

# GTC Passive High Equity Fund of Funds

## Minimum Disclosure Document

31 July 2019



### Investment mandate and objective

The investment is exposed to multiple local and offshore asset classes within allowable Regulation 28 limits. The product is largely passively managed and is designed to outperform a strategic market related benchmark over a rolling 5 year period. The fund will expose members to market risk and is suitable for members with a moderate to high risk tolerance.

### Risk profile of the fund

**Moderate to High Risk**

### Investment features:

Regulation 28 compliant  
Multi asset class  
Passive Investing is a combination of tracking and smart beta strategies  
Smart beta emphasises capturing investment features or market inefficiencies in a rule based and transparent way

### Performance (%)

	Since Inception*	1 Year	6 Months	3 Months
GTC Passive High Equity Fund of Funds Class B2	9.08	7.12	5.15	-0.69
Composite Benchmark	6.14	3.68	5.64	-1.75

\*Annualised

Stated performance is after fees have been deducted

Composite Benchmark 40% SWIX, 16.5% ALBI, 13.5% STeFI, 25% MSCI and 5% Listed Property

### Performance history (%)

Fund highest & lowest annual returns*	Portfolio: Class B	Composite Benchmark
Highest	16.04	15.37
Lowest	0.06	-4.82

\*Performance measured over rolling 12 months

### Fund facts:

Multi manager:	GTC
Fund classification:	SA - Multi Asset - High Equity fund
Investment managers:	Sanlam, Prescient, Taquanta and Aluwani Capital
Benchmark:	Composite Benchmark:(40% SWIX, 16.5% ALBI, 13.5% STEFI, 25% MSCI and 5% Listed Property
Management company:	GTC Management Company
Inception date:	October 2016
Trustee:	Rand Merchant Bank
Fund size:	R1 941 124
Income distribution:	Third day of the following month
Value distributed:	<b>Aug 2018:</b> 1.6031 <b>Feb 2019:</b> 1.2140
Current NAV & Dealing prices:	Class B: R 1.2327

### Total investment charges (%)

as at 31 July 2019

<b>Total Expense Ratio (TER)</b>	<b>1.01</b>
Weighted TER portion of underlying	1.01
Performance Fee	0.00
<b>Transaction Costs (TC)</b>	<b>0.06</b>
<b>Total Investment Charges (TIC)</b>	<b>1.07</b>

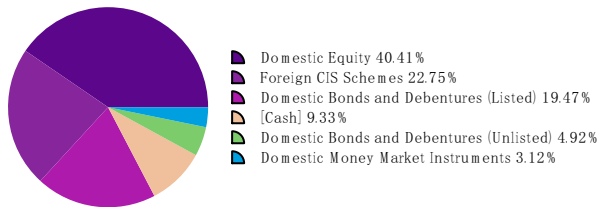
Total Investment Charges are quarterly in arrears.

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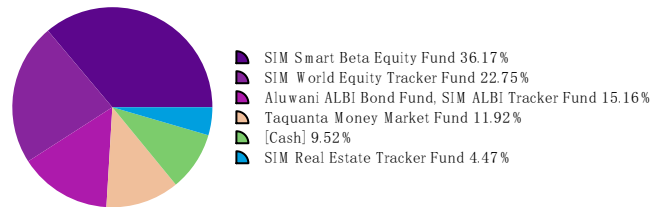
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### Asset class exposure



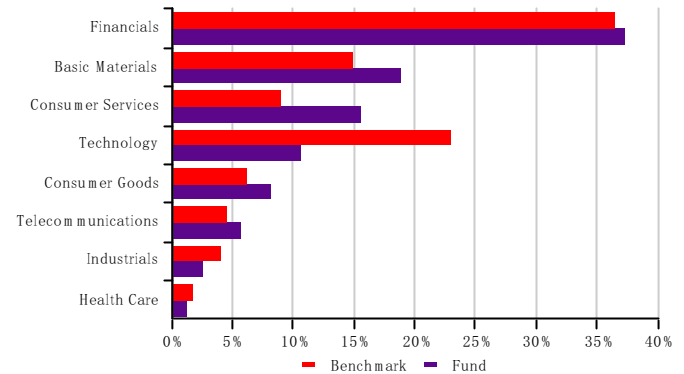
### Investment manager weighting



### Asset class exposure for the quarter (%)

Asset Class	May	June	July
Domestic Equity	35.83	44.68	40.41
[Cash]	23.81	11.11	9.33
Domestic Bonds and Debentures (Listed)	17.52	21.64	19.47
Foreign CIS Schemes	16.39	14.84	22.75
Domestic Bonds and Debentures (Unlisted)	3.58	4.32	4.92
Domestic Money Market Instruments	2.87	3.38	3.12
[Unassigned]	-	0.03	-

### Equity sector breakdown



### Risk statistics (%): 5 years rolling

Tracking error	-
Annualized standard deviation	-
The fund has less than 5 years of data	

### NAV values

	May	June	July
Fund Units	1,297,860	1,435,323	1,574,481
Fund NAV	R1,583,869	R1,778,956	R1,941,124
Class NAV [B]	R1,583,842	R1,778,929	R1,941,098

### Mandate compliance

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

### Top 10 equity holdings (% of fund)

Naspers Limited Class N	4.28
Standard Bank Group Limited	1.87
Old Mutual Ltd.	1.81
Clicks Group Limited	1.33
Mr Price Group Limited	1.27
Woolworths Holdings Limited	1.26
African Rainbow Minerals Limited	1.21
Anglo American Platinum Limited	1.16
Growthpoint Properties Limited	1.04
Kumba Iron Ore Limited	1.04
<b>Total</b>	<b>16.27</b>

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### Contact us

#### Managers: GTC

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Telephone: (010) 597 6800  
E-mail: info@gtc.co.za, web: www.gtc.co.za

#### Administrators: Global Independent Administrators

1st Floor, Suite 7, Building B, Hurlingham Office Park, 59 Woodlands Avenue,  
Hurlingham Manor, Sandton  
Telephone: (010) 594 2124

#### Trustees: Société Générale

160 Jan Smuts Avenue, 2nd floor, Rosebank, Johannesburg, 2096  
Telephone: (011) 448 8800

### 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. The portfolio charges a performance fee that is calculated as follows:  $PF = PR * (PC - FH)$  where PR = the rate of participation, PC = the daily return of the GTC Passive High Equity Fund of Funds and FH = the fee hurdle. If the GTC Passive High Equity Fund of Funds return ("PC") is less than the fee hurdle ("FH") then any shortfall will be carried forward to the next calculation period for set-off against future excesses. The GTC Passive High Equity Fund of Funds Class B2 charges an annual service fee of 0.29% (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 medium to high 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