

## 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.

## 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.

## Risk Indicator

Low	Medium Low	Medium	Medium High	High
-----	------------	--------	-------------	------

## Investment Horizon : 1 - 3 years or longer

### Low - Medium Risk [Investment Horizon : 1 - 3 Years]

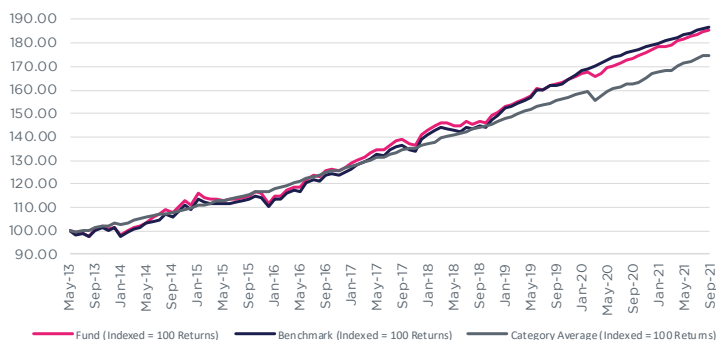
- The portfolio is invested in predominantly short dated fixed income instruments with an average duration of 2 years.
- The portfolio is exposed to default and interest rate risks.
- Therefore, it is suitable for medium term investment horizons.
- The expected potential long-term investment returns may be lower over the medium to long term than higher risk portfolios.

## Periodic Performance Table & Graphs

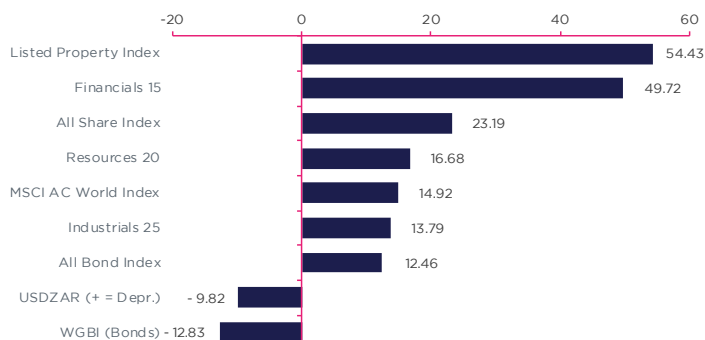
	Fund	Benchmark
1 Month	0.26%	0.48%
6 Months	3.73%	2.90%
1 Year	7.03%	5.89%
3 Years	8.24%	8.97%
5 Years	8.12%	8.63%
Since Inception Annualised	7.71%	7.80%
Since Inception Cumulative: 100 mths	85.66%	87.05%

\*Returns history above 1 yr are annualised

### Growth of a R100 Lumpsum invested since inception



## Indices 12 Months % Returns (ZAR)



\*Benchmark changed as of the 11<sup>th</sup> of Feb 2020

## Fund Information

Fund Manager	Fedgroup Asset Management (Pty) Ltd
ASISA Fund Category	SA - Multi Asset - Income
Benchmark	STeFI Composite Index + 2%*
Fund Launch Date	07 May 2013
Class Launch Date	07 May 2013
Fund Class	C1
Fund Base Fee	0.50% (Excl. VAT)
Total Fund Size	R 376 340 010
Income Distributions	February / May / August / November
Income Payment Dates	3 <sup>rd</sup> working day of Mar/Jun /Sept/Dec
JSE Code	FIPC1
ISIN	ZAE000178224
NAV (cents)	95.86
Reg. 28 Compliance	Not Applicable

## Net Asset Value & Units in Issue

	Jul-2021	Aug-2021	Sep-2021
Fund Units	434 479 301	385 365 011	392 599 151
Fund NAV	R 418 617 250	R 374 006 855	R 376 340 010
Class NAV	R 394 025 665	R 347 635 769	R 348 530 781
Month End Price	96.35	97.05	95.86

## Income Distribution (cents per unit)

	Dividend	Interest	Other	Total
Aug-2021	0.00	1.41	0.03	1.44
Feb-2021	0.00	1.40	0.05	1.45
Aug-2020	0.00	1.59	0.01	1.60
Feb-2020	0.00	1.73	0.02	1.75

## Cost Ratios: Rolling 3 Year Period

	Jun-2021	Mar-2021	Dec-2020
Total Expense Ratio	0.88%	0.89%	0.89%
Transaction Cost	0.01%	0.01%	0.01%
Total Investment Charge	0.89%	0.90%	0.90%

Please see Statutory Disclaimer & Notes.

## Applicable Fees

### Fee Structure (% p.a.)

	Class C1
Initial Fee (manager)	0% (excl. VAT)
Annual Fee (manager)	0.50% (excl. VAT)
Performance Fee (manager)	n/a

**Annual Fee (Manager)** - this is a service (% based) fee applicable to each class of a fund, that is levied on the value of your portfolio. Annual fees are calculated and accrued daily and recovered monthly from the income awaiting distribution in the fund.

**Initial Advisor Fee and Ongoing Advisor Fee** is negotiable between the Investor and appointed Financial advisor. This is not part of the normal annual service fee charged by the fund.

**Disclaimer:** This minimum disclosure document is for information purposes only and does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe for or purchase any particular investment. This document should not be construed as advice or guidance in any form whatsoever. Investors should take cognisance of the fact that there are risks involved in buying or selling any financial product and are encouraged to obtain independent professional investment and taxation advice. Opinions expressed in this document may be changed without notice at any time after publication. We therefore disclaim any liability for any loss, liability for damage (whether direct or consequential) or expense of any nature whatsoever which may be suffered as a result of or which may be attributable, directly or indirectly, to the use of or reliance upon the information.

## Top Holdings

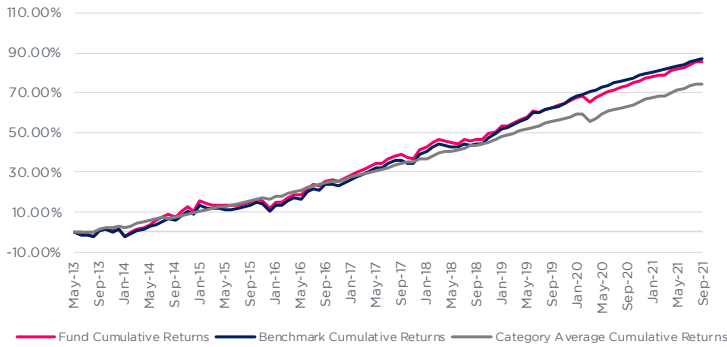
Holdings	% Exposure
Fedgroup Asset Management	42.35%
Ngwedi Active Income Fund	19.20%
Terebinth Enhanced Income Fund	15.12%
Fairtree Flexible Income Fund	11.61%
Sasfin Flexible Income Fund	6.54%
Fedgroup Part Bond	3.68%
Coronation Strategic Income Fund	1.02%
Prime Income Plus Fund	0.48%
	100.00%

## Asset Allocation

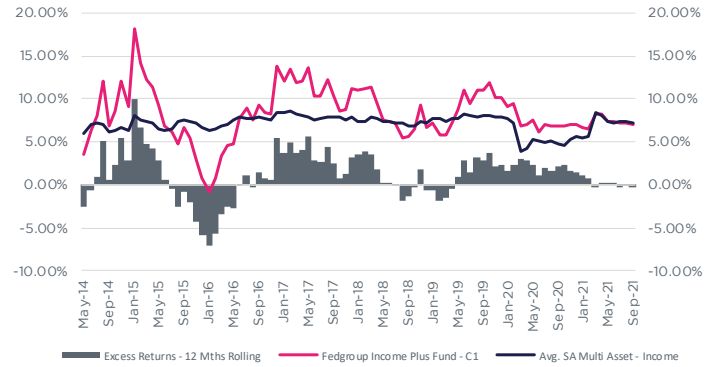
Sector Allocation	% Exposure
Fixed Income	96.41%
Bonds 1 - 3 Years	62.67%
Bonds 3 - 7 Years	26.03%
Bonds 7 - 12 Years	4.82%
Bonds 12+ Years	2.89%
Cash	3.59%
Cash	3.59%

## Performance Graphs & Risk Measures

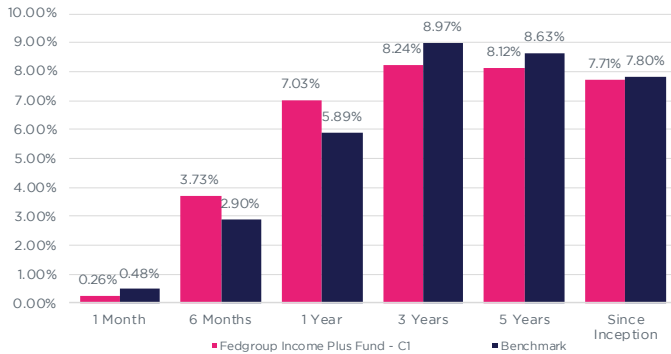
### Cumulative Performance since inception



### Rolling 12 Months



### Trailing Performance



### Risk Metrics\*

	Fund	Benchmark
Standard Deviation	4.35%	4.21%
Tracking Error	1.33%	
Alpha	-0.07%	
Information Ratio	-0.06	
Beta	0.98	
Sortino	3.11	3.32
Positive Months	75.00%	76.00%
Fund Maximum Drawdown	-4.24%	
Fund Highest Annual Return: Jan-2015	18.09%	
Fund Lowest Annual Return: Jan-2016	-0.74%	

\*Annualised

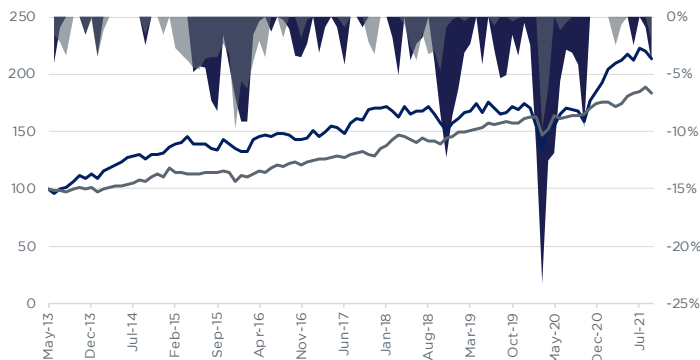
### Monthly Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2021	0.47%	0.32%	0.11%	1.04%	0.56%	0.49%	0.60%	0.73%	0.26%				4.66%
Benchmark 2021	0.46%	0.48%	0.48%	0.47%	0.48%	0.47%	0.48%	0.49%	0.48%				4.36%
Fund 2020	0.90%	0.44%	-1.46%	1.01%	1.29%	0.59%	0.71%	0.66%	0.47%	0.69%	0.75%	0.80%	7.05%
Benchmark 2020	0.94%	0.70%	0.73%	0.67%	0.66%	0.61%	0.59%	0.55%	0.52%	0.49%	0.49%	0.48%	7.70%
Fund 2019	1.77%	0.21%	0.87%	0.89%	0.89%	1.80%	-0.03%	0.81%	0.50%	0.62%	0.61%	0.78%	10.14%
Benchmark 2019	1.92%	0.44%	0.95%	0.77%	1.08%	1.95%	-0.05%	1.14%	0.16%	0.37%	0.92%	1.35%	11.55%
Fund 2018	1.21%	1.50%	0.83%	-0.30%	-0.65%	-0.25%	1.39%	-0.69%	0.65%	-0.20%	2.13%	0.82%	6.59%
Benchmark 2018	1.27%	1.55%	0.87%	-0.37%	-0.51%	-0.34%	1.30%	-0.62%	0.83%	-0.25%	2.28%	1.15%	7.34%
Fund 2017	1.33%	1.28%	0.77%	1.35%	1.16%	-0.02%	1.48%	1.07%	0.48%	-1.15%	-0.38%	3.34%	11.16%
Benchmark 2017	1.20%	1.29%	0.82%	1.34%	1.10%	-0.01%	1.48%	1.04%	0.49%	-1.20%	-0.38%	3.62%	11.26%
Fund 2016	2.90%	0.01%	2.21%	1.21%	-0.29%	3.02%	1.42%	-0.61%	2.15%	0.50%	-0.60%	1.17%	13.78%
Benchmark 2016	2.90%	-0.13%	2.23%	1.40%	-0.67%	3.07%	1.41%	-0.64%	2.12%	0.48%	-0.61%	1.18%	13.40%
Fund 2015	4.44%	-1.54%	-0.31%	0.08%	-0.47%	0.08%	0.41%	0.63%	0.44%	1.43%	-0.47%	-3.78%	0.75%
Benchmark 2015	4.02%	-1.35%	-0.30%	0.06%	-0.31%	0.15%	0.63%	0.50%	0.39%	1.49%	-0.47%	-3.71%	0.93%
Fund 2014	-3.46%	1.85%	1.47%	0.78%	1.42%	2.40%	1.10%	1.93%	-1.40%	2.66%	1.90%	-1.66%	9.15%
Benchmark 2014	-3.45%	1.66%	1.38%	0.86%	1.42%	0.63%	1.17%	1.97%	-1.11%	2.63%	1.95%	-1.32%	7.90%

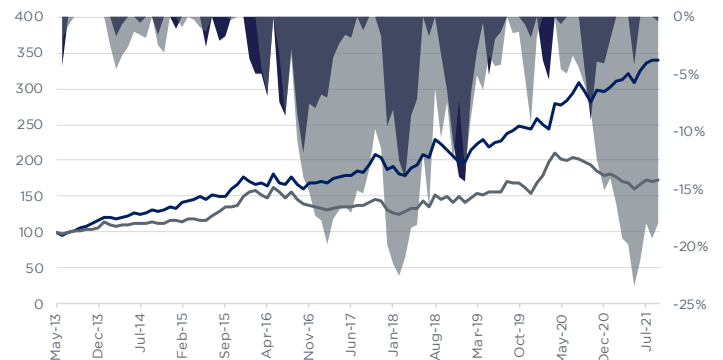
## Market Indicators

The JSE All Share Index delivered -ve 3.14% for the month of September. The All-Bond Index (ALBI) was down -ve 2.12% and the property index (J253T) returned -ve 0.78% while Inflation-linked bonds delivered +ve 0.31% and cash returned 0.31% for the month. Annual consumer price inflation was 4.90% YoY in August, up from July 2021. The local currency finished the month 4.00% weaker against the dollar at R15.05. Offshore, developed equity markets (MSCI World USD) underperformed the emerging markets (MSCI EM USD) during the month recording -ve 4.15% and -ve 3.97% respectively.

Drawdown Analysis - SA Equities & Bonds



Drawdown Analysis - World Equities & Bonds



**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

**Volatility (Standard Deviation)** 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.

**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 total risk. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance has been; i.e. a higher return with a contained risk profile, where the portfolio manager is not taking excessive risk to achieve those returns.

**Sortino ratio** measures excess return per unit of downside risk. It is calculated by dividing the difference between portfolio return and risk-free rate by the standard deviation of negative returns. A higher Sortino ratio is better.

**Alpha** is a measure of the active (excess) return on an investment. It represents the excess returns of a fund relative to the return of a suitable benchmark.

**Beta coefficient** is a measure of sensitivity of a company's stock price to movement in the broad market index. It is an indicator of a stock's systematic risk which is the undiversifiable risk inherent in the whole financial system. If the coefficient is 1, then the price of the stock or security moves with the market. If the coefficient is less than one, then the security's returns are less likely to respond to movements in the market. If the  $\beta$  coefficient is greater than 1, then the security's returns are more likely to respond to movements in the market; more volatile.

**Market Risk:** Equity markets are volatile and the price of equities fluctuate based on a number of factors such as changes in the economic climate, general movements in interest rates and the political and social environment which will also affect the value of the securities held in the CIS, thereby affecting the overall value of the CIS.

**Currency Risk / Foreign Exchange Risk:** This risk is associated with investments that are denominated in foreign currencies. When the foreign currencies fluctuate against the South African Rand, the investments face currency gains or losses.

**Concentration Risk:** CIS investment vehicle pools the assets of many investors and use the proceeds to buy a portfolio of securities. There are regulations in place which limit the amount that a CIS may invest in securities, thereby spreading the risk across securities, asset classes and companies.

**Liquidity Risk:** This relates to the ability of the CIS to trade out of a security held in the portfolio at or near to its fair value. This may impact on liquidity and in the case of foreign securities, the repatriation of funds.

**Inflation Risk:** The risk of potential loss in the purchasing power of your investment due to a general increase of consumer prices.


**Compliance Risk:** This refers to the risk of not complying with the legislation, regulations, prescribed investment limits and internal policies and procedures by the manager or the portfolio manager.

**Contact Details****Head Office**

89 Bute Lane, Sandown, Sandton, 2196

**Postal Address**


PO Box 782823, Sandton, 2146

 (0)860 065 065 011 305 2500**Website**<https://www.fedgroup.co.za/>**Enquiries**


utcontact@fedgroup.co.za

**Trustees**

FirstRand Bank Limited

 +27 (0)87 577 8730**Administrator**

Global Independent Administrators

 (010) 594 8730**Statutory Disclaimer & Notes**

This is a minimum disclosure document and a general investor report. Collective Investment Schemes are generally medium to long term investments. The value of the 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. 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. Commission and incentives may be paid and if so, will 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. Income is reinvested on the re-investment date. The 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. Income distributions are included in performance calculations prior to deduction of applicable taxes. 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. Performance numbers and graphs are sourced from Fedgroup Asset Management (Pty) Ltd. NAV to NAV figures have been used. Investment performance is for illustrative purposes only. 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 date of reinvestment. 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. Foreign securities may be included in the portfolio from time to time and as such may result in the following: potential constraints on 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. Certain investments, including futures, options, equity swaps, and other derivatives may give rise to substantial risk and might not be suitable for all investors. The daily cut off time is 14:00 for trades and the valuation point is 17:00 daily. Prices are published on Finswitch by 10:00 daily. One can also obtain additional information on Fedgroup products on the Fedgroup website and all price related queries or information is readily available on request. Fedgroup Management (Pty) Ltd is a registered Collective Investment Scheme Manager in terms of Section 5 of the Collective Investment Schemes Control Act and is a wholly owned subsidiary of Fedgroup Holdings (Pty) Ltd, a member of ASISA.

**Total Expense Ratio (TER)**

Total Expense Ratio, expressed as a percentage of the fund, is a measure of the actual expenses incurred by the fund over the past financial year and is not an indication of the current fees charged to manage the fund. The TER includes the annual management fees, performance related fees (if any) as well as audit fees, trustee fees and the VAT payable on these components. It also includes the same for any underlying funds the fund may be invested in.

Please note: 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 TER's. Transaction Costs are a necessary cost in administering the Fund and impacts Fund 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 Fund, the investment decisions of the investment manager and the TER.

**Transaction Cost (TC)**

Transaction cost expressed as a percentage of the fund, is the total cost incurred in dealing in the underlying assets of the fund, which includes buys and sells in order to change portfolio positioning or to facilitate cash flow into or out of the fund. Incurring these costs is an inevitable part of managing a unit trust portfolio. The level of such costs over any particular period should be interpreted in the context of factors such as financial market events and volatility over the same period, the style of the investment manager, cash flow profile of the fund and the type of fund. E.g. dealing costs for money market or income funds are typically materially lower than for equity funds.

**Total Investment Charge (TIC)**

The Total Investment Charge, expressed as a percentage of the fund, relates to all investment costs of the fund. It is shown as the sum of the TER and TC.

Except for money market funds, all unit trust returns are quoted net of TIC, therefore these expenses should not be deducted again from published returns. The Fund performance can therefore be assessed on a basis which already considers relative differences in TER and TC.

Effective Annual Cost: Fedgroup Management (Pty) Ltd adopted the ASISA Standard on Effective Annual Cost ("EAC"). The Effective Annual Cost measure allows you to compare charges on your investments as well as their impact on your investment returns prior to investing. For further information regarding the ASISA Standard on Effective Annual Cost (EAC) and access to the EAC calculator, please visit our website at [www.fedgroup.co.za](http://www.fedgroup.co.za).