



Daberistic Financial Services

Creating Financial Security, Prosperity and Wealth

ENHANCED BUSINESS INVESTMENT
17 July 2019
Version 9.11

Investment overview

Allan Gray Investment Platform Unit Trust

Lump sum contribution

R 5 000 000.00

Important information about the Allan Gray Investment Platform Unit Trust

- All transactions, including those on Allan Gray unit trusts, take an additional business day when compared to an investment in the Allan Gray Unit Trust product.
- Distributions made from your selected unit trusts are automatically reinvested.
- You are responsible for ensuring that the unit trusts that you are invested in suit your investment needs and risk profile.
- The return on your investment is not guaranteed. As the market value of your units may change, you carry the risk of losing capital.
- Once your investment has been processed, there is no cooling-off period and your investment cannot be cancelled. However, you may sell your units at the ruling price.
- Transactions that result in the sale of units may result in you being liable for Capital Gains Tax.
- Wherever the term 'unit trust' is used it refers to a portfolio of a Collective Investment Scheme as defined in the Collective Investment Schemes Control Act (2002).
- The information shown in the investment overview assumes that the full lump sum amount is invested at once. Your lump sum investment amount exceeds R1 000 000.00, which is the daily limit on electronic collections. If you have selected electronic collection as your method of payment your investment will be processed over more than one day and units will be bought at different daily prices.

For more product information please refer to the 'Investing in the Allan Gray Investment Platform Unit Trust' section below.

Unit trust allocation

The graph(s) shows how you have split your investment between your selected unit trust(s). The amounts shown are after any initial fees have been paid.

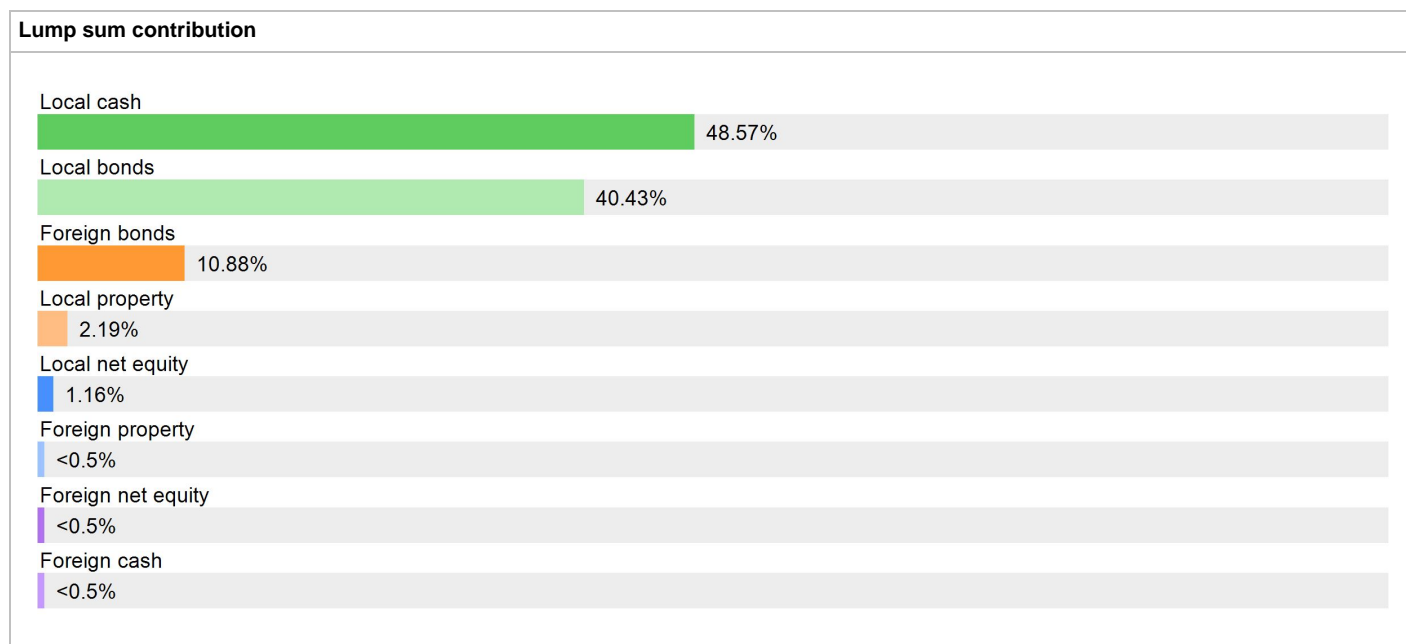
*Prescient only produces Class A1 fund factsheets. For more information on the fees applicable to the A2 fund class, please refer to the Local fund list.

Lump sum contribution

Coronation Strategic Income Fund (Class P)	R 1 500 000.00
30.00%	
Nedgroup Investments Flexible Income Fund (Class B1)	R 1 250 000.00
25.00%	
Allan Gray Money Market Fund	R 1 000 000.00
20.00%	
Prescient Income Provider Fund (Class A2)*	R 750 000.00
15.00%	
Allan Gray Bond Fund	R 500 000.00
10.00%	
Total value R 5 000 000.00	

Asset allocation

Each selected unit trust invests in different assets. The graph(s) shows how your investment is split between these assets as a result of your unit trust allocation. The asset allocation information is provided by ProfileData and is updated quarterly. The graph is based on information as at 30 June 2019.



There is no fixed period for which you have to be invested. You may switch at your discretion, subject to the 'Timeline for pricing units' section below.

Investment and unit trust past performance

In the tables below, the unit trust performance and the benchmark performance is provided by the relevant unit trust manager. Where the fee class of your selected unit trust has been in existence for less than five years and an older fee class exists, the performance shown is for the older fee class. The tables are based on information available as at 31 March 2019.

Investing in unit trusts is generally a medium to long-term investment. There is no fixed or guaranteed investment return. Your capital value is also not guaranteed, the value of your units may go down as well as up. Past performance is not necessarily a guide to the future.

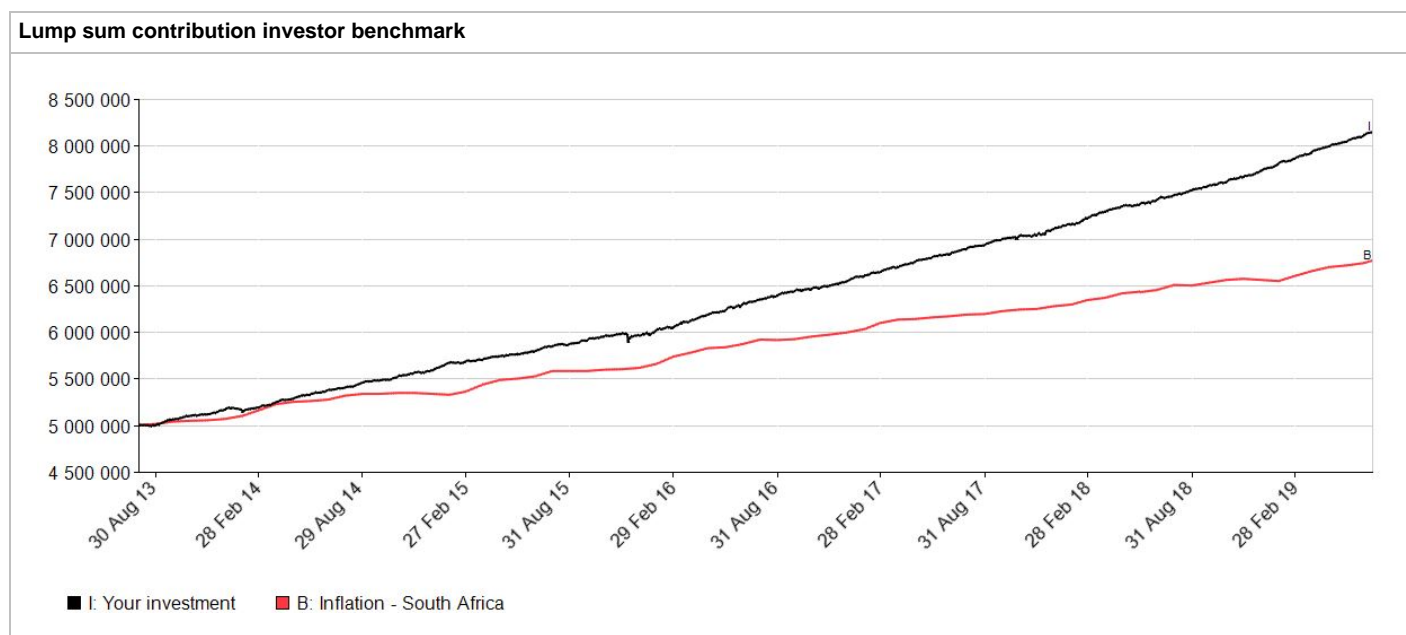
Performance figures are calculated using NAV to NAV prices net of fees, including dividends reinvested on payment date.

Lump sum contribution

% Return	Your investment	Benchmark
Latest 5 years	8.43%	4.94%
Latest 3 years	8.80%	4.80%

Benchmark: Inflation - South Africa

The graphs below show what the movement and total rand value of your lump sum contribution would have been if it had been invested six year(s) ago and all distributions were reinvested. Performance information is provided by ProfileData. Where the fee class of your selected unit trust has been in existence for less than five years and an older fee class exists, the performance shown is for the older fee class. The graphs are based on information available as at 16 July 2019.



Investment performance and risk

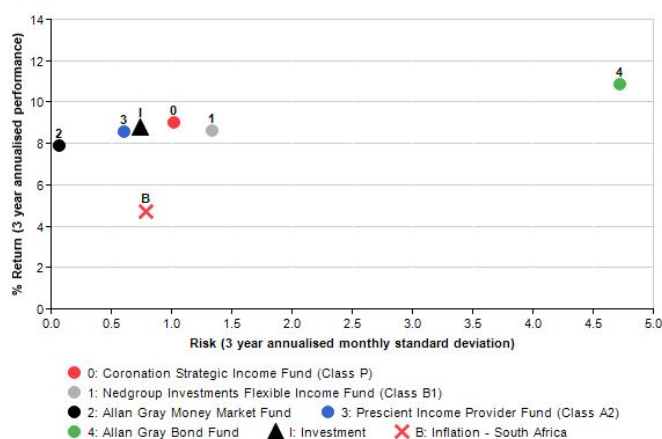
This section shows a comparison between the performance and risk of your investment, selected unit trusts and benchmark based on performance and risk information for the last three years. Performance information is provided by ProfileData. Where the fee class of your unit trust has been in existence for less than five years and an older fee class exists, the performance and risk shown is for the older fee class. The graphs are based on information available as at 16 July 2019.

Standard deviation measures historic volatility and provides an indication of expected volatility. A very volatile fund will have a high standard deviation and a stable fund a very low one. This is a statistical measure, not a percentage, calculated using monthly returns over three years and looking at how widely the data is dispersed around the mean. There is no differentiation between positive and negative performance, only an indication of the volatility of the performance.

Maximum drawdown is the maximum percentage drop in Net Asset Value (NAV) from a high NAV to a low NAV, over any period. The maximum drawdown shown is calculated for the last three years using monthly NAV and reported as a percentage.

Sortino ratio measures the performance of a unit trust relative to its negative volatility. The higher the ratio, the better the unit trust's risk adjusted performance. The calculation uses inflation as the minimal acceptable return.

**Lump sum contribution
Investment performance and risk graph**



**Lump sum contribution
Risk measures**

Unit Trust	Standard deviation	Maximum drawdown	Sortino
Allan Gray Money Market Fund	0.07	0.00	14.50
Prescient Income Provider Fund (Class A2)	0.61	0.50	21.79
Coronation Strategic Income Fund (Class P)	1.02	0.58	13.30
Allan Gray Bond Fund	4.72	3.80	2.93
Nedgroup Investments Flexible Income Fund (Class B1)	1.34	1.17	4.71
Investment	0.74	0.29	28.36
Inflation - South Africa	0.79	0.36	0.00

Financial adviser fees

The fees shown exclude VAT.

Fees agreed with your financial adviser	
Initial fees	0.00%
Annual fees	0.20%

The **fees agreed with your financial adviser** are for the financial advice and services provided by your adviser.

The **initial fee** is deducted from your contribution amount before it is allocated to your unit trust selection.

The **annual fee** is expressed as a percentage of the value of your investment. It is charged and paid, monthly in arrears, by selling some of your units.

Fees you will pay

The fees shown in this section are calculated according to the amounts you have allocated to each unit trust in your selection and the value of your initial investment. The individual fees for each unit trust are shown in the 'Fees you will pay per unit trust' section below.

The fees shown include VAT where applicable.

Annual fees expressed as a percentage of the value of your investment

Values are rounded to two decimal places.

Lump sum contribution	
Annual financial adviser fees	0.23%
Total annual administration fee	0.30%
Administration fee deducted within unit trust	0.07%
Administration fee deducted from your account	0.23%

Annual fees are expressed as a percentage of the market value of your investment account as the exact amounts are not known at this stage.

Annual administration fees are charged by Allan Gray Investment Services Proprietary Limited for ongoing administration. The fee applicable to your investment depends on the unit trusts you have selected and the value of your investment. If the amount charged for administration within the unit trust(s) exceeds the total administration fee, you will receive the excess as additional units in your account. This is shown with a "-" in the table.

Expenses included in the price of your selected unit trust(s)

These expenses are not charged as separate fees but are built into the unit price of the unit trusts you have selected. The figures shown have been calculated according to the amounts you have allocated to each unit trust in your selection. The individual fees and expenses for each unit trust are shown in the 'Annual investment management fee' and 'Total investment charge' sections below.

Unit trust expense figures are provided by Finswitch.

The fees shown include VAT where applicable. Values are rounded to two decimal places.

Lump sum contribution	
Total investment charge (TIC)	0.54%
Administration fee deducted within unit trust	0.07%
TIC for investment management	0.47%

The **Total investment charge (TIC)** is equal to the sum of the unit trust's total expense ratio (TER) and transaction costs where available. The TER is the unit trust's total expenses calculated over the last 3 years expressed as an annualised percentage of the average value of the unit trust. Since it is based on historic expenses it cannot be used to assess performance. A high TER does not necessarily mean a poor return, nor does a low TER mean a good return. Performance figures are quoted after deducting the unit trusts' TER and transaction costs.

Please refer to the 'Total investment charge' section below for more information.

Investor declaration

I confirm that the financial adviser has explained all the information provided in this investment overview and I have read and understood all the information provided.

Signature of investor

Date

Unit trust information

Asset allocation per unit trust

The table(s) is based on information as at 30 June 2019.

Lump sum contribution

Unit trust	Unit trust allocation	Local cash	Local bonds	Local property	Local net equity	Foreign cash	Foreign bonds	Foreign property	Foreign net equity
Allan Gray Bond Fund	10.00%	16.56%	83.44%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Allan Gray Money Market Fund	20.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Coronation Strategic Income Fund (Class P)	30.00%	34.44%	50.39%	4.28%	0.00%	-3.63%	13.57%	0.95%	0.00%
Nedgroup Investments Flexible Income Fund (Class B1)	25.00%	45.21%	39.53%	2.08%	4.66%	-12.15%	20.01%	0.66%	0.00%
Prescient Income Provider Fund (Class A2)	15.00%	35.19%	47.27%	2.59%	0.00%	0.07%	12.06%	0.00%	2.83%
Proportionate asset allocation		48.57%	40.43%	2.19%	1.17%	-4.12%	10.88%	0.45%	0.42%

Fees you will pay per unit trust

All values shown include VAT where applicable. Values are calculated using more decimal places than are displayed.

Unit trust	Administration fee deducted within unit trust	Administration fee deducted from your account	Total annual administration fee
Allan Gray Bond Fund	0.23%	0.00%	0.23%
Allan Gray Money Market Fund	0.23%	0.00%	0.23%
Coronation Strategic Income Fund (Class P)	0.00%	0.33%	0.33%
Nedgroup Investments Flexible Income Fund (Class B1)	0.00%	0.33%	0.33%
Prescient Income Provider Fund (Class A2)	0.00%	0.33%	0.33%

Annual administration fees for local platform accounts are charged on the market value across all local platform investments linked to your investor number. We charge an annual administration fee (excluding VAT) of a maximum of 0.5% on the first R1.5m invested, 0.2% on the next R3.5m and 0.1% on the balance over R5m. For any investments in Allan Gray unit trusts we charge a flat annual administration fee (excluding VAT) of 0.2%. In some cases a portion of the investment management fee, which is charged within a unit trust, is passed on to us for the administration we perform. We then reduce the administration fee we charge you and deduct only the outstanding portion from your account.

If the amount charged for administration within the unit trust exceeds the total administration fee, you will receive the excess as additional units in your account. This is shown with a “-” in the table above and does not include VAT.

Annual investment management fees

These are annual fees charged by each unit trust’s investment manager for investment management. They are not separate fees but are deducted within the unit trust, and are therefore accounted for in the unit trust’s published performance figures.

Investment management fee structures vary between unit trusts; fees may be fixed or based on the performance of the unit trust. If a high watermark is applied, past underperformance needs to be made up before a future performance fee is charged. Some unit trusts, such as funds of funds, invest into other underlying unit trusts that charge their own fees. When the fees of the underlying unit trusts are variable a total fee cannot be shown and the fee is displayed with a ‘+’ in the table below.

For more information on how each unit trust calculates its investment management fee, please refer to the minimum disclosure documents.

Unit trust	Minimum fee	Fee at benchmark	Maximum fee
Allan Gray Bond Fund	0.29%	0.29%	0.86%
Allan Gray Money Market Fund	0.29%	0.29%	0.29%
Coronation Strategic Income Fund (Class P)	0.52%	0.52%	0.52%
Nedgroup Investments Flexible Income Fund (Class B1)	0.58% +	0.58% +	0.58% +
Prescient Income Provider Fund (Class A2)	0.58%	0.58%	0.58%

Total investment charge (TIC)

The TIC is not charged as a separate fee but is built into the unit price of the unit trusts you have selected. All values shown include VAT where applicable.

Unit trust	TIC	Administration fee deducted within unit trust	TIC for investment management
Allan Gray Bond Fund	0.74%	0.23%	0.51%
Allan Gray Money Market Fund	0.29%	0.23%	0.06%
Coronation Strategic Income Fund (Class P)	0.54%	0.00%	0.54%
Nedgroup Investments Flexible Income Fund (Class B1)	0.64%	0.00%	0.64%
Prescient Income Provider Fund (Class A2)	0.60%	0.00%	0.60%

To compare costs across unit trusts with different fee structures, the TIC for investment management is used. This is the unit trust's latest available total investment charge (TIC) less any administration fee deducted within the unit trust for the administration we perform. The TIC is not a separate fee, but is a measure of the actual expenses incurred by the unit trust, including the investment management fee and transaction costs where available. If the actual TIC is not available, an estimate is used.

Effective Annual Cost: Investment Platform Unit Trust

The Effective Annual Cost (EAC) is a measure which has been introduced to allow you to compare the estimated impact of charges on investment returns when you invest in different Financial Products. It is expressed as an annualised percentage. The EAC is made up of four components, which are added together, as shown in the table below. The effect of some of the charges may vary, depending on your investment period. The EAC calculation assumes that an investor terminates his or her investment in the Financial Product at the end of the relevant periods shown in the table.

Impact of Charges ¹	1 Year	3 Years	5 Years	10 Years
Investment Management ²	0.47%	0.47%	0.47%	0.47%
Advice	0.23%	0.23%	0.23%	0.23%
Administration ³	0.32%	0.31%	0.30%	0.29%
Other	0.00%	0.00%	0.00%	0.00%
Effective Annual Cost	1.02%	1.01%	1.00%	0.99%

1. The calculation of the EAC takes account of inflation and includes value-added tax (VAT) where applicable.
2. This is a weighted total investment charge (TIC). Any applicable investment manager rebates* have been deducted and the weighting is according to the unit trust(s) you have selected. The TIC is equal to the total expense ratio (TER) plus transaction costs. If the actual TER or transaction costs are not available, an estimate is used so that the TIC is still as accurate as possible.
3. This is Allan Gray's total administration fee, inclusive of any administration fees charged within the unit trust(s), and the administration fee deducted from your account.

* Where administration fees are charged within the unit trust itself, the manager passes these fees on to us in the form of a fund manager rebate for the administration that we do.

Investing in unit trusts via the Allan Gray Investment Platform

The Allan Gray Investment Platform provides access to a focused range of unit trusts from Allan Gray and other investment managers. You can invest in unit trusts for most of your financial goals, from saving for longer-term needs, to meeting your shorter-term objectives. You should make sure your selection meets your investment needs and risk profile.

Your selected unit trusts invest into various asset classes such as equities, bonds, property and cash, in line with their investment mandates. These underlying assets have different levels of risk and return associated with them. You should carefully consider the composition of your investment to make sure it is appropriate for your goals. Too high a proportion of volatile assets, such as equities, means you could face a greater risk of losing capital. On the other hand, as risky

assets often carry higher potential for returns, too low a proportion could result in returns that don't meet your investment goals.

It is a good idea to review your investment regularly. You may change your unit trust selection at any time.

Contact details

Please contact our Client Service Centre on 0860 000 654 or +27 (0) 21 415 2301, email info@allangray.co.za or visit www.allangray.co.za

For more information, see the **Terms and conditions of your investment** available online at www.allangray.co.za

Fund description and summary of investment policy

The Fund invests in South African interest bearing securities. Securities include national government, parastatal, municipal, corporate bonds and money market instruments. The Fund price is sensitive to interest rate movements because of the long-term nature of the Fund's investments. The duration of the Fund may differ materially from the benchmark. The Fund is managed to comply with investment limits governing retirement funds.

ASISA unit trust category: South African – Interest Bearing – Variable Term

Fund objective and benchmark

The Fund aims to provide investors with a real return over the long-term and outperform the JSE All Bond Index at no greater risk.

How we aim to achieve the Fund's objective

We formulate a view of the long-term inflation rate. This forecast together with an estimate of a reasonable real return requirement for bond investors is used to determine a fair value for the various bonds in the South African market. The assets in the Fund are then optimised to give investors the highest returns based on the managers' fair value estimates.

Suitable for those investors who

- Seek a bond 'building block' for a diversified multi-asset class portfolio
- Are looking for returns in excess of those provided by money market or cash investments
- Are prepared to accept more risk of capital depreciation than in a money market or cash investment

Minimum investment amounts

Minimum lump sum per investor account	R20 000
Additional lump sum	R500
Minimum debit order*	R500

*Only available to investors with a South African bank account.

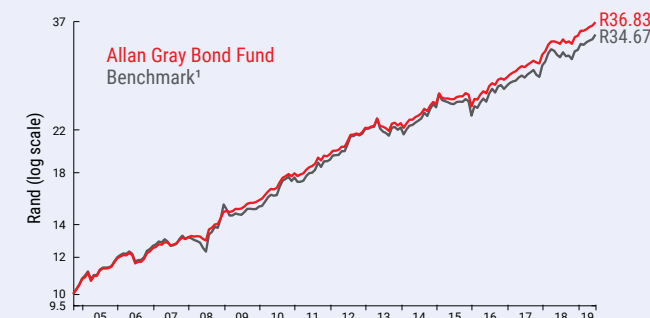
Fund information on 30 June 2019

Fund size	R1.9bn
Number of units	162 068 764
Price (net asset value per unit)	R11.60
Fund duration (years)	5.0
Gross yield (before fees)	9.1
Class	A

- JSE All Bond Index (source: IRESS), performance as calculated by Allan Gray as at 30 June 2019.
- This is based on the latest numbers published by IRESS as at 31 May 2019.
- Maximum percentage decline over any period. The maximum drawdown occurred from 30 January 2015 to 11 December 2015 and maximum benchmark drawdown occurred from 29 January 2015 to 11 December 2015. Drawdown is calculated on the total return of the Fund/benchmark (i.e. including income).
- The percentage of calendar months in which the Fund produced a positive monthly return since inception.
- The standard deviation of the Fund's monthly return. This is a measure of how much an investment's return varies from its average over time.
- These are the highest or lowest consecutive 12-month returns since inception. This is a measure of how much the Fund and the benchmark returns have varied per rolling 12-month period. The Fund's highest annual return occurred during the 12 months ended 31 January 2015 and the benchmark's occurred during the 12 months ended 31 January 2015. The Fund's lowest annual return occurred during the 12 months ended 31 January 2016 and the benchmark's occurred during the 12 months ended 31 January 2016. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.

Performance net of all fees and expenses

Value of R10 invested at inception with all distributions reinvested



% Returns	Fund	Benchmark ¹	CPI inflation ²
Cumulative:			
Since inception (1 October 2004)	268.3	246.7	126.7
Annualised:			
Since inception (1 October 2004)	9.2	8.8	5.7
Latest 10 years	9.4	9.0	5.2
Latest 5 years	9.4	8.6	5.0
Latest 3 years	10.8	9.9	4.8
Latest 2 years	11.4	10.9	4.4
Latest 1 year	11.0	11.5	4.5
Year-to-date (not annualised)	6.8	7.6	2.2
Risk measures (since inception)			
Maximum drawdown ³	-11.7	-14.4	n/a
Percentage positive months ⁴	72.3	68.4	n/a
Annualised monthly volatility ⁵	5.3	7.1	n/a
Highest annual return ⁶	18.0	21.2	n/a
Lowest annual return ⁶	-2.6	-5.6	n/a

Meeting the Fund objective

Since inception and over the latest 10 years and five-year periods, the Fund has outperformed its benchmark. The Fund has provided returns in excess of CPI inflation for all three periods. The Fund aims to take no greater risk than its benchmark. The maximum drawdown and lowest annual return numbers, in the 'Performance net of all fees and expenses' table, show that the Fund has successfully reduced downside risk in periods of negative market returns.

Income distributions for the last 12 months

Actual payout, the Fund distributes quarterly	30 Sep 2018	31 Dec 2018	31 Mar 2019	30 Jun 2019
Cents per unit	23.2524	24.9249	22.9318	23.9501

Annual management fee

The fee rate is calculated daily by comparing the Fund's total performance over the last year, to that of the benchmark adjusted for Fund expenses and cash flows.

Minimum fee: 0.25% p.a. excl. VAT

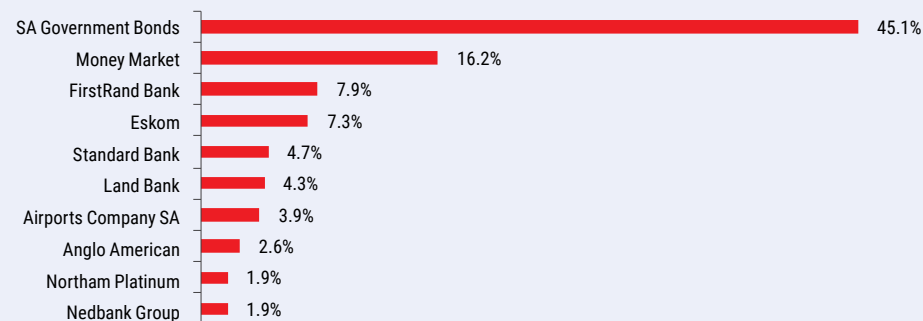
If the Fund outperforms its benchmark, for each percentage of performance above the benchmark we add 0.25% to the minimum fee to a maximum fee of 0.75% p.a. excl. VAT. The fee rate is applied to the daily value of the Fund.

Total expense ratio (TER) and Transaction costs

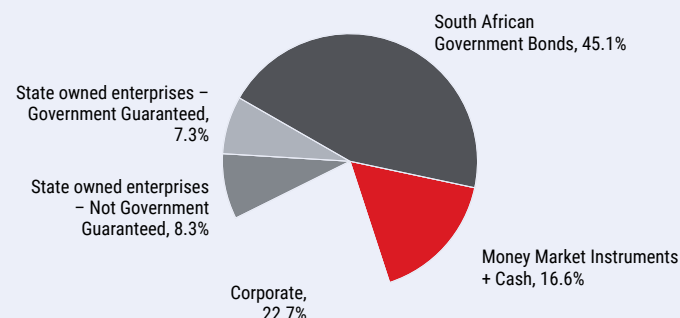
The annual management fee is included in the TER. The TER is a measure of the actual expenses incurred by the Fund over a one and three-year period (annualised). Since Fund returns are quoted after deduction of these expenses, the TER should not be deducted from the published returns (refer to page 4 for further information). Transaction costs are disclosed separately.

TER and Transaction costs breakdown for the 1 and 3-year period ending 30 June 2019	1yr %	3yr %
Total expense ratio	0.81	0.73
Fee for benchmark performance	0.25	0.25
Performance fees	0.44	0.37
Other costs excluding transaction costs	0.01	0.02
VAT	0.11	0.09
Transaction costs (including VAT)	0.00	0.00
Total investment charge	0.81	0.73

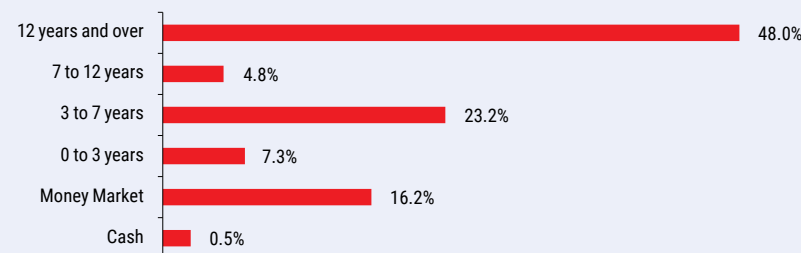
Top 10 credit exposures on 30 June 2019



Asset allocation on 30 June 2019



Maturity profile on 30 June 2019



Note: There may be slight discrepancies in the totals due to rounding.

North is seldom obvious in the midst of a storm, but the future direction of investment markets feels particularly uncertain. One indication of this uncertainty is that it has become surprisingly easy to provide compelling arguments for diverging bond views.

Global bond bulls argue for lower yields for longer due to deflationary demographic, debt and technology trends. On the other hand, bears point to current abnormalities, such as negative bond yields, a boom in junk-rated corporate credit and overconfident central bankers. South African bond bulls focus on high real yields, stable inflation and excessive pessimism. Just as convincing, South African bond bears have an armoury of ammunition following South Africa's decade of economic divergence: high government debt, bankrupt and incompetent state-owned enterprises, negative per-capita economic growth and deteriorating intellectual, political and physical capital, to name a few.

Given the right advocate, all of the above arguments make sense. It is, however, unlikely that divergent outcomes will remain equally probable. Instead, reality is likely to deteriorate or improve, with different investment consequences. Unless one has a crystal ball, investors are being asked to "pick their poison" and accept the associated pain, should the future turn out different.

Our poison is to position the Fund for the middle path, despite this being the least probable actual outcome. By doing so, we accept that the Fund will likely underperform on a relative basis if the bond bulls turn out to be right, or experience poor absolute returns if the bond bears are correct.

We have chosen this path because we cannot predict future macroeconomic outcomes. Instead, our goal is to improve the probability of reasonable absolute

returns across a variety of scenarios. Practically, this means the duration of the Fund is lower than the All Bond Index, the average yield of the Fund is close to the Index yield, and a high percentage of the Fund remains invested in liquid money market instruments and government bonds to allow the Fund to respond to opportunities.

Duration was marginally lowered over the quarter. The most notable development was steepening of the South African bond curve as the market priced in short-term interest rate cuts, while long-term rates bore the brunt of weak fiscal conditions. For some time, we have believed longer duration bonds offer the best relative value. In hindsight, this turned out to be a mistake or too early. The recent curve steepening further reinforces our preference for a combination of long-duration government bonds, short-duration money market, and mid-duration fixed-rate corporate credit.

New appointments

We recently welcomed two new fixed-income portfolio managers: Thalia Petousis and Londa Nxumalo. Thalia has over seven years' experience in fixed interest and joined Allan Gray in 2015 as a fixed-interest trader. She will co-manage the Allan Gray Money Market Fund. Londa also has seven years' investment experience and joined Allan Gray in 2017. She will co-manage the Allan Gray Bond Fund.

Both managers have proven to be invaluable members of the investment team, and their expanded roles will allow our clients to benefit further from their expertise.

Commentary contributed by Mark Dunley-Owen

Fund manager quarterly commentary as at 30 June 2019

Management Company

Allan Gray Unit Trust Management (RF) Proprietary Limited (the 'Management Company') is registered as a management company under the Collective Investment Schemes Control Act 45 of 2002, in terms of which it operates 11 unit trust portfolios under the Allan Gray Unit Trust Scheme, and is supervised by the Financial Sector Conduct Authority ('FSCA'). The Management Company is incorporated under the laws of South Africa and has been approved by the regulatory authority of Botswana to market its unit trusts in Botswana, however it is not supervised or licensed in Botswana. Allan Gray Proprietary Limited (the 'Investment Manager'), an authorised financial services provider, is the appointed Investment Manager of the Management Company and is a member of the Association for Savings & Investment South Africa ('ASISA'). The trustee/custodian of the Allan Gray Unit Trust Scheme is Rand Merchant Bank, a division of FirstRand Bank Limited. The trustee/custodian can be contacted at RMB Custody and Trustee Services: Tel: +27 (0)87 736 1732 or www.rmb.co.za

Performance

Collective Investment Schemes in Securities (unit trusts or funds) are generally medium- to long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to future performance. The Management Company does not provide any guarantee regarding the capital or the performance of the Fund. Performance figures are provided by the Investment Manager and are for lump sum investments with income distributions reinvested. Where annualised performance is mentioned, this refers to the average return per year over the period. Actual investor performance may differ as a result of the investment date, the date of reinvestment and applicable taxes.

Fund mandate

The Fund may be closed to new investments at any time in order to be managed according to its mandate. Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. The Fund may borrow up to 10% of its market value to bridge insufficient liquidity.

Unit price

Unit trust prices are calculated on a net asset value basis, which is the total market value of all assets in the Fund including any income accruals and less any permissible deductions from the Fund divided by the number of units in issue. Forward pricing is used and fund valuations take place at approximately 16:00 each business day. Purchase and redemption requests must be received by the Management Company by 14:00 each business day to receive that day's price. Unit trust prices are available daily on www.allangray.co.za

Yield

The Allan Gray Bond Fund yield is current, calculated as at month-end.

Fees

Permissible deductions may include management fees, brokerage, Securities Transfer Tax (STT), auditor's fees, bank charges and trustee fees. A schedule of fees, charges and maximum commissions is available on request from Allan Gray.

Total expense ratio (TER) and Transaction costs

The total expense ratio (TER) is the annualised percentage of the Fund's average assets under management that has been used to pay the Fund's actual expenses over the past one and three-year periods. The TER includes the annual management fees that have been charged (both the fee at benchmark and any performance component charged), VAT and other expenses like audit and trustee fees. Transaction costs (including brokerage, Securities Transfer Tax [STT], STRATE and Investor Protection Levy and VAT thereon) are shown separately. Transaction costs are a necessary cost in administering the Fund and impact Fund returns. They 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. Since Fund returns are quoted after the deduction of these expenses, the TER and Transaction costs should not be deducted again from published returns. As unit trust expenses vary, the current TER cannot be used as an indication of future TERs. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. Instead, when investing, the investment objective of the Fund should be aligned with the investor's objective and compared against the performance of the Fund. The TER and other funds' TERs should then be used to evaluate whether the Fund performance offers value for money. The sum of the TER and Transaction costs is shown as the Total investment charge ('TIC').

Compliance with Regulation 28

The Fund is managed to comply with Regulation 28 of the Pension Funds Act. Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within a reasonable time period. The Management Company does not monitor compliance by retirement funds with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28).

Important information for investors

Need more information?

You can obtain additional information about your proposed investment from Allan Gray free of charge either via our website www.allangray.co.za or via our Client Service Centre on **0860 000 654**.

Fund description and summary of investment policy

The Fund invests in South African money market instruments with a term shorter than 13 months. These instruments can be issued by government, parastatals, corporates and banks. The Fund is managed to comply with regulations governing retirement funds.

While capital losses are unlikely, they can occur if, for example, one of the issuers of an instrument held by the Fund defaults. In this event losses will be borne by the Fund and its investors.

ASISA unit trust category: South African – Interest Bearing – Money Market

Fund objective and benchmark

The Fund aims to preserve capital, maintain liquidity and generate a sound level of income. The Fund's benchmark is the Alexander Forbes Short Term Fixed Interest (STeFI) Composite Index.

How we aim to achieve the Fund's objective

The Fund invests in selected money market instruments providing an income yield and a high degree of capital stability. We formulate an interest rate outlook, which is influenced by our inflation outlook and expectations of the resulting Reserve Bank policy response. Based on this analysis, we select investments for the Fund. These assets are typically held to maturity. We take a conservative approach to credit risk.

Suitable for those investors who

- Require monthly income distributions
- Are highly risk-averse but seek returns higher than bank deposits
- Need a short-term investment account

Minimum investment amounts

Minimum lump sum per investor account	R20 000
Additional lump sum	R500
Minimum debit order*	R500

*Only available to investors with a South African bank account.

Fund information on 30 June 2019

Fund size	R19.9bn
Number of units	19 760 983 065
Price (net asset value per unit)	R1.00
Monthly yield at month end	0.63
Fund duration (days)	87.9
Fund weighted average maturity (days)	118.9
Class	A

- The current benchmark is the Alexander Forbes Short Term Fixed Interest (STeFI) Composite Index. Since inception to 31 March 2003, the benchmark was the Alexander Forbes 3-Month Deposit Index. From 1 April 2003 to 31 October 2011 the benchmark was the Domestic Fixed Interest Money Market Collective Investment Scheme sector excluding the Allan Gray Money Market Fund, performance as calculated by Allan Gray as at 30 June 2019.
- This is based on the latest numbers published by IRESS as at 31 May 2019.
- These are the highest or lowest consecutive 12-month returns since inception. This is a measure of how much the Fund and the benchmark returns have varied per rolling 12-month period. The Fund's highest annual return occurred during the 12 months ended 31 July 2003 and the benchmark's occurred during the 12 months ended 31 July 2003. The Fund's lowest annual return occurred during the 12 months ended 30 September 2013 and the benchmark's occurred during the 12 months ended 31 October 2013. All rolling 12-month figures for the Fund and the benchmark are available from our Client Service Centre on request.

Income distribution for the last 12 months

Actual payout (cents per unit), the Fund distributes monthly

Jul 2018	Aug 2018	Sep 2018	Oct 2018
0.63	0.63	0.61	0.64
Nov 2018	Dec 2018	Jan 2019	Feb 2019
0.62	0.64	0.65	0.59
Mar 2019	Apr 2019	May 2019	Jun 2019
0.65	0.63	0.65	0.63

Performance net of all fees and expenses

% Returns	Fund	Benchmark ¹	CPI inflation ²
Cumulative:			
Since inception (1 July 2001)	300.1	291.4	165.4
Annualised:			
Since inception (1 July 2001)	8.0	7.9	5.6
Latest 10 years	6.7	6.5	5.2
Latest 5 years	7.4	7.1	5.0
Latest 3 years	7.9	7.4	4.8
Latest 2 years	7.8	7.3	4.4
Latest 1 year	7.8	7.3	4.5
Year-to-date (not annualised)	3.8	3.6	2.2
Risk measures (since inception)			
Highest annual return ³	12.8	13.3	n/a
Lowest annual return ³	5.2	5.2	n/a

Meeting the Fund objective

The Fund has preserved capital, maintained liquidity and generated a sound level of income.

Annual management fee

A fixed fee of 0.25% p.a. excl. VAT

Total expense ratio (TER) and Transaction costs

The annual management fee is included in the TER. The TER is a measure of the actual expenses incurred by the Fund over a one and three-year period (annualised). Since Fund returns are quoted after deduction of these expenses, the TER should not be deducted from the published returns (refer to page 4 for further information). Transaction costs are disclosed separately.

TER and Transaction costs breakdown for the 1 and 3-year period ending 30 June 2019	1yr %	3yr %
Total expense ratio	0.29	0.29
Annual management fee	0.25	0.25
Other costs excluding transaction costs	0.00	0.00
VAT	0.04	0.04
Transaction costs (including VAT)	0.00	0.00
Total investment charge	0.29	0.29

Exposure by issuer on 30 June 2019

	% of portfolio
Government and parastatals	8.5
Republic of South Africa	8.5
Corporates	13.1
Sanlam	2.5
Shoprite	2.2
Life Healthcare Group	2.1
Pick 'n Pay	2.0
Mercedes-Benz	1.8
Toyota Financial Services	1.3
The Thekwini Warehousing Conduit	0.8
Telkom	0.4
Banks⁴	78.5
Nedbank	19.5
Absa Bank	17.0
Investec Bank	15.4
Standard Bank	14.2
FirstRand Bank	12.4
Total (%)	100.0

4. Banks include negotiable certificates of deposit (NCDs), fixed deposits and call deposits.

Note: There may be slight discrepancies in the totals due to rounding.

In last quarter's Fund commentary, we discussed our view that money market yields were unusually attractive due to high interest rates combined with low inflation. We didn't expect this to last. The decline started this quarter as the market started to price in future interest rate cuts, meaning the Fund is reinvesting cash at lower yields than recent years. We expect future Fund returns to drop but remain attractive relative to 4.5% inflation.

South Africa needs higher economic growth to move forward. Lower rates are often cited as the easiest solution, in the hope that this encourages borrowing and injects money into the economy. We agree that real rates are too high in South Africa and believe that rates will be cut by more than the market expects. There are few signs of global inflation, with global bonds signalling the opposite as developed market yields fall back towards zero. Local inflation remains similarly benign, despite external volatility caused by input prices and the exchange rate. This, plus growth challenges, suggests increasing pressure on the Reserve Bank to lower rates.

Unfortunately, we doubt that lower rates will have a meaningful impact on growth, even if we are right about aggressive rate cuts. A more lasting solution is to correct the structural deficiencies plaguing the economy. However, such actions are unpopular since they require a short-term cost to pay for long-term gain. Allan Gray's philosophy of prioritising the long term over the

short term applies to economic policies as well as investing, meaning we strongly favour a focus on improving the supply side of the economy despite the short-term pain. We are not policy nor macroeconomic experts, but there is sufficient low-hanging fruit among the country's many challenges to have a meaningful impact.

Over the quarter, the Fund favoured fixed-rate and longer-maturity instruments that should delay the impact of lower rates.

New appointments

We recently welcomed two new fixed-income portfolio managers: Thalia Petousis and Londa Nxumalo. Thalia has over seven years' experience in fixed interest and joined Allan Gray in 2015 as a fixed-interest trader. She will co-manage the Allan Gray Money Market Fund. Londa also has seven years' investment experience and joined Allan Gray in 2017. She will co-manage the Allan Gray Bond Fund.

Both managers have proven to be invaluable members of the investment team, and their expanded roles will allow our clients to benefit further from their expertise.

Commentary contributed by Mark Dunley-Owen

**Fund manager quarterly
commentary as at
30 June 2019**

Management Company

Allan Gray Unit Trust Management (RF) Proprietary Limited (the 'Management Company') is registered as a management company under the Collective Investment Schemes Control Act 45 of 2002, in terms of which it operates 11 unit trust portfolios under the Allan Gray Unit Trust Scheme, and is supervised by the Financial Sector Conduct Authority ('FSCA'). The Management Company is incorporated under the laws of South Africa and has been approved by the regulatory authority of Botswana to market its unit trusts in Botswana, however it is not supervised or licensed in Botswana. Allan Gray Proprietary Limited (the 'Investment Manager'), an authorised financial services provider, is the appointed Investment Manager of the Management Company and is a member of the Association for Savings & Investment South Africa ('ASISA'). The trustee/custodian of the Allan Gray Unit Trust Scheme is Rand Merchant Bank, a division of FirstRand Bank Limited. The trustee/custodian can be contacted at RMB Custody and Trustee Services: Tel: +27 (0)87 736 1732 or www.rmb.co.za

Performance

Collective Investment Schemes in Securities (unit trusts or funds) are generally medium- to long-term investments. The value of units may go down as well as up and past performance is not necessarily a guide to future performance. The Management Company does not provide any guarantee regarding the capital or the performance of the Fund. Performance figures are provided by the Investment Manager and are for lump sum investments with income distributions reinvested. Where annualised performance is mentioned, this refers to the average return per year over the period. Actual investor performance may differ as a result of the investment date, the date of reinvestment and applicable taxes.

The Allan Gray Money Market Fund is not a bank deposit account

The Fund aims to maintain a constant price of 100 cents per unit. The total return an investor receives is made up of interest received and any gain or loss made on instruments held by the Fund. While capital losses are unlikely, they can occur if, for example, one of the issuers of an instrument defaults. In this event investors may lose some of their capital. To maintain a constant price of 100 cents per unit, investors' unit holdings will be reduced to the extent of such losses. The yield is calculated according to ASISA standards. Excessive withdrawals from the Fund may place it under liquidity pressure; if this happens withdrawals may be ring-fenced and managed over a period of time.

Purchase and redemption requests must be received by the Management Company by 14:00 each business day to receive that day's price. Unit trust prices are available daily on www.allangray.co.za

Fees

Permissible deductions may include management fees, brokerage, Securities Transfer Tax (STT), auditor's fees, bank charges and trustee fees. A schedule of fees, charges and maximum commissions is available on request from Allan Gray.

Total expense ratio (TER) and Transaction costs

The total expense ratio (TER) is the annualised percentage of the Fund's average assets under management that has been used to pay the Fund's actual expenses over the past one and three-year periods. The TER includes the annual management fees that have been charged (both the fee at benchmark and any performance component charged), VAT and other expenses like audit and trustee fees. Transaction costs (including brokerage, Securities Transfer Tax [STT], STRATE and Investor Protection Levy and VAT thereon) are shown separately. Transaction costs are a necessary cost in administering the Fund and impact Fund returns. They 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. Since Fund returns are quoted after the deduction of these expenses, the TER and Transaction costs should not be deducted again from published returns. As unit trust expenses vary, the current TER cannot be used as an indication of future TERs. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. Instead, when investing, the investment objective of the Fund should be aligned with the investor's objective and compared against the performance of the Fund. The TER and other funds' TERs should then be used to evaluate whether the Fund performance offers value for money. The sum of the TER and Transaction costs is shown as the Total investment charge ('TIC').

Compliance with Regulation 28

The Fund is managed to comply with Regulation 28 of the Pension Funds Act. Exposures in excess of the limits will be corrected immediately, except where due to a change in the fair value or characteristic of an asset, e.g. market value fluctuations, in which case they will be corrected within a reasonable time period. The Management Company does not monitor compliance by retirement funds with section 19(4) of the Pension Funds Act (item 6 of Table 1 to Regulation 28).

Important information for investors

Need more information?

You can obtain additional information about your proposed investment from Allan Gray free of charge either via our website www.allangray.co.za or via our Client Service Centre on **0860 000 654**.

CORONATION STRATEGIC INCOME FUND

Fund Information as at 31 May 2019

WHAT IS THE FUND'S OBJECTIVE?

Strategic Income aims to achieve a higher return than a traditional money market or pure income fund.

WHAT DOES THE FUND INVEST IN?

Strategic Income can invest in a wide variety of assets, such as cash, government and corporate bonds, inflation-linked bonds and listed property, both in South Africa and internationally.

As great care is taken to protect the fund against loss, Strategic Income does not invest in ordinary shares and its combined exposure to locally listed property (typically max. 10%), local preference shares (typically max. 10%), local hybrid instruments (typically max. 5%) and international assets (typically max. 10%) would generally not exceed 25% of the fund.

The fund has a flexible mandate with no prescribed maturity or duration limits for its investments. The fund is mandated to use derivative instruments for efficient portfolio management purposes.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Risk Profile



2/10

Conservative

Maximum growth/ minimum income exposures



■ Growth Assets: 25%

□ Income Assets: 75%

Strategic Income is tactically managed to secure an attractive return, while protecting capital.

Its investments are carefully researched by a large and experienced investment team and subjected to a strict risk management process. The fund is actively positioned to balance long-term strategic positions with shorter-term tactical opportunities to achieve the best possible income.

While the fund is managed in a conservative and defensive manner, there are no guarantees it will always outperform cash over short periods of time. Capital losses are possible, especially in the case of negative credit events affecting underlying holdings.

HOW LONG SHOULD INVESTORS REMAIN INVESTED?

The recommended investment term is 12-months and longer. The fund's exposure to growth assets like listed property and preference shares will cause price fluctuations from day to day, making it unsuitable as an alternative to a money market fund over very short investment horizons (12-months and shorter). Note that the fund is also less likely to outperform money market funds in a rising interest rate environment.

Given its limited exposure to growth assets, the fund is not suited for investment terms of longer than five years.

WHO SHOULD CONSIDER INVESTING IN THE FUND?

Investors who

- are looking for an intelligent alternative to cash or bank deposits over periods from 12 to 36 months;
- seek managed exposure to income generating investments;
- are believers in the benefits of active management within the fixed interest universe.

WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of 0.45% (excl. VAT) is payable.

Fund expenses that are incurred in the fund include trading, custody and audit charges. All performance information is disclosed after deducting all fees and other fund costs.

We do not charge fees to access or withdraw from the fund.

More detail is available on www.coronation.com.

WHO ARE THE FUND MANAGERS?



NISHAN MAHARAJ

BSc (Hons), MBA



MAURO LONGANO

BScEng (Hons), CA (SA)

GENERAL FUND INFORMATION

Fund Launch Date	2 July 2001
Fund Class	P (previously class B4)
Class Launch Date	1 October 2012
Benchmark	110% of STeFI 3-month index
Fund Category	South African – Multi-asset – Income
Regulation 28	Complies
Income Distribution	Quarterly (March, June, September, December)
Bloomberg Code	CORSTB4
ISIN Code	ZAE000170403

CORONATION STRATEGIC INCOME FUND

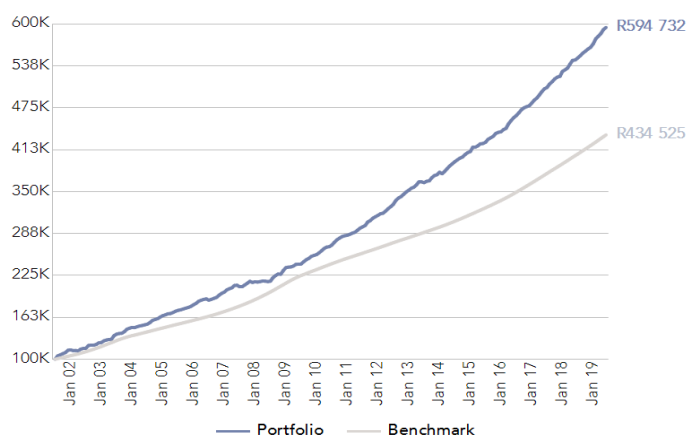
CLASS P as at 31 May 2019

Fund category	South African - Multi Asset - Income
Launch date	01 October 2012
Fund size	R39.64 billion
NAV	1574.36 cents
Benchmark/Performance	110% of the STeFI 3-month Index
Fee Hurdle	
Portfolio manager/s	Nishan Maharaj and Mauro Longano

Total Expense Ratio	1 Year	3 Year
Fund management fee	0.53%	0.53%
Fund expenses	0.45%	0.45%
VAT	0.03%	0.03%
Transaction costs (inc. VAT)	0.06%	0.06%
Total Investment Charge	0.02%	0.01%
	0.55%	0.54%

PERFORMANCE AND RISK STATISTICS

GROWTH OF A R100,000 INVESTMENT (AFTER FEES)



PERFORMANCE AND MODIFIED DURATION (AFTER FEES)

	Fund	Benchmark	Active Return
Since Launch (unannualised)	494.7%	334.5%	160.2%
Since Launch (annualised)	10.5%	8.5%	1.9%
Latest 15 years (annualised)	9.6%	7.9%	1.7%
Latest 10 years (annualised)	9.4%	6.9%	2.5%
Latest 5 years (annualised)	8.7%	7.4%	1.3%
Latest 3 years (annualised)	8.9%	7.8%	1.1%
Latest 1 year	8.9%	7.6%	1.2%
Year to date	4.3%	3.1%	1.1%

	Fund
Modified Duration	1.4
Modified Duration (ex Inflation Linkers)	1.0
Yield	8.7%

RISK STATISTICS SINCE LAUNCH

	Fund	Benchmark
Annualised Deviation	2.5%	0.7%
Sharpe Ratio	0.92	N/A
Maximum Gain	60.8%	N/A
Maximum Drawdown	(1.3)%	N/A
Positive Months	93.5%	N/A

	Fund	Date Range
Highest annual return	18.7%	Nov 2002 - Oct 2003
Lowest annual return	2.6%	Jun 2007 - May 2008

MONTHLY PERFORMANCE RETURNS (AFTER FEES)

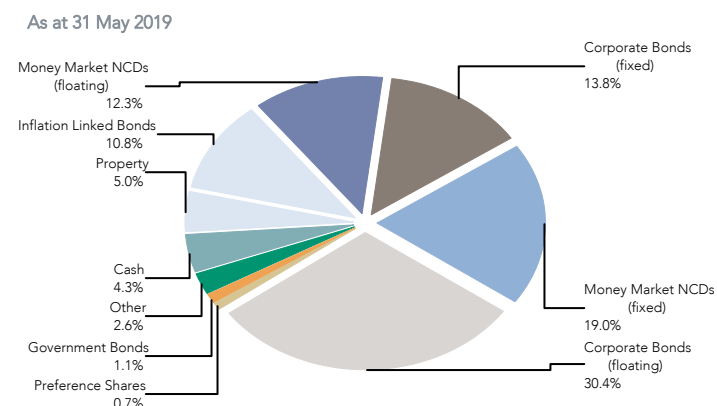
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2019	1.3%	0.6%	0.7%	1.0%	0.6%								4.3%
Fund 2018	0.4%	0.5%	1.2%	1.0%	0.1%	0.6%	0.6%	0.7%	0.5%	0.6%	0.4%	0.9%	7.7%
Fund 2017	0.9%	0.6%	1.0%	1.0%	0.8%	0.4%	1.0%	0.7%	0.8%	0.5%	0.2%	1.4%	9.8%

PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 May 2019
Domestic Assets	89.6%
Cash	37.5%
Bonds	49.8%
Listed Property	4.3%
Preference Shares	0.7%
Other (Currency Futures)	(2.7)%
International Assets	10.4%
Cash	1.5%
Bonds	8.1%
Property	0.7%

PORTFOLIO COMPOSITION



INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
29 Mar 2019	01 Apr 2019	30.68	0.89	29.78
31 Dec 2018	02 Jan 2019	32.87	1.19	31.68
28 Sep 2018	01 Oct 2018	28.70	0.84	27.86
29 Jun 2018	02 Jul 2018	33.51	1.08	32.43

Please note that the commentary is for the retail class of the fund.

The fund returned 0.52% in May, bringing its total return to 8.38% for the 12-month period. This is ahead of the returns delivered by cash (6.9%) and its benchmark (7.6%) over the same one-year period.

Local bonds put in a muted performance during the month of May with the All Bond Total Return Index returning 0.64% and bringing its year-to-date return to 5.26%. The yield curve, however, did steepen quite aggressively over the course of the month, with the long-end (12+ years) consequently underperforming further and returning just 0.41%. After a strong performance in March, inflation-linked bonds (ILBs) retraced some of their gains with a negative return of 0.9%. Cash returns were stable and returned 0.61% for the month.

After a tentative improvement in April, incoming data in May predominantly pointed towards a softening of the global growth environment in the second quarter of 2019 (Q2-19), with manufacturing and financial conditions deteriorating across most major economies. Contributing to this downturn was a notable resurgence in trade and geopolitical tensions with the US not only ratcheting the pressure considerably up on China, by raising tariffs to 25% on \$200 billion of Chinese imports, but also opening new fronts against Mexico and India. Beyond this, headlines were dominated by fresh political turmoil in the UK, culminating in the resignation of Prime Minister Theresa May and the outcome of EU parliamentary elections.

The rand was down 1.9% over the month, ending at 14.58 to the US dollar. Sentiment towards South Africa (SA) continues to swing with emerging market sentiment. In the months following the SA election, the performance of the rand has been led by SA's idiosyncratic issues, specifically lower growth and further fiscal deterioration. The fund maintains its healthy exposure to offshore assets, and, when valuations are stretched, it will hedge/unhedge portions of its exposure back into rands/dollars by selling/buying JSE-traded currency futures (US dollar, UK pound and euro). These instruments are used to adjust the fund's exposure synthetically, allowing it to maintain its core holdings in offshore assets. (It has the added benefit of enhancing the fund's yield when bringing offshore exposure back to rand).

In the US, the second reading for the first quarter of 2019 (Q1-19) GDP was revised down to 3.1% quarter-on-quarter (q/q) from the preliminary reading of 3.2% q/q. While this wasn't a major revision, it was notable that corporate profits were down -2.8% q/q, which was the second consecutive quarterly decline. Other high-frequency data showed a turn for the worse in April. Retail sales numbers disappointed with a meagre 0.1% year-on-year (y/y) print, while industrial production contracted by 0.5% month-on-month (m/m). And, though the unemployment rate improved, down to 3.6% from 3.8%, underlying wage pressures remained muted with average hourly earnings coming in softer-than-expected at 0.2% m/m.

US headline CPI for April increased to 2% y/y from 1.9% y/y in March, while core inflation also rose to 2.1% y/y. Beyond firmer housing costs, however, the underlying data pointed to broad-based weakness with apparel prices remaining in deflation. This lack of inflationary impulse in the economy was further confirmed by core personal consumption expenditure inflation again printing at a meagre 1.6% y/y. Though the latest Federal Open Market Committee (FOMC) meeting indicated that Fed officials believe most of this recent weakness in core inflation is transitory, the narrative from the Fed continues to shift to the prospect of rate cuts, which the market has quickly priced in.

The ANC maintained its majority rule in the national elections but support slightly declined to 57.5% vs 62% in the last elections held in 2014. The DA came in second with 20.77% of the votes and the EFF's support increased to 10.65%. This result was largely priced in by the market. President Ramaphosa's newly appointed cabinet by needs to act fast to implement the policy reforms that will help stimulate the economy.

In the local economy, Q1-19 seasonally adjusted annualised (saa) GDP growth contracted by a shocking 3.2% q/q. The big contributor to the decline was mining production, which was down 10.8% q/q, while manufacturing production was down 8.8% q/q. The only positive momentum came from business and the financial services sector, which were up 1.1%, government services grew 1.2% assisted by additional hiring and spending ahead of the election, while personal services grew 1.1% q/q (saa rate). The breadth of the weakness in Q1-19 GDP data is considerably worse than expected. The data represents less of the impact of load shedding, and rather serves as a testament to a very-constrained domestic demand, particularly visible in the expenditure side data. Forward-looking data has since also been mixed, with the Purchasing Manager Index (PMI) up in April and down in May, and a similar picture for vehicle sales. The Q1-19 contraction number poses downside risk to the South African Reserve Bank (SARB)'s 1% annual growth forecast, with the economy now more likely to grow by 0.5%-0.7% in 2019.

The SARB's Monetary Policy Committee left rates on hold at the May meeting, with a split of three members voting for a hold and two voting for a rate cut of 25 basis points (bps). April headline inflation remained anchored at 4.4%, while core inflation came in at 4.1%. The forward rate agreement (FRA) curve has priced in two full 25bps cuts over the next 12 months, with the first cut at the July meeting and the next cut at the beginning of 2020.

At the end of April, shorter-dated fixed-rate negotiable certificates of deposit (NCDs) traded at 8.09% (three year) and 8.57% (five year); down significantly over the month.

The spreads of floating-rate NCDs have dulled in appeal over the last few quarters due to a compression in credit spreads. There has been a reduced need for funding from banks in South Africa, given the low-growth environment. Fixed-rate NCDs continue to hold appeal due to the inherent protection offered by their yields and relative to our expectations for a stable repo rate. However, credit spreads remain in expensive territory (less than 100bps in the three-year area and 110bps in the five-year area). The fund continues to hold decent exposure to these instruments (less floating than fixed), but we will remain cautious and selective when increasing exposure. NCDs have the added benefit of being liquid, thus aligning the liquidity of the fund with the needs of its investors.

Chronic load shedding and poor local sentiment will continue to weigh on SA's growth outcomes. Inflation should remain under control allowing policy rates in South Africa to, at worst, remain stable. Global monetary policy has once again turned more supportive for risk sentiment, which should help buoy emerging market valuations over the shorter term. At current levels, local government bonds trade at cheap to fair value estimates. However, given the longer-term risks posed to the economy from a further state-owned enterprise deterioration, allocations should be kept at a neutral level. While nominal bonds continue to compare favourably to ILBs, the balance in the front end of the curve has shifted towards ILBs.

The local listed property sector was down 2% over the month, bringing its return for the rolling 12-month period to -9.1%. Listed property has been the largest drag on the fund, primarily due to generalised equity weakness and idiosyncratic domestic issues relating to the possible closure of Edcon, its impact on the broader property sector and lower real GDP growth. However, from an income perspective, distribution growth and expectations about future distribution growth remain sound. Despite the underperformance, from a valuation perspective, the sector is still very attractive. The changes in the property sector over the last decade (including the increased ability to hedge borrowings and large offshore exposures) should make listed property more resilient going forward. If one excludes the offshore exposure, the property sector's yield rises to approximately 10.7%, which compares very favourably to the benchmark bond. The fund maintains holdings in counters that offer strong distribution and income growth, with upside to their net asset value. In the event of a moderation in listed property valuations (which may be triggered by further risk-asset or bond-market weakness), we will look to increase the fund's exposure to this sector at more attractive levels.

The preference share index was up 0.9% over the month, bringing its 12-month return to 19.2%. Preference shares offer a steady dividend yield linked to the prime rate and, depending on the risk profile of the issuer, currently yield between 9% and 11% (subject to a 20% dividends tax, depending on the investor entity). The change in capital structure requirements mandated by Basel III will discourage banks from issuing preference shares. This will limit availability. In addition, most of the bank-related preference shares trade at a discount, which enhances their attractiveness for holders from a total return perspective and increases the likelihood of bank buybacks. Despite attractive valuations, this asset class will continue to dissipate, given the lack of new issuance and because it risks being classified as eligible loss-absorbing capital (only senior to equity). The fund maintains select exposure to certain high-quality corporate preference shares but will not actively look to increase its holdings.

We remain vigilant of risks emanating from the dislocations between stretched valuations and the underlying fundamentals of the local economy. However, we believe that the fund's current positioning correctly reflects appropriate levels of caution. The fund's yield of 8.70% remains attractive relative to its duration risk. We continue to believe that this yield is an adequate proxy for expected fund performance over the next 12 months.

As is evident, we remain cautious in our management of the fund. We continue to invest only in assets and instruments that we believe have the correct risk and term premium to limit investor downside and enhance yield.

Portfolio managers
Nishan Maharaj and Mauro Longano
 as at 31 May 2019

IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION STRATEGIC INCOME FUND

Unit trusts should be considered medium- to long-term investments. The value of units may go down as well as up, and therefore Coronation does not make any guarantees with respect to the protection of capital or returns. Past performance is not necessarily an indication of future performance. The fund is mandated to invest up to 10% of its portfolio into foreign securities and may as a result be exposed to macroeconomic, settlement, political, tax, reporting or illiquidity risk factors that may be different to similar investments in the South African markets. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down. Asset allocation and top 10 holdings are reflected on a look-through basis. The fund is managed in line with Regulation 28 limits, although it is not required as per the fund's supplemental deed. The yield shown is an estimate (gross of fees) in part based on market assumptions and forecasts. The yield is calculated by taking the interest and income receivable of all the instruments in the fund divided by the net asset value, expressed as a nominal annual rate. It is provided to give an approximate indication of the achievable yield for an investment made at the reporting date. Actual experience may differ, based on changes in market values, interest rates and changes in costs actually experienced during the investment period.

Coronation Management Company (RF) (Pty) Ltd is a Collective Investment Schemes Manager approved by the Financial Sector Conduct Authority in terms of the Collective Investment Schemes Control Act. Portfolio managed by Coronation Asset Management (Pty) (FSP 548) Ltd, an authorised financial services provider. The Management Company reserves the right to close the fund to new investors if we deem it necessary to limit further inflows in order for it to be managed in accordance with its mandate. Unit trusts are allowed to engage in scrip lending and borrowing. Standard Chartered has been appointed as trustees for the fund (www.sc.com/za; 011-2176600). Coronation is a full member of the Association for Savings & Investment SA (ASISA).

HOW ARE UNITS PRICED AND AT WHICH PRICE WILL MY TRANSACTION BE EXECUTED?

Unit trusts are traded at ruling prices set on every trading day. Fund valuations take place at approximately 15h00 each business day, except at month end when the valuation is performed at approximately 17h00 (JSE market close) and forward pricing is used. Instructions must reach the Management Company before 14h00 (12h00 for the Money Market Fund) to ensure same day value. The payment of withdrawals may be delayed in extraordinary circumstances, when the manager with the consent of the fund trustees deem this to be in the interest of all fund investors. These circumstances may include periods when significant underlying markets suspend trading which will prevent accurate valuation of the instruments held in the fund. When the suspension of trading relates to only certain assets held by the fund, these assets may be side-pocketed. This process allows normal liquidity on the assets that can be valued, but will delay liquidity on the affected portion of the fund. If the fund is faced with excessive withdrawals, the affected withdrawals may be ring-fenced, which is the separation and delayed sale of the assets reflecting the interest of the liquidity seeking investors. It ensures that the sale of a large number of units will not force Coronation to sell the underlying investments in a manner that may have a negative impact on remaining investors of the fund.

HOW WAS THE PERFORMANCE INFORMATION INCLUDED IN THIS FACT SHEET CALCULATED?

Performance is calculated by Coronation as at the last day of the month for a lump sum investment using Class P NAV prices with income distributions reinvested. Class A NAV prices were used for the period prior to the launch of Class P. All underlying price and distribution data is sourced from Morningstar. Performance figures are quoted after the deduction of all costs (including manager fees and trading costs) incurred within the fund. Note that individual investor performance may differ as a result of the actual investment date, the date of reinvestment of distributions and dividend withholding tax, where applicable. Annualised performance figures represent the geometric average return earned by the fund over the given time period. Unannualised performance represents the total return earned by the fund over the given time period, expressed as a percentage.

WHAT IS THE TOTAL EXPENSE RATIO (TER) AND TRANSACTION COSTS (TC)?

TER is calculated as a percentage of the average net asset value of the portfolio incurred as charges, levies and fees in the management of the portfolio. The TER charged by any underlying fund held as part of a fund's portfolio is included in the fund expenses portion of the TER, but trading and implementation costs incurred in managing the fund are excluded. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. The 1 year TER is for the 12 months to end of September 2018 (updated annually). The 3 year TER is for a rolling 36-month period to the last quarter end (December, March, June and September).

Transaction costs are a necessary cost in managing a fund and impacts the fund's return. They 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.

The Total Investment Charge is the sum of the Total Expense Ratio (TER) and transaction costs.

ADVICE AND PLATFORM COSTS

Coronation does not provide financial advice. If you appoint an adviser, advice fees are contracted directly between you and the adviser. For more information please contact the relevant platform (Linked Investment Service Provider or Life Assurance Provider).

WHERE CAN I FIND ADDITIONAL INFORMATION?

Additional information such as daily fund prices, brochures, application forms and a schedule of fund fees and charges is available on our website, www.coronation.com

IMPORTANT INFORMATION REGARDING TERMS OF USE

This 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. Opinions expressed in this document may be changed without notice at any time after publication. We therefore disclaim any liability for any loss, liability, 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.

Nedgroup Investments Flexible Income Fund

Class B1

May 2019



INCOME RANGE

RISK RATING



Risk reward profile

For credit and income instruments, while unlikely, capital loss may occur due to an event like the default of an issuer. The portfolio typically displays higher volatility and lower liquidity than a money market portfolio. The portfolio may be subject to currency fluctuations due to its international exposure.

GENERAL INFORMATION

ASISA category

South African Multi Asset Income

Benchmark

110% STeFI Call Deposit

Investment manager - since October 2012

Abax Investments (Pty) Ltd is authorised as a Financial Services Provider under the Financial Advisory and Intermediary Services Act (FSP No. 856).

Inception date

03 January 2012

Appropriate term

Minimum 6 months

Market value

R 12,469 Million

Income distributions

Frequency: Quarterly

March 2019: 25.52 cpu

Previous 12 months: 105.93 cpu

Fees and charges (excluding VAT)

Initial fees	0.00%
Annual management fee	0.50%

Total expense ratio	0.61%
Transaction costs	0.03%
Total investment charges ²	0.64%

Please Note:

Differences may exist due to rounding

CONTACT

Client Services Centre

Tel: 0860 123 263

Website: www.nedgroupinvestments.co.za

Email info@nedgroupinvestments.co.za

Portfolio profile

The portfolio is suitable for investors seeking enhanced money market returns, but who have a low tolerance for capital loss and who do not wish to make complex asset allocation decisions between cash, bonds, property and other fixed interest asset classes

Performance ¹

Period	Portfolio	Benchmark
1 year pa	10.8%	7.3%
3 Years pa	8.9%	7.5%
5 Years pa	8.7%	7.0%
7 Years pa	8.3%	6.5%
Since Inception	8.4%	6.5%
Lowest 1 year return	6.0%	
Highest 1 year return	10.8%	

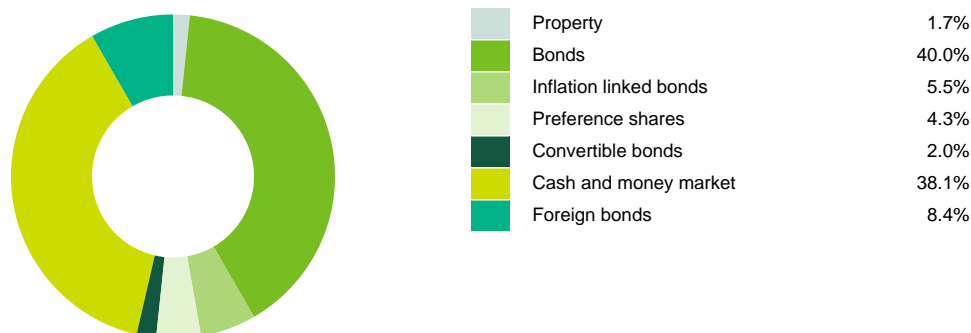
Risk

Period	Portfolio	ALSI
Volatility [5 years]	1.2%	11.1%

Maturity spread

Maturity spread	% Spread
0 - 1 year	38.7%
1 - 3 years	24.5%
3 - 7 years	25.0%
Other	11.9%
Total	100.0%

Portfolio structure



¹ The annualized total return is the average return earned by an investment each year over a given time period. Performance is calculated for the portfolio and individual investment performance may differ as a result of initial fees, the actual investment, the actual investment date, the date of reinvestment and dividend withholding tax. Due to the delayed release of inflation data, relevant benchmarks will lag by one month.
Data source: © Morningstar Inc. All rights reserved.

² Total Expense Ratio (TER), expressed as a percentage of the Fund, relates to expenses incurred in the administration of the Fund. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TERs. Transaction Costs (TC), expressed as a percentage of the Fund, relate to the costs incurred in buying and selling the underlying assets of the Fund. TC are a necessary cost in administering the fund and impact fund returns. It should not be considered in isolation as returns may be impacted by other factors over time including market returns, the type of fund, the investment decisions of the investment manager and the TER. The Total Investment Charges expressed as a percentage of the Fund, relates to all investment costs of the Fund. Both the TER and TC of the Fund are calculated on an annualised basis, beginning 01/04/2016 and ending 31/03/2019.

Portfolio attributes

- This fund aims to achieve a return in excess of 110% of the STeFI Call Index with a high degree of consistency and low capital volatility.
- The fund has the flexibility to invest in a range of domestic and offshore fixed income asset classes, although offshore investments are unlikely to exceed 15%
- The portfolio manager invests beyond the traditional fixed income, money market and bond assets to add value via a broad range of assets and strategies
- No direct equity exposure is held in this fund, however the portfolio does include listed property and convertible bonds
- The portfolio typically contains a well-diversified mix of income generating assets with a consistent income distribution and return profile.

Investment manager

- Abax Investments is an independent, owner-operated investment firm founded in 2003.
- AMG, a global asset management company with interests in leading fund management boutiques around the world, owns 25%, with the remaining 75% owned by employees and 3 charitable trusts
- Abax Investments is dedicated exclusively to fund management across a focused range of equity, multi-asset and fixed income portfolios
- Abax Investments have managed the Nedgroup Investments Flexible Income Fund since October 2012.

Investment philosophy

- A diversified alpha approach seeks to invest in the most attractive opportunities across a wide range of fixed income assets and strategies.
- Abax Investments believe they can generate a more consistent and potentially greater amount of alpha on fixed income funds by utilising a wide range of alpha sources, and balancing the risk across them.
- Return modelling and risk management is at the core of their process, as they calculate the returns of all assets and strategies in different market environments to construct portfolios with the potential to outperform in a range of market scenarios at acceptable levels of risk
- Abax Investments' structured approach of asset valuation and return modelling is fundamental in delivering consistent performance, and controlling risk.

Who we are

Nedgroup Collective Investments (RF) Proprietary Limited, is the company that is authorised in terms of the Collective Investment Schemes Control Act to administer the Nedgroup Investments unit trust funds. It is a member of the Association of Savings & Investment South Africa (ASISA).

Our Trustee

The Standard Bank of South Africa Limited is the registered trustee. Contact details: Standard Bank, Po Box 54, Cape Town 8000, Trustee-compliance@standardbank.co.za, Tel 021 401 2002.

Performance

Unit trusts are generally medium to long-term investments. The value of your investment may go down as well as up. Certain unit trust funds may be subject to currency fluctuations due to its international exposure. Past performance is not necessarily a guide to future performance. Nedgroup Investments does not guarantee the performance of your investment and even if forecasts about the expected future performance are included you will carry the investment and market risk, which includes the possibility of losing capital.

Pricing

Funds are valued daily at 15:00. Instructions must reach us before 14:00 (12:00 for Nedgroup Money Market Fund) to ensure same day value. Prices are published daily on our website and in selected major newspapers.

Fees

A schedule of fees and charges and maximum commissions is available on request from Nedgroup Investments.

Disclaimer

Unit trusts are traded at ruling prices and can engage in borrowing and scrip lending. Nedgroup Investments has the right to close unit trust funds to new investors in order to manage it more efficiently. For further additional information on the fund, including but not limited to, brochures, application forms and the annual report please contact Nedgroup Investments.

Nedgroup Investments contact details

Tel: 0860 123 263 (RSA only)
Tel: +27 21 416 6011 (Outside RSA)
Email: info@nedgroupinvestments.co.za
For further information on the fund please visit:
www.nedgroupinvestments.co.za

Our offices are located at

Nedbank Clocktower, Clocktower Precinct, V&A Waterfront, Cape Town, 8001

Write to us

PO Box 1510, Cape Town, 8000

PRESCIENT INCOME PROVIDER FUND

MINIMUM DISCLOSURE DOCUMENT

INVESTMENT AND RETURN OBJECTIVE

The Fund aims to return CPI + 3% per annum through a full interest rate cycle while providing stability by aiming never to lose capital over any rolling 3 month period.

INVESTMENT PROCESS

This Fund invests in local and offshore money market, bonds, property, preference shares, inflation-linked bonds and derivatives to meet the investment objectives. Fund performance can be generated from taking interest rate views or duration, yield enhancement via credit instruments, asset allocation between income producing asset classes, offshore exposure and also via the use of derivatives.

WHO SHOULD INVEST

Investors seeking stable real returns and aiming to maximise income via exposure to primarily the South African Money and Bond markets. This Fund is suitable to investors with a short- to medium-term investment horizon and is Regulation 28 compliant.

RISK INDICATOR DEFINITION

These portfolios typically have no or low equity exposure, resulting in higher interest yields and stable capital values with the probability of capital losses over the shorter term (3 months) highly unlikely. These portfolios typically target returns in the region of 1% – 3% above inflation before tax over the long term.

RISK INDICATOR



FUND COMMENTARY

Short term interest rates rallied ahead of the Monetary Policy Committee (MPC) meeting and further thereafter, as the South African Reserve Bank's (SARB) tone turned more dovish. As such, two members of the MPC voted for a cut in interest rates but the final decision was made to keep rates on hold. The MPC lowered their inflation forecast but cited the oil price likely to remain elevated. The FRA market has now priced in a higher chance of a rate cut by year end. Elections seemed to have no major impact on the market. EM risk off trade and continued trade war risks drove rand weakness and bonds yields higher. With several risk events remaining unresolved such as global trade wars and the Brexit saga, we remain conservative in our positioning and will wait for an opportunity to again increase our duration. The Fund is still earning an attractive real yield and we are focused on maintaining this as the risk of higher inflation rises. The Fund earned an attractive real yield of between 3.5% and 4%. Should interest rates rise, it would benefit from the low duration profile as yield earned will rise with the market. In our view, the bigger risk is rising inflation, which will threaten the portfolio's real return target. To this end, the portfolio holds an inflation swap, a dollar currency option structure and an emerging market hedge position. These will provide some performance enhancements to the portfolio should EM/rand/inflation risk materialise. The Fund outperformed its benchmark in May, as well as over the last 12 months. The bulk of the performance came from good quality credit held in the portfolio, which generated yield over and above the benchmark. The actively managed duration positioning over the year additionally added to the above benchmark performance. There were no detractors to performance for the month of May.

PRESCIENT MANAGEMENT COMPANY

31 MAY 2019

ABOUT THE FUND

Fund manager:

Prescient Interest Bearing Team

Fund classification:

South African - Multi Asset - Income

Benchmark:

STeFi Call 110%

Fund Size:

R28.4 bn

No of units:

1,346,689,468

Unit price:

140.47

Inception date:

31 December 2005

Minimum Investment:

R10 000 lump-sum
R1 000 per month

Initial Fee:

0.00%

Annual management fee:

0.86% (incl VAT)

Fee class:

A1

Fee breakdown:

Management Fee	0.75%
Performance Fees	N/A
Other Fees*	0.14%
Total Expense Ratio (TER)	0.89%
Transaction Costs (TC)	0.00%
Total Investment Charge (TIC)	0.89%

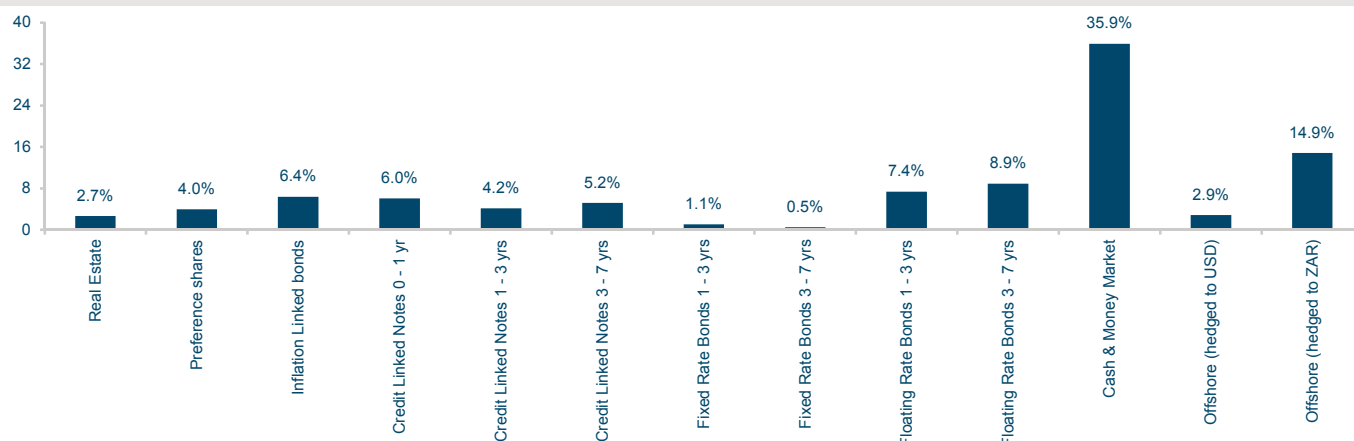
*Other fees includes underlying fee (where applicable): Audit Fees, Custody Fees, Trustee Fees and VAT

Income distribution:

31 May 2019 - 0.80 cpu
30 April 2019 - 0.89 cpu
31 March 2019 - 0.79 cpu
28 February 2019 - 0.73 cpu
31 January 2019 - 0.73 cpu
31 December 2018 - 0.75 cpu
30 November 2018 - 0.75 cpu
31 October 2018 - 0.79 cpu
30 September 2018 - 0.82 cpu
31 August 2018 - 0.93 cpu
31 July 2018 - 0.78 cpu
30 June 2018 - 0.73 cpu
31 May 2018 - 0.74 cpu

PRESCIENT INCOME PROVIDER FUND

FUND COMPOSITION



FUND MONTHLY RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2006	0.28%	2.19%	0.38%	0.29%	1.77%	0.07%	0.30%	1.50%	1.14%	0.74%	1.31%	0.52%	10.98%
2007	1.34%	0.86%	0.86%	1.06%	0.95%	-0.08%	1.44%	0.59%	0.82%	0.47%	1.42%	0.58%	10.80%
2008	1.93%	1.52%	1.66%	-1.16%	0.54%	1.75%	0.46%	1.02%	1.65%	2.09%	1.17%	0.64%	14.07%
2009	1.27%	0.60%	0.85%	-0.27%	0.69%	0.51%	1.67%	0.76%	0.77%	1.58%	0.06%	0.16%	8.97%
2010	0.64%	0.59%	0.32%	0.42%	0.62%	0.41%	0.50%	0.76%	0.06%	0.66%	0.69%	-0.73%	5.05%
2011	1.76%	0.21%	0.25%	0.62%	1.14%	0.55%	0.45%	1.54%	2.21%	0.35%	0.68%	0.09%	10.28%
2012	0.37%	0.16%	0.73%	0.68%	1.73%	-0.04%	0.69%	0.93%	0.65%	1.15%	0.82%	-0.19%	7.94%
2013	1.02%	0.48%	0.95%	-0.13%	2.29%	0.28%	0.53%	-0.13%	1.47%	1.37%	0.06%	0.83%	9.38%
2014	-0.13%	0.97%	0.98%	1.01%	1.28%	0.97%	0.59%	1.24%	1.56%	0.34%	0.35%	1.45%	11.11%
2015	0.79%	1.00%	0.89%	0.57%	0.38%	0.79%	1.08%	0.82%	0.98%	0.72%	0.71%	0.19%	9.28%
2016	0.65%	0.22%	0.88%	0.67%	1.01%	0.93%	0.71%	0.74%	0.78%	0.45%	0.73%	0.60%	8.71%
2017	0.88%	0.63%	0.75%	0.51%	0.85%	0.56%	0.81%	0.57%	1.02%	0.45%	0.17%	0.91%	8.42%
2018	0.36%	0.53%	0.48%	0.77%	0.87%	0.72%	0.38%	1.32%	0.38%	0.75%	0.40%	1.11%	8.36%
2019	0.48%	0.66%	0.74%	0.93%	0.64%								3.50%

PRESCIENT INCOME PROVIDER FUND

GLOSSARY

Annualised performance: Annualised performance show longer term performance rescaled to a 1 year period. Annualised performance is the average return per year over the period. Actual annual figures are available to the investor on request.

Highest & Lowest performance: The highest and lowest performance for any 1 year over the period since inception have been shown.

NAV: The net asset value represents the assets of a Fund less its liabilities.

Current Yield: Annual income (interest or dividends) divided by the current price of the security.

CPU: Cents Per Unit to the Glossary

Alpha: Denoted the outperformance of the fund over the benchmark.

Sharpe Ratio: The Sharpe ratio is used to indicate the excess return the portfolio delivers over the risk free rate per unit of risk adopted by the fund.

Standard Deviation: The deviation of the return stream relative to its own average.

% Positive Month: The percentage of months since inception where the Fund has delivered positive return.

Average Duration: The weighted average duration of all the underlying interest bearing instruments in the Fund.

Fund Specific Risks

Default Risk: The risk that the issuers of fixed income instruments may not be able to meet interest payments nor repay the money they have borrowed. The issuers credit quality is vital. The worse the credit quality, the greater the risk of default and therefore investment loss.

Derivatives risk: The use of derivatives could increase overall risk by magnifying the effect of both gains and losses in a Fund. As such, large changes in value and potentially large financial losses could result.

Foreign Investment risk: Foreign securities investments may be subject to risks pertaining to overseas jurisdictions and markets, including (but not limited to) local liquidity, macroeconomic, political, tax, settlement risks and currency fluctuations.

Interest rate risk: The value of fixed income investments (e.g. bonds) tends to be inversely related to interest and inflation rates. Hence their value decreases when interest rates and/or inflation rises.

% Property risk: Investments in real estate securities can carry the same risks as investing directly in real estate itself. Real estate prices move in response to a variety of factors, including local, regional and national economic and political conditions, interest rates and tax considerations.

Currency exchange risk: Changes in the relative values of individual currencies may adversely affect the value of investments and any related income.

Derivative counterparty risk: A counterparty to a derivative transaction may experience a breakdown in meeting its obligations thereby leading to financial loss.

Liquidity risk: If there are insufficient buyers or sellers of particular investments, the result may lead to delays in trading and being able to make settlements, and/or large fluctuations in value. This may lead to larger financial losses than expected.

PRESCIENT INCOME PROVIDER FUND

DISCLAIMER

Collective Investment Schemes in Securities (CIS) should be considered as medium to long-term investments. The value may go up as well as down and past performance is not necessarily a guide to future performance. CIS's are traded at the ruling price and can engage in scrip lending and borrowing. The collective investment scheme may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. A schedule of fees, charges and maximum commissions is available on request from the Manager. There is no guarantee in respect of capital or returns in a portfolio. A CIS may be closed to new investors in order for it to be managed more efficiently in accordance with its mandate. CIS prices are calculated on a net asset basis, which is the total value of all the assets in the portfolio including any income accruals and less any permissible deductions (brokerage, STT, VAT, auditor's fees, bank charges, trustee and custodian fees and the annual management fee) from the portfolio divided by the number of participatory interests (units) in issue. Forward pricing is used. The Fund's Total Expense Ratio (TER) reflects the percentage of the average Net Asset Value (NAV) of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER 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. During the phase in period TERs do not include information gathered over a full year. Transaction Costs (TC) is the percentage of the value of the Fund incurred as costs relating to the buying and selling of the Fund's underlying assets. Transaction cost is 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, investment decisions of the investment manager and the TER.

Where a current yield has been included for Funds that derive its income primarily from interest bearing income, the yield is a weighted average yield of all underlying interest bearing instruments as at the last day of the month. This yield is subject to change as market rates and underlying investments change.

The Manager retains full legal responsibility for any third-party-named portfolio. Where foreign securities are included in a portfolio there may be 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. The investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees. Please note that all documents, notifications of deposit, investment, redemption and switch applications must be received by Prescient by or before 13:00 (SA), to be transacted at the net asset value price for that day. Where all required documentation is not received before the stated cut-off time, Prescient shall not be obliged to transact at the net asset value price as agreed to. Funds are priced at either 3pm or 5pm depending on the nature of the Fund. Prices are published daily and are available on the Prescient website.

Performance has been calculated using net NAV to NAV numbers, including actual initial and all ongoing fees, with income reinvested on the reinvestment date. The performance for each period shown reflects the return for investors who have been fully invested for that period. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestments and dividend withholding tax. Full performance calculations are available from the manager on request.

For any additional information such as fund prices, brochures and application forms please go to www.prescient.co.za

CONTACT DETAILS

Management Company:

Prescient Management Company (RF) (Pty) Ltd., **Registration number:** 2002/022560/07 **Physical address:** Prescient House, Westlake Business Park, Otto Close, Westlake, 7945 **Postal address:** PO Box 31142, Tokai, 7966 **Telephone number:** 0800 111 899 **E-mail:** info@prescient.co.za **Website:** www.prescient.co.za

Trustee:

Nedbank Investor Services, **Physical address:** 2nd Floor, 16 Constantia Boulevard, Constantia Kloof, Roodepoort, 1709 **Telephone number:** +27 11 534 6557 **Website:** www.nedbank.co.za

The Management Company and Trustee are registered and approved under the Collective Investment Schemes Control Act (No.45 of 2002). Prescient is a member of the Association for Savings and Investments SA.

Investment Manager:

Prescient Investment Management (Pty) Ltd, Registration number: 1998/023640/07 is an authorised Financial Services Provider (FSP 612.0) under the Financial Advisory and Intermediary Services Act (No.37 of 2002), to act in the capacity as investment manager. This information is not advice, as defined in the Financial Advisory and Intermediary Services Act (No.37 of 2002). Please be advised that there may be representatives acting under supervision. **Physical address:** Block B, Silverwood, Silverwood Lane, Steenberg

Office Park, Tokai, 7945 **Postal address:** PO Box 31142, Tokai 7966 **Telephone number:** +27 21 700 3600 **Website:** www.prescient.co.za

This 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 investments. Opinions expressed in this document may be changed without notice at any time after publication. We therefore disclaim any liability for any loss, liability, 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. Issue date 12 June 2019.
