

PERSONAL TRUST UNIT TRUSTS ABRIDGED ANNUAL REPORT

FOR THE PERIOD ENDING 31 DECEMBER 2017

CHAIRMAN'S REPORT

MARKET REVIEW

INVESTMENT COUNCIL

COMPLIANCE

FUND REPORTS

ABRIDGED FINANCIAL STATEMENTS



**PERSONAL
T·R·U·S·T**

INTERNATIONAL

MANAGEMENT COMPANY (PTY) LTD



personal trust



INDEX

	PAGE
Chairman's Report	3
Market Review	4
Investment Council	6
Compliance Function	7
Trustee's Report	8
Fund Range	9
Fund Performance	11
Schedule of Distributions	12
Abridged Income Statements	12
Abridged Balance Sheets	13



CHAIRMAN'S REPORT

While it is a statutory responsibility of Personal Trust to disclose, in an annual report, the performance and investment composition of various Funds and Fund of Funds managed by Personal Trust, we would like this document to go further.

We realise the responsibility that our clients have entrusted upon us in the management and administration of these funds. So, in the preparation of this annual report, we hope that our investor clients will derive comfort from the management controls, audit arrangements and custodianship in respect of each of the Funds. In the event that you, our valued clients, have any uncertainty or questions, the names and contact details of independent parties that you can approach with your questions/concerns are listed on the back.

We hope that this annual report will be of interest and give our investor clients comfort.

JP le Roux
Chairman



MARKET REVIEW

In 2017, world equity markets continued to be led by US markets with the Dow Jones Index up 25.1%, the S&P 500 Index up 19.4% and the Nasdaq Index up 29.0%. Eastern markets also rose with the Hang Seng Index up 37.3% and the Japanese Nikkei up 19.1%. The FTSE 100 Index in London was only up 7.6% as a result of the uncertainty caused by Brexit.

The JSE All Share Index improved in the first six months of the year and in June exceeded the previous all-time high of 55,188 points reached in April 2015. The market continued to move ahead and closed the year at 59,504 points, being an increase of 17.5% for the year. A surprise feature of the year was the weakness of the US Dollar which lost 14.6% against the Euro and 14.65% against the Pound. This weakness caused the Rand to appreciate 9.8% against the Dollar. The Rand gained 0.8% against the Pound but lost 3.2% against the Euro. The weakness in the Dollar helped the gold price to rise 13.9% and the oil price to rise 22.7% in Dollar terms.

The election in December of Cyril Ramaphosa as president of the ANC was the major reason for the very good performance of the Rand. This caused the South African Incorporated shares such as the banks and retailers to improve and the Rand hedge shares such as British American Tobacco, Richemont and Naspers to retreat.

John Falconer
Director, Personal Trust (Pty) Ltd



THE AUDITOR OF THE PERSONAL TRUST COLLECTIVE INVESTMENT SCHEMES IS KPMG INC.

OTHER INFORMATION

The abridged financial statements on page 12, which have been prepared by management, have been derived from the audited financial statements of the Personal Trust Income Fund, Personal Trust Income ABIL Retention Fund, Personal Trust Conservative Managed Fund, Personal Trust Prudent Fund of Funds, Personal Trust Managed Fund and Personal Trust Equity Fund (the portfolios) for the year ended 31 December 2017.

KPMG Inc, the auditor of the scheme, has issued an unmodified audit opinion on the financial statements of the above portfolios for the year ended 31 December 2017. Those financial statements and auditor's report are available on request.

Back row left to right: *Thando Gobe, Keith Andrews*
Front row left to right: *Gary Pickering (KPMG), Philip Strachan, John Bester*
Insert: *Peter Doyle*



PERSONAL TRUST INVESTMENT COUNCIL

The Personal Trust Investment Council was established in 2010 to guide financial planning process and to co-ordinate and ensure alignment of fund solutions with client needs. It consists of two sub-committees; one to oversee the investments into unit trusts, and the other to manage investments into listed shares and the construction of segregated portfolios.

Lorraine White, John Falconer, John Bester, Glenn Moore, Mark Huxter, Svend Nielsen Kris van den Berg and Thando Gobe served on The Investment Council in 2017.



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COMPLIANCE

PERSONAL TRUST COMPLIANCE

A good corporate reputation is a company's most valuable and competitive asset. It is directly linked to uncompromising compliance with applicable laws, regulations and internal guidelines.

Compliance is thus a central pillar of our management and corporate culture and, at the same time, an integral part of all business processes. Achieving outstanding performance and maintaining the highest level of ethical integrity is certainly not a contradiction. On the contrary, this mindset and approach have made Personal Trust successful.

Compliance is not only mandatory, but a key prerequisite for sustainable corporate governance. Compliance is therefore an integral part of our corporate culture. It is based on the enduring company values that govern and guide our activities.

Compliance risk is the risk that Personal Trust fails to comply with the letter and spirit of statutes, regulations, supervisory requirements and industry codes of conduct which apply to our businesses. In keeping with our core values, we also endeavour to comply with the highest professional standards of integrity and behaviour, which promote, build and maintain trust.

The compliance department has unrestricted access to the chairman of the audit committee and our Group Managing Director, Mr Thando Gobe.

Compliance risk is managed through internal policies, processes and ongoing monitoring which include legal, regulatory and other technical requirements relevant to the business. Staff are provided with regular training to ensure that all employees of the Personal Trust Group are familiar with their regulatory obligations. The compliance department independently monitors the business to ensure adherence to any new legislative requirements as well as existing policies and procedures and other technical requirements.

Ongoing compliance is monitored and tested through various means including internal and external audits. Report findings are presented to Management and the Audit Committee.

Reg. No. 1200100228
An Authorised Financial Services Provider



15 March 2018

The Directors
Personal Trust International Management Company (Pty) Ltd
Personal Trust House, Belmont Park
Belmont Road
Rondebosch
7700

Dear Sirs

TRUSTEE REPORT ON THE PERSONAL TRUST COLLECTIVE INVESTMENT SCHEME

As Trustees to the Personal Trust Collective Investment Scheme ("the Scheme"), we are required in terms of the Collective Investment Schemes Control Act, 2002 (Act No. 45 of 2002) ("the Act") to report to participatory interest holders on the administration of the Scheme during each annual accounting period.

We advise for the period 1 January 2017 to 31 December 2017 we reasonably believe that the Manager has administered the Scheme in accordance with:

- (i) the limitations imposed on the investment and borrowing powers of the manager by the Act; and
- (ii) the provisions of the Act and the relevant deeds.

We confirm that according to the records available to us there were no material instances of compliance contraventions and therefore no consequent losses incurred by the Portfolio in the year.

Yours faithfully

Nelia de Beer
Head Trustee Services
Rand Merchant Bank
A division of FirstRand Bank Limited

Marian Rutters
Operations Manager Trustee Services
Rand Merchant Bank
A division of FirstRand Bank Limited

FUND RANGE

Personal Trust offers a range of local and offshore funds that cover the full risk spectrum. Whether you are in the capital accumulation phase, approaching or in retirement, our aim is to ensure a balanced spread of assets to achieve the financial goals of you and your family.

FUND	FUND DESCRIPTION	BENCHMARK	RISK PROFILE	LAUNCH DATE	MINIMUM INVESTMENT	INITIAL CHARGE	ANNUAL FUND FEE	TER*	TC	TER + TC	DISTRIBUTIONS
PT Income Fund	Objective is to provide returns that exceed return on cash by more than 2% over the full interest rate cycle, while ensuring the security of the invested capital.	Cash + 2%	Low	July 2002	R200,000	Negotiable to a max of 1% (excl. VAT)	1.33% (excl. VAT)	Fin. Year: 1.59% 3 Year Rolling: 1.58%	Fin Year: 0.01% 3 Year Rolling: 0.01%	Fin. Year: 1.60% 3 Year Rolling: 1.59%	Quarterly
PT Conservative Managed Fund	Best suited to retired investors drawing income from their portfolio, the fund invests in a combination of local equities, property trusts, local and offshore bonds and cash. The asset allocation of the fund is biased toward a low equity exposure.	40% of JSE ALSI 40% of All Bond Index 20% JP Morgan Bond Index	Low to Medium	August 2008	R50,000	Negotiable to a max of 1% (excl. VAT)	1.21% (excl. VAT)	Fin. Year: 1.42% 3 Year Rolling: 1.41%	Fin. Year: 0.14% 3 Year Rolling: 0.12%	Fin. Year: 1.56% 3 Year Rolling: 1.53%	Quarterly
PT Prudent Fund of Funds	Invests with a selection of top South African asset managers. The funds contain local & international securities in the equity, bond, money and property markets with the objective of achieving growth of inflation + 5%.	CPI +5%	Medium to High	October 2001	R50,000	Negotiable to a max of 1% (excl. VAT)	0.90% (excl. VAT)	Fin. Year: 2.14% 3 Year Rolling: 2.12%	Fin. Year: 0.11% 3 Year Rolling: 0.10%	Fin. Year: 2.25% 3 Year Rolling: 2.23%	Quarterly

PT Managed Fund	Best suited to investors saving for retirement, the fund invests in a combination of local and foreign equities, property trusts, bonds and cash. The asset allocation of the fund is biased toward a full equity exposure.	60% of JSE ALSI 15% of Global S&P 100 25% of All Bond Index	Medium to High	August 2007	R50,000	Negotiable to a max of 1% (excl. VAT)	1.21% (excl. VAT)	Fin. Year: 1.44% 3 Year Rolling: 1.44%	Fin. Year: 0.16% 3 Year Rolling: 0.14%	Fin. Year: 1.61% 3 Year Rolling: 1.58%	Quarterly
PT Equity Fund	Aims to provide investors with capital growth over the long term. The objective is to achieve returns in excess of the JSE All Share Index. The fund has full exposure to the South African equity market.	JSE All Share Index	High	July 2009	R50,000	Negotiable to a max of 1% (excl. VAT)	1.21% (excl. VAT)	Fin. Year: 1.39% 3 Year Rolling: 1.46%	Fin. Year: 0.08% 3 Year Rolling: 0.30%	Fin. Year: 1.47% 3 Year Rolling: 1.76%	Quarterly

*Total Expense Ratio:

Period (Annualised): Financial Year: 1 January – 31 December 2016. 3 Year Rolling: 1 October 2014 – 30 September 2017

Total Expense Ratio (TER) – Percentage of the value of the Financial product that was incurred as expenses relating to the administration of the Financial Product.

Transaction Costs (TC) – Percentage of the value of the Financial product that was incurred as costs relating to the buying & selling of the assets underlying the Financial Product.

Total Investment Charges (TER + TC) – Percentage of the value of the product that was incurred as costs relating to the investment of the Financial Product.

FUND PERFORMANCE

	FUND	1 YEAR DEC 2017	3 YEAR DEC 2017	5 YEAR DEC 2017	10 YEAR DEC 2017	SINCE INCEPTION
Income Only	PT Income Fund	8.17%	7.59%	6.77%	7.06%	9.61%
		5.85%	5.41%	4.85%	4.91%	5.07%
	PT Income ABIL Retention Fund	6.23%	7.38%	6.63%	6.99%	9.56%
		5.85%	5.41%	4.85%	4.91%	5.07%
Income & Growth	PT Conservative Managed Fund	9.98%	7.29%	9.81%	N/A	10.26%
		11.26%	8.18%	10.15%		10.91%
Long Term Capital Growth	PT Prudent Fund of Funds	10.07%	7.45%	9.90%	8.51%	11.54%
		9.85%	10.69%	10.65%	11.14%	11.04%
	PT Managed Fund	11.19%	7.90%	11.89%	10.58%	10.68%
		14.03%	9.02%	11.79%	11.06%	11.09%
Long Term Capital Growth	PT Equity Fund	15.41%	5.12%	4.40%	N/A	8.99%
		20.95%	9.28%	11.93%		15.48%

Figures quoted are from Profile Data as at 31 December 2017 for a lump sum, using NAV prices which include fees and charges with income distributions reinvested.

Returns are calculated on an annual compounded growth basis

*Benchmark returns

On 21 August 2014, the PT Income ABIL Retention Fund was established to house the illiquid African Bank debt instruments. An equal percentage of the unitholding of all investors in the PT Income Fund at that date was moved to the Retention Fund.

The performance table above indicates the combined performance of both the PT Income Fund, and PT Income ABIL Retention Fund. These performance figures are applicable to investors that were invested in the PT Income Fund on 21 August 2014.

SCHEDULE OF DISTRIBUTIONS

	31 MARCH 2017	30 JUNE 2017	30 SEPTEMBER 2017	31 DECEMBER 2017
PT Income Fund	2.5179	2.3257	2.5694	2.2684
PT Income ABIL Retention Fund	-	-	-	21.824
PT Conservative Managed Fund	1.7011	1.2123	1.8173	1.2681
PT Prudent Fund of Funds	1.6861	3.7822	1.805	1.2328
PT Managed Fund Class A	1.8078	1.1612	1.9136	1.9136
PT Managed Fund Class B	1.8083	1.1612	1.9137	1.1822
PT Equity Fund	1.4958	-	1.2553	0.2077

Expressed as cents per unit

ABRIDGED INCOME STATEMENTS FOR THE PERIOD ENDING 31 DECEMBER 2017

	PT INCOME FUND	PT INCOME ABIL RETENTION FUND	PT CONSERVATIVE MANAGED FUND	PT PRUDENT FUND OF FUNDS	PT MANAGED FUND	PT EQUITY FUND
Income	27 272 097	1 099 518	346 596 121	128 546 867	163 928 011	98 668 116
Expenditure	4 450 639	19 253	44 632 664	12 470 532	19 261 150	9 096 480
Income from operations before financial costs	22 821 458	1 080 265	301 963 457	116 076 335	144 666 861	89 571 636
Distributions to unit holders	21 087 494	1 015 014	107 780 895	25 297 319	38 691 407	11 143 830
Change in net assets attributable to unit holders	1 733 964	65 251	194 182 562	90 779 016	105 975 454	78 427 806

ABRIDGED BALANCE SHEETS FOR THE PERIOD ENDING 31 DECEMBER 2017

	PT INCOME FUND	PT INCOME ABIL RETENTION FUND	PT CONSERVATIVE MANAGED FUND	PT PRUDENT FUND OF FUNDS	PT MANAGED FUND	PT EQUITY FUND
Assets						
Financial assets at fair value	277 328 161	8 397 035	2 573 280 778	1 203 632 185	1 189 813 642	615 788 501
Creations receivable	-	-	1 536 448	-	17 490	2 944
Accrued income	3 464 051	134 437	10 323 539	395 726	3 580 152	604 670
Trade and other receivables	-	-	12 826 440	-	7 695 840	-
Cash and cash equivalents	42 035 237	917 371	629 871 221	72 901 013	229 363 036	31 685 841
Total assets	322 827 449	9 448 843	3 227 838 426	1 276 928 924	1 430 470 160	648 081 956
Liabilities						
Trade and other payables	531 065	18 040	3 823 908	1 181 001	1 725 535	814 761
Distributions payable	5 368 529	1 015 020	22 985 270	3 717 578	7 822 192	767 120
Liquidations payable	36 000	-	-	810 023	-	-
Total liabilities	5 935 594	1 033 060	26 809 178	5 708 602	9 547 727	1 581 881
Net assets attributable to unit holders	316 891 855	8 415 783	3 201 029 248	1 271 220 322	1 420 922 433	646 500 075

Full KPMG audited financial statements available upon request.

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PERSONAL TRUST INTERNATIONAL MANAGEMENT COMPANY (PTY) LTD

Registration Number 2005/026983/07

FINANCIAL SERVICES BOARD: Contact: Noluntu Bam · Tel: 012 470 9080 · Fax: 012 348 3447 · Email: info@faisambud.co.za · Website: www.faisambud.co.za

PERSONAL TRUST COMPLIANCE OFFICER: Name: Compliserve · Tel: 0861 273 783 · Fax: 021 674 2821 · Email: Gerry@compliserve.co.za · Website: www.compliserve.co.za

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NOORDHOEK OFFICE: Unit 1 – No. 3 Carlton Close Sunnydale Noordhoek 7979 · P O Box 1030 Sun Valley 7985 · Telephone: 021 785 3298 · Facsimile: 086 210 4931

SOMERSET WEST OFFICE: G03 Parc du Links Niblick Way Somerset West 7130 · Postnet Suite Number 126 Private Bag X15 Somerset West 7129 · Telephone: 021 852 2265 · Facsimile: 021 852 9298

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Email: personaltrust@ptrust.co.za · Website: www.personaltrust.co.za

DIRECTORS: JA Meyer BCompt (Hons), SK Nielsen · NON-EXECUTIVE DIRECTORS: JA Bester BCom (Hons) CA(SA) CMS (Oxon) PJ Strachan CA(SA)

IMPORTANT INFORMATION FOR INVESTORS

Tel: 021 689 8975 Fax: 086 210 4931 info@ptrust.co.za www.ptrust.co.za

Personal Trust International Management Company (Pty) Ltd

- Personal Trust International Management Company (Pty) Ltd. Reg No. 2005/026983/07 is a registered Collective Investment Scheme manager in terms of the Collective Investment Scheme Control Act, 45 of 2002. It is a wholly owned Subsidiary of Personal Trust (Pty) Ltd. FSP Licence No. 707. Registered Financial Services Provider. The Management Company is a member of the Association for Savings & Investment SA (ASISA)

Independent Trustee & Custodian

- Firstrand Bank Limited
25th Floor, Portside 5 Buitengracht Street, Cape Town, South Africa. Tel: +27 21 446 9200

Performance

- Collective Investment Schemes (CIS) are generally medium to long term investments. The value of the participatory interest may go up as well as down and past performance is not necessarily a guide to future performance. Performance disclosed in the fact sheets is applicable to the respective fund. Performance figures include income distributions, prior to deduction of withholding taxes and are calculated after management fees. Personal Trust Management Company does not provide a guarantee either with respect to the capital or the return of a portfolio. Actual investor performance may differ as a result of the investment date, the date of reinvestment and dividend withholding tax.
- Performance figures quoted are from Profile Data for the period ending 31 December 2017 based on a lump sum investment, using NAV prices which include fees and charges with income distributions reinvested.

Fund Mandate

- Personal Trust International Management Company (Pty) Ltd has the right to close the portfolio to new investors in order to manage it more efficiently in accordance with its mandate. CIS are traded at ruling prices and can engage in borrowing and scrip lending.
- A fund of fund portfolio only invests in other Collective Investment Scheme portfolios, which levy their own charges, which could result in a higher fee structure for these funds.
- The Personal Trust Income Fund derives its income primarily from interest-bearing instruments in accordance with section 100(2) of the Act, the yield is historic and calculated daily. The Personal Trust Income Fund is jointly managed by Prescient Investment Management, Licence Number 612 and Granate Asset Management (formerly RMI Specialist Managers (Pty) Limited, Licence Number 46189.
- There were no material breaches during the year.

Institutional Investors

- Subscription by institutional investors, or by investors deemed to be institutional investors by the Manager, may be permitted by invitation only.
- The terms of subscription by institutional investors will be concluded at time of invitation.

Unit Price

- Historic pricing is used.

Fees

- A schedule of fees and charges and maximum commissions is available on request from the company. Commissions and incentives may be paid and, if so, would be included in the overall cost.
- The Fund may invest in portfolios of collective schemes that levy their own charges, which could result in a higher fee structure for the Fund. A Fund of Funds portfolio will invest in portfolios that levy their own charges, which could result in a higher fee structure for the Fund of Funds. In both instances, the charges levied by the portfolios of collective investment schemes into which the Fund invests are reflected in the Total Expense Ratio.

Foreign Exposure

- A portfolio can invest in foreign securities which may have exposure to 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.

Total Expense Ratio (TER)

- 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 are a necessary cost in administering the Financial Product and impacts the Financial Product 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 financial product, the investment decisions of the investment manager and the TER.

Contact details of Investment Manager: Personal Trust (Pty) Limited. Tel: +27 (21) 689 8975. Fax: +27 (21) 686 9093. PO Box 476, Rondebosch, 7701. Personal Trust House, Belmont Park, Belmont Road, Rondebosch, 7700, Cape Town – South Africa. Web: www.personaltrust.co.za