

Absa Core Income Fund

Minimum disclosure document – Month ended 31 January 2019

Fund details

Fund details	
Industry category	SA - Interest Bearing - Short Term
Benchmark	JIBAR + 0.5%
Fund launch date	13 October 2016
Class A launch date	13 October 2016
Fund Size	R 4.13 Billion
JSE code	ACICA
Fund Manager	James Turp – B.Econ, SAIFM
Asset Manager	Absa Asset Management (Pty) Ltd
Minimum lump sum	R 2000
Minimum Monthly	R 200



Income Distribution - cents per unit (cpu)

Date	Class A
Sep-18	0.61
Oct-18	0.64
Nov-18	0.63
Dec-18	0.65
Jan-19	0.65
Total	3.18

Income declaration	The last day of every month
Income distributions	The first day of the following month

Fees and Cost ratio (VAT incl.)

Fees	Class A
Initial Fees:	Absa: 0% Adviser: 0-3.45%
Annual Fees:	Management: 0.58% Adviser: 0-1.15%
Performance Fee:	No

Costs (annual, based on period shown)

Costs (annual, based on period shown)	Class A
For the period to 30-09-2018, from:	13-10-2016
Total expense ratio (TER):	0.60%
Transaction costs (TC):	0.05%
Total investment charges (TER+TC):	0.65%

Please refer to Disclosure section on next page for further information on Fees and Costs

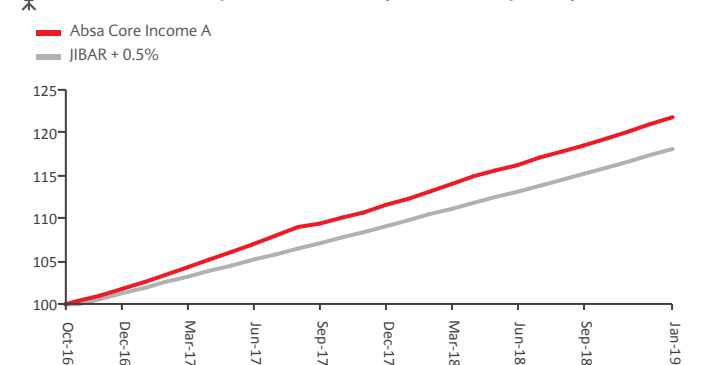
Performance

Performance cumulative total returns (%)

Term	Class A	Benchmark	Sector Average	Rank
Launch	8.95	7.49	8.48	4/28
1 Month	0.68	0.62	0.73	19/31
3 month	2.09	1.87	2.12	15/31
6 Month	4.04	3.74	4.07	15/30
1 Year	8.42	7.55	8.29	8/29

Sector Average & Rank: applies to the A Class.
Please refer to Disclosures section on next page for further information on calculation methodology and source of all performance data content (tables and/or charts) of this MDD

Cumulative performance (since inception)



The chart reflects the value (monthly data points) of a R100 investment made on the 13 October 2016

Fund objectives

The Fund aims to provide investors with a higher level of current income than traditional money market collective investment scheme portfolios, while ensuring capital preservation and liquidity

Fund strategy

The Absa Core Income Fund will predominantly invest in interest bearing and non-equity securities. Securities to be included in the portfolio will include assets in liquid form, money market instruments, bonds, debentures, debenture bonds, notes, preference shares (subject to the provisions of the Act), and any other income bearing instruments and securities that the Act may from time to time allow, listed and unlisted financial instruments, Interest bearing instruments and non-equity securities in the currency of a country other than the Republic may be included in the Fund.

Fund features

- A specialised fixed income fund, ideal for short-term investments
- Aims to provide a reasonable level of current income and capital stability
- Higher level of income than a traditional money market fund

Fund specific risks

Default: There is a risk that the issuers of fixed income investments (e.g. bonds) may not be able to meet interest payments nor repay the money they have borrowed. The worse the credit quality of the issuer, the greater the risk of default and therefore investment loss. Interest rate: The value of fixed income investments (e.g. bonds) tends to decrease when interest rates and/or inflation rises. Liquidity: There may be insufficient buyers or sellers of particular investments giving rise to delays in trading and being able to make settlements from the Fund and/or large fluctuations in the value of the Fund which may lead to larger financial losses than might be anticipated.

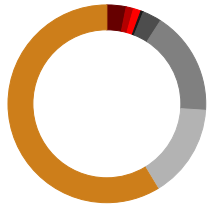
Risk profile and advisable minimum term



Risk statistics

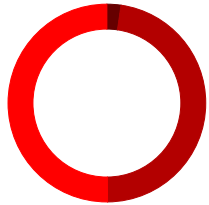
Class A	Since Inception (13 October 2016)
Number of positive months	33/33
Highest 1 Year Performance	30/11/2017 9.64%
Lowest 1 Year Performance	31/08/2018 8.07%

Duration Allocation



>24 months	3.14%
21 - 24 months	1.21%
18 - 21 months	1.25%
15 - 18 months	0.42%
12 - 15 months	3.10%
9 - 12 months	16.92%
6 - 9 months	15.31%
3 - 6 months	0.00%
0 - 3 months	58.64%
Cash	0.00%

Asset Allocation (%)



Fixed rate bonds	2.29%
Floating rate bonds	47.60%
Money market	50.11%

Quarterly fund commentary as at 31 December 2018

The Fund Commentary is provided on a quarterly basis and can be found on www.absainvestmentmanagement.co.za under Unit Trusts Minimum Disclosure Documents. The latest quarterly commentary available is for the quarter ending 31 December 2018.

Disclosures

Fees: Class A Adviser annual fee is not included in the annual management fee, it is charged by a way of unit reduction.

Costs: All fees quoted on this MDD is inclusive of VAT. Total Expense Ratio (“TER”) is expressed as an annualised percentage of the value of the class of the portfolio that was incurred as expenses relating to the administration of the portfolio. A higher TER does not necessarily imply a poor return, nor does a lower TER imply a good return. The current TER cannot be regarded as an accurate indication of future TER’s. Transaction Costs (“TC”) is expressed as an annualised percentage of the value of the portfolio that was incurred as costs relating to the buying and selling of the assets underlying the portfolio. TC are a necessary cost in administering the portfolio and impact returns. TC should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of portfolio, the investment decisions of the investment manager and the TER. Note that the Total investment charges have already been deducted prior to the calculation of the performance figures shown. Fees calculated are inclusive of VAT. All fees disclosed are rounded to 2 decimal places. Full fee disclosure may be obtained from the manager upon request.

Performance: Performance is calculated for the portfolio/ class of portfolios. Illustrative performance information is included for illustrative purposes only; individual investor performance may differ as a result of initial and ongoing fees, the actual investment date, the date of reinvestment and dividend withholding tax. All figures quoted are from Morningstar and/or IRESS, for the period ending 31/01/2019 (unless otherwise stated), calculated on a NAV to NAV basis, with income distributions reinvested on the ex-dividend date. Annualised figures refer to the average yearly return of an investment over a given time period, all actual annual figures (if not shown) are available on request.

Collective Investment Schemes (CIS) are generally medium to long-term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to future performance. Fluctuations or movements in exchange rates may cause the value of underlying international investments in a fund to move up or down. Forward pricing is used. CIS are traded at ruling prices. Absa Fund Managers Limited (AFM) may borrow up to 10% (ten per cent) of the market value of a fund to accommodate insufficient liquidity. Securities in a fund may be lent to borrowers. Income from the fund is distributed quarterly and may only be paid out into an account as nominated by the investor. Prices are calculated on a net asset value (NAV) basis which is the total value of all assets in a fund including any income accrual and less permissible deductions from the fund. Prices are published daily and are available at www.absa.co.za/Absacoza/Indices/Absa-Unit-Trusts and in daily newspapers, or from AFM upon request. Fees and charges associated with the most expensive class are available directly from AFM for investment by members of the public, other than financial institutions. CIS are financial products and not investments in insurance policies with an insurer and therefore cooling-off periods do not apply. AFM does not provide any guarantee either with respect to the capital or the return of a fund. The directors and personnel of AFM may be invested in any of the funds. AFM holds professional indemnity cover. AFM utilises Absa Bank Limited’s electronic and telephone banking platform. All requests for transactions received on or before 16:00 every day will be traded at ruling prices and valued after 16:00 on that day. Investments in funds with foreign securities may involve various material risks, which include potential constraints on liquidity and the repatriation of funds, macroeconomic, political, foreign exchange, tax and settlement risks and potential limitations on the availability of market information and there may be tax to be levied on certain of the benefits accruing to the investor from the funds and AFM may be required to deduct and pay over to the authorities any such tax from such benefits before paying any balance to or for the benefit of the investor. AFM has a right to close the fund to new investors in order to manage it more efficiently in accordance with its mandate. The investor understands that the legal and tax environment is continually changing, and that AFM cannot be held responsible for any changes to the law which might have an effect on their investment, and which did not exist at the time their investment was made. Additional information on the fund including, but not limited to, brochures, application forms, annual and half-yearly reports are available free of charge from the AFM website or from AFM upon request. This portfolio derives its income primarily from interest-bearing instruments. The yields quoted are current yields as at the relevant month end date. AFM is a registered Collective Investment Scheme Manager and a full member of the Association for Savings and Investment SA. All figures on this commentary have been sourced from Morningstar as at quarter end December 2018. Commentary issue date: 18 February 2019

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