

# GTC Wealth Accumulator Fund of Funds

## Minimum Disclosure Document



31 August 2015

### Investment mandate and objective

The equity based portfolio incorporates deep value and core equity investment managers within a multi-manager solution that aims to outperform the FTSE/JSE Shareholders Weighted Index (SWIX) over a three year period. The value bias implies the use of qualitative and quantitative techniques to identify and invest into good quality companies trading at discounted prices. This combination of investment managers integrates risk management strategies to provide consistent returns with reduced volatility during all market conditions.

### Investment features:

- Value equity strategy
- Down-weighted resource sector exposure (SWIX benchmark)
- Manager allocations based on risk adjusted investment strategy

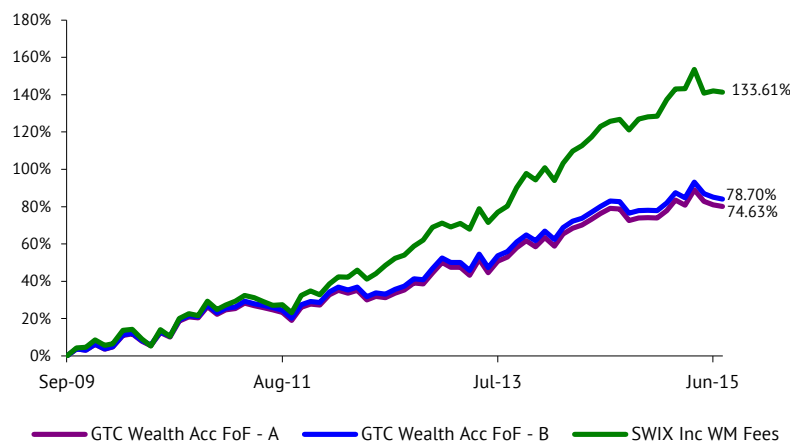
### Risk Profile of the Fund

High Risk

### Fund facts

Multi manager:	GTC	
Fund Classification:	South African General Equity	
Investment manager:	Coronation, Prudential and Prescient, 36One, Sanlam and GTC	
Inception date:	1 October 2009	
Fund size:	<b>R134 887 918</b>	
Benchmark:	AF MM Index Return	
Trustee:	Societe General	
Auditors:	KPMG Inc	
Administrators:	Global Independent Administrators	
Management company:	GTC Management Company	
Target Return:	AF MM Index Return +3%	
Income declarations:	28 February & 31 August	
Income distribution:	First day of following month	
Minimum initial investment:	R20 000	
Initial fees:	0-5% excl VAT	
NAV & dealing prices:	Class B R 1.829	
Value Distributed:	March 2015:	September 2014:
Class B	0.0000	0.000
Valuation:	Priced a day in arrears	
<b>Fees</b>	Class A	Class B
Annual management fee	1.14%	1.14%
General expenses	1.01%	0.65%

### Cumulative performance since inception (%)



### Performance since inception (%)

	1 Year*	3 Years*	5Years*	Since Inception
Wealth Accumulator FoF Class A <sup>1</sup>	-2.28	9.34	9.65	9.88
Wealth Accumulator FoF Class B <sup>1</sup>	-2.15	9.63	10.05	10.31
Benchmark – FTSE/JSE SWIX <sup>1</sup>	3.00	15.30	16.16	15.42

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

\*Annualised

^lump sum investment performances quoted.

^Income distributions not included in the performance calculation.

^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 <sup>1</sup>	2.26	3.10	-1.46	4.50	-3.23	-0.97	-0.53	-2.93					<b>0.44</b>
Class B 2014 <sup>1</sup>	-2.72	3.94	1.97	0.95	1.81	1.81	1.56	-0.18	-3.35	0.80	0.12	-0.12	<b>6.55</b>
Class B 2013 <sup>1</sup>	3.82	-1.58	0.01	-2.82	5.94	-4.61	4.34	1.46	3.28	2.33	-1.87	3.21	<b>13.73</b>
Class B 2012 <sup>1</sup>	4.39	1.82	-1.14	1.21	-3.71	1.49	-0.49	1.88	1.35	2.77	-0.33	4.26	<b>14.05</b>
Class B 2011 <sup>1</sup>	-3.23	1.92	0.63	2.37	-0.97	-0.74	-0.98	-0.99	-3.44	6.00	1.32	-0.36	<b>1.17</b>
Class B 2010 <sup>1</sup>	-2.37	1.20	5.95	0.81	-3.48	-2.25	6.67	-1.97	7.75	1.95	-0.49	5.13	<b>19.66</b>

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

### 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 Fee

Base fees were 2.00% (Class A) and 1.78% (Class B)

### Equity performance fees

Absolute based performance fee – 20% of outperformance of Alexander Forbes MM +3% (Capped at 2%).

Performance fees of 1.73% (Class A) and 1.69% (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<sup>1</sup> was therefore 3.73% (Class A) and 3.47% (Class B).

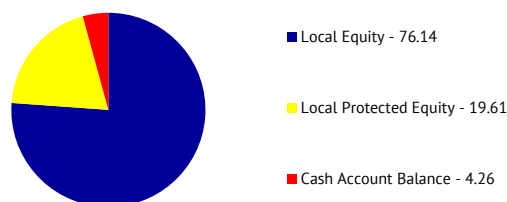
TERs shown include VAT

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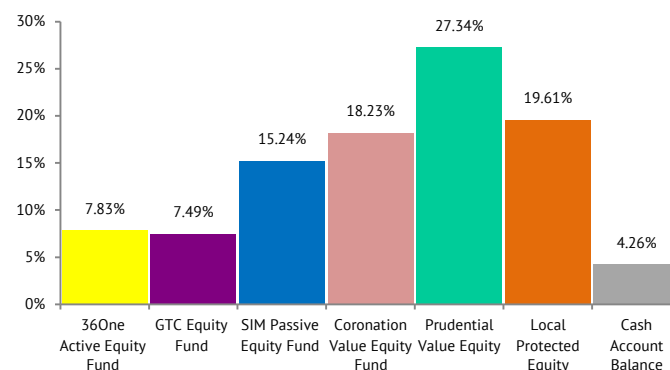
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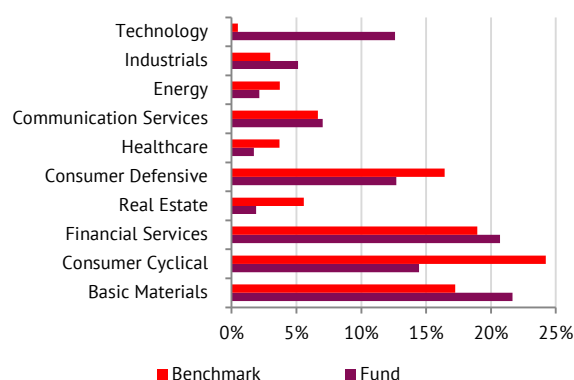
### Asset class exposure – physical (%)



### Investment manager weighting (%)



### Equity Industry breakdown (%)



### Top 10 equity holdings (%)

Equity Holding	% of Equity
NASPERS LIMITED	9.00
MTN GROUP LTD	5.06
BRITISH AMERICAN TOBACCO PLC	4.77
STANDARD BANK GROUP LIMITED	4.47
MONDI PLC	3.28
OLD MUTUAL PLC	3.16
ANGLO AMERICAN PLC	3.14
STEINHOFF INT HLDG	2.70
THE FOSCHINI GROUP LTD	2.04
NEDBANK GROUP LIMITED	2.01
<b>TOTAL</b>	<b>39.64</b>

### Fund statistics (%):

Tracking Error	3.46
Portfolio Volatility	9.76

### Portfolio Commentary

Global markets ended the quarter on a negative note with the MSCI World posting a 0.3% loss. This did, however, mask rather volatile swings particularly at the end of the quarter, with Greece's potential exit from the European Union dominating headlines. Greece became the first developed nation to default on a debt payment as agreement could not be reached between Greek leaders and the Troika. Both Japan and the UK posted 3.0% gains with Europe returning 0.7% and the US a rather muted at 0.3% gain. Global bonds fell 2.9% as renewed speculation on potential US rate hikes and risk of the Greek contagion spreading to peripheral similarly indebted nations.

Locally the All Share Index fell 0.2% over the quarter, with Industrials bucking the trend returning 1.7%, while Financials (-2.3%) and Resources (-4.6%) declined. The bond market saw a rise in yields, particularly at the long end of the curve, with the All Bond Index closing down 1.4%. Property suffered the largest losses over the quarter, closing down 6.2%. 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.

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### Disclaimer

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