



FNB CORE BALANCED FUND



Minimum Disclosure Document as at 31 December 2023

The MDD covers the purposes of providing a general investor report.

The FNB Core Balanced Fund is a cost-effective multi asset high equity portfolio. The Fund uses an active asset allocation strategy into a diversified range of core local and offshore passive investments, bringing together the benefits of an actively managed fund with the cost benefits and transparency of passive underlying building blocks.

Investment objectives

The FNB Core Balanced Fund aims to achieve a risk adjusted, inflation beating return of CPI + 5% over 7+ years, by actively investing in a range of core asset classes such as cash, bonds and equities. The fund is specifically managed with a high exposure to equities in order to seek higher long-term returns. The solution is compliant with Regulation 28 of the Pension Funds Act.

Risk objective

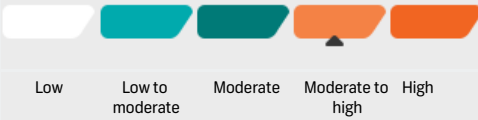
The fund invests in a diversified range of asset classes, which deliver uncorrelated returns over time. This ensures diversification of sources of returns, as well as risk, over different market cycles. Equity investments are volatile by nature and are susceptible to changes in general market conditions, as well as economic, political and company specific risks. This fund is also exposed to foreign investment funds and is thereby susceptible to currency risk and potential macroeconomic and political risks brought about by funds invested across various regions. The fund's exposure to fixed income investments creates sensitivity to changes in bond yields, rising interest rates and inflation uncertainty, as well as exposure to economic, political risk and credit risk. The dynamic asset allocation aims to address and balance the risk exposures for superior risk adjusted return over the long term.

Investment strategy

The fund uses an actively managed, multi asset strategy using a Regulation 28 compliant combination of local and offshore passive building blocks, ensuring the portfolio is appropriate for retirement funds. The investor gets exposure to diverse local and offshore asset classes with the asset allocation dynamically managed by the portfolio management team. The asset class diversification is achieved with principally low-cost passive index tracking building blocks maximising the net risk adjusted return for the investor. The lower fees incurred in the passive building blocks will directly translate into lower costs in the fund, and compounded over the long term will result in higher net portfolio returns for investors.

Key facts

Risk profile



General Information

ASISA Classification	ASISA South Africa Multi-Asset High Equity category
Launch Date	8 September 2021
Benchmark	CPI + 5% over a rolling 7 year period
Domicile	South Africa
Denomination	Rand
Liquidity	Daily
Fund size	214.15 million
NAV	112.13 cents per unit
No. of participatory interests	190 040 844
Fund Manager(s)	Patrice Rassou Vicki Tagg Mathew John
Investment Manager	Ashburton Fund Managers (Proprietary) Limited
Management Company	FNB CIS Manco (Pty) Ltd
JSE Code	FNBBLA
ISIN	ZAE000301115
Distribution Frequency	Bi-Annually (Jun, Dec)
Investment Horizon	7+ years
Availability of prices	Daily
Trustee	Standard Chartered Bank 2nd Floor, 115 West Road, Sandton, 2196 Gauteng, South Africa

Fee Structure (%)

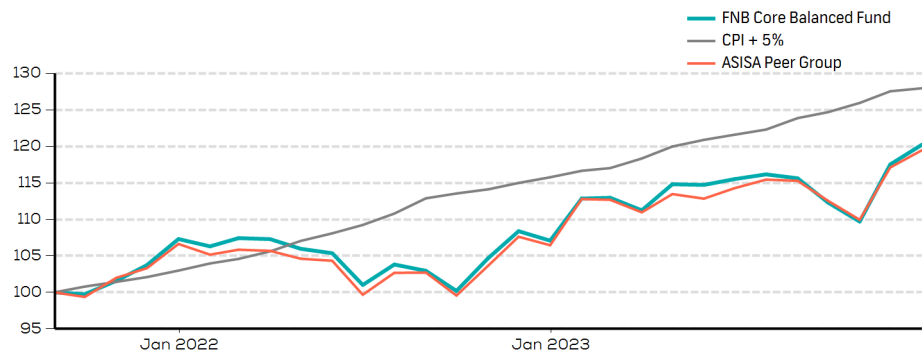
Annual Management fee*	0.30%
TER*	0.17%
Transactions Costs*	0.22%
Total Investment Charges*	0.39%

* No performance fees are charged.
* All figures are INCLUSIVE of VAT, unless otherwise stated.
* All TERs & TCs are as at 30 Jun 2023.
* Management fees are subsidised until the fund is at scale.

Please speak to your financial advisor or contact us for more information:

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Cumulative return since inception



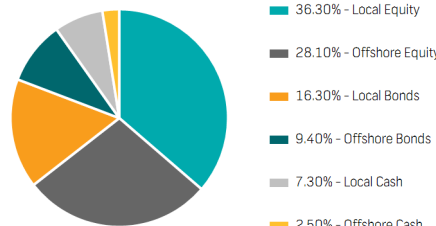
Source: Morningstar®

Return (%)	Fund	Benchmark	ASISA peer group	Fund statistics	Fund	ASISA peer group
1 Mth	2.29	0.32	2.01	Standard deviation	9.17%	9.01%
3 Mths	7.06	2.62	6.16	Highest 12 mth	14.35%	14.64%
6 Mths	4.07	5.23	4.55	Lowest 12 mth	-0.2%	-0.17%
1 Yr	12.26	10.53	12.22			
Since inception	8.29	11.25	8.00			

Source: Morningstar®

Returns include the re-investment of distributions and are net of fees.
Returns over 12 months have been annualised.
Fund statistics are calculated for up to a maximum of 10 years of the fund or since the inception.

Asset allocation



Top 10 holdings

NASPERS LTD-N SHS	2.96
R186 10.50% 211226	2.58
FIRSTRAND LTD	2.34
ANGLO AMERICAN PLC	2.28
R2030 8.00% 310130	2.24
R2048 8.75% 280248	1.91
R2032 8.25% 310332	1.81
STANDARD BANK GROUP LTD	1.77
R2035 8.875% 280235	1.66
GOLD FIELDS LIMITED	1.55

Source: Ashburton Fund Managers

Source: Ashburton Fund Managers, 30 Sep 2023

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Monthly Performance History

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	5.39	0.09	-1.52	3.21	-0.08	0.69	0.56	-0.46	-2.88	-2.31	7.13	2.29	12.26
2022	-0.93	1.06	-0.13	-1.23	-0.57	-4.12	2.77	-0.83	-2.68	4.46	3.55	-1.20	-0.20
2021									-0.24	1.83	2.12	3.44	7.31

Source: Morningstar®

Income distribution

Distribution date	Dividend Distribution (cpu)	Interest Distribution (cpu)	REIT Income (cpu)	Total distribution (cpu)
2023-12-29	1.08	1.05	0.07	2.21
2023-06-30	0.95	1.07	0.11	2.13
2022-12-30	1.49	0.71	0.10	2.30
2022-06-30	1.15	0.70	0.10	1.95

Source: Finswitch

Quarterly asset allocation change

	Current Quarter (%) 30 Sep 2023	Previous Quarter (%) 30 Jun 2023	(%) Change from Previous to Current Quarter
Local Equity	36.30	32.20	4.10
Offshore Equity	28.10	24.60	3.50
Local Bonds	16.30	20.10	(3.80)
Offshore Bonds	9.40	7.10	2.30
Local Cash	7.30	7.50	(0.20)
Offshore Cash	2.50	6.40	(3.90)
Local Property	0.00	2.00	(2.00)
Offshore Property	0.00	0.10	(0.10)
Total	100%	100%	

Source: Ashburton Fund Managers

The data disclosed is based on a 2-month period after quarter end.

The above meet the criteria for the display of a statement of changes in the composition of the portfolio.

Definitions

Total return:	Total return accounts for two categories of return: income and capital appreciation. Income includes interest paid by fixed income investments, distributions or dividends. Capital appreciation represents the change in the market price of an asset.
NAV (net asset value):	This is the total value of assets in the portfolio less any liabilities, divided by the number of shares outstanding.
TER (total expense ratio):	This is a measure of the total costs associated with managing and operating an investment fund. These costs consist primarily of management fees and additional expenses such as trustee and custody fees, auditor fees and other operational expenses. The total cost of the fund is divided by the fund's total assets to arrive at a percentage, which represents the TER.
Transaction costs:	Total costs incurred by the investor in buying and selling the underlying assets of a financial product and is expressed as a percentage of the daily NAV calculated on an annualised basis. These costs include brokerage, VAT, and trading costs.
Annualised return:	The weighted average compound growth rate over the performance period measured.
Tracking error:	A measure of the amount of risk that is being taken in excess of the benchmark (tracking error is used where applicable).
Total investment charges (TIC):	It is the sum of the Total Expense Ratio (TER) and the Transaction Cost (TC).
Highest & Lowest Return:	The highest and lowest rolling twelve-month performance of the portfolio since inception.
Sharpe Ratio:	The ratio of excess return over the risk-free rate divided by the total volatility of the portfolio.
Sortino Ratio:	The ratio of excess return over the risk-free rate divided by the downside deviation of the portfolio.
Standard Deviation:	Annualized deviation of monthly portfolio returns relative to its average.
Drawdown:	The greatest peak to trough loss until a new peak is reached.
Information ratio:	The information ratio measures the risk-adjusted performance of a portfolio relative to a benchmark.

* Financial Products: 1-3 year since inception

Where a Financial Product is 1-3 year old and the calculation of the TER/TC provides a poor estimate of possible future costs due to lack of historic data, a Provider must make estimates which are grounded on fair principles. The TER/TC must then be annualised.

Disclaimer

FNB CIS Manco (RF) (Pty) Ltd (Registration Number 2006/036970/07) ("FNB CIS Manco") is an approved Collective Investment Schemes Manager in terms of the Collective Investment Schemes Control Act, No. 45 of 2002. The FNB CIS Manco is regulated by the Financial Sector Conduct Authority ("the Authority") and is a full member of the Association for Savings and Investment South Africa ("ASISA"). This document and any other information supplied in connection with the FNB CIS Manco is not "advice" as defined and/or contemplated in terms of the Financial Advisory and Intermediary Services Act, 37 of 2002 ("the FAIS Act") and investors are encouraged to obtain their own independent advice prior to buying participatory interests in the collective investments scheme ("CIS") portfolios issued under the FNB CIS Manco. Any investment is speculative and involves significant risks and therefore, prior to investing, investors should fully understand the portfolios and any risks associated with them. Collective Investment schemes in Securities are generally medium to long term investments. If a potential investor requires material risks disclosures for the foreign securities included in a portfolio, the manager will upon request provide such potential investor with a document outlining: potential constraints on liquidity and repatriation of funds; macroeconomic risk; political risk; foreign exchange risk; tax risk; settlement risk; and potential limitations on the availability of market information. The value of participatory interests in collective investment schemes may go down as well as up and past performance is not necessarily a guide to the future. For all portfolios forward pricing is used and portfolio valuations take place at approximately 15h00 each business day (17h00 at month and quarter end) with an exception for Fund of Funds portfolio valuation take place at approximately 17h00 each business day using the underlying funds valuations of the previous day. Instructions to redeem or repurchase must reach the FNB CIS Manco before 14h00 to ensure same day value. 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. CIS portfolios are traded at ruling prices and can engage in borrowing and scrip lending. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down. A CIS portfolio may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Participatory interests in CIS portfolios are calculated on a net asset value (NAV) basis, which is the total market value of all assets in the portfolio including any income accruals and less any permissible deductions from the CIS portfolio divided by the number of participatory interests in issue. All fees quoted exclude VAT except where stated differently. The Total Expense Ratio (TER) is expressed as an annualised percentage of the charges, levies and fees incurred by the portfolio related to its management, for the period under review against the average NAV of the portfolio over this period. A higher TER does not necessarily imply a poor return, nor does a lower TER imply a good return. The current TER cannot be regarded as an indication of future TERs. A full detailed schedule of fees, charges and commissions is available from the FNB CIS Manco on request and incentives may be paid and if so, would be included in the overall costs. The manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The manager has a right to close the portfolio to new investors in order to manage the portfolio more efficiently in accordance with its mandate. Some of the representatives may be working under supervision. Additional information about this product, including brochures, application forms and annual or quarterly reports, can be obtained from the Manager, free of charge, and from the website: www.fnb.co.za. Ashburton Fund Managers (Pty) Ltd is an authorised Financial Services Provider.

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