

# PSG Multi-Management Income FoF B

Minimum Disclosure Document (MDD)

28 February 2018



FUND DESCRIPTION		INVESTMENT OBJECTIVE AND SUMMARY OF INVESTMENT POLICY
Fund Manager	PSG Multi-Management	The primary objective of the fund is to provide relative capital stability and to maximize income returns for investors. It will invest in a range of participatory interests or any other form of participation in portfolios of collective investment schemes or other similar schemes with an investment policy which is characterised as being of a gilt, money market or income nature. The fund will comply with regulations governing retirement funds.
ASISA Sector	South African - Multi Asset - Income	
Minimum Investment	As per the platform minimum	
Fund Size (ZAR)	363 184 104	
Fund Launch Date	7/1/2002	
Benchmark	STeFI Call Deposit ZAR	

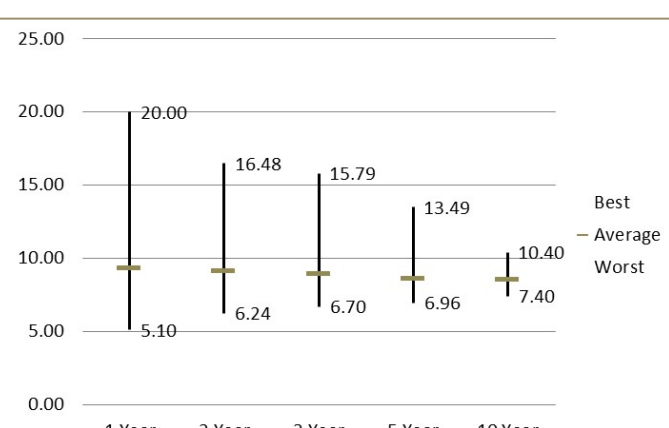
COMPOSITION	%	FEES	
Coronation Strategic Income Fund	24.49	Initial Manco Fee %	0.00
Prudential Enhanced Income Fund	24.18	Max. Initial Broker Fee % (incl. VAT)	2.28
PSG Diversified Income Fund	24.44	Annual Management Fee % (incl. VAT)	0.57
Prescient Income Provider	24.49	Total Investment Charge % (incl. VAT)	1.06
Domestic Cash and PSG Wealth Enhanced Interest Fund	<u>2.40</u>	Performance Fee	None
	100.00		

For a breakdown of the Total Investment Charge, please refer to page 2

ASSET ALLOCATION	%	CREDIT RATINGS	%	
	Domestic equity	1.80	Cash	14.22
	Domestic bonds	44.16	AAA	17.18
	Domestic property	4.48	AA+	16.87
	Domestic preference shares	1.23	AA	27.13
	Domestic cash	40.39	AA-	5.71
	Offshore equity	1.19	A+	2.81
	Offshore bonds	1.73	A	3.31
	Offshore property	1.28	A-	0.12
	Offshore other	0.88	A-	0.12
	Offshore cash	2.86	BBB+	0.35
	<b>Total</b>	<b>100.00</b>	BBB	0.88
			Other (excluding property)	5.99
		Property	5.43	

CUMULATIVE GROWTH OF R 100 000 (OVER LAST 10 YEARS)	ANNUALISED RETURNS																		
<p>Time Period: 3/1/2008 to 2/28/2018</p>	<p>As of Date: 2/28/2018</p> <table border="1"> <thead> <tr> <th>Period</th> <th>PSG MM Income FoF B</th> <th>STeFI Call Deposit ZAR</th> </tr> </thead> <tbody> <tr> <td>1 year</td> <td>8.0</td> <td>6.9</td> </tr> <tr> <td>2 years</td> <td>8.6</td> <td>6.9</td> </tr> <tr> <td>3 years</td> <td>7.9</td> <td>6.6</td> </tr> <tr> <td>5 years</td> <td>7.6</td> <td>6.0</td> </tr> <tr> <td>10 years</td> <td>7.6</td> <td>6.5</td> </tr> </tbody> </table>	Period	PSG MM Income FoF B	STeFI Call Deposit ZAR	1 year	8.0	6.9	2 years	8.6	6.9	3 years	7.9	6.6	5 years	7.6	6.0	10 years	7.6	6.5
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5 years	7.6	6.0																	
10 years	7.6	6.5																	

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DISTRIBUTIONS (Cents per unit)		ROLLING RETURNS*
31 March 2017	N/A	
30 April 2017	N/A	
31 May 2017	3.00	
30 June 2017	N/A	
31 July 2017	N/A	
31 August 2017	3.03	
30 September 2017	N/A	
31 October 2017	N/A	
30 November 2017	3.09	
31 December 2017	N/A	
31 January 2018	N/A	
28 February 2018	3.01	

ADDITIONAL INFORMATION		PERFORMANCE IMPACT FACTORS
Minimum investment horizon	2 years	Equity markets Very low
Risk of short-term monetary loss	Low	Exchange rates Low
Volatility	Low	Interest rates Moderate
Regulation 28 status	Compliant	Longevity risk Moderate
Target investor	Investors seeking returns in excess of that provided by money market funds or cash. Investors who want to draw a regular income stream without consuming capital.	Inflation risk Moderate

GLOSSARY

**Longevity risk:** The risk that an individual will outlive his/her savings because the long term investment growth was insufficient to sustain the individuals' life expenses.

**Inflation risk:** The risk that long term inflation growth will exceed the long term investment growth of an individuals' portfolio, thereby effectively reducing the purchasing power of those savings.

**\*Rolling Returns:** The graph illustrates the best, worst and average rolling returns over the indicated periods, since the inception of the fund. This provides investors with an indication of the distribution of returns historically experienced by this fund. For example the chart depicts the highest and lowest consecutive 12-month returns since inception, this is a measure of how much the Fund has varied per rolling 12-month period.

NOTES AND DISCLAIMER

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. **Transactions costs:** Transactions Costs are shown separately. Transaction Costs are a necessary cost in administering the Financial Product and impacts Financial Product returns. They 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. **Total Investment Charge:** 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 Transactions Costs should not be deducted again from published returns. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided.

Total Investment Charge annualised for the period 01/01/2015-31/12/2017		Total Investment Charge annualised for the period 01/01/2017-31/12/2017	
<b>Total Expense Ratio % (incl. VAT)</b>	<b>1.00</b>	<b>Total Expense Ratio % (incl. VAT)</b>	<b>0.98</b>
<i>Annual Management Fee % (incl. VAT)</i>	<i>0.57</i>	<i>Annual Management Fee % (incl. VAT)</i>	<i>0.57</i>
<i>Other costs excl. transaction costs % (incl. VAT)</i>	<i>0.43</i>	<i>Other costs excl. transaction costs % (incl. VAT)</i>	<i>0.41</i>
<b>Transaction costs % (incl. VAT)</b>	<b>0.06</b>	<b>Transaction costs % (incl. VAT)</b>	<b>0.06</b>
<b>Total Investment Charge % (incl. VAT)</b>	<b>1.06</b>	<b>Total Investment Charge % (incl. VAT)</b>	<b>1.04</b>

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### NOTES AND DISCLAIMER

**Disclaimer:** Collective Investment Schemes in Securities (Unit trusts) are generally medium to long-term investments. The value of participatory interests (units) may go down as well as up and past performance is not a guide to future performance. Collective Investment Schemes are traded at ruling prices and can engage in borrowing and scrip lending. 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. Income distributions is net of any applicable taxes. The fund may borrow up to 10% of the market value to bridge insufficient liquidity. Excessive withdrawals from the fund may place the fund under liquidity pressure and, in certain circumstances a process of ring-fencing withdrawal instructions may be followed.

**Fund of Funds (FOF):** A fund of funds portfolio invests in portfolios of Collective Investment schemes, which levy their own charges, which could result in a higher fee structure for the fund of funds. A schedule of actual annual fees and charges, maximum commissions as well as actual performance figures can be requested from PSG Collective Investments (RF) Limited. Commission and incentives may be paid and if so, are included in the overall costs. The portfolios may be capped at any time in order for them to be managed in accordance with their mandate. Different classes of participatory interests (units) can apply to these portfolios and are subject to different fees and charges. Forward pricing is used.

**Source of performance:** Figures quoted are from Morningstar Inc.

**Cut-off times:** Transaction cut-off time is 14H30 daily.

**Performance:** Unit prices are calculated on net asset value (NAV) basis, which is the market value of all assets in the fund including income accruals and permissible deductions divided by the number of units in issue. Prices are published daily and are available on the website [www.psg.co.za](http://www.psg.co.za) and in the daily newspapers. Performance is calculated for the portfolio and individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. All performance data is for a lump sum, net of fees, include income distributions, prior to deduction of applicable taxes, and assumes reinvestment of income distributions on a NAV to NAV basis. The portfolio is valued at 3pm daily. Annualised performance show longer term performance rescaled to a 1 year period. Annualised performance is the average return per year over the period. Additional information is available free of charge on the website and may include publications, brochures, application forms and annual reports or please contact PSG Client Services on 0800 600 168 or email: [assetmanagement@psg.co.za](mailto:assetmanagement@psg.co.za).

**Trustee:** 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](mailto:Compliance-PSG@standardbank.co.za).

**Conflict of Interest Disclosure:** The fund may from time to time invest in a fund managed by a related party. PSG Collective Investments (RF) Ltd or the Fund Manager may negotiate a discount on the fees charged by the underlying portfolio. All discounts negotiated are reinvested in the fund for the benefit of the Investor. Neither PSG Collective Investments (RF) Limited nor the Fund Manager retains any portion of such discount for their own accounts.

**Company details:** PSG Multi-Management (Pty) Ltd (FSP No 44306) is the Fund Manager. PSG Multi-Management (Pty) Ltd and PSG Collective Investments (RF) Ltd are subsidiaries of PSG Konsult Limited. PSG Collective Investments (RF) Ltd is registered as a CIS manager with the Financial Services Board, and is a member of Association of Savings and Investments South Africa (ASISA). PSG Collective Investments (RF) Ltd does not provide any guarantee either with respect to the capital or the return of a portfolio and retains full legal responsibility for the third party named portfolio.