



Absa Tactical Income Fund

Minimum disclosure document – Month ended 31 January 2024

Please note that this fund is currently undergoing a fund amalgamation balloting process. For more information, please call us on 0860 111 456 or e-mail utenquiries@absa.co.za

Fund details

Fund details	
Industry category	SA - Multi Asset - Income
Benchmark	3 Month JIBAR + 2.5% p.a
Fund launch date	14 June 2017
Class A launch Date	14 June 2017
Fund Size	R 2,64 Billion
JSE code	ABTCA
Fund Manager	James Turp - B.com, SAIFM
Minimum lump sum	R 2 000
Minimum Monthly	R 200

Income distributions - cents per unit (cpu)

	Class A
the 3 months ended 31 Mar 2023	2.00
the 3 months ended 30 Jun 2023	2.09
the 3 months ended 30 Sep 2023	2.32
the 3 months ended 31 Dec 2023	2.32
Income declaration	31 Mar, 30 Jun, 30 Sep & 31 Dec
Income distributions	1 Apr, 1 Jul, 1 Oct & 1 Jan

Fees and Cost ratio (VAT incl.)

Fees	Class A
Initial Fees:	Absa: 0% Adviser: 0-3.45%
Annual Fees:	Management: 0.69% Adviser: 0-1.15%
Performance Fee:	No

Costs (annual, based on period shown)

	Class A
For the period to 30/09/2023, from:	01/10/2020
Total expense ratio (TER):	0.72%
Transaction costs (TC):	0.02%
Total investment charges (TER+TC):	0.74%

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	8.33	8.73	7.25	9/69
6 Month	6.01	4.94	5.16	7/122
9 Month	8.74	7.60	7.36	4/117
1 Year	10.68	9.76	8.75	3/115
2 Year	8.27	9.02	7.65	24/109
3 Year	7.71	8.15	7.25	25/105

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

Fund objectives

The Absa Tactical Income Fund aims to deliver higher risk- risk adjusted returns than traditional money market or pure income portfolios, while preserving capital over a twelve month rolling period.

Fund strategy

The Fund will be actively managed to allow cycle-based tactical allocations along the yield curve, which are specific to prevailing market conditions, with the aim to achieve risk adjusted performance returns in excess of money market yields or traditional yield depending on the interest rate cycle. Securities to be included in the fund will be assets in liquid form, interest bearing securities, other non-equity securities acquired on the exchange (as legislation permits), as per the ASISA SA Multi Assets Income category limits, and any other income bearing instrument and securities that the Act may from time to time allows which are considered consistent with the portfolio's primary objective. Listed and unlisted instruments are to be acquired at fair market prices. The fund is managed according to the guidelines as set out in regulation 28 of the pension funds act and is suitable for retirement funds Investments.

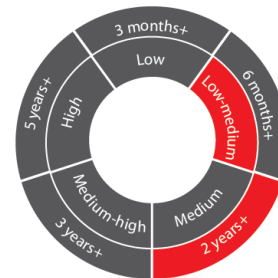
Fund features

- Exposure to the South African yield curve will be actively managed based on the interest rate cycle and will not be constrained by a particular fixed- interest benchmark weighting.
- The duration characteristics may be that of a money market fund, a pure income fund or a combination thereof, depending on the interest rate cycle.
- The strategy gives rise to tactical allocations over the investment cycle, relative to the longer-term strategic forecasts, therefore enabling benefits to be derived from reduced risk and improved returns on a cycle adjusted basis.

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.

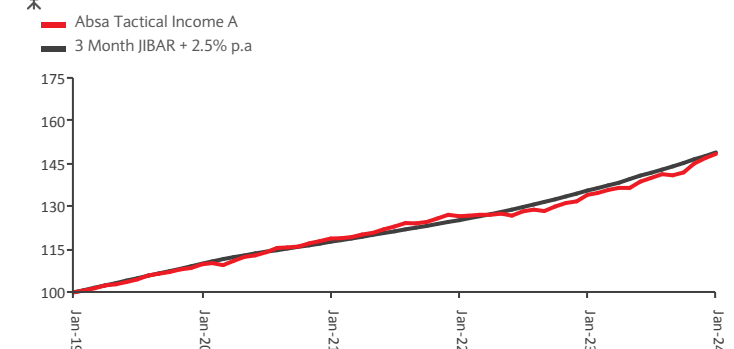
Risk profile and advisable minimum term



Risk statistics

Class A	Since Inception (23 April 2015)
Number of positive months	67/79
Highest 1 Year Performance	31/10/2019 11.97%
Lowest 1 Year Performance	30/09/2022 3.49%

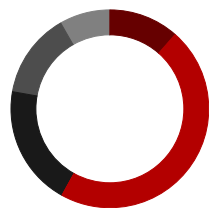
Cumulative performance (5 years)



The chart reflects the value (monthly data points) of a R100 investment made on the 23 April 2015



Asset Allocation (%)



Fixed rate bonds	11.47%
Floating rate bonds	46.57%
Inflation linked bonds	0.00%
Interest bearing CIS	19.74%
Money market	13.94%
International equity	8.20%
International money market	0.09%



Quarterly fund commentary as at 31 December 2023

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 2023.



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 31/01/2024 (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 (RF)(Pty) Ltd (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 15:00 every day will be traded at ruling prices and valued after 15:00 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 2023. MDD issue date: 22 February 2024



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