



## CITADEL SA INCOME H4 FUND B1

## 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.

## FUND INFORMATION

MDD Issue Date	14/04/2022
Portfolio Managers	George Herman, Mike van der Westhuizen
Benchmark	STeFI Composite ZAR
12 Month Yield	4.43%
Fund Classification	(ASISA) South African 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	301 380 011.5

## TOP ISSUERS

Nedbank Limited	23.8%
Standard Bank of SA	23.6%
Absa Bank Ltd	16.5%
FirstRand Bank	16.0%
Amber House Fund 7 (RF)	3.5%
Greenhouse Funding 5 (RF) Limited	2.8%
SANRAL	2.4%
Investec Bank	2.4%

## 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 lower 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.

## FUND &amp; SHARE CLASS SIZE

Fund Size (million)	R 3,494.67
Share Class Size (million)	R 3,080.57

## DISTRIBUTIONS OVER THE LAST 12 MONTHS

Distribution Dates	31 March, 30 June, 30 Sep, 31 Dec
2021-04	R 0.1081
2021-07	R 0.1129
2021-10	R 0.1152
2022-01	R 0.1171

## EFFECTIVE DERIVATIVE EXPOSURE (NON LOOK THROUGH)

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

## FUND HIGHEST/LOWEST ANNUAL RETURN

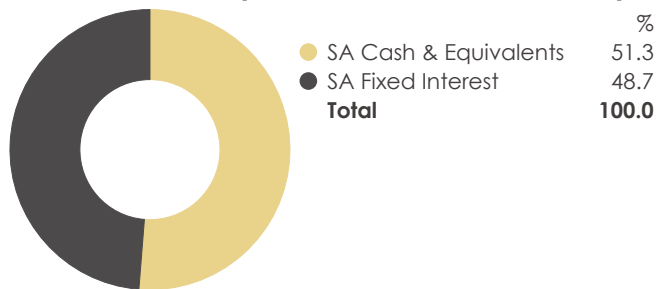
HIGHEST		LOWEST	
Date	30/04/2018	Date	31/10/2021
Fund	8.6%	Fund	4.6%
Benchmark	7.5%	Benchmark	3.8%

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.



## CITADEL SA INCOME H4 FUND B1

## ASSET ALLOCATION (MARKET VALUE, LOOK THROUGH)



## FUND PERFORMANCE (%)

	Citadel SA Income H4 B1	STeFI Composite ZAR
YTD	1.1%	1.0%
1 Year	4.7%	3.9%
3 Years (ann.)	5.9%	5.2%
5 Years (ann.)	6.9%	6.1%
Since Launch (ann.)	7.1%	6.4%

The table 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.

## MONTHLY PERFORMANCE (AFTER FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	0.4%	0.3%	0.4%										1.1%
2021	0.3%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.3%	0.3%	0.4%	0.4%	4.7%
2020	0.7%	0.6%	0.6%	0.5%	0.6%	0.5%	0.5%	0.4%	0.4%	0.3%	0.4%	0.4%	5.8%
2019	0.7%	0.6%	0.7%	0.7%	0.7%	0.6%	0.7%	0.6%	0.7%	0.6%	0.6%	0.7%	8.2%
2018	0.7%	0.6%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.6%	0.7%	0.6%	0.7%	8.3%
2017	0.7%	0.6%	0.7%	0.6%	0.7%	0.7%	0.8%	0.7%	0.6%	0.7%	0.6%	0.7%	8.6%

## RISK STATISTICS OVER 5 YEARS

Standard Deviation (annualised)	0.5%
Sharpe Ratio (annualised)	2.49
Maximum Drawdown	—
Positive Months (%)	100.0%

Standard Deviation: statistical measurement of the dispersion of fund returns relative to its own average return over the measured period.

Sharpe Ratio: a measure of how much risk a fund had to bear to earn excess return over the risk-free rate. The higher the Sharpe Ratio, the better the fund's historical risk-adjusted return.

Maximum Drawdown: the fund's maximum peak to trough decline during the measured period, as a percentage.

Positive Months: the number of months the fund delivered a positive return during the measured period, as a percentage.

## TOTAL INVESTMENT CHARGES 01 JAN 2019 - 31 DEC 2021

Three year annualised as per ASISA Standard

Total Expense Ratio (TER) 0.59%  
of the value of the fund was incurred as expenses relating to the administration of the fund. No performance fee are charged

Transaction Costs (TC) 0.00%

of the value of the fund was incurred as costs relating to the buying and selling of the assets underlying the fund

Total Investment Charges (TER + TC) 0.59%

of the value of the fund was incurred as costs relating to the investments of the fund

TER FY-End (31 March 2021) 0.59%

of the value of the fund was incurred as expenses relating to the administration of the fund over one year, as at financial year-end, as per Board Notice 92 of 2014

## FUND COMMENTARY

In March, the SARB's Monetary Policy Committee (MPC) delivered its third consecutive 25bp interest rate hike to lift the policy rate to 4.25%. The MPC delivered a balanced statement but surprised with a hawkish vote as three members voted for a 25bps rate hike and two voted for a 50bps rate hike. The SARB indicated that future policy moves will be data-dependent and sensitive to the balance of risks. Ukraine's invasion by Russia has threatened the outlook for global growth which has deteriorated meaningfully as inflation challenges intensified. The US Federal Reserve ('the Fed'), which had already turned hawkish before the invasion of Ukraine, ended its quantitative easing programme (QE) on 9th March 2022 and began their much-anticipated interest rate hiking cycle on 17th March. The rand was the third best performing emerging market currency this quarter, was up 7.61% year to date versus the US dollar.

The Citadel SA Income H4 Fund ('the fund') was up 0.4% in Q1-2022, in line with its benchmark (0.4%). 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.



## CITADEL SA INCOME H4 FUND B1

**INFORMATION & DISCLOSURES****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.

**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 consider 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](mailto: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. MSCI ESG Research LLC's ("MSCI ESG") Fund Metrics products (the "Information") provide environmental, social and governance data with respect to underlying securities within more than 23,000 multi-asset class Mutual Funds and ETFs globally. MSCI ESG is a Registered Investment Adviser under the Investment Advisers Act of 1940. MSCI ESG materials have not been submitted to, nor received approval from, the US SEC or any other regulatory body. None of the Information constitutes an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product or trading strategy, nor should it be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the Information can be used to determine which securities to buy or sell or when to buy or sell them. The Information is provided "as is" and the user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. Where a FTSE/JSE index ("the FTSE/JSE index") is referenced in this document, copyright therein vests in FTSE © FTSE 2022. "JSE" is a trademark of the JSE Limited and both "FTSE ®" and "JSE" are used by FTSE under licence. The relevant FTSE/JSE index is calculated by FTSE in conjunction with the JSE. All intellectual property rights in the index values and constituent list vests in FTSE and the JSE. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE/JSE Indices and/or FTSE ratings or underlying data. No further distribution of FTSE data is permitted without the FTSE's express written consent. Where this Fund uses a composite benchmark, the composite benchmark is calculated by Citadel. ICE Data Indices, LLC ("ICE DATA") are used with permission. ICE DATA, its affiliates and their respective third-party suppliers disclaim any and all warranties and representations, express and/or implied, including any warranties of merchantability or fitness for a particular purpose or use, including the indices, index data and any data included in, related to, or derived therefrom. Neither ICE DATA, its affiliates nor their respective third-party suppliers shall be subject to any damages or liability with respect to the adequacy, accuracy, timeliness or completeness of the indices or the index data or any component thereof, and the indices and index data and all components thereof are provided on an "as is" basis and your use is at your own risk. ICE DATA, its affiliates and their respective third-party suppliers do not sponsor, endorse, or recommend the company, the manager or any of their products or services.

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. The General Investor Report is published quarterly on H4's website at [www.h4ci.co.za](http://www.h4ci.co.za).

**CITADEL SA INCOME H4 FUND B1****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.

**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 consider 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](mailto: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. MSCI ESG Research LLC's ("MSCI ESG") Fund Metrics products (the "Information") provide environmental, social and governance data with respect to underlying securities within more than 23,000 multi-asset class Mutual Funds and ETFs globally. MSCI ESG is a Registered Investment Adviser under the Investment Advisers Act of 1940. MSCI ESG materials have not been submitted to, nor received approval from, the US SEC or any other regulatory body. None of the Information constitutes an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product or trading strategy, nor should it be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the Information can be used to determine which securities to buy or sell or when to buy or sell them. The Information is provided "as is" and the user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. Where a FTSE/JSE index ("the FTSE/JSE index") is referenced in this document, copyright therein vests in FTSE © FTSE 2022. "JSE" is a trademark of the JSE Limited and both "FTSE ®" and "JSE" are used by FTSE under licence. The relevant FTSE/JSE index is calculated by FTSE in conjunction with the JSE. All intellectual property rights in the index values and constituent list vests in FTSE and the JSE. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE/JSE Indices and/or FTSE ratings or underlying data. No further distribution of FTSE data is permitted without the FTSE's express written consent. Where this Fund uses a composite benchmark, the composite benchmark is calculated by Citadel. ICE Data Indices, LLC ("ICE DATA") are used with permission. ICE DATA, its affiliates and their respective third-party suppliers disclaim any and all warranties and representations, express and/or implied, including any warranties of merchantability or fitness for a particular purpose or use, including the indices, index data and any data included in, related to, or derived therefrom. Neither ICE DATA, its affiliates nor their respective third-party suppliers shall be subject to any damages or liability with respect to the adequacy, accuracy, timeliness or completeness of the indices or the index data or any component thereof, and the indices and index data and all components thereof are provided on an "as is" basis and your use is at your own risk. ICE DATA, its affiliates and their respective third-party suppliers do not sponsor, endorse, or recommend the company, the manager or any of their products or services.

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. The General Investor Report is published quarterly on H4's website at [www.h4ci.co.za](http://www.h4ci.co.za).