

## Fund Profile

<b>Investment Manager:</b>	Terebinth Capital (Pty) Ltd
<b>ASISA Classification:</b>	South African - Interest Bearing - Money Market
<b>Launch Date:</b>	15 June 2015
<b>Cost Ratios (incl. VAT)</b>	
<b>Total Expense Ratio (TER%):</b>	0.45%
<b>Transactions Costs Ratio (TC%):</b>	0.01%
<b>Total Investment Charges (TIC%):</b>	0.46%
<b>Performance Fee (PF) Included in TER:</b>	0.00%
<b>Fees:</b>	Total Base Fee: 0.30% (excluding VAT) Class A1

<b>Fund size (in Millions):</b>	R 99.29m
<b>Analysis Currency:</b>	ZAR
<b>Units in Issue:</b>	99,001,642.34
<b>Unit Price (NAV):</b>	R 1.00
<b>Income Distribution (Declaration):</b>	Monthly
<b>Cents per unit (CPU):</b>	0.31
<b>Benchmark:</b>	Short-Term Fixed Interest (STeFI) Composite Index. Please note: The benchmark changed from STeFI Call Index to STeFI Composite in August 2020.
<b>Domicile:</b>	South Africa
<b>Fund Structure:</b>	CIS
<b>Portfolio Valuation:</b>	The portfolio is valued at 12h00, daily
<b>Transaction Cut-Off:</b>	10:00am

## Investment Objective

The fund seeks to preserve capital, ensure liquidity, as well as provide monthly returns. This fund aims to achieve a level of income in excess of the STeFI Call deposit index. The investment team undertakes a disciplined process at achieving the optimum portfolio composition. The portfolio may invest in money market instruments issued by local and foreign banks, treasury bills by government institutions and public entities. When the mandate allows, credit risk is judiciously taken by investing in select, liquid corporate and parastatal money market instruments. Liquidity shall at all times remain paramount. All instruments included in the portfolio shall have a maturity of not more than 12 months, with the average maturity not exceeding 90 days.

## Investment Philosophy

The portfolio manager seeks to deliver risk-adjusted money market returns, while aiming at enhancing yield. We actively seek out mispriced, highly liquid money market instruments, while implementing a portfolio construction methodology which is consistent with our view on the path of short term interest rates in South Africa. In order to maintain liquidity, the portfolio manager may, at times, sacrifice high yielding, illiquid asset returns, in order to be able to liquidate the portfolio if required by investors to do so. Daily liquidity obligations are carefully estimated and managed, and a safety buffer is maintained in low yielding call investments.

## Portfolio Income Distributions History (cents per unit)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2016</b>	0.48	0.48	0.49	0.48	0.55	0.55	0.57	0.58	0.57	0.60	0.58	0.58
<b>2017</b>	0.57	0.50	0.59	0.59	0.63	0.61	0.63	0.67	0.64	0.65	0.64	0.64
<b>2018</b>	0.60	0.56	0.59	0.60	0.62	0.60	0.62	0.62	0.60	0.62	0.61	0.63
<b>2019</b>	0.63	0.57	0.64	0.61	0.63	0.62	0.63	0.62	0.58	0.59	0.61	0.57
<b>2020</b>	0.58	0.54	0.60	0.48	0.49	0.46	0.38	0.35	0.41	0.36	0.33	0.31
<b>2021</b>	0.34	0.31										

An additional Fee Class was initiated in August 2017. The distributions from August 2017 onward are inclusive of both fee classes.

## Return Analysis <sup>3</sup>

	Fund	STeFi
<b>1 Year</b>	4.80%	4.84%
<b>3 Years</b>	20.86%	20.60%
<b>5 Years</b>	38.89%	39.40%
<b>Since Inception (Annualised)</b>	6.64%	6.84%

<sup>1</sup> Total Investment Charges (TIC%) = TER (%) + TC (%)

<sup>2</sup> The Total Expense Ratio (TER) of a portfolio, expressed as a percentage of the daily average value of the portfolio, is calculated over a period of usually a financial year and represents a measure of the portfolio's assets that were relinquished to meet portfolio operating costs, including charges, levies and fees. Typical expenses which are deducted from a portfolio include service charges, taxes, trustee fees and audit fees.

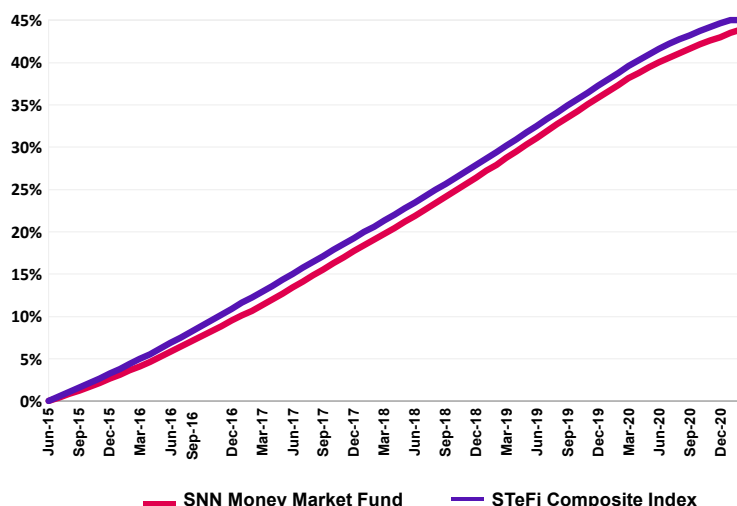
<sup>3</sup> The annualised total return is the average return earned by an investment each year over a given time period. Actual annual figures are available from the manager on request. The highest and lowest 1 year returns represent the highest and lowest actual returns achieved during any 12 month rolling period from 01 July 2015.

## Risk Profile

**Low**   **Low-Medium**   **Medium**   **Medium - High**   **High**

## Cumulative Performance Since Inception

cumulative fund returns vs market indices



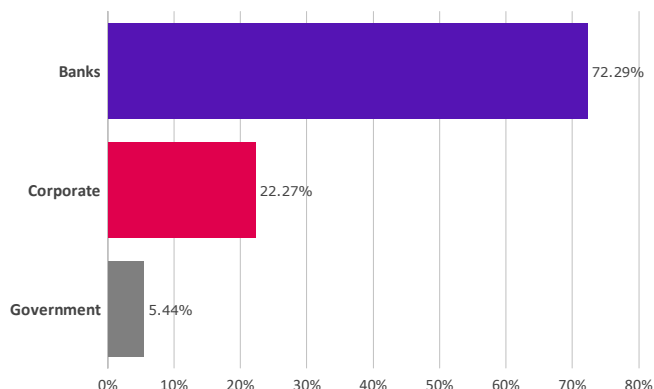
**Fund Source:** Sanne Fund Services SA (Pty) Ltd as at February 2021

**Benchmark(s) Source:** Bloomberg as at February 2021

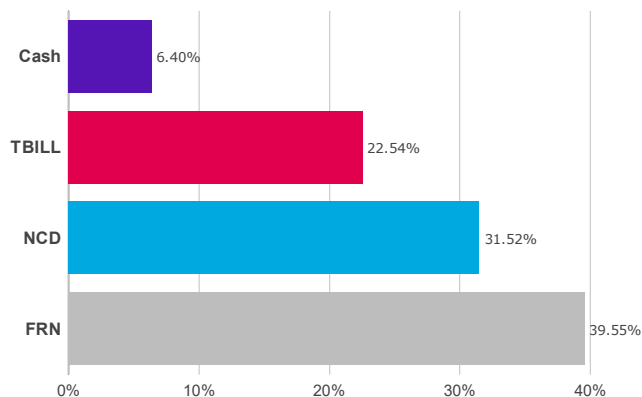
## Risk Analysis

	Fund	STeFi
<b>Standard Deviation</b>	0.32%	0.30%
<b>Highest 12 month Rolling Return</b>	7.58%	7.71%
<b>Lowest 12 month Rolling Return</b>	4.80%	4.84%
<b>Largest Cumulative Drawdown</b>	-	-

### Sector Allocation

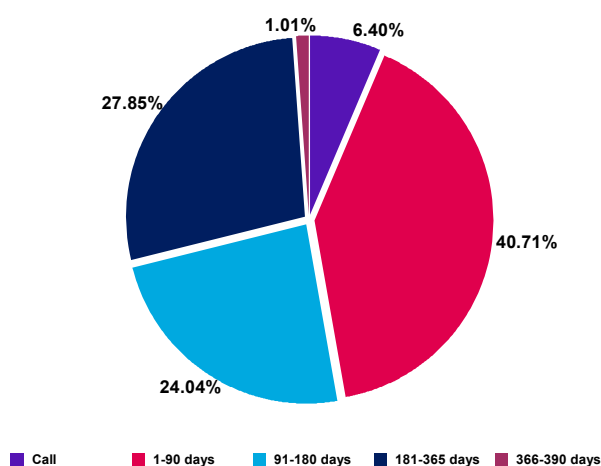


### Asset Allocation



### FUND COMPOSITION

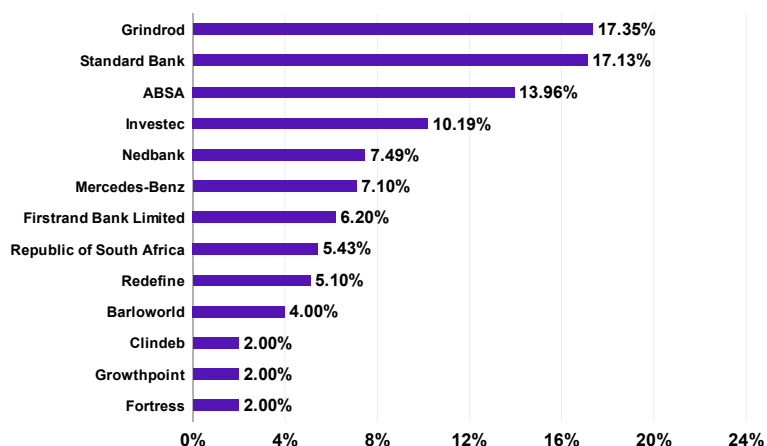
#### MATURITY PROFILE



### PRINCIPAL HOLDINGS as at 28 February 2021

#### HOLDING

% of fund



### Historical Performance Since Inception

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
<b>2015</b>							0.41%	0.42%	0.42%	0.45%	0.45%	0.47%	<b>2.65%</b>
<b>2016</b>	0.47%	0.47%	0.48%	0.52%	0.55%	0.55%	0.57%	0.57%	0.56%	0.59%	0.58%	0.58%	<b>6.68%</b>
<b>2017</b>	0.57%	0.50%	0.59%	0.59%	0.63%	0.62%	0.63%	0.64%	0.61%	0.63%	0.62%	0.62%	<b>7.52%</b>
<b>2018</b>	0.58%	0.54%	0.60%	0.58%	0.60%	0.58%	0.60%	0.61%	0.59%	0.61%	0.60%	0.63%	<b>7.37%</b>
<b>2019</b>	0.62%	0.56%	0.62%	0.60%	0.62%	0.61%	0.62%	0.61%	0.57%	0.58%	0.61%	0.56%	<b>7.43%</b>
<b>2020</b>	0.57%	0.54%	0.59%	0.47%	0.48%	0.45%	0.37%	0.34%	0.40%	0.35%	0.32%	0.30%	<b>5.30%</b>
<b>2021</b>	0.33%	0.30%											<b>0.63%</b>

\* Performance is reported from the first full month which was July 2015. Only actual figures are used calculated on a Net Asset Value ("NAV") basis and no forecasted figures are included. Performance is not guaranteed and investors should not accept it as representing expected future performance. Individual investor performance may differ as a result of initial fees, time of entry/actual investment date, date of reinvestment, and dividends withholding tax.

## Market Commentary

February, the month of love, was accompanied by an element of anxiety following the experience of 2020. Like a tragic ending to a typical Shakespearean love story, the signs are there as the story builds up to the conclusion, but the characters are oblivious to their eventual fate. We can learn from these experiences and manage the risks.

The reflation theme continued as headline inflation increased slightly to 3.2% in January from 3.1% in December. The increase was driven primarily by food and housing inflation. Inflation is expected to continue to normalise given general base effects and the uptick in fuel prices as oil prices increase on the expectations of an improving growth environment.

National Treasury tabled the Budget in the last week of February. Higher than forecasted revenue, compared to the MTBPS, was not a surprise given the improved monthly budget figures that preceded the Budget. The main concern was on how exactly National Treasury would deal with the "windfall". The Budget illustrated how National Treasury selected a more balanced approach of permanently reducing the debt-to-GDP ratio while allowing for an increase in expenditure from CoVID-19 related support measures. National Treasury may be more optimistic in the projections over the medium-term expenditure framework in terms of GDP expectations, tax buoyancy and expenditure reduction. This means that the Budget faces high implementation risk especially as we approach the much-anticipated negotiation of the public sector wage bill. The unions have indicated they are prepared to fight for higher wage increases.

The implementation risk on the Budget is an important factor for assessing the risk of further rating action by rating agencies. Although the South African National Credit rating is below investment grade, the risk of slipping further into sub-investment grade and possibly to speculative grade status is not ideal given the debt spiral effect of increasing cost of funding and budget deficits.

The rest of the month anchored on nervousness about March, given the anniversary of when the country was moved to a full lockdown and all major economic activities came to a standstill. The COVID-19 health crisis escalated locally and globally and eventually culminated into a global liquidity crisis that brought the bond market to its knees. The trading sessions leading to March 2021 were good examples of the phenomenon of psychology playing a factor in driving markets. The announcement of a potential further US stimulus package of up to two trillion dollars saw the market focusing more on the funding implications thereof instead of the implications of balancing potential growth stimulus. The Rand and local bond market sold-off in sympathy and we expect March 2021 to be a very volatile trading environment once again.

From a portfolio implication perspective, risk management becomes the focus area. However, we recognise from March 2020 that there were very limited areas to hide in the income space over that period given the universal sell-off. Therefore, having a balanced portfolio and sticking with the longer-term strategic allocation view is key.

The above commentary is based on reasonable assumptions and is not guaranteed to occur.

## Fund Profile

**Interest Rate Risk:** The values of bonds and other debt securities are inversely proportional to the change in interest rates. Interest rate risk is generally greater for investments with longer maturities as well as when the market does not expect a change in the interest rates.

**Credit Default Risk:** The risk that the government entity or company that issued the bond will run into financial difficulties and won't be able to pay the interest or repay the principal at maturity. Credit risk applies to debt investments such as bonds. The higher credit rating the less likely the possibility of the issuing company defaulting.

## Glossary

**Net Asset Value (NAV):** means net asset value, which is the total market value of all assets in a portfolio including any income accruals and less and deductible expenses such as audit fees, brokerage and service fees.

**Annualised Return:** is the weighted average compound growth rate over the performance period measured.

**Highest & Lowest Return:** The highest and lowest rolling twelve-month performance of the portfolio since inception.

**Total Expense Ratio (TER):** reflects the percentage of the average Net Asset Value (NAV) of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's.

**Transaction Costs (TC):** is the percentage of the value of the Fund incurred as costs relating to the buying and selling of the Fund's underlying assets. Transaction costs are a necessary cost in administering the Fund and impacts Fund returns.

**Total Investment Charge (TIC):** should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Fund, investment decisions of the investment manager.

**Total Investment Charges (TIC%) = TER (%) + TC (%):** The Total Investment Charges (TIC), the TER + the TC, is the percentage of the net asset value of the class of the Financial Product incurred as costs relating to the investment of the Financial Product. It should be noted that a TIC is the sum of two calculated ratios (TER+TC).

**Standard Deviation:** The deviation of the return of the portfolio relative to its average.

**Drawdown:** The greatest peak to trough loss until a new peak is reached.

## Mandatory Disclosure

• Collective Investment Schemes are generally medium to long term investments. The value of participatory interests (units) may go down as well as up. Past performance is not necessarily a guide to future performance. Collective investments are traded at ruling prices and can engage in scrip lending and borrowing. A schedule of fees, charges and maximum commissions is available on request from the manager, as well as a detailed description of how performance fees are calculated and applied. The manager does not provide any guarantee in respect to the capital or the return of the portfolio.

• A money market portfolio is not a bank deposit account. The price of a participatory interest is targeted at a constant value of R1 per unit. The total return to the investor is made up of interest received and any gain or loss made on any particular instrument. In most cases, the return will merely increase or reduce the yield, however in the case of abnormal losses it can have the effect of reducing the capital value of the portfolio. The yield calculation is based on the ASISA standard and is calculated on a seven-day rolling basis, using the average of the fund's previous seven days' net income and assuming all income was reinvested. This figure is then annualised, which is the weighted average compound growth rate. The value of an investment is dependent on numerous factors which may include, but not limited to, share price fluctuations, interest and exchange rates and other economic factors. The value of the price is on an accrual basis. The total return is made up of interest received and any gain or loss made on any gain or loss on any particular instrument.

• Excessive withdrawals from the fund may place the fund under liquidity pressure and in such circumstances, a process of ring fencing of withdrawal instructions and managed pay outs over time may be followed. Commission and incentives may be paid, and if so, are included in the overall costs. The Manager may close any portfolio to new investors in order to manage it efficiently in accordance with its mandate.

• Prices are published daily on our website and Morningstar newspaper;

• The Manager ensures fair treatment of investors by not offering preferential fee or liquidity terms to any investor within the same strategy.

**Sanne Management Company (RF) (Pty) Ltd, is a registered manager in terms of the Collective Investment Schemes Control Act 45 of 2002.**

**Telephone:** +27 21 202 8282

**Website:** www.snnmanco.com

**Email:** information@sannegroup.com

**Terebinth Capital(Pty) Ltd, is a Financial Service Provider (FSP no. 47909) authorised under the Financial Advisory and Intermediary Services Act 37 of 2002 to render investment management services.**

**FirstRand Bank Limited (acting through its RMB Custody and Trustee Services Division) , Address: 3 Merchant Place,Ground Floor, Corner Fredman Gwen Streets, Sandton, 2146. Tel +27 87 736 173**