

Minimum Disclosure Document
Fund Objective

The objective of the fund is to achieve long term capital growth with reduced volatility over the short-term.

Fund Risk Profile


The Conservative fund of funds aims to provide a steady income and capital growth in the longer term. The fund is predominantly invested in high income generating assets with a low exposure to equities. While equities offer the highest expected long term growth, it also comes with the highest risk of short term losses. The conservative fund of funds has a capital preservation focus with an asset allocation strategy that seeks to minimise the risk of drawdown.

Fund Facts

Classification	SA – Multi Asset – Low Equity	
Benchmark	25% SWIX ALSI; 75% STeFI	
Inception Date of Fund	7 May 2013	
Inception Date of Class	31 May 2017	
Total Portfolio Size	R 1 198 403	
Total Portfolio Units	1 129 353	
Class Size	R 1 598	
NAV price	Launch	106.73 (cpu)
	31 Oct 2018	105.98 (cpu)
JSE code	FCFOF	
ISIN number	ZAE000178026	
Income Declaration	February, August	
Valuation	Valuation time	17h00 (daily)
	Dealing cut-off	14h00
Payment	3rd working day of Mar/Sept	
Minimum Initial Investment	R 10 000 lump sum	
	R 500 debit order	
Reg. 28 Compliant	Yes	
Issue date	27 November 2018	

Portfolio Income in Cents Per Unit (cpu)

Aug 2018	3.2882 cpu
Feb 2018	3.2315 cpu

Fund Universe

The fund's assets will consist of participatory interests in portfolios of Collective Investment Schemes investing in equity, bonds, property, and money market instruments subject to the prescribed limits of Regulation 28 to the Pension Funds Act.

Investment Strategy

The fund will invest its assets across the various asset classes, namely Equities, Bonds, Properties and Cash while maintaining a low level of exposure to the equities market. The fund shall be managed within the constraints of Regulation 28 to the Pension Funds Act.

Target Investor

The fund is suitable for investors with a shorter term investment horizon while still requiring steady growth and low volatility.

Fee Disclosure

Total Expense Ratio (TER) 1.39%

Expenses related to the administration of the Financial Product. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not be necessarily be an accurate indication of future TER's.

Transaction Costs (TC) 0.05%

Costs relating to the buying and selling of the assets underlying the Financial Product

Total Investment Charges 1.44%

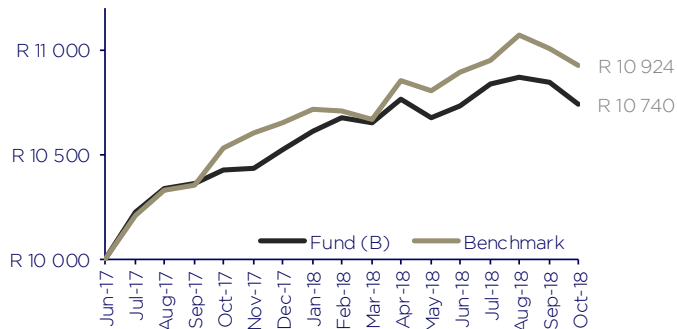
Transaction costs are a necessary cost in administering the Financial Product and impacts Financial Product returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Financial Product, the Investment decisions of the investment manager and the TER.

Portfolio Fees

Initial Fee: N/A

Performance Fee: N/A

Annual Service Fee: 1.35% (Excl. VAT)

Minimum Disclosure Document
Growth of a R 10 000 Investment


Performance Summary			
Period	Fund (A)	Benchmark	Alpha
1 Month	-0.98%	-0.75%	-0.23%
3 Months	-0.90%	-0.26%	-0.64%
6 Months	-0.26%	0.63%	-0.88%
YTD	2.10%	2.53%	-0.42%
1 Year	2.99%	3.74%	-0.75%
2 Years			
3 Years			
Since Inception	5.17%	6.44%	-1.27%

* Returns above one year are annualised; ** Fund Returns are net of fees

Risk Statistics		
Risk Stats	Fund (A)	Benchmark
Tracking Error *	1.70%	
Information Ratio	-0.75	
Volatility *	2.77%	3.00%
Correlation	0.83	
Beta	0.72	
Sharpe Ratio *	-0.61	-0.14
Max. (Rolling 12 Mths)	7.30%	8.89%
Min. (Rolling 12 Mths)	2.99%	3.74%

* Annualised

Asset Allocation

Top Ten Equity Holdings	
NPN - Naspers Ltd	10.96%
SOL - Sasol Ltd	7.49%
BIL - Bhp Billiton Plc	6.08%
AGL - Anglo American Plc	5.97%
FSR - Firstrand Ltd	5.95%
SBK - Standard Bank Group Ltd	5.51%
BTI - British American Tobacco PLC	5.19%
REM - Remgro Ltd	4.76%
CFR - Compagnie Fin Richemont	4.29%
OMU - Old Mutual Ltd	3.72%

Sector Allocation	% Exposure
Equities	
Basic Materials	6.06%
Industrials	2.19%
Financials	7.20%
Consumer Goods	3.33%
Consumer Services	4.45%
Telecommunications	0.69%
Fixed Income	
Money Market	5.21%
0 - 3 Years	15.35%
3 - 7 Years	27.60%
7 - 12 Years	27.48%

Minimum Disclosure Document**Manager Commentary**

The JSE All Share Index was down 5.76% for the month of October, driven mostly by the industrials sector (-8.44%). Foreigners were net sellers of our local equities with outflows of approximately R7.5 bn for the month. The All Bond Index (ALBI) was down 1.66% and the property index (J253T) was in the red yet again returning -1.69%. Inflation-linked bonds delivered 0.83% and cash returned 0.63% for the month. Annual consumer price inflation was 5.10% YoY in October, up from 4.90% in September. The consumer price index increased by 0.50% month-on-month in September. The local currency finished the month 4.6% weaker against the dollar at 14.76. Offshore, developed equity markets (MSCI World USD) outperformed emerging markets (MSCI EM USD) during the month recording -ve 7.32% and -ve 8.70% respectively.

Risk Disclosure

Investments in Equities (Company Shares) : The value of equities may vary according to expected future earnings/profits as well as broader market factors. As such, a positive sentiment about a company's future prospects could lead in an increase in its share price which would result in a capital gain for its shareholders. Similarly, a negative sentiment could result in a share price decline which would translate into a capital loss for its shareholders. Shares/equities are usually considered to have the potential for the highest return of all the investment classes, but with a higher level of risk i.e. share investments have the most volatile returns over the short term.

Investments in Bonds (Debt security) : A bond is a debt security issued by government or corporates with a promise to pay periodic interest payments and to repay the face value on the maturity date. The price of bonds fluctuates with changes in interest rate; a rise in interest rate may result in a decrease in the value of the bonds. The bond holder faces 'default risk' as there is a risk that the issuer may not be able to meet their future obligations (capital/interest) resulting in financial losses.

Fund Specific : The fund is invested in both equities and bonds asset classes, therefore is subjected to the asset classes inherent risks.

Risk Profile : A rating based on the inherent risk (statistical measures: volatility, value at risk) of the financial instruments held in the portfolio. At the lower end of the risk spectrum are the low risk portfolios (suitable for investors with a short-term view) which typically invest in the fixed interest market with potentially lower expected returns and at the higher end of the risk spectrum are the medium-high/high risk portfolios (suitable for investors with a longer-term view) whose asset allocation are tilted towards the equity market with potentially higher expected returns.

Glossary of Terms

Volatility is a statistical measure of the dispersion of returns for a given security or market index.

Tracking error 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.

Information ratio, is a measure of the risk-adjusted return of a portfolio. In this case, it measures the active return of the manager's portfolio divided by the amount of risk that the manager takes relative to the benchmark.

Sharpe Ratio is a measure for calculating risk-adjusted return. It is the average return earned in excess of the risk-free rate per unit of risk.

Beta is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.

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Disclaimer

Disclaimer: FedGroup Holdings (Pty) Ltd 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 and the manager does not provide any guarantee either with respect to the capital or the return of a fund. Past performance is not necessarily an indication of future performance. CIS's are traded at ruling prices. Different classes of units apply to these funds and are subject to different fees and charges. A schedule of fees and charges and maximum commissions is available on request from the manager. The manager has a right to close funds to new investors in order to manage them more efficiently in accordance with their mandates. 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 fund to bridge insufficient liquidity. Actual performance will differ based on the initial fees applicable, the actual investment date, date of reinvestment of income and dividend withholding tax. 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 fund as well as for the individual investor. The performance is for illustrative purposes only. The performance is calculated by taking the actual initial fees and all ongoing fees into account for the amount shown. Income distributions are included in the performance calculations prior to deduction of applicable taxes.

Performance numbers and graphs are sourced from FedGroup Asset Managers. NAV to NAV figures have been used. Risk profile of the fund ranges from low risk to high risk with a low risk potentially associated with lower rewards and a high risk with potentially higher rewards. All price related queries or information is readily available on request. Fund of funds are funds that invests in funds 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. FedGroup Management 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.