

# Investec

## Diversified Income Fund

'H' class units, ZAR

As at end January 2018

### Fund Features

- An actively managed, well diversified fixed income portfolio with multiple sources of return
- A global approach to fixed interest investing, capturing opportunities that South African and global fixed interest markets offer

### Objectives and investment policy summary

- The Fund aims to provide a high level of income while seeking opportunities to maximise capital growth
- The Fund invests in broad range of fixed income instruments (contracts to repay borrowed money which typically pay interest at fixed times) including government and corporate bonds. Other investments may include company shares, the units of other funds (including foreign funds), cash, property related securities (financial contracts evidencing ownership or debt) and derivatives (financial contracts whose value is linked to the price of an underlying asset). Between 5% and 25% of the Fund's value will typically be invested in property

### Annualised performance (%)

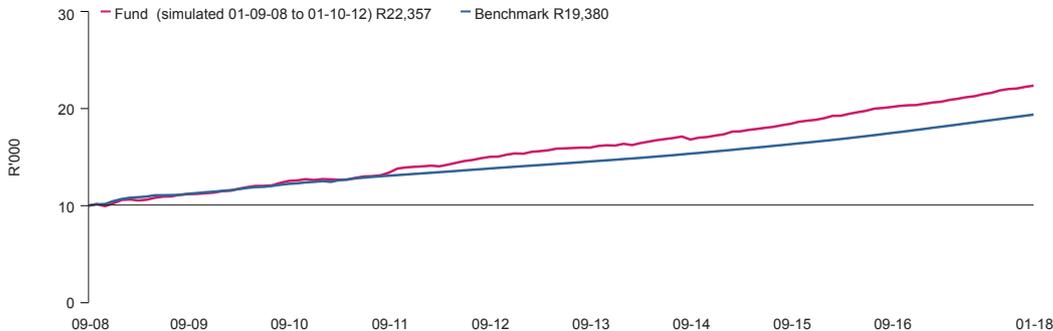
	FUND	BENCHMARK
1 Year	8.4	7.5
3 Years	8.2	7.2
5 Years	7.5	6.5
10 Years	n/a	n/a
Since Inception <sup>†</sup>	8.9	7.3

<sup>†</sup>Since Inception simulation date 01.09.08

### Fund statistics (%)

SINCE INCEPTION <sup>†</sup>		DATE*
Highest annualised return	13.4	31.07.12
Lowest annualised return	4.5	31.01.14
*12 month rolling performance figures		
Annualised volatility (%)	3.9	
Maximum drawdown (%)	-2.6	

### Since inception performance, R10,000 initial investment



Source: © Morningstar, dates to 31.01.18, performance figures above are based on lump sum investment, NAV-NAV, net of fees, gross income reinvested, in ZAR. The performance quoted for periods before the launch of H Class is based on older classes' performance, is adjusted for any fee differences and is for illustrative purposes only.

### Income distributions (cents per class unit)

Payment Date	Total
03 January 2018	2.32
03 October 2017	2.42
04 July 2017	2.32
07 April 2017	2.33

### Asset allocation (%)

<b>Local Assets</b>	<b>93.5</b>
Bonds	75.7
Cash / Money Market	13.9
Property (listed)	3.9
<b>Foreign Assets</b>	<b>6.5</b>
Bonds	3.4
Cash / Money Market	3.1

### Risk profile

Lower risk Potentially lower rewards

Higher risk Potentially higher rewards



### Key facts

**Portfolio manager:** Malcolm Charles, Peter Kent

**Fund size:** ZAR 4.3bn

**Fund inception date:** 01.09.08

**H Inc ZAR class unit inception date:** 01.10.12

**Domicile:** South Africa

**Sector:** ASISA SA Multi-Asset Income

**Benchmark:** STeFI Composite

**'H' class unit dealing currency:** ZAR

**Net historic yield:** 8.01%

**Gross historic yield:** 8.58%

**Gross current yield:** 8.98%

**Net current yield:** 8.33%

### 'H' class unit charges

**Initial fund fee:** 0.00%

**Annual management fee:** 0.50%

**Total expense ratio (TER):** 0.64%

**Transaction cost (TC):** 0.02%

**Total investment charge (TIC):** 0.66%

Fees rates are shown excluding VAT.  
TER, TC and TIC are shown including VAT.

### Other information

**Valuation and transaction cut-off:** 16.00

SA Time (forward pricing)

**Minimum investment:** LISPs or

R10,000,000

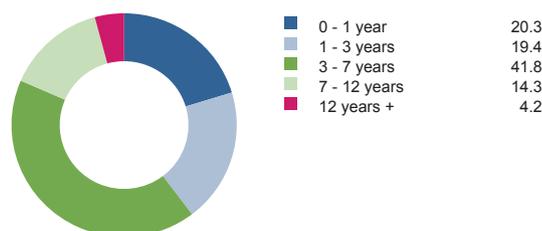
**ISIN:** ZAE000171542

# Investec Diversified Income Fund

## Security type (%)



## Maturity profile (%)



## Top Issuer exposure (%)

Standard Bank of South Africa Ltd	18.9
ABSA Bank Ltd	11.3
FirstRand Bank Ltd	10.3
Investec Bank Ltd	7.9
Republic of South Africa Government Bond	6.1
<b>Total</b>	<b>54.5</b>

**Duration contribution (years)** 1.5

**Average credit rating** AA

## Specific Fund Risks

**Currency exchange:** Changes in the relative values of different currencies may adversely affect the value of investments and any related income.

**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.

**Derivative counterparty:** A counterparty to a derivative transaction may fail to meet its obligations thereby leading to financial loss.

**Derivatives:** The use of derivatives may increase overall risk by magnifying the effect of both gains and losses. This may lead to large changes in value and potentially large financial loss.

**Developing market:** These markets carry a higher risk of financial loss than more developed markets as they may have less developed legal, political, economic or other systems.

**Interest rate:** The value of fixed income investments (e.g. bonds) tends to decrease when interest rates and/or inflation rises.

**Property:** Investments in real estate securities can carry the same risks as investing directly in real estate itself. Real estate prices rise and fall in response to a variety of factors, including local, regional and national economic and political conditions, interest rates and tax considerations.

## Glossary Summary

**Annualised performance:** Annualised performance is the average return per year over the period.

**Current Yield:** The yield is calculated by estimating the income receivable of all the instruments in the fund divided by the net asset value, expressed as a nominal annual rate. Included in the yield is an implied yield on certain instruments which is capital of nature and won't form part of distributable income. It is provided to give an indication of the fund yield being generated at the reporting date. Actual experience may differ, based on changes in market values, interest rates and changes in costs actually experienced during the investment period.

**Duration:** This is a measure of risk for funds which invest in bonds as it predicts the sensitivity of the value of a fund's portfolio given changes in interest rates. The higher the value the greater the volatility of the fund's performance resulting from changes to interest rates. The Modified duration is shown.

**Historic yield:** This yield reflects the amounts that have been distributed over the previous twelve months as a percentage of the Fund's net asset value per share for that period. It does not include any initial fund fee and investors may be subject to tax on distributions. The net yield is net of fees and the gross yield is gross of fees.

**Maximum drawdown:** The largest peak to trough decline during a specific period of an investment.

**NAV:** The Net Asset Value (NAV) represents the value of the assets of a fund less its liabilities.

**Risk profile:** A number on a scale of 1 to 7 based on how much the value of a fund has fluctuated over the past 5 years (or an estimate if the fund has a shorter track record). A rating of 1 represents the lower end of the risk scale with potentially lower rewards available whilst a rating of 7 reflects higher risk but potentially higher rewards.

**Total Expense Ratio:** TER includes the annual management fee, performance fee and administrative costs and includes VAT but excludes portfolio transaction costs (except in the case of an entry or exit charge paid by a fund when buying or selling units in another fund) expressed as a percentage of the average daily value of the Fund calculated over a rolling three year period (or since inception where applicable) and annualised to the most recently completed quarter. Where funds invest in the participatory interests of foreign collective investment schemes, these may levy additional charges which are included in the relevant 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 cost:** Transaction costs are a necessary cost in administering the Fund and impacts 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. Calculations are based on actual data where possible and best estimates where actual data is not available. Transaction costs are inclusive of VAT.

**Total investment charge:** This is the sum of the TER and TC.

**Volatility:** The amount by which the performance of a fund fluctuates over a given period.

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To find out about this Fund and other Investec Funds, visit [www.investecassetmanagement.com/saliterature](http://www.investecassetmanagement.com/saliterature)

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