**Fund Objective**
To achieve steady long-term capital growth with a moderate level of risk.

**Fund Features**
- Managed by Brooks MacDonald Asset Management (International) Ltd & Credo Capital Plc
- Designed for investors seeking a moderate level of risk for the international portion of their portfolio
- Ideal investor should have limited income requirements and the ability to tolerate a reasonable level of volatility
- Investment horizon of three to five years

**ASISA Category**
Sector: Multi Asset Flexible
Geographic Classification: Global

**Fund Risk Profile**
- Inception Date: 1 April 2011
- Fund Size: $50.13 million
- Unit Price: 121.52 cents per unit
- Units in issue: 41,260,494
- Min. Investment: $5,000
- Dealing Freq: Weekly
- Benchmark: 25% MSCI World Index; 25% JP Morgan Global Bond Index; 10% S&P Global REIT Index; 40% IMF Special Drawing Rights
- Registered: Guernsey
- Custodian: BNP Paribas Trust Company (Guernsey) Ltd
- Distribution: None

**Fees:**
- Initial Charge: No Initial Fee
- Annual Fund Fee: 1.34%

**Total Expense Ratio** (see explanatory notes for more info)
- Financial Year: 1.95% 1.92%
- 3 Year Rolling: 0.01% 0.01%
- Total Expense Ratio (TER): 1.96% 1.93%
- Transaction Costs (TC): 0.01% 0.01%
- Total Investment Charges (TER+TC): 1.96% 1.93%

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 TER’s. 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.

**Other Information**
Transaction cut off: Tuesday weekly
Valuation cut off: Thursday weekly
Bloomberg Code: PTIGMCA
ISIN Code: GG00B4LF9S22
Investors can access, free of charge, quarterly reports, minimum disclosure documents and annual reports on our website at www.ptrust.co.za
COMMENTARY
Credo Capital Plc
Global equities continued their strong performance from the end of last year into the beginning of 2021, up over 6% during the three months from December to February, despite shorter term month end pullbacks. REITs saw a slower start to the year but caught up towards the end of the period, to return over 7%. Bonds have fared less well, falling close to 2% in the last two weeks of February, with a bearish steepening of the US yield curve and 10-year yields on Treasuries rising sharply to 1.5% having started the year below one. Currency markets continued to be volatile, with broader US dollar weakness at the tail end of 2020 seeing a partial reversal in the first two months of the year.

Brooks Macdonald
Since the start of 2021 we have seen cyclical equities in vogue, out of fashion then back in vogue again. The fate of cyclical equities is inexorably linked to the vaccine rollout. The cyclical rally begun with the November efficacy results from Pfizer and stumbled when supply issues and new variants hit sentiment in January. The latest rise in cyclical equities has complemented, rather than come at the expense of, high growth areas such as technology which continue to hit all-time highs.

The second order effect of a return to more economic normality can be inflation. Our expectation is that medium term inflation will remain controlled post the pandemic, as it did pre the pandemic. The main determinant of this is how consumer demand recovers in light of elevated unemployment figures despite the support measures in place across the globe. Economic output gaps (where current output is below potential output) such as this can dampen any inflationary pressures in the short to medium term as they suppress wage price inflation pressures. The latest round of US Fiscal Stimulus has now been approved via the budget reconciliation process and investors expect this goldilocks package to provide enough support to the economy but not too much which could lead to inflation. With budget reconciliation stimulus only able to be used once per calendar year we believe there is a far greater risk in the fiscal porridge being too cold rather than too hot. Now that the package has been unveiled this may distort inflation expectations in the short term and catalyse a pickup in concerns over future inflation levels. We believe however that temporary shots of demand, created by stimulus bills for example, tend to flow through the economy, and economists’ estimates, quite quickly.

So far this year, we have witnessed a tug of war in market leadership between technology and cyclical exposures. Asia ex Japan equities have been one of the greatest beneficiaries of this cyclical swing and this remains one of our preferred area for such exposure. The Committee will continue with a barbell approach to equities in 2021, with the US, Technology, Healthcare and Sustainability filling the growth bucket, Asia ex Japan in the cyclical pot and exposure to the quality sector through our managed funds. As global investors strive to attain balance in their own positioning, we are seeing both ends of the barbell perform with technology and Asia ex Japan both outperforming the broader market so far this year. We will continue to look at the regions and sectors that make up this barbell approach as valuations shift throughout the year and opportunities arise. This active management can be seen in the recent addition of the Property ETF where we feel performance has decoupled from bonds during the pandemic and depressed valuations now offer an attractive entry point. There has been a lot of press recently suggesting that valuations in certain other asset classes are stretched, and bubbles have formed. Retail driven rallies in unloved stocks have come and gone without sustained contagion to the broader market however valuations are above their historical averages.

EXPLANATORY NOTES
3 Year Rolling 1 January 2018 – 31 December 2020

Annualised The compound annual growth rate over the performance period measured. Past performance is not indicative of future performance.

Financial Year 1 January – 31 December

Highest & Lowest Returns Returns achieved over rolling one year periods since inception. Actual annual figures are available to the investor on request.

Percentage positive months The percentage of calendar months in which the Fund produced a positive monthly return since inception.

Total Expense Ratio (TER) The percentage of the value of the Financial Product incurred as costs relating to the administration of the Financial Product.

Transaction Cost (TC) The percentage of the value of the Financial Product incurred as costs relating to the buying & selling of the assets underlying the Financial Product.

Total Investment Charges (TER + TC) The percentage of the value of the product incurred as costs relating to the investment of the Financial Product.

Our counter to these concerns is the relative valuation of assets and whilst we have seen a slight steepening of sovereign yield curves, the gap between fixed income yields and equity earnings yields remains significant. Looking backwards, during the tech bubble US 10-year treasuries yielded around 2.5% more than US forward looking equity yields, today the situation is reversed with US equities yielding more than 2.5% above that of the 10-year treasury benchmark yield. Whilst absolute valuations look full, relative valuations still favour equities, which is a key pillar for our continued preference for equities in 2021.