

# PRUDENTIAL HIGH INTEREST FUND

30 JUNE 2021

**PLEASE NOTE:**

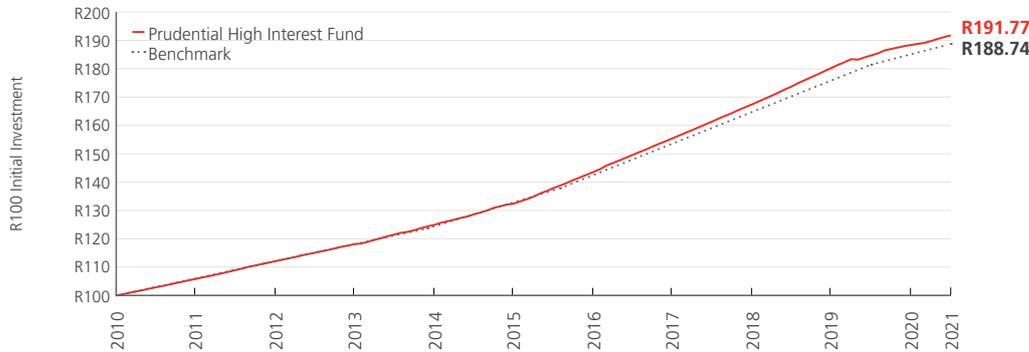
This fund is capped to new investors.



## FACT SHEET/MINIMUM DISCLOSURE DOCUMENT

## INCOME

### SINCE INCEPTION CUMULATIVE PERFORMANCE, DISTRIBUTIONS REINVESTED (A CLASS)



ANNUALISED PERFORMANCE	A CLASS	BENCHMARK	X CLASS	D CLASS
1 year	3.8%	4.0%	4.0%	4.1%
3 years	5.9%	6.0%	6.0%	6.1%
5 years	6.8%	6.6%	6.9%	7.1%
7 years	6.7%	6.6%	6.9%	7.0%
10 years	6.4%	6.3%	6.5%	6.7%
Since inception	6.4%	6.2%	6.5%	6.7%

\* Inception dates: X Class: 1 April 2011, D Class: 8 December 2010

1-YEAR INCOME RETURN	A CLASS	X CLASS	D CLASS
Fund yield (net of fees)	3.7%	3.8%	3.9%

RETURNS SINCE INCEPTION**	A CLASS	DATE
Highest annualised return	8.8%	28 Feb 2017
Lowest annualised return	3.5%	31 Mar 2021

\*\* 12-month rolling performance figure

FUND CHARACTERISTICS	
Weighted average duration	156 days

TOP ISSUERS*	
1. Republic of South Africa	38.7%
2. Nedbank Ltd	16.2%
3. Investec Bank Ltd	13.9%
4. The Standard Bank of South Africa Ltd	11.9%
5. Firststrand Bank Ltd	5.3%

\*As at 30 June 2021 (updated quarterly)

ASSET ALLOCATION	
SA Cash	88.6%
SA Inflation-linked Bonds	7.9%
SA Bonds (ex. Inflation-linked Bonds)	3.5%

INVESTMENT OPTIONS	A CLASS	I CLASS	X CLASS	D CLASS
Minimum lump sum investment	R10 000	R10 000	R10 000	R20 million
Minimum monthly debit order	n/a	n/a	n/a	n/a

INITIAL FEES (excl. VAT)	A CLASS	I CLASS	X CLASS	D CLASS
Prudential	0.00%	0.00%	0.00%	0.00%
Financial adviser (if applicable)*	3.00% (max)	3.00% (max)	3.00% (max)	0.00%

\* Initial Adviser Fees are negotiated between the Investor and Financial Adviser. Should you agree to an Initial Adviser Fee, it will be deducted before the investment is made.

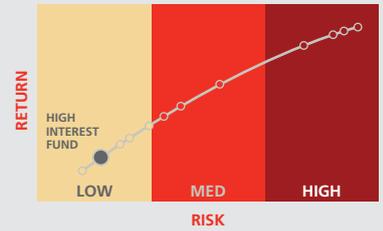
ANNUAL MANAGEMENT FEES (excl. VAT)	A CLASS	I CLASS	X CLASS	D CLASS
Prudential	0.55%	0.55%	0.45%	0.35%
Financial adviser service fee**(if applicable)	0.00%	0.15%	0.15%	0.00%

\*\* The Financial Adviser Service Fee is included in Prudential's annual management fee above. An Ongoing Adviser Fee, over and above the Financial Adviser Service Fee, may be negotiated between the Investor and Financial Adviser. Should you agree to an Ongoing Adviser Fee, it will be paid via the regular repurchase of units.

EXPENSES (incl. VAT)	A CLASS	I CLASS	X CLASS	D CLASS
Total Expense Ratio (TER)	0.65%	0.63%	0.53%	0.42%
Transaction Costs (TC)	0.01%	0.00%	0.01%	0.01%
Total Investment Charges (TIC)	0.66%	0.63%	0.54%	0.43%

Where a transaction cost is not readily available, a reasonable best estimate has been used. Estimated transaction costs may include Bond, Money Market, and FX costs (where applicable).

### RISK/RETURN PROFILE:



### FUND OBJECTIVE:

To maximise the current level of income above money market and current account yields, while providing maximum capital stability and a high degree of liquidity. This actively managed fund invests in slightly longer duration instruments than money market funds. The daily unit price will move slightly, in line with the performance of its holdings.

### INVESTOR PROFILE:

Individuals requiring a higher yield than that from a money market or current account, without taking on unnecessary risk. Capital stability and a high income yield are more important than long-term capital growth. The recommended investment horizon is 3-12 months, or longer depending on income needs and risk profile.

### INVESTMENT MANDATE:

The Fund invests in a flexible mix of non-equity securities. Its maximum weighted average duration is 180 days and the maximum duration of any one instrument is 36 months. The Fund is managed to comply with regulations governing retirement fund investments (Regulation 28).

### FUND MANAGERS:

Roshen Harry and Sandile Malinga

### ASISA CATEGORY:

South African - Interest Bearing - Short Term

### BENCHMARK:

STeFI Composite Index measured over a rolling 12-month period

### INCEPTION DATE:

8 December 2010

### FUND SIZE:

R8 494 340 815

INCOME DISTRIBUTIONS	TOTAL DISTRIBUTIONS	12-MONTH YIELD
(A Class) 30 June 2021	0.29 cpu	3.60%
(A Class) 31 May 2021	0.28 cpu	3.70%
(A Class) 30 April 2021	0.26 cpu	3.89%
(A Class) 31 March 2021	0.27 cpu	4.22%
(D Class) 30 June 2021	0.31 cpu	3.84%
(D Class) 31 May 2021	0.30 cpu	3.93%
(D Class) 30 April 2021	0.28 cpu	4.12%
(D Class) 31 March 2021	0.30 cpu	4.45%

If the income earned in the form of dividends and interest exceeds the total expenses, the Fund will make a distribution. (cpu = cents per unit)

**FUND COMMENTARY**

In June, US president Joe Biden and a bipartisan group of US Senators closed a deal on an infrastructure initiative worth \$1.2 trillion, while concerns over policy tightening eased after the US Federal Reserve (Fed) reassured financial markets that the recent spike in inflation was transitory.

Locally, President Ramaphosa announced a 14-day Level 4 lockdown amid a sharp rise in new Covid-19 cases. In more positive news, South Africa's economy grew by an annualised 4.6% in Q1 2021, easily beating market expectations of a 2.5% increase. Inflation climbed to 5.2% y/y in May from 4.4% y/y in April, largely in line with market expectations. The increase marked the highest inflation reading since November 2018, however this was largely due to last year's low base. Meanwhile, South Africa's trade surplus rose to R54.6 billion in May, marking the largest monthly trade surplus on record. In June, the FTSE/JSE All Bond Index delivered 1.1%, inflation-linked bonds (the Composite ILB Index) posted -1.5%, and cash as measured by the STeFi Composite Index returned 0.3%.

The fund returned 3.8% over the past 12 months, and 5.9% p.a. over the past 3 years.

**GLOSSARY**

<b>1-year income return</b>	The portion of the return of the Fund that is attributed to income generated over the last 12 months, assuming the investor reinvests all distributions and incurs no transaction fees or taxes.
<b>12-month yield</b>	A measure of the Fund's income distributions as a percentage of the Fund's net asset value (NAV). This is calculated by summing the income distributions over a rolling 12-month period, then dividing by the sum of the NAV at the end of the period and any capital gains distributed over the same period.
<b>Annualised performance</b>	The average amount of money (total return) earned by an investment each year over a given time period. For periods longer than one year, total returns are expressed as compounded average returns on a yearly basis.
<b>Cumulative performance graph</b>	This illustrates how an initial investment of R100 or N\$100 (for example) placed into the Fund would change over time, taking ongoing fees into account, with all distributions reinvested.
<b>Income distribution</b>	The dividend income and/or interest income that is generated by the underlying Fund investments and that is periodically declared and distributed to investors in the Fund after all annual service fees.
<b>Regulation 28</b>	The South African retirement fund industry is governed by the Pension Funds Act, No 24 of 1956. Regulation 28 of the Pension Funds Act prescribes the maximum limits in asset classes that an approved retirement fund may invest in.
<b>Total Expense Ratio (TER)</b>	This shows the charges, levies and fees relating to the management of the portfolio and is expressed as a percentage of the average net asset value of the portfolio, calculated for the year to the end of the most recent completed quarter. 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 TERs.
<b>Unit class</b>	Prudential's Funds are offered in different unit classes to allow different types of investors (individuals and institutions) to invest in the same fund. Different investment minimums and fees apply to different unit classes. A Class: for individuals only. B & D Class: retirement funds and other large institutional investors only. X Class: the special fee class that was made available to investors that were invested in the Dividend Income Feeder Fund. T Class: for investors in tax-free unit trusts. F Class: for Discretionary Fund Managers.
<b>Weighted average duration</b>	The average length of time to maturity of all the underlying instruments in the portfolio, weighted to reflect the relative holdings of each instrument.

**HOW TO INVEST**

0860 105 775

prudential.co.za

query@myprudential.co.za

Application forms

Invest now

Application forms and all required documentation must be faxed to +27 11 263 6143 or e-mailed to instructionsa@myprudential.co.za.

**DISCLAIMER**

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Collective Investment Schemes (unit trusts) are generally medium-to-long-term investments. Past performance is not necessarily a guide to future investment performance. Unit trust prices are calculated on a net asset value basis. This means the price is the total net market value of all assets of the unit trust fund divided by the total number of units of the fund. Any market movements – for example in share prices, bond prices, money market prices or currency fluctuations – relevant to the underlying assets of the fund may cause the value of the underlying assets to go up or down. As a result, the price of your units may go up or down. Unit trusts are traded at the ruling forward price of the day, meaning that transactions are processed during the day before you or the Manager know what the price at the end of the day will be. The price and therefore the number of units involved in the transaction are only known on the following day. The unit trust fund may borrow up to 10% of the fund value, and it may also lend any scrip (proof of ownership of an investment instrument) that it holds to earn additional income. A Prudential unit trust fund may consist of different fund classes that are subject to different fees and charges. Where applicable, the Manager will pay your financial adviser an agreed standard ongoing adviser fee, which is included in the overall costs of the fund. A Collective Investment Schemes (CIS) summary with all fees and maximum initial and ongoing adviser fees is available on our website. One can also obtain additional information on Prudential products on the Prudential website. The Fund may hold foreign securities including foreign CIS funds. As a result, the fund may face material risks. The volatility of the fund may be higher and the liquidity of the underlying securities may be restricted due to relative market sizes and market conditions. The fund's ability to settle securities and to repatriate investment income, capital or the proceeds of sales of securities may be adversely affected for multiple reasons including market conditions, macro-economic and political circumstances. Further, the return on the security may be affected (positively or negatively) by the difference in tax regimes between the domestic and foreign tax jurisdictions. The availability of market information and information on any underlying sub-funds may be delayed. The Manager may, at its discretion, close your chosen unit trust fund to new investors and to additional investments by existing investors to make sure that it is managed in accordance with its mandate. It may also stop your existing debit order investment. The Manager makes no guarantees as to the capital invested in the fund or the returns of the fund. Excessive withdrawals from the fund may place the fund under liquidity pressure and, in certain circumstances, a process of ring-fencing withdrawal instructions may be followed. Fund prices are published daily on the Prudential website. These are also available upon request. The performance is calculated for the portfolio. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. Purchase and repurchase requests must be received by the Manager by 13h30 (11h30 for the Money Market Fund) SA time each business day. All online purchase and repurchase transactions must be received by the Manager by 10h30 (for all Funds) SA time each business day.