

DESCRIPTION

- The aim of the fund is to achieve long-term capital preservation and an enhanced return by combining traditional cash deposits with investment grade corporate credit.
- The investment return objective is to deliver a return premium to the large Money Market Collective Investment Scheme benchmark.
- An enhanced return is achieved by limiting the fund to quarterly liquidity and obtaining exposure to a high quality portfolio of corporate credit.
- Invest alongside FirstRand Bank's own portfolio:
 - FirstRand Bank will be a significant investor in the credit securities for all the companies where the fund holds investments.
- The fund is only open to natural persons and their investment vehicles for investment.

Minimum Investment	R1,000,000
Liquidity	Quarterly redemption and subscription dates - first business day of March, June, September and December annually
Interest Earned	A variable interest rate accrued daily and capitalised quarterly, calculated by FirstRand Bank, after taking into account the return on the cash and credit components of the fund
Automatic Re-investment	Quarterly interest re-investment
Fees	Total Expense Ratio – 25bps Appropriate breakage fees for early redemption will apply. These fees will have a minimum charge of 50 bps and be at the sole discretion of FirstRand Bank Ltd
Early Redemption	

PORTFOLIO CONSTRUCTION

- Blended portfolio of 75% to 60% traditional FirstRand cash deposits and 25% to 40% corporate credit assets (combined percentages equalling 100% of the client's investment).
- High quality credit assets limited to the following:
 - Investment grade listed companies (at least BBB(zaf), corresponds to +/- BB international scale rating)
 - Government guaranteed exposure
 - Development Finance Institution / Export Credit Agency or any other Development Finance guarantor of investment grade credit quality BBB (international scale)
 - Investment grade SA large metros with at least BBB+(zaf) rating
 - Parastatals of investment grade rating of at least BBB+(zaf)
 - Subsidiaries/branches of multinational companies of investment grade credit quality (parent company rating of at least BBB-international scale)
 - Maximum average duration of the portfolio to be managed to an average of 3 years with a cap at an average duration of 3,5 years
 - Only ZAR exposures
 - No geared exposure
- The credit assets must also comply with the following:
 - Originated via the FirstRand Credit Process
 - Originated by a division of FirstRand Bank or an entity managed and administered by FirstRand Bank
 - Credit counterpart is a client of FirstRand Bank
 - FirstRand Bank is co-invested into the credit counterparty

ADDITIONAL KEY INFORMATION

- **Investments window on launch.** The fund would be open for subscriptions on the 1st business day of each month but might later be moved to quarterly subscriptions at the discretion of FirstRand Bank.
- **Interest is capitalised on a quarterly basis.** Should the client redeem between interest payments, they will receive the accrued value of their investment up until the date of redemption.
- **The credit portion of the fund will be gated in the event that:**
 - Redemptions in any one month would increase the credit portion of the total fund beyond 50% of total fund assets.
 - Cumulative redemptions in any rolling quarter would increase the credit portion of the total fund beyond 50% of total fund assets.
 - Consequence of gating
 - Early redemptions by clients will be limited to the cash assets of their investment in the fund.
 - The gated credit component would be repaid to clients in cash as the term credit assets mature or as the assets are sold at fair market value.
- **Benchmark.** The fund is benchmarked against the average return of the large MM CIS universe (larger than R500 million and available to retail clients). The client is able to monitor the performance of the fund vs. the benchmark (which is available upon request). The universe is at the sole discretion of RMB and may be changed without notice.
- **Client reporting.** Circulated on a monthly basis for performance measures, with a full holdings report provided quarterly.
- **Transparency.** The top 10 credit holdings would be disclosed on a quarterly basis. Full disclosure will be made of all credit names included on request.

Disclaimer**Past performance is not an indication of future returns**

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