

CITADEL SA INCOME H4 FUND B1

MINIMUM DISCLOSURE DOCUMENT

As of 30/06/2021



INVESTMENT OBJECTIVE AND POLICY

The Citadel SA Income H4 Fund is a specialist income portfolio with the primary objective to provide higher levels of income than traditional money market funds, maintaining a high degree of liquidity and to provide maximum stability of capital. The fund will primarily invest in assets in liquid form with a duration of less than two years, fixed interest securities including but not limited to bonds, debentures, loan stock, unsecured notes and non-equity securities. The fund is also allowed to invest in financial derivatives where the inclusion of such instruments is utilised for the purpose of efficient portfolio management only. The fund is permitted to invest in offshore investments as legislation permits.

RISK REWARD PROFILE



This portfolio invests predominantly in South African interest bearing securities and may hold offshore securities as permitted. In terms of the above risk reward profile, the portfolio has a low risk rating due to the nature of its investments, but it is not a risk-free investment. It could be affected by adverse changes in local and foreign macroeconomic and interest rate conditions, as well as in the credit worthiness of the money market and bond issuers. Please refer to the additional risks highlighted in the Information and Disclosures section

TOP ISSUERS

Portfolio Date: 30/06/2021		Portfolio Date: 31/03/2021	
Standard Bank of SA	23.9%	Standard Bank of SA	24.6%
FirstRand Bank	20.8%	FirstRand Bank	21.4%
Absa Bank Ltd	18.4%	Absa Bank Ltd	19.9%
Nedbank Limited	17.3%	Nedbank Limited	18.7%
Investec Bank	4.5%	Investec Bank	3.8%
Amber House Fund 7 (RF)	3.1%	Greenhouse Funding 5 (RF)	2.1%
Greenhouse Funding 5 (RF)	2.4%	SANRAL	1.7%
SANRAL	2.0%	SA Govt Bonds	1.3%
Absa Group Ltd	0.7%	Absa Group Ltd	0.6%
Standard Bank Group Ltd	0.7%	Standard Bank Group Ltd	0.6%

FUND HIGHEST/LOWEST ANNUAL RETURN

HIGHEST		LOWEST	
Date	30/04/2018	Date	30/06/2021
Fund	8.6%	Fund	4.8%
Benchmark	7.5%	Benchmark	4.0%

Calculated as a 12 month rolling performance figure using month-end values since the fund's launch. The benchmark performances shown above are an illustration of its own performance for the periods shown for the fund. This is not a reflection of the benchmark's own highest or lowest annual return.

FUND FACTS

Issue Date	15/07/2021
Portfolio Managers	George Herman Mike van der Westhuizen
Benchmark	STeFI Composite ZAR
Fund Classification	(ASISA) SA IB Short Term
ISIN	ZAE000194593
Launch Date	05/11/2014
Base Currency	South African Rand
Domicile	South Africa
Initial/Exit Fee	0.00%
Annual Management Fee (ex VAT)	0.50%
Valuation Time (daily)	17:00
Transaction Cut Off Time (daily)	15:00
NAV per Participatory Interest	R 10.22
Number of Participatory Interests	346 485 217.62
Fund Size (million)	R 4,133.38
Share Class Size (million)	R 3,541.87

DISTRIBUTIONS OVER THE LAST 12 MONTHS

Distribution Dates	31 March, 30 June, 30 Sep, 31 Dec
2020-07	R 0.1917
2020-10	R 0.1542
2021-01	R 0.1062
2021-04	R 0.1081

FUND PERFORMANCE (%)

	Citadel SA Income H4 B1	STeFI Composite ZAR
1 Year	4.8%	4.0%
3 Years (ann.)	6.8%	6.0%
5 Years (ann.)	7.5%	6.6%
Since Launch (ann.)	7.4%	6.6%

The graph above reflects the actual percentage performance of the fund and notional performance of the benchmark, based on a lump sum contribution on the launch date of the fund. Performance of both the fund and the benchmark is annualised over periods longer than one year. Performance is shown net of all fund charges and expenses and includes the reinvestment of distributions.

CITADEL SA INCOME H4 FUND B1

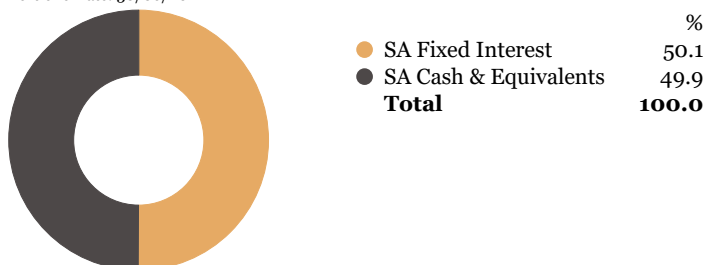
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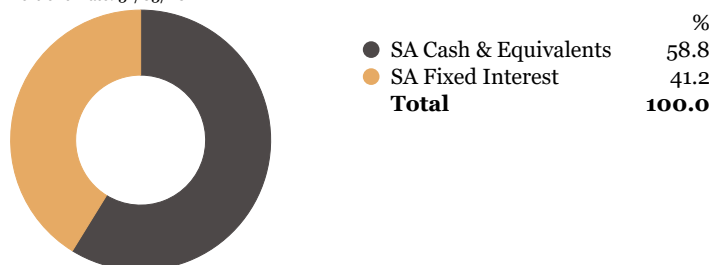


ASSET ALLOCATION (MORNINGSTAR, LOOK THROUGH) - MARKET VALUE

Portfolio Date: 30/06/2021



Portfolio Date: 31/03/2021



EFFECTIVE DERIVATIVE EXPOSURE (NON LOOK THROUGH)

Fixed Interest Derivatives	Nil
Currency Derivatives	Nil
SA Cash Margin a/c (as % of fund)	Nil

FUND COMMENTARY

The global economic recovery continues despite the setbacks imposed by restrictions forced by the third wave of the Covid-19 infections as the Delta variant becomes dominant in many countries. The US is close to near normal, Europe is fast playing catchup, while emerging market countries are lagging behind in the vaccination race. The Federal Reserve ('The Fed') meeting in June ended with a hawkish statement as inflation projections rose. Attention in the local market is still on the fragile economic recovery and the impact that the move to more restrictive adjusted Level 4 lockdown will have on the economy.

The Citadel SA Income H4 Fund ('the fund') delivered 1.2% in Q2-2021, ahead of its benchmark which rose 0.9%. The fund remains biased towards floating and variable rate assets linked to three-month Jibar. This approach is focused on mitigating interest rate risk; and notably the risk of capital loss should interest rates rise.

The fund continues to adhere to its policy.

TOTAL INVESTMENT CHARGES	01 April 2018 - 31 March 2021		
Three year annualised as per ASISA Standard	Total Expense Ratio (TER)	Transaction Costs (TC)	Total Investment Charges (TER + TC)
	0.60% of the value of the fund was incurred as expenses relating to the administration of the fund. No performance fees are charged	0.00% of the value of the fund was incurred as costs relating to the buying and selling of the assets underlying the fund	0.60% of the value of the fund was incurred as costs relating to the investments of the fund

Total Expense Ratio (TER) and Transaction Costs (TC)

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. The TER does not include Transaction Costs, which are shown separately. Transaction Costs are a necessary cost in administering the fund and impacts fund 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.

TOTAL EXPENSE RATIO	01 April 2020 - 31 March 2021		
One year, as at financial year-end, as per Board Notice 92 of 2014	TER FY-End 2021	0.59%	of the value of the fund was incurred as expenses relating to the administration of the fund

As of 30/06/2021

INFORMATION & DISCLOSURES

About the manager, trustee and scheme

This portfolio was established by H4 Collective Investments (RF) (Pty) Ltd, registration number 2002/009140/07 ("the manager") of The Citadel, 15 Cavendish Street, Claremont, 7708 (telephone +27 21 670 9100) as part of the H4 Collective Investments Scheme ("the scheme"). The trustee of the scheme is the Standard Bank of South Africa Limited of 9th Floor, Standard Bank Centre, 5 Simmonds Street, Johannesburg, 2001 (telephone +27 11 636 9111/2).

About the investment manager

The manager has appointed Citadel Investment Services Proprietary Limited, registration number 1996/006847/07 ("Citadel"), as the investment manager of the portfolio. Citadel is licensed as a financial services provider in terms of the Financial Advisory and Intermediary Services Act, 2002. Citadel Asset Management is the asset management division of Citadel.

Risk warning

The risk and return profile of a fund illustrates the amount of risk undertaken by an investor in the hope of achieving a particular return on an investment. The generally accepted principle is that potential return rises with an increase in risk. The risk and return profile on the face of this document is based on the historical performance of the fund. In addition to the risk warnings included elsewhere in this document, it is important to note that there are many other risks associated with investing in collective investments. These can include but are not limited to the following: general market risks (such as general movements in interest rates; external factors [war, natural disasters and such like]; changes to the law and regulatory frameworks; governmental policy changes; global, regional or national economic developments), risks related to a specific security (like the possibility of a company's credit rating being downgraded); and loss in the purchasing power of an investment as a result of an increase in the price of consumer goods (known as inflationary risks).

Some of the portfolios may invest in foreign securities. There are potential material risks associated with investing in foreign securities. These include but are not limited to: potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political and social instability, foreign exchange risks, tax risks, settlement risks and potential limitations on the availability of market information, all of which may have an impact on fund performance. In addition, risks associated with investing in emerging markets (which are generally less mature than those in developed markets) include but are not limited to currency risks, the possibility of expropriation, confiscatory taxation or nationalisation of assets and the establishment of foreign exchange controls which may include the suspension of the ability to transfer currency from a given country.

Derivatives

If this portfolio has exposure to derivatives, this fact and the level of effective exposure will be specified within this document. Where this portfolio invests in other portfolios which use derivatives, those underlying derivative exposures will not be contained in this document. Derivatives derive their value from the value of an underlying asset. Investing in derivatives involves risk because depending on how the derivative is structured, the portfolio's losses or gains may be unlimited. To prevent this, the portfolio's derivative positions must be "covered" at all times. This means that the portfolio must always hold the underlying asset on which the derivative is based, or have sufficient cash or "margin" to deliver if the portfolio's derivative positions move against it. If derivatives are used in this portfolio, the cash/cash equivalent shown in the asset allocation section includes the portion allocated to "margin" for covering derivative positions and such portion of cash/cash equivalent is therefore not available for use by the manager. Other asset classes shown in the asset allocation section represent the market value of those assets and must be read together with the derivative holdings disclosure. The use of derivatives in collective investment schemes is governed by regulation. Derivatives can be used only for efficiency in portfolio management, for increasing a portfolio's yield, or to protect the portfolio against losses if the value of the shares or instruments invested in, or the market, falls. They may not be used for speculating or for enhancing the return of the portfolio by using gearing. The most common derivatives are options (puts and calls) and futures.

General disclosures

This document is the minimum disclosure document required by Board Notice 92 of 2014 published by the Financial Sector Conduct Authority under the Collective Investment Schemes Control Act 45 of 2002. This portfolio was established for a specific group of investors and may not be available for direct investment by the general public. Collective investment schemes are generally medium to long-term investments. The value of participatory interests or the investment may go down as well as up. Past performance is not necessarily a guide to future performance. Collective investment schemes are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commission is available on request from the manager. Neither the manager nor Citadel provides any guarantee either with respect to the capital or the return of the portfolio. The manager has the right to close the portfolio to new investors in order to manage it more efficiently in accordance with its mandate. Where any forecasts or commentary about the expected future performance of asset classes or the market in general are made in this document, please note that neither Citadel nor H4 guarantee that such forecasts or commentary will occur. Where this portfolio invests into portfolios of other collective investment schemes ("underlying portfolios"), delays in reporting by such underlying portfolios may impact on the accuracy of the asset allocation and country/sector allocation disclosures.

Performance disclosures

The performance calculated and shown is that of the portfolio. Individual investor performances may differ as a result of initial fees (if applicable), the actual investment date, the date of reinvestment and dividend withholding tax. Where periods of longer than one year are used in calculating past performance, certain figures may be annualised. Annualisation is the conversion of a rate of any length of time into a rate that is reflected on an annual basis. Actual annual figures and performance calculations are available upon request. All since inception performance returns are calculated from the launch date of the portfolio.

Disclosures in respect of the Citadel SA Money Market H4 Fund only

A money market portfolio is not a bank deposit account. The price of participatory interests is targeted at a constant value. The total return to the investor is made up of interest received and any gain or loss made on any particular investment, and in most cases the return will merely have the effect of increasing or decreasing the daily yield, but in the case of abnormal losses it can have the effect of reducing the capital value of the portfolio. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressures – in such circumstances a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed. The yield is calculated monthly using historical figures and is annualised.

Disclosures in respect of the Citadel Global Equity H4 Fund of Funds

A fund of funds portfolio invests in portfolios of collective investment schemes that levy their own charges, which could result in a higher fee structure for the fund of funds.

Disclosures in respect of the Citadel SA Money Market H4 Fund, the Citadel SA Bond H4 Fund and the Citadel SA Income H4 Fund

The yield is historic and is calculated as at the date stipulated on the face of this document.

As of 30/06/2021

Disclosures in respect of the Citadel SA Money Market H4 Fund, the Citadel SA Bond H4 Fund, the Citadel Worldwide Equity H4 Fund, the Citadel Global Equity H4 Fund of Funds and the Citadel Balanced H4 Fund

These funds were originally established under the Sanlam Collective Investments Scheme (SCI) under the names CAM Fortis Institutional Fund, CAM Universum Institutional Fund, CAM Optima Fund, CAM Ascendo Fund of Funds and CAM Balanced Fund, respectively. These funds were all established under the H4 Collective Investments Scheme on 29 April 2013 and amalgamated with their respective SCI counterparts on 28 August 2013. The amalgamated portfolios continued under their current names under the H4 Collective Investments Scheme, save for the Citadel Worldwide Equity H4 Fund which continued under the name Citadel SA Equity H4 Fund; and was thereafter renamed the Citadel Worldwide Equity H4 Fund. On amalgamation, the Citadel SA Money Market H4 Fund did not retain the performance history of the CAM Fortis Institutional Fund.

Disclosure in respect of the H4 Focused Wealth Fund

This fund was originally established under the IP Collective Investment Scheme under the name IP Focused Wealth Fund. The H4 Focused Wealth Fund was established under the H4 Collective Investments Scheme on 3 February 2017 and amalgamated with the IP Focused Wealth Fund on 30 May 2017. The amalgamated portfolio continued under the name H4 Focused Wealth Fund.

Disclosures in respect of third-party-named portfolios

A third-party-named portfolio bears the name of both the manager and the investment manager. Where this portfolio is a third-party-named portfolio, the manager retains full legal responsibility for the third-party-named portfolio.

Calculation of the NAV and price

The value of participatory interests is calculated on a NAV basis. The NAV is the total value of all assets in the portfolio including any income accruals and less any deductible expenses (which may include audit fees, brokerage, service fees, securities transfer tax and bank charges). The price of participatory interests is calculated by dividing the NAV by the number of participatory interests in issue. Prices are published daily in local newspapers. The portfolio is available via certain LISPs, who levy their own fees. Investors in this portfolio may thus be liable for an initial fee and/or annual service fee levied by the third party administrator that is not reflected in the initial charge (where applicable) or NAV calculation.

Limitation of liability

This document has been compiled for information purposes only and does not take into account the needs or circumstances of any person or constitute advice of any kind. It is not an offer to sell or an invitation to invest. The information and opinions in this document have been recorded by Citadel and the manager in good faith from sources believed to be reliable, but no representation or warranty, express or implied, is made as to their accuracy, completeness or correctness. Citadel and the manager accordingly accept no liability whatsoever for any direct, indirect or consequential loss arising from the use of this document or its contents.

Complaints process

Any complaint must be set out in writing and include all relevant information and documents in the complainant's possession. The complaint must be addressed to the manager's compliance officer and posted or hand-delivered to the manager's physical address above or sent by email to info@H4CI.co.za. The complaint will be investigated internally and the complainant will be advised of the outcome of the complaint.

Additional information

Citadel and the manager are members of ASISA. Figures quoted are from Citadel, Morningstar, Datastream, Bloomberg and MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This document is not approved, endorsed, reviewed or produced by MSCI. None of the MSCI data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.

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Please speak to your advisor should you require any additional information on this portfolio. Should you so require, the application form and annual report will be provided to you free of charge.