

Investment objective (summary of investment policy)

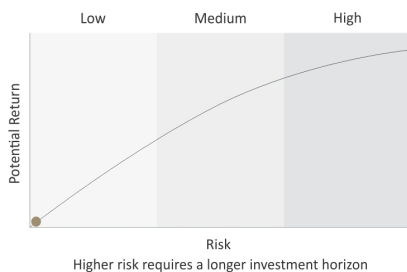
The PSG Money Market Fund's objective is to provide capital security, a steady income and easy access to your money. The fund invests in selected money market instruments issued by government, parastatals, corporates and banks with a maturity term of less than 13 months. The fund operates within the constraints of Regulation 28 of the Pension Funds Act.

Who should consider investing?

Fund specific risks: The fund sits at the bottom of the risk/reward spectrum. A money market fund offers a secure investment, but is not completely risk free and severe losses may reduce the capital value of the portfolio. The portfolio is exposed to default and interest rate risks. Interest rate risk is the risk that the value of fixed income investments tends to decrease when interest rates and/or inflation rises. Default risk is where the issuers of fixed income instruments may not be able to meet interest or capital repayments.

This fund is suitable for investors who:

- seek capital stability, interest income and easy access to their money through a low-risk investment
- need an interim investment vehicle or 'parking bay' for surplus money
- have a short-term investment horizon

Risk/reward profile

Fund details

Inception date	19 October 1998	
Fund manager	Lyle Sankar	
Fund size (ZAR)	R 3 410 091 627	
Latest distribution (cpu)	0.6037 ; 0.5744	31 Dec 18 ; 30 Nov 18
	31 Oct 18 - 0.5946	30 Apr 18 - 0.5784
	30 Sep 18 - 0.5785	31 Mar 18 - 0.6076
Monthly distribution	31 Aug 18 - 0.5940	28 Feb 18 - 0.5643
	31 July 18 - 0.5919	31 Jan 18 - 0.6126
	30 June 18 - 0.5693	
	31 May 18 - 0.5949	
ASISA sector	South African - Interest Bearing - Money Market	
Benchmark	South African - Interest Bearing - Money Market Mean	
Minimum investment	R25000 lump sum	
Number of units	1025514202	
Price (net asset value per unit)	R1.00	
Regulation 28 compliant	Yes	

To invest

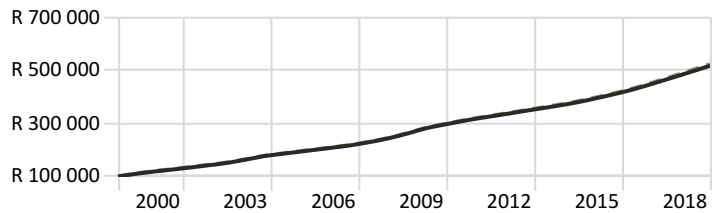
Speak to your financial adviser or visit www.psg.co.za.
Cut-off time for daily transactions are determined by investment platforms.

Year-to-date (YTD) performance (%)

	YTD (not annualised)
Return	7.30

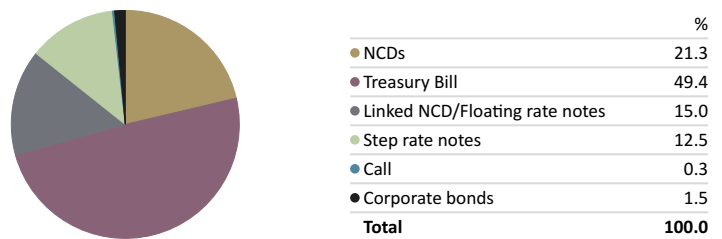
Cumulative long-term performance

Time Period: 10/19/1998 to 12/31/2018



PSG Money Market Fund A (Performance) ZAR 518 148.8 (ASISA) South African IB Money Market Mean (Benchmark) ZAR 524 616.6

Value of notional R100,000 invested on 10/19/1998 with all distributions reinvested on reinvestment date after fees. Investment performance is for illustrative purposes only.

Asset allocation/investment exposure


There may be slight differences in the totals due to rounding.

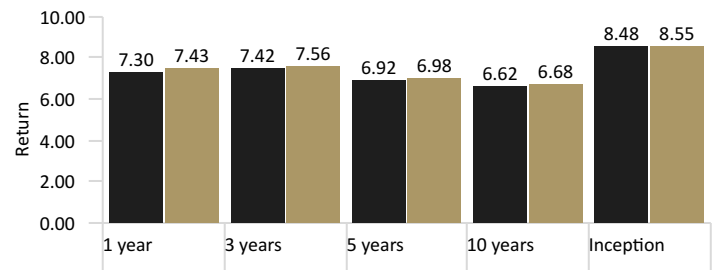
Top issuer exposures (%)

As of Date: 12/31/2018

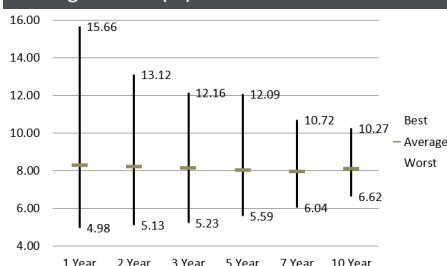
The Republic of South Africa	49.4
Nedbank Ltd	19.2
Absa Bank Ltd	10.2
FirstRand Bank Ltd	7.6
Standard Bank of SA Ltd	7.0
Investec Bank Ltd	3.0
Land and Agricultural Development Bank of SA	2.0
Capitec Bank Ltd	1.6
Netcare Ltd	0.1

Annualised returns % (after fees)

As of Date: 12/31/2018



PSG Money Market Fund A (Performance) (ASISA) South African IB Money Market Mean (Benchmark)

Rolling returns (%)


This chart shows you how the performance can vary over time. It is an indication of the distribution of historical rolling returns from the portfolio over each rolling 12-month period.

What is a total expense ratio?

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 three years. This percentage of the average Net Asset Value (NAV) of the portfolio was incurred as charges, levies and fees related to the management of the portfolio. A higher TER ratio does not necessarily imply a poor return, nor does a low TER ratio imply a good return. The current TER cannot be regarded as an indication of future TERs. Part of the Annual Management Fee is payable to the financial intermediary. The sum of the TER and transaction costs is shown as the Total Investment Charge. Since Fund returns are quoted after the deduction of these expenses, the TER and transaction costs should not be deducted again from published returns.

Fees

A schedule of fees and charges and maximum commissions is available on request from PSG Collective Investments (RF) Limited. Commission and incentives may be paid and, if so, are included in the overall costs. Different classes of participatory interest can apply to these portfolios and are subject to different fees, charges and possibly dividend withholding tax and will thus have differing performances. Adviser fees are negotiated between the client and adviser and is distinct from the other fees on this document.

Disclaimer

Collective Investment Schemes in Securities (CIS) are generally medium to long-term investments. The value of participatory interests (units) or the investment may go down as well as up and past performance is not a guide to future performance. Fluctuations or movements in the exchange rates may cause the value of underlying international investments to go up or down. CIS are traded at ruling prices and can engage in borrowing and scrip lending. The portfolio may borrow up to 10% of its market value to bridge insufficient liquidity. Where foreign securities are included in a portfolio, the portfolio is exposed to risks such as potential constraints on liquidity and the repatriation of funds, macroeconomic, political, foreign exchange, tax, settlement and potential limitations on the availability of market information. The portfolios may be capped at any time in order for them to be managed in accordance with their mandate. PSG Collective Investments (RF) Limited does not provide any guarantee either with respect to the capital or the return of the portfolio. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided.

Money Market

The PSG Money Market Fund maintains a constant price and is targeted at a constant value. The quoted yield is calculated by annualizing the average 7 day yield. A money market portfolio is not a bank deposit account. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressures and in such circumstances a process of ring-fencing of withdrawal instructions and managed payouts over time may be followed. The total return to the investor is made up of interest received and any gain or loss made on any particular instrument. In most cases the return will merely have the effect of increasing or decreasing the daily yield but in the case of abnormal losses it can have the effect of reducing the capital value of the portfolio.

Regulation 28

The fund is managed according to Regulation 28 of the Pension Funds Act. The South African retirement fund industry is governed by the Pension Funds Act No. 24 of 1956. Regulation 28 of the Pension Funds Act prescribes the maximum limits in asset classes that an approved retirement fund may invest in. 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.

Performance

All performance data for a lump sum, net of fees, include income and assumes reinvestment of income on a NAV to NAV basis. Annualised performances show longer term performance rescaled over a 12 month period. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. Performance is calculated for the portfolio and individual investor performance may differ as a result thereof. The portfolio is valued at 15h00 daily. Income distributions are net of any applicable taxes. Actual annual figures are available to the investor on request. Prices are published

Total investment charge

Total Investment Charge annualised for the period 1/1/2016 to 31/12/2018

Total Expense Ratio % (incl. VAT)	0.59
<i>Annual Management Fee % (incl. VAT)</i>	0.58
<i>Other costs excl. transaction costs % (incl. VAT)</i>	0.02
<i>Transaction costs % (incl. VAT)</i>	0.09
Total Investment Charge % (incl. VAT)	0.68

Transaction costs

Transaction costs are shown separately and are a necessary cost in administering the Financial Product and impacts Financial Product returns.

Transaction costs should not be considered in isolation as return 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.

daily and available on the website www.psg.co.za/asset-management and in the daily newspapers. Figures quoted are from Morningstar Inc.

Pricing

Forward pricing is used. Unit trust prices are calculated on a net asset value (NAV) basis, which is the market value of all assets in the portfolio including income accruals less permissible deductions divided by the number of units in issue.

Company details

PSG Collective Investments (RF) Limited is registered as a CIS Manager with the Financial Sector Conduct Authority, and a member of the Association of Savings and Investments South Africa (ASISA) through its holdings company PSG Konsult Limited. The management of the portfolio is delegated to PSG Asset Management (Pty) Ltd, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act 2002, FSP no 29524. PSG Asset Management (Pty) Ltd and PSG Collective Investments (RF) Limited are subsidiaries of PSG Konsult Limited. PSG Collective Investments (RF) Limited can be contacted on +27(21) 799 8000; (toll free) 0800 600 168, via email assetmanagement@psg.co.za.

Conflict of interest disclosure

The Fund may from time to time invest in a portfolio managed by a related party. PSG Collective Investments (RF) Limited or the fund manager may negotiate a discount in fees charged by the underlying portfolio. All discounts negotiated are reinvested in the Fund for the benefit of the investors. Neither PSG Collective Investments (RF) Limited nor PSG Asset Management (Pty) Ltd retains any portion of such discount for their own accounts. The fund manager may use the brokerage services of a related party, PSG Securities Ltd.

Trustees

The Standard Bank of South Africa Limited,
Main Tower, Standard Bank Centre,
2 Hertzog Boulevard,
Cape Town
8001

Tel: +27 21 401 2443

Email: Compliance-PSG@standardbank.co.za

Additional information

Additional information is available free of charge on the website www.psg.co.za/asset-management and may include publications, brochures, forms and annual reports.

This is the Minimum Disclosure Document (MDD) for the PSG Money Market Fund A.

Current context

2018 was a tough year for most investors. After a ‘Ramaphoric’ start, the JSE experienced its worst year since the global financial crisis. Market sentiment swayed as South Africa’s economic reality set in and, compounded by investor aversion towards emerging markets in general, the FTSE/JSE All Share Index ended the year 9% down in rand terms and the FTSE/JSE South Africa Listed Property Index closed 25% down. The rand, having rallied to R11.50 against the US dollar, was trading at R14.35 at year end. However, the year was more favourable to fixed income markets. The Alexander Forbes Short Term Fixed Interest (STeFI) Index delivered a total return of 7.3% and the FTSE/JSE All Bond Index yielded 7.7%, both achieving positive real returns by outperforming inflation of 5.2%.

Our perspective

While it may feel uncomfortable or even frightening, times like these – clouded by fear and uncertainty – tend to present the best investment opportunities. As Warren Buffett once said, “Every decade or so, dark clouds will fill the economic skies, and they will briefly rain gold. When downpours of that sort occur, it’s imperative that we rush outdoors carrying washtubs, not teaspoons.”

We believe that South Africa currently offers a standout investment opportunity. Short-term interest rates have come in since the last quarter, with the one-year negotiable certificate of deposit (NCD) reducing from 8.3% to 8.2% and the five-year NCD reducing from 9.3% to 8.8%. This implies that the market has built in lower interest rate increases since the last quarter. We still do not expect the South African Reserve Bank to embark on an aggressive hiking cycle. We anticipate further market noise around the National Budget in February and in the runup to the May general elections, but believe that local fixed income markets have created the opportunity for strong potential returns in future.

Portfolio positioning

The fund reduced its exposure to shorter-dated NCDs and added to longer-dated NCDs and RSA National Treasury Bills, which currently offer more attractive yields. This extended the fund’s maturity profile and increased its overall liquidity.

Changes in portfolio positioning

Q3 2018		Q4 2018	
Linked NCDs/ Floating-rate notes	21.4%	Linked NCDs/Floating-rate notes	15.0%
Step rate notes	11.9%	Step rate notes	12.5%
NCDs	41.0%	NCDs	21.3%
Treasury bills	24.0%	Treasury bills	49.4%
Call deposits	0%	Call deposits	0.3%
Corporate bonds	1.7%	Corporate bonds	1.5%

There may be slight differences in the totals due to rounding.

All data as per Bloomberg to 31 December 2018.