## The Allan Gray Tax-Free Investment Account

The Allan Gray Tax-Free Investment Account is provided by Allan Gray Life Limited, an authorised financial services provider and licensed under the Long-Term Insurance Act 52 of 1998. Allan Gray Life Limited is a subsidiary of Allan Gray Proprietary Limited (Allan Gray). The Allan Gray Tax-Free Investment account is administered by Allan Gray Investment Services Proprietary Limited, an authorised administrative financial services provider. The underlying investment options of the Allan Gray individual life products are portfolios of Collective Investment Schemes in Securities (unit trusts or funds).

## Important information for investors

### Need more information?

You can obtain additional information about your proposed investment from Allan Gray free of charge either via our website [www.allangray.co.za](http://www.allangray.co.za) or via our Client Service Centre on **0860 000 654**.



# Investec Managed Fund

'A' class units, ZAR

As at end December 2017

## Fund Features

- A balanced fund for investors who don't want to actively manage their own asset allocation
- Flexible investment style and stock selection process

## Objectives and investment policy summary

- The Fund aims primarily for steady and stable total returns (the combination of income and capital growth). A secondary aim is to provide a reasonable level of current income
- The Fund invests in a balanced manner across a range of asset classes including shares, property investments and property funds, gilts (fixed income securities issued by governments) and interest bearing securities (financial contracts evidencing ownership or debt) and cash
- Other investments may include the units of other funds (including foreign funds) and derivatives (financial contracts whose value is linked to the price of an underlying asset)

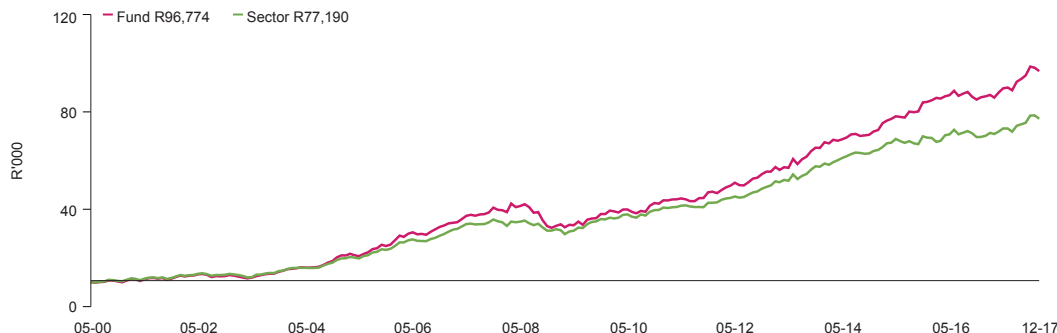
## Annualised performance (%)

	FUND	SECTOR
1 Year	12.0	10.0
3 Years	10.1	6.3
5 Years	11.8	9.2
10 Years	9.4	8.3
Since inception	13.7	12.3

## Fund statistics (%)

SINCE INCEPTION		DATE*
Highest annualised return	47.2	30.04.06
Lowest annualised return	-23.0	28.02.09
*12 month rolling performance figures		
Annualised volatility (%)	11.7	
Maximum drawdown (%)	-28.2	

## Since inception performance, R10,000 initial investment



Source: © Morningstar, dates to 31.12.17, performance figures above are based on lump sum investment, NAV-NAV, net of fees, gross income reinvested, in ZAR.

## Income distributions (cents per class unit)

Payment Date	Total
03 October 2017	13.23
07 April 2017	13.91

## Asset allocation (%)

<b>Local Assets</b>	<b>75.7</b>
Equities	32.7
Cash / Money Market	28.0
Bonds	13.4
Commodities	1.6
<b>Foreign Assets</b>	<b>24.3</b>
Equities	18.9
Cash / Money Market	3.5
Bonds	1.5
Property (listed)	0.4

## Risk profile

**Lower risk**  
Potentially lower rewards

**Higher risk**  
Potentially higher rewards



## Key facts

**Portfolio manager:** Gail Daniel  
**Fund size:** ZAR 12.2bn  
**Fund inception date:** 09.02.94  
**A Inc ZAR class unit inception date:** 02.04.00  
**Domicile:** South Africa  
**Sector:** ASISA SA Multi-Asset High Equity  
**Benchmark:** Peer group median  
**'A' class unit dealing currency:** ZAR

## 'A' class unit charges

**Initial fund fee:** 0.00%  
**Minimum annual management fee:** 0.95%  
**Maximum annual management fee:** 3.00%  
**Total expense ratio (TER):** 2.33%  
**Transaction cost (TC):** 0.76%  
**Total investment charge (TIC):** 3.09%

Inclusive in the TER of 2.33%, a performance fee of 1.07% of the net asset value of the class of fund was recovered.

Fees rates are shown excluding VAT. TER, TC and TIC are shown including VAT.

The annual management fee is accrued daily, and the daily fee rate depends on fund performance over the previous 12 months (net of the A-class minimum annual fee rate) relative to a fee hurdle, the peer group median. If the fund underperforms this hurdle then the minimum annual fee rate applies. If the fund outperforms this hurdle then the annual fee rate is increased by 20% of the outperformance, subject to a minimum fee of 0.95% and a maximum fee of 3% p.a.

## Other information

**Valuation and transaction cut-off:** 16.00  
 SA Time (forward pricing)  
**Minimum investment:** R10,000  
**ISIN:** ZAE000024170

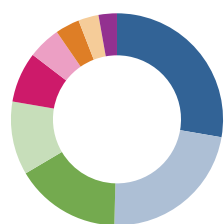


## Investec Managed Fund

Winner of the Special Raging Bull award for the best risk-adjusted performance over 21 years by a South African multi-asset equity fund. The full details and basis of the award, affirmed on 25.01.17, are available on request.

# Investec Managed Fund

## Sector allocation excl. cash (%)



Financials	27.7
Basic Materials	22.7
Consumer Goods	16.1
Telecommunications	11.2
Consumer Services	7.7
Technology	5.0
Health Care	3.7
Additional	3.1
Other	2.8

FTSE sector data source: FTSE International Limited ("FTSE") © FTSE 2017.  
Please note a disclaimer applies to FTSE sector data and can be found at:  
[http://www.ftse.com/products/downloads/FTSE\\_Wholly\\_Owned\\_Non-Partner.pdf](http://www.ftse.com/products/downloads/FTSE_Wholly_Owned_Non-Partner.pdf)

## Top Equity holdings (%)

Standard Bank Group Ltd	3.9
FirstRand Ltd	2.9
Anglo American Plc	2.4
Naspers Ltd	2.4
MTN Group Ltd	2.2
Cie Financiere Richemont SA	2.1
Anheuser-busch Inbev SA/NV	2.1
BHP Billiton Plc	2.0
Sasol Ltd	1.9
Old Mutual Plc	1.7
<b>Total</b>	<b>23.6</b>

## Specific Fund Risks

**Currency exchange:** Changes in the relative values of different currencies may adversely affect the value of investments and any related income.  
**Default:** There is a risk that the issuers of fixed income investments (e.g. bonds) may not be able to meet interest payments nor repay the money they have borrowed. The worse the credit quality of the issuer, the greater the risk of default and therefore investment loss.  
**Derivative counterparty:** A counterparty to a derivative transaction may fail to meet its obligations thereby leading to financial loss.  
**Derivatives:** The use of derivatives is not intended to increase the overall level of risk. However, the use of derivatives may still lead to large changes in value and includes the potential for large financial loss.  
**Developing market:** These markets carry a higher risk of financial loss than more developed markets as they may have less developed legal, political, economic or other systems.  
**Interest rate:** The value of fixed income investments (e.g. bonds) tends to decrease when interest rates and/or inflation rises.

## Glossary Summary

**Annualised performance:** Annualised performance is the average return per year over the period.  
**Duration:** This is a measure of risk for funds which invest in bonds as it predicts the sensitivity of the value of a fund's portfolio given changes in interest rates. The higher the value the greater the volatility of the fund's performance resulting from changes to interest rates. The Modified duration is shown.  
**Maximum drawdown:** The largest peak to trough decline during a specific period of an investment.  
**NAV:** The Net Asset Value (NAV) represents the value of the assets of a fund less its liabilities.  
**Risk profile:** A number on a scale of 1 to 7 based on how much the value of a fund has fluctuated over the past 5 years (or an estimate if the fund has a shorter track record). A rating of 1 represents the lower end of the risk scale with potentially lower rewards available whilst a rating of 7 reflects higher risk but potentially higher rewards.  
**Total Expense Ratio:** TER includes the annual management fee, performance fee and administrative costs and includes VAT but excludes portfolio transaction costs (except in the case of an entry or exit charge paid by a fund when buying or selling units in another fund) expressed as a percentage of the average daily value of the Fund calculated over a rolling three year period (or since inception where applicable) and annualised to the most recently completed quarter. Where funds invest in the participatory interests of foreign collective investment schemes, these may levy additional charges which are included in the relevant TER. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TERs.  
**Transaction cost:** Transaction costs are a necessary cost in administering the Fund and impacts 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 financial product, the investment decisions of the investment manager and the TER. Calculations are based on actual data where possible and best estimates where actual data is not available. Transaction costs are inclusive of VAT.  
**Total investment charge:** This is the sum of the TER and TC.  
**Volatility:** The amount by which the performance of a fund fluctuates over a given period.

## Important information

All information provided is product related and is not intended to address the circumstances of any particular individual or entity. We are not acting and do not purport to act in any way as an advisor or in a fiduciary capacity. No one should act upon such information without appropriate professional advice after a thorough examination of a particular situation. Collective investment scheme funds (CISs) are generally medium to long term investments. Funds are traded at ruling prices and can engage in borrowing, up to 10% of fund net asset value to bridge insufficient liquidity, and scrip lending. Unit trust prices are calculated on a net asset value basis, which is the total value of all assets in the fund including any income accruals less permissible deductions from the fund. A schedule of charges, fees and advisor fees is available on request from the Manager, Investec Fund Managers SA (RF) (Pty) Ltd (IFMSA) which is registered under the Collective Investment Schemes Control Act. Additional advisor fees may be paid and if so, are subject to the relevant FAIS disclosure requirements. Performance shown is that of the fund and individual investor performance may differ as a result of initial fees, actual investment date, date of any subsequent reinvestment and any dividend withholding tax. There are different fee classes of units on the fund and the information presented is for the most expensive class. This fund may be closed in order to be managed in accordance with the mandate. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. Where the fund invests in the participatory interests of foreign collective investment schemes, these may levy additional charges which are included in the relevant TER. Fund prices are published each business day at [www.investecassetmanagement.com](http://www.investecassetmanagement.com) and in select media publications. The Manager outsources its portfolio management to Investec Asset Management (Pty) Ltd ('Investec'), a member of the Association for Savings and Investment SA (ASISA). This minimum disclosure document is the copyright of Investec and its contents may not be re-used without Investec's prior permission. Issued: 11.01.2018

## Contact us

Investec Fund Managers SA (RF) (PTY) Limited  
Telephone: 0860 500 900

✉: [IAMClientServicesSA@investecmail.com](mailto:IAMClientServicesSA@investecmail.com)

To find out about this Fund and other Investec Funds, visit [www.investecassetmanagement.com/saliterature](http://www.investecassetmanagement.com/saliterature)

Scheme Trustee: FirstRand Bank Limited  
PO Box 7713 Johannesburg 2000  
Telephone: (011) 282 1808





# Nedgroup Investments Core Diversified Fund

Class B

December 2017



## CORE RANGE

### RISK RATING



### Risk reward profile

Equity and property investments are volatile by nature and subject to potential capital loss. For credit and income instruments, while unlikely, capital loss may also occur due to an event like the default of an issuer. The portfolio may be subject to currency fluctuations due to its international exposure.

### GENERAL INFORMATION

#### ASISA category

South African Multi Asset High Equity

#### Benchmark

Inflation + 5% over rolling 5 years

#### Investment manager

Taquanta Asset Managers (Pty) Ltd is authorised as a Financial Services Provider under the Financial Advisory and Intermediary Services Act (FSP No. 618).

#### Inception date

01 September 2009

#### Appropriate term

Minimum 3 - 5 years

#### Market value

R 6,862 Million

#### Income distributions

Frequency: Semi-annually

December 2017: 29.53 cpu

Previous 12 months: 61.47 cpu

### Fees and charges (excluding VAT)

Initial fees 0.00%  
Annual management fee 0.35%

Total expense ratio 0.46%  
Transaction costs 0.14%  
**Total investment charges <sup>2</sup> 0.60%**

#### Please Note:

Differences may exist due to rounding

### CONTACT

Client Services Centre  
Tel: 0860 123 263  
Fax 0861 119 733

Website: [www.nedgroupinvestments.co.za](http://www.nedgroupinvestments.co.za)  
Email [info@nedgroupinvestments.co.za](mailto:info@nedgroupinvestments.co.za)

### Portfolio profile

The portfolio is suitable for investors requiring moderate capital growth and aims to provide low cost exposure to a range of local and global asset classes. Diversification across all asset classes helps to reduce risk and volatility relative to a general equity portfolio. The portfolio complies with Regulation 28 of the South African Pension Funds Act.

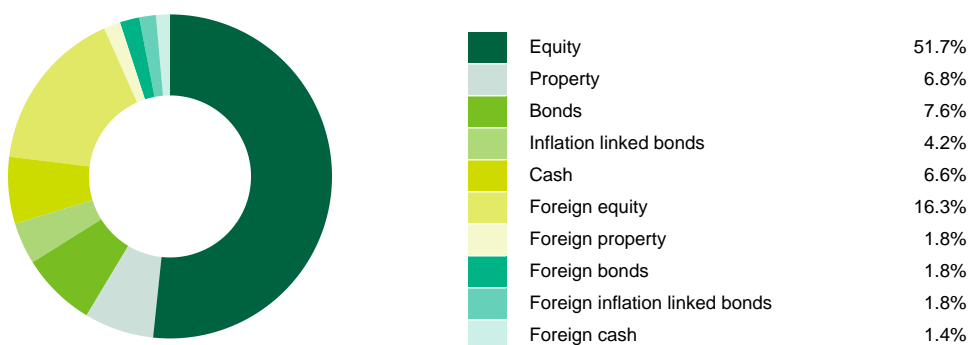
### Performance <sup>1</sup>

Period	Portfolio	Benchmark	ASISA category average
1 year pa	12.4%	9.9%	10.0%
3 Years pa	7.7%	10.6%	6.2%
5 Years pa	11.2%	10.7%	9.2%
7 Years pa	12.0%	10.8%	9.6%
Since Inception	12.4%	10.4%	10.0%
Lowest 1 year return	0.3%		
Highest 1 year return	24.2%		

### Risk

Period	Portfolio	ALSI
Volatility [5 years]	6.8%	17.8%

### Portfolio structure



### Top 10 holdings

Share	Percentage
Naspers Ltd	5.6
Standard Bank Group Ltd	2.7
MTN Group Ltd	2.7
Sasol Ltd	2.5
British American Tobacco Plc	2.4
FirstRand Ltd	2.3
R186 10.5% 211226	2.1
Sanlam Ltd	1.5
Anglo American Plc	1.5
Remgro Ltd	1.3
<b>Total</b>	<b>24.6</b>

<sup>1</sup> The annualized total return is the average return earned by an investment each year over a given time period. Performance is calculated for the portfolio and individual investment performance may differ as a result of initial fees, the actual investment, the actual investment date, the date of reinvestment and dividend withholding tax. Due to the delayed release of inflation data, relevant benchmarks will lag by one month.  
Data source: © Morningstar Inc. All rights reserved.

<sup>2</sup> Total Expense Ratio (TER), expressed as a percentage of the Fund, relates to expenses incurred in the administration of the Fund. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TERs. Transaction Costs (TC), expressed as a percentage of the Fund, relate to the costs incurred in buying and selling the underlying assets of the Fund. TC are a necessary cost in administering the fund and impact fund returns. It should not be considered in isolation as returns may be impacted by other factors over time including market returns, the type of fund, the investment decisions of the investment manager and the TER. The Total Investment Charges expressed as a percentage of the Fund, relates to all investment costs of the Fund. Both the TER and TC of the Fund are calculated on an annualised basis, beginning 01/10/2014 and ending 30/09/2017

# NEDGROUP INVESTMENTS CORE DIVERSIFIED FUND

December 2017



## CORE RANGE

### Investment manager commentary Taquanta Asset Management

The market returns for the different asset classes within the Nedgroup Investments Core Diversified Fund are given below. The volatility of the fund is low relative to the volatility of most of the underlying asset classes due to the benefits of diversification.

#### Asset Class Returns (rands)

(Performance over periods to 31 December 2017)

Asset class	Benchmark	Return (pa)				Volatility (inception)
		1 year	3 years	5 years	Inception	
Equity	Shareholder Weighted Index (SWIX)	21.2%	9.4%	12.8%	15.2%	11.0%
Property	Listed Property Index (J253T)	17.2%	11.7%	13.9%	17.7%	12.0%
Bonds	All Bond Index (ALBI)	10.2%	6.9%	6.3%	8.6%	7.1%
Inflation linked bonds	SA ILB Index (CILI)	2.8%	4.2%	4.8%	8.0%	5.5%
Cash	STeFI Call	6.9%	6.5%	5.9%	5.8%	0.2%
Foreign equity	MSCI All Country World Index (ACWI)	12.2%	11.8%	19.5%	16.3%	12.6%
Foreign property	FTSE EPRA/NAREIT Developed Index	0.9%	7.8%	15.6%	16.7%	12.7%
Foreign bonds	Barclays Global Aggregate Bond Index	-2.8%	4.3%	8.7%	8.3%	12.8%
Foreign inflation linked bonds	Barclays Global ILB Index	-1.6%	4.7%	9.4%	9.7%	12.7%
Foreign cash	Composite USD/GBP/EUR Libor	-2.1%	1.1%	6.4%	4.8%	13.1%
<b>Nedgroup Investments Core Diversified Fund Class B</b>		<b>12.4%</b>	<b>7.7%</b>	<b>11.2%</b>	<b>12.5%</b>	<b>6.9%</b>

#### Who we are

Nedgroup Collective Investments (RF) Proprietary Limited, is the company that is authorised in terms of the Collective Investment Schemes Control Act to administer the Nedgroup Investments unit trust funds. It is a member of the Association of Savings & Investment South Africa (ASISA).

#### Our trustee

The Standard Bank of South Africa Limited is the registered trustee.  
Contact details: Standard Bank, Po Box 54, Cape Town 8000,  
[Trustee-compliance@standardbank.co.za](mailto:Trustee-compliance@standardbank.co.za), Tel 021 401 2002.

#### Performance

Unit trusts are generally medium to long-term investments. The value of your investment may go down as well as up. Certain unit trust funds may be subject to currency fluctuations due to its international exposure. Past performance is not necessarily a guide to future performance. Nedgroup Investments does not guarantee the performance of your investment and even if forecasts about the expected future performance are included you will carry the investment and market risk, which includes the possibility of losing capital.

#### Pricing

Funds are valued daily at 15:00. Instructions must reach us before 14:00 (12:00 for Nedgroup Money Market Fund) to ensure same day value. Prices are published daily on our website and in selected major newspapers.

#### Fees

Certain Nedgroup Investments unit trust funds apply a performance fee. For the Nedgroup Investments Flexible Income Fund and Nedgroup Investments Stable Fund, it is calculated daily as a percentage (the sharing rate) of total positive performance, with the high watermark principle applying.

For the Nedgroup Investments Bravata World Wide Flexible Fund it is calculated monthly as a percentage (the sharing rate) of outperformance relative to the fund's benchmark, with the high watermark principle applying. All performance fees are capped per fund over a rolling 12-month period. A schedule of fees and charges and maximum commissions is available on request from Nedgroup Investments.

#### Disclaimer

Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. Nedgroup Investments has the right to close unit trust funds to new investors in order to manage it more efficiently. For further additional information on the fund, including but not limited to, brochures, application forms and the annual report please contact Nedgroup Investments.

#### Nedgroup Investments contact details

Tel: 0860 123 263 (RSA only)  
Tel: +27 21 416 6011 (Outside RSA)  
Fax: 0861 119 733 (RSA only)  
Email: [info@nedgroupinvestments.co.za](mailto:info@nedgroupinvestments.co.za)  
For further information on the fund please visit: [www.nedgroupinvestments.co.za](http://www.nedgroupinvestments.co.za)

#### Our offices are located at

Nedbank Clocktower, Clocktower Precinct, V&A Waterfront, Cape Town, 8001

#### Write to us

PO Box 1510, Cape Town, 8000

# PRUDENTIAL BALANCED FUND

## 31 DECEMBER 2017

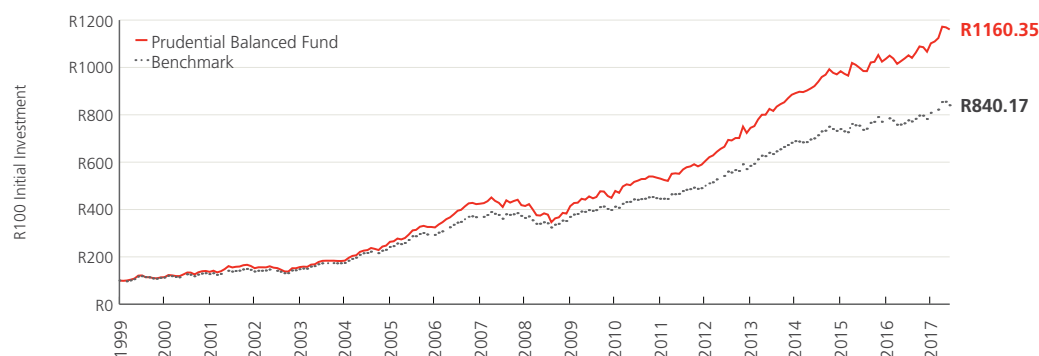


**PRUDENTIAL**  
INVESTMENT MANAGERS

### FACT SHEET/MINIMUM DISCLOSURE DOCUMENT

### MULTI-ASSET

#### SINCE INCEPTION CUMULATIVE PERFORMANCE, DISTRIBUTIONS REINVESTED (A CLASS)



ANNUALISED PERFORMANCE	A CLASS	BENCHMARK	T CLASS	X CLASS	B CLASS
1 year	11.8%	10.0%	12.4%	15.5%	12.6%
3 years	8.0%	6.3%	n/a	8.3%	8.8%
5 years	11.8%	9.2%	n/a	12.1%	12.6%
7 years	12.3%	9.6%	n/a	n/a	13.2%
10 years	10.5%	8.3%	n/a	n/a	11.4%
Since inception	14.2%	12.3%	7.5%	11.9%	14.7%

\* Inception dates: X Class: 2 January 2013, B Class: 1 July 2002, T Class: 2 January 2015

RETURNS SINCE INCEPTION**	A CLASS	DATE
Highest annualised return	44.7%	30 Apr 2006
Lowest annualised return	-21.1%	28 Feb 2009

\*\* 12-month rolling performance figure

RISK MEASURES	A CLASS	BENCHMARK
Monthly volatility (annualised)	10.6%	8.9%
Maximum drawdown over any period	-23.2%	-16.8%
Information ratio	1.1	n/a
Sortino ratio	0.2	-0.2
Sharpe ratio	0.1	-0.1
% of positive rolling 12 months	89.5%	91.9%

#### TOP 10 HOLDINGS\*

1. Prudential Worldwide Managed Fund	17.6%
2. Prudential High Interest Fund	12.1%
3. Prudential Worldwide Strategic Managed Fund	6.3%
4. Naspers Ltd	5.7%
5. British American Tobacco Plc	4.5%
6. Prudential Corporate Bond Fund	4.1%
7. Old Mutual Plc	3.2%
8. Standard Bank Group Ltd	3.0%
9. Sasol Ltd	2.8%
10. Firststrand Ltd	2.5%

\*As at 31 December 2017 (updated quarterly)

INVESTMENT OPTIONS	A CLASS	T CLASS	X CLASS	B CLASS
Minimum lump sum investment	R10 000	R10 000	R10 000	R100 million
Minimum monthly debit order	R500 pm	R1 000 pm	R500 pm	n/a

INITIAL FEES (excl. VAT)	A CLASS	T CLASS	X CLASS	B CLASS
Prudential	0.00%	0.00%	0.00%	0.00%
Financial adviser (if applicable)	3.00% (max)	2.25% (max)	3.00% (max)	0.00%

ANNUAL MANAGEMENT FEES (excl. VAT)	A CLASS	T CLASS	X CLASS	B CLASS
Prudential**	1.25%	0.80%	1.00%	0.60%
Financial adviser service fee*** (if applicable)	0.50%	0.00%	0.50%	0.00%

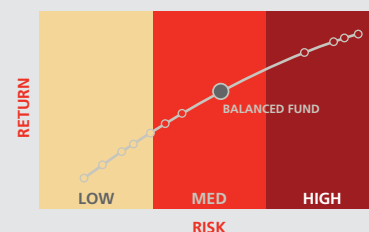
\*\* Additional underlying foreign fund fees are dependent on the fund and are included in the TER

\*\*\* Included in Prudential's annual management fee above

EXPENSES (incl. VAT)	A CLASS	T CLASS	X CLASS	B CLASS
Total Expense Ratio (TER)	1.62%	1.08%	1.43%	0.88%
Transaction Costs (TC)	0.14%	0.14%	0.14%	0.14%
Total Investment Charges (TIC)	1.76%	1.22%	1.57%	1.02%

Where a transaction cost is not readily available, a reasonable best estimate has been used. Estimated transaction costs may include Bond, Money Market, and FX costs (where applicable).

#### RISK/RETURN PROFILE:



#### FUND OBJECTIVE:

To achieve steady long-term growth of capital and income by investing in a diversified combination of domestic and international assets, where the asset allocation is tactically managed.

#### INVESTOR PROFILE:

A suitable fund for retirement provision and for those individuals looking to tilt their portfolio to value with controlled risk exposure. The recommended investment horizon is 5 years or longer.

#### INVESTMENT MANDATE:

The Fund conforms to the regulations governing retirement fund investments (Regulation 28). Intended maximum limits: Equity 75%, Listed Property 25%, Offshore 25%, and Africa (excl. SA) 5%.

#### FUND MANAGERS:

David Knee, Michael Moyle, Duncan Schwulst and Johnny Lambridis

#### ASISA CATEGORY:

South African - Multi-Asset - High Equity

#### BENCHMARK:

ASISA South African - Multi-Asset - High Equity Category Average

#### INCEPTION DATE:

2 August 1999

#### FUND SIZE:

R18 224 899 543

# PRUDENTIAL BALANCED FUND

## 31 DECEMBER 2017



**PRUDENTIAL**  
INVESTMENT MANAGERS

### FACT SHEET/MINIMUM DISCLOSURE DOCUMENT

### MULTI-ASSET

INCOME DISTRIBUTIONS	TOTAL DISTRIBUTIONS	12-MONTH YIELD
(A Class) 31 December 2017	8.17 cpu	2.46%
(A Class) 30 June 2017	8.24 cpu	2.80%
(B Class) 31 December 2017	10.61 cpu	3.13%
(B Class) 30 June 2017	10.55 cpu	3.52%
(T Class) 31 December 2017	9.84 cpu	2.93%
(T Class) 30 June 2017	9.82 cpu	3.30%

If the income earned in the form of dividends and interest exceeds the total expenses, the Fund will make a distribution. (cpu = cents per unit)

#### FUND COMMENTARY

The year that was 2017 ended on a high in December, with equity markets around the world posting fresh record highs amid a remarkable lack of volatility. Global growth remained strong, inflation relatively subdued and monetary policies supportive for the month. The passage of the Republican tax cut package in the US bolstered market optimism further. During the month the US Federal Reserve raised its base interest rate by 25 basis points, its third hike for the year, as widely expected. Together with full employment and the large corporate tax cuts to come, analysts expect US inflation to become more problematic in 2018 – market consensus is for four 25bp Fed rate hikes in the new year.

In South Africa it was a surprisingly positive month for investors, with markets dominated by the election of market-friendly Cyril Ramaphosa as President of the ANC. Investors interpreted Ramaphosa's election as an opportunity for the country to introduce much-needed reforms, reduce corruption, and lift business and consumer sentiment. Greater prospects for improved fiscal responsibility also helped the credit rating outlook. Combined with Moody's credit rating reprieve in November, this more optimistic sentiment helped lower risk perceptions among both local and offshore investors, driving strong rallies in South African bonds, listed property and the rand. In December, the BEASSA All Bond Index delivered a total return of 5.7%, Inflation-linked bonds (Composite ILB Index) 4.9%, and cash as measured by the STeFI Composite Index returned 0.6%. Listed property returned 4.2% for the month. The rand, meanwhile, gained strongly in December against all three major global currencies, appreciating 9.3% against a weaker US dollar, 9.1% against the pound sterling and 8.6% against the euro.

Looking at global equity market returns (all in US\$), the MSCI World Index (for developed markets) returned 1.4% in December, underperforming the MSCI Emerging Markets Index at 3.6%. Global bonds were largely flat in December as the Bloomberg Barclays Global Aggregate Bond Index (US\$) returned 0.3%, while the EPRA/NAREIT Developed Global Property Index (US\$) returned 1.4% for the month.

In December, the fund's overweight holdings in SA equity and SA bonds, as well as its underweight in international fixed income assets added the most to relative performance. Detracting most from value was its underweight in SA cash. Performance remains upper quartile over all annual periods from 1-10 years.

#### GLOSSARY

<b>12-month yield</b>	A measure of the Fund's income distributions as a percentage of the Fund's net asset value (NAV). This is calculated by summing the income distributions over a rolling 12-month period, then dividing by the sum of the NAV at the end of the period and any capital gains distributed over the same period.
<b>Annualised performance</b>	The average amount of money (total return) earned by an investment each year over a given time period. For periods longer than one year, total returns are expressed as compounded average returns on a yearly basis.
<b>Cumulative performance graph</b>	This illustrates how an initial investment of R100 or N\$100 (for example) placed into the Fund would change over time, taking ongoing fees into account, with all distributions reinvested.
<b>Income distribution</b>	The dividend income and/or interest income that is generated by the underlying Fund investments and that is periodically declared and distributed to investors in the Fund after all annual service fees.
<b>Information ratio</b>	Measures the Fund's active return (Fund return in excess of the benchmark) divided by the amount of risk that the manager takes relative to the benchmark. The higher the information ratio, the higher the active return of the Fund, given the amount of risk taken and the more consistent the manager. This is calculated over a 3-year period.
<b>Intended maximum limits</b>	This indicates the Fund's intended maximum exposure to an asset class. These limits may be reviewed subject to the Fund's Supplemental Deed and/or Regulation 28 for those Funds managed in accordance with Regulation 28 of the Pension Funds Act.
<b>Maximum drawdown</b>	The largest drop in the Fund's cumulative total return from peak to trough over any period.
<b>Monthly volatility (annualised)</b>	Also known as standard deviation. This measures the amount of variation or difference in the monthly returns on an investment. The larger the annualised monthly volatility, the more the monthly returns are likely to vary from the average monthly return (i.e. the more volatile the investment).
<b>Percentage of positive rolling 12 months</b>	The percentage of months, since inception, that the Fund has shown a positive return over a rolling 12-month period.
<b>Regulation 28</b>	The South African retirement fund industry is governed by the Pension Funds Act, No 24 of 1956. Regulation 28 of the Pension Funds Act prescribes the maximum limits in asset classes that an approved retirement fund may invest in.
<b>Sharpe ratio</b>	The Sharpe ratio is used to measure how well the return of an asset compensates the investor for the risk taken. The higher the Sharpe ratio the better the Fund's historical risk-adjusted performance has been. This is calculated by taking the difference between the Fund's annualised return and the risk-free (cash) rate, divided by the standard deviation of the Fund's returns. This is calculated over a 3-year period.
<b>Sortino ratio</b>	This is calculated by taking the difference between the Fund's annualised return and the risk-free (cash) rate, divided by the downside deviation of the Fund's returns i.e. the "bad" volatility. A high Sortino ratio indicates a low risk of large losses occurring in the Fund. This is calculated over a 3-year period.
<b>Total Expense Ratio (TER)</b>	This shows the charges, levies and fees relating to the management of the portfolio and is expressed as a percentage of the average net asset value of the portfolio, calculated over a rolling three years (where applicable) and annualised to the most recently completed quarter. A higher TER 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.
<b>Transaction Costs (TC)</b>	The percentage of the value of the Fund incurred as costs relating to the buying and selling of the Fund's underlying assets. Transaction costs are a necessary cost in administering the Fund and impacts Fund 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 Fund, investment decisions of the investment manager and the TER.
<b>Total Investment Charges (IC)</b>	The percentage of the value of the Fund incurred as costs, relating to the investment of the Fund. As fund returns are reported after deducting all fees and expenses, these costs (the TER, TC & IC) should not be deducted from the fund returns.
<b>Unit class</b>	Prudential's funds are offered in different unit classes to allow different types of investors (individuals and institutions) to invest in the same fund. Different investment minimums and fees apply to different unit classes. A Class: for individuals only. B & D Class: retirement funds and other large institutional investors only. X Class: the special fee class that was made available to investors that were invested in the Dividend Income Feeder Fund. T Class: for investors in tax-free unit trusts. F Class: for Discretionary Fund Managers.

#### HOW TO INVEST

0860 105 775

prudential.co.za

query@myprudential.co.za

Application forms

Invest now

Application forms and all required documentation must be faxed to **+27 11 263 6143** or e-mailed to **instructions@myprudential.co.za**.

#### DISCLAIMER

**Prudential Portfolio Managers Unit Trusts Ltd** (Registration number: 1999/0524/06) is an approved CISA management company (#29). Assets are managed by Prudential Investment Managers (South Africa) (Pty) Ltd, which is an approved discretionary Financial Services Provider (#45199). The Trustee's/Custodian details are: Standard Bank of South Africa limited – Trustees Services & Investor Services. 20th Floor, Main Tower, Standard Bank Centre, Heerengracht, Cape Town.

Collective Investment Schemes (unit trusts) are generally medium-to long-term investments. Past performance is not necessarily a guide to future investment performance. Unit trust prices are calculated on a net asset value basis. This means the price is the total net market value of all assets of the unit trust fund divided by the total number of units of the fund. Any market movements – for example in share prices, bond prices, money market prices or currency fluctuations – relevant to the underlying assets of the fund may cause the value of the underlying assets to go up or down. As a result, the price of your units may go up or down. Unit trusts are traded at the ruling forward price of the day, meaning that transactions are processed during the day before you or the Manager know what the price at the end of the day will be. The price and therefore the number of units involved in the transaction are only known on the following day. The unit trust fund may borrow up to 10% of the fund value, and it may also lend any scrip (proof of ownership of an investment instrument) that it holds to earn additional income. A Prudential unit trust fund may consist of different fund classes that are subject to different fees and charges. Where applicable, the Manager will pay your financial adviser an agreed standard ongoing adviser fee, which is included in the overall costs of the fund. A Collective Investment Schemes (CIS) summary with all fees and maximum initial and ongoing adviser fees is available on our website. One can also obtain additional information on Prudential products on the Prudential website. The Fund may hold foreign securities including foreign CIS funds. As a result, the fund may face material risks. The volatility of the fund may be higher and the liquidity of the underlying securities may be restricted due to relative market sizes and market conditions. The fund's ability to settle securities and to repatriate investment income, capital or the proceeds of sales of securities may be adversely affected for multiple reasons including market conditions, macro-economic and political circumstances. Further, the return on the security may be affected (positively or negatively) by the difference in tax regimes between the domestic and foreign tax jurisdictions. The availability of market information and information on any underlying sub-funds may be delayed. The Manager may, at its discretion, close your chosen unit trust fund to new investors and to additional investments by existing investors to make sure that it is managed in accordance with its mandate. It may also stop your existing debit order investment. The Manager makes no guarantees as to the capital invested in the fund or the returns of the fund. Excessive withdrawals from the fund may place the fund under liquidity pressure and, in certain circumstances; a process of ring fencing withdrawal instructions may be followed. Fund prices are published daily on the Prudential website. These are also available upon request. The 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. Purchase and repurchase requests must be received by the Manager by 13h30 (11h30 for the Money Market Fund) SA time each business day. All online purchase and repurchase transactions must be received by the Manager by 10h30 (for all Funds) SA time each business day.

An electronic copy of this document is available at [www.prudential.co.za](http://www.prudential.co.za)