

Minimum Disclosure Document
Fund Objective

This is a specialist South African fixed income Portfolio which aims to out-perform a South African fixed income index using both duration and credit management.

Fund Risk Profile

Fund Facts

Classification	SA — Multi Asset — Income Fund	
Benchmark	BEASSA 3-7 Year Bond Index	
Inception Date of Fund	7 May 2013	
Inception Date of Class	31 May 2017	
Total Portfolio Size	R 99 092 720	
Total Portfolio Units	106 111 080	
Class Size	R 19 267	
NAV price	Launch	95.26 (cpu)
	31 Oct 2018	93.37 (cpu)
JSE code	FIPF	
ISIN number	ZAE000178190	
Income Declaration	February, May, August, November	
Valuation	Valuation time	17h00 (daily)
	Dealing cut-off	14h00
Payment	3rd working day of Mar/Jun/Sept/Dec	
Minimum Initial Investment	R 10 000 lump sum	
	R 500 debit order	
Reg. 28 Compliant	N/A	
Issue date	27 November 2018	

Portfolio Income in Cents Per Unit (cpu)

Aug-18	1.9508 cpu
May-18	1.8503 cpu
Feb-18	1.6458 cpu
Nov-17	1.6945 cpu

Fund Universe

The Portfolio will only invest in Rand-denominated assets as permitted by Board Notice 90 ("BN 90") to the Collective Investment Schemes Control Act 45 of 2002 ("CISCA"). Such assets will be instruments issued by government, government agencies, banks or corporates. Nominal and inflation-linked bonds may be held in the Portfolio. A maximum of 10% (ten percent) of the Portfolio may be exposed to convertible bonds.

Investment Strategy

The Portfolio aims to deliver a gross return of 1.25% p.a. in excess of the benchmark (gross of fees but net of other costs associated with the management of the assets), over any rolling three-year period. (The benchmark performance will be determined as if the FSP is invested 100% in the ALBI 3 to 7 year sub-index.)

Target Investor

The fund is suitable for investors who require a high level of income whilst maintaining capital preservation and offering immediate liquidity.

Fee Disclosure

Total Expense Ratio (TER) 1.29%

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) 0.00%

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

Total Investment Charges 1.29%

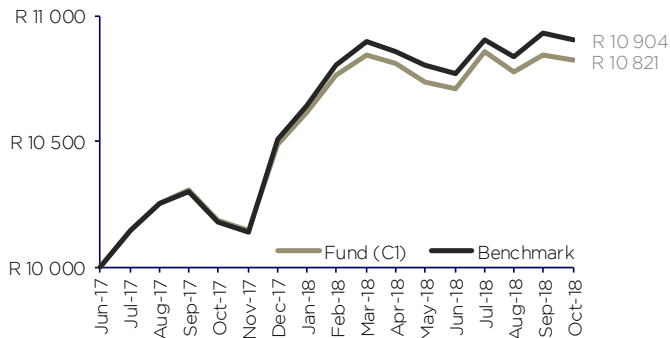
Transaction costs are a necessary cost in administering the Financial Product and impacts Financial Product returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Financial Product, the Investment decisions of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

Portfolio Fees

Initial Fee: N/A

Performance Fee: N/A

Annual Service Fee: 0.80% (Excl. VAT)

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Growth of a R 10 000 Investment


Performance Summary			
Period	Fund (A)	Benchmark	Alpha
1 Month	-0.24%	-0.25%	0.01%
3 Months	-0.33%	-0.05%	-0.29%
6 Months	0.09%	0.39%	-0.30%
YTD	3.19%	3.76%	-0.57%
1 Year	6.22%	7.11%	-0.88%
2 Years			
3 Years			
Since Inception	8.21%	9.04%	-0.82%

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

Risk Statistics		
Risk Stats	Fund (C1)	Benchmark
Tracking Error *	0.37%	
Information Ratio	-2.25	
Volatility *	3.96%	4.15%
Correlation	1.00	
Modified Duration	5.01	
Current Yield	8.49%	
Max. (Rolling 12 Mths)	7.11%	7.69%
Min. (Rolling 12 Mths)	5.11%	5.73%

* Annualised

Asset Allocation

Top Ten Holdings		
R186	Republic of South Africa 10.50% 211226	27.50%
R2023	Republic of South Africa 7.75% 280223	25.54%
R2030	Republic of South Africa 8.00% 31012030	7.41%
ABS6	ABSA 8.20% 01062020	3.66%
TH13A4	Thekwini 9.32% 21082020	3.12%
TPDA08	Commissioner Street No 11 Limited 9.5050% 30112020	2.75%
ES23	Eskom 10.0% 250123	2.46%
NBK28A	Nedbank 10.01% 02082023	2.08%
NAM02	The Republic of Namibia 9.595% 29062020	2.03%
SNT03	Santam Limited 11.77% 12042023	1.98%

Sector Allocation	% Exposure
Money Market	6.10%
0 - 3 Years	20.46%
3 - 7 Years	36.80%
7 - 12 Years	36.64%

Email: investments@fedgroup.co.za

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 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 the bonds asset class, therefore is subjected to the asset class inherent risks e.g. interest rate and default 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.

Minimum Disclosure Document**Contact Details****Head Office**

89 Bute Lane, Sandown, Sandton, 2196

Postal

PO Box 782823, Sandton, 2146

Telephone

011 305 2333

Fax

011 305 2500

Websitewww.fedgroup.co.za**Enquiries**investments@fedgroup.co.za**Trustees**

Societe Generale Securities Services

Telephone

(011) 448 8800

Administrator

Global Independent Administrators

Telephone

(010) 594 2100

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