**Fund Objective**
To manage the interest rate cycle to obtain the highest possible yield whilst ensuring the security of the capital invested.

**Fund Features**
- Suitable for investors with a low risk profile who are seeking managed exposure to income generating investments
- Tactically managed to secure an attractive return while protecting capital
- Recommended investment period is 12 months or longer

**ASISA Category**
Sector: Multi Asset Income Portfolio
Geographic Classification: South African

**Fund Risk Profile**
Fund Managers: Granate Asset Management (Pty) Ltd & Prescient Investment Management (Pty) Ltd
Inception Date: 1 July 2002
Fund Size: R659.95 million
Unit Price: 136.03 cents per unit
Units in issue: 485,147,026
Min. Investment: R200 000 lump sum
Benchmark: Cash + 2%
Distribution: March, June, September, December

**Fees:**
Initial Charge: Negotiable to a maximum of 1% plus VAT
Annual Fund Fee: 1.33% (excluding VAT)

**Total Expense Ratio** (see explanatory notes for more info)

- **Fund:**
  - Financial Year: 1.55%
  - 3 Year Rolling: 1.56%
- **Transaction Costs (TC):** 0.02%
- **Total Investment Charges (TER+TC):** 1.57%

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: 13h00 daily
Valuation cut off: 15h00 daily
Bloomberg Code: PERTIN
ISIN Code: ZAE000054136
JSE Code: PTIC
Prices are published daily in arrears.
Investors can access, free of charge, daily fund prices, quarterly reports, minimum disclosure documents and annual reports on our website at www.ptrust.co.za
PERSONAL TRUST INCOME FUND
FUND DETAILS AS AT 28 FEBRUARY 2021

MINIMUM DISCLOSURE DOCUMENT

COMMENTARY

Prescient
The new year kicked off with a similar risk on tone to global markets as was experienced at the end of last year. The ZAR and most local assets benefitted from this as markets got the year off on the front foot. One notable exclusion from this was the listed property market which saw a soft start to the year as the renewed more restrictive lockdown regulations was a cause for concern. The Monetary Policy Committee decided to keep rates on hold during January with some of its members voting for a cut. Markets have moved the hurdle higher for more rate cuts post the meeting as the tone of the statement could be interpreted as somewhat hawkish. The local yield curve remains steep and we remain of the view that nominal bonds offer value. With the risk dial looking to favour Emerging Markets the SA Bond market could be the beneficiary of renewed foreign interest and should see some yield compression. The quarter did end softer as globally yields retreated with SA bonds no different as foreigners sold bonds.

The Fund continues to earn an attractive real yield. The Fund’s ability to asset allocate away from assets not linked to cash creates a good opportunity to still generate its inflation beating target. We continue to hold bond exposure as yields remain attractive. We focus on the shorter end of the curve where the Fund will be protected if the fiscal dynamics takes a further turn for the worse. We continue to hold a position in inflation linked bonds (ILBs) as these generate an attractive real yield for the Fund. We remain conservatively positioned in our credit exposure with high-quality shorter-term assets. We will await further opportunities to allocate to good yielding assets.

Granate
The global economic recovery continues, with markets continuing their positive trajectory. The recent major sell-off in US Treasuries indicates the return to a healthy US economy, with fears that this will bring inflation with it. On the local front, the National Budget tabled in February was positive, with significantly higher revenue receipts than those projected in the mid-term budget in October. Importantly, the budget uses this revenue ‘windfall’ to narrow the fiscal gap and maintains its focus on reducing the country’s unsustainable public sector wage bill. Unfortunately, the local bond market took its lead from the US Treasury sell-off, and we saw foreigners selling around R30 billion’s worth of South African government bonds in February. In contrast, local equity and listed property performed positively over the quarter.

The Fund has increased its weighting to government bonds and reduced its weighting to corporate credit. The income fund continues to invest into government bonds, balancing this with shorter-dated floating-rate and money market paper. Corporate bonds remain unattractive relative to government bonds, and the fund’s weighting to them has reduced significantly. We have increased the weighting to inflation-linked bonds, as we believe that real yields are increasingly attractive, particularly in a rising inflation environment. The Fund should continue to benefit from the significant risk premium offered by longer-dated government and inflation-linked bonds, as well as yield enhancement from shorter-dated bank bonds.

EXPLANATORY NOTES

3 Year Rolling 1 January 2018 – 31 December 2020
12 month historic yield All income declared during the previous 12 months, gross of any withholding tax, as a percentage of the NAV price on the date of the MDD.
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 expenses relating to the administration of the Financial Product.
Transaction Cost (TC) The percentage of the value of the Financial Product incurred as costs related to the buying and 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.

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

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. Wholly owned Subsidiary of Personal Trust (Pty) Ltd. FSP License No. 7099. The Manager is a member of the Association for Savings & Investment SA (ASISA). Assets are managed by approved discretionary Financial Service Providers, Granate Asset Management (Pty) Ltd, operating under FSP number 46189, and Prescient Investment Management (Pty) Ltd, operating under FSP number 612.

Independent Trustee & Custodian: FirstRand Bank Limited, RMB Trustee Services.

Address: 3 Merchant Place, Ground Floor, Cnr Fredman & Gwen Streets, Sandton, 2196, Johannesburg.

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 sheet 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, any initial fee charged, the date of reinvestment and any withholding tax. Performance figures quoted are from Morningstar for the period ending 28 February 2021 based on a lump sum investment, fully invested for the period measured, using NAV prices which include fees and charges, excluding any initial fees, with income distributions, gross of withholding tax, reinvested on ex-dividend date. 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. The Personal Trust Income Fund derives its income primarily from interest-bearing instruments in accordance with section 100(2) if the Act, the yield is historic and calculated daily. There have been no breaches in the fund during the reporting period. 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. Historic pricing is used. 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. 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. 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.

ISSUED: 3 MARCH 2021