

# Fixed Income Fund

31 January 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

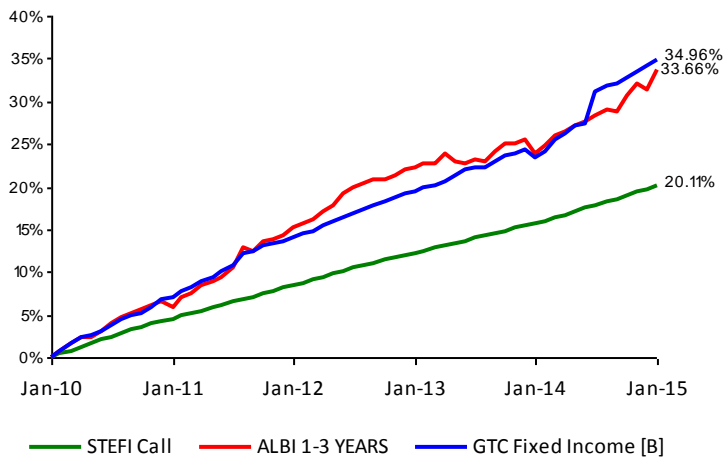
Domestic- Fixed Income-Interest Fund

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>	9.16	5.86	5.36	5.51	5.73
Fixed Income Class B <sup>1</sup>	9.44	6.28	5.76	5.96	6.18
ALBI 1-3 year <sup>1</sup>	7.96	4.53	5.06	6.03	5.97
SteFi Call Rate <sup>1</sup>	3.78	3.46	3.46	3.53	3.73

\*Annualised

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

## Fund Performance history (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Cumulative
Class B 2015	0.65												0.65
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
Class B 2007 <sup>1</sup>						0.76	0.65	1.14	0.99	0.44	0.62		9.20

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

## Fund Facts

Manager: Prescient  
 Inception date: July 2007  
 Classification: Domestic Fixed Income Varied Specialist  
 Fund size: R 652 272 417  
 Benchmark: Better of STEFI Call rate and ALBI 1-3 year measured over a 3 year rolling period.  
 Trustee: ABSA Bank  
 Auditors: KPMG Inc  
 Administrators: Global Independent Administrators  
 Management Company: GTC Management Company  
 Income declarations: 28 February, 31 May, 31 August, 30 November  
 Class A: 1.2731cpu  
 Class B: 1.3679cpu  
 Income distribution: First day of following month  
 Minimum initial investment: R20 000  
 Initial fees: 0-5% excl VAT  
 NAV & dealing prices: Class A Class B  
 R 1.069 R 1.069

Valuation: Priced a day in arrears

## 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 Fees

Base fees were 0.90% (Class A) and 0.35% (Class B)

## Performance Fee

20% of performance over Alexander Forbes Money Market (capped at 2%). Manager Performance fee - 15% of out-performance of Albi 1-3 year. Performance fees of 0.54% (Class A) and 0.51% (Class B) were levied on the fund due to outperformance of the benchmark.

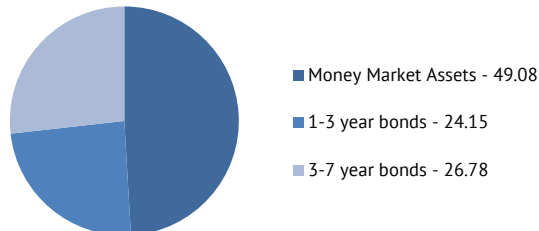
## Total expense ratio (TER)

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\* was therefore 1.44% (Class A) and 0.86% (Class B). TERs shown include VAT \*as at September 2014

# Fixed Income Fund

31 January 2015

## Asset Class Exposure (%)



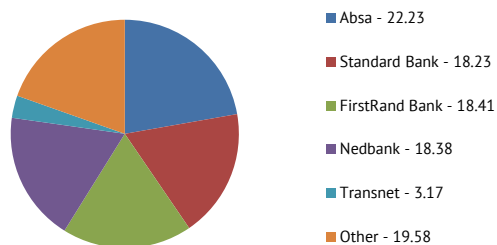
## Fund Commentary

The sharp decline in the price of oil provided some respite to the SARB. At the November MPC meeting, rates were left unchanged and consumers afforded some Christmas cheer as inflation decreased to 5.8% from the prior quarter reading of 6.4%. It was not all festive though as the Rand fell to a 6 year low to a rampant US Dollar, closing the year at R11.57 to the dollar. South Africa's economy remains fragile with electricity constraints, deficits on the current and national accounts and commodity prices under pressure. Ratings agencies S&P and Fitch maintained South Africa's credit rating early in December. S&P re-affirmed South Africa's BBB negative rating while Fitch kept its rating at BBB but with a negative outlook.

## Fund statistics (%)

Duration	0.34
Modified Duration	0.35
Yield to maturity	3.54

## Issuer exposures (%)



Disclaimer: 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. Past performance is not necessarily an indication of future performance. CIS 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 Company. 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. Performance numbers calculated on a NAV to NAV basis and do not take initial fees into account. Income is re-invested on the re-investment 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. An Authorised Financial Services Provider. FSP731