

FUND INFORMATION

Fund Manager

Ian Anderson and Richard Henwood

ASISA sector classification

South African - Multi Asset - Income
Size: R224m

Risk profile

Conservative	Cautious	Moderate	Moderate Aggressive	Aggressive

Benchmark

STeFI Composite Index +1%

Recommended investment term

3 to 5 years

Minimum lump sum investment

R 5 000

Minimum debit order investment

R 500

Valuation time

15h00

Cut-off time for transaction

14h00

Inception date

10 November 2004

Distribution dates

March, June, September, December

Payment dates

5 to 7 working days after declaration

NAV on reporting dates

Class A 1 047.06 cents per unit
Class C 1 048.75 cents per unit

Distribution (last 12 months)

Class A 89.27 cents per unit
Class C 92.45 cents per unit

FEES (VAT exclusive)

Maximum initial advisor fee

Class A 3.00% (if applicable)

Maximum annual advisor fee

Class A 1.00% (if applicable)

Maximum initial manager fee

Class A and Class C 0.00%

Annual management fee

Class A 0.90% and Class C 0.65%

No performance fee

Class C funds accessible via LISP platforms. LISPs may charge additional administration fees

TER/TC* (VAT Inclusive)

	Class A	Class C
TER at 30 Sep 2018	1.03%	0.76%
TC at 30 Sep 2018	0.03%	0.03%
Total Investment Charges	1.06%	0.80%

*Please refer to Disclosures on page 2 for details

Prices are published daily on our website and in national newspapers:
www.bridgefm.co.za

Manager

Bridge Collective Investments (RF) (Pty) Ltd
5th Floor Protea Place, 40 Dreyer Street, Claremont, Western Cape 7708.
021 492 0200

Trustee and Custodian

Société Générale Johannesburg Branch
160 Jan Smuts Avenue, Rosebank, 2196
011 448 880

INVESTMENT OBJECTIVE AND MANDATE

The Bridge High Income Fund's objective is to provide investors with a high current income and low capital volatility. It achieves this by investing in a portfolio of fixed-interest and listed property securities. The portfolio is managed according to a low-risk profile.

This fund is available to be used within our Tax-Free Savings Plan, by virtue of S12T of the Income Tax Act.

BENEFITS

- High income yield
- Modest growth in income
- Low capital volatility

RISKS

- Investment risk (capital risk)
- Market risk (liquidity risk)
- Valuation risk (pricing risk/failure)
- Currency risk (exchange rate risk)

HISTORIC INCOME YIELD*

Class A as at	Historic net yield	3yr historic income growth
30/11/2018	8.63%	3.59%

* The historic net yield is the amount of income (after costs but before withholding taxes), expressed as a percentage of the current capital price, which the portfolio delivered to investors over the last 12 months. The 3yr historic income growth is the per annum compound growth of the income paid to investors over the last three years.

PAST PORTFOLIO PERFORMANCE

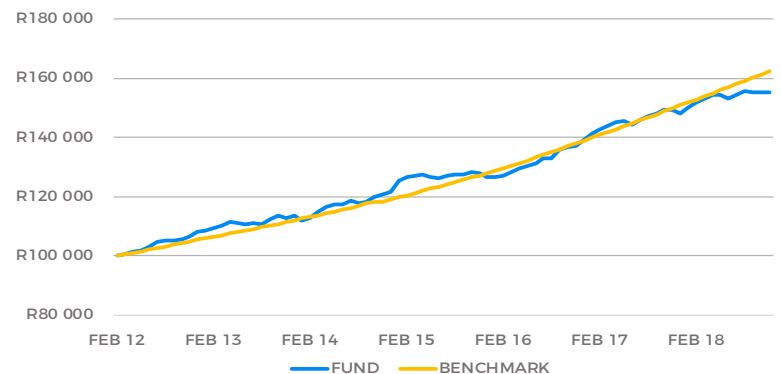
Term	Class A (inception Nov 2004)		Class C (inception Oct 2013)	
	Class A	Benchmark ₁	Class C	Benchmark ₁
1 year	3.98%	8.32%	4.28%	8.32%
3 year (annualised)	6.63%	8.46%	6.93%	8.46%
5 year (annualised)	6.67%	7.95%	7.05%	7.95%
7 year (annualised)	6.89%	7.51%	-	-
Since inception (annualised)	7.55%	8.40%	6.82%	7.89%
Lowest 12 month return	0.32%		0.58%	
Highest 12 month return	12.81%		13.47%	

1) STeFI Composite Index + 1%

The past portfolio performance is calculated on rolling monthly basis. Lump sum, NAV to NAV and distributions reinvested. Annualised return is weighted average compound growth rate over period measured. The investor performance may differ as a result of advisor fees (where applicable), actual investment date, date of reinvestment and dividend withholding tax. Past performance is not necessarily a guide to future performance. The lowest and highest returns show the lowest and highest consecutive 12 month return each class has experienced since its inception. Actual annual figures are available to the investor on request.

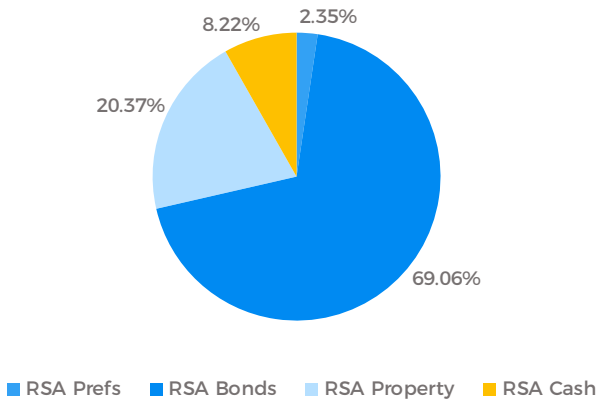
LONG-TERM TRACK RECORD

ILLUSTRATIVE GROWTH OF R100 000 INVESTED AT 1 MARCH 2012 (CLASS A) *



*Illustrative purposes only assuming all distributions reinvested and ongoing fees included
Bridge Fund Managers assumed the investment managed responsibilities of the fund from 1 March 2012

ASSET ALLOCATION



TOP 10 HOLDINGS

Security	Weighting (%)
Safari Investments Limited	4.55%
Fairvest Property Holdings	4.52%
Dipula Income Fund B	4.00%
Tower Property Fund Limited	3.88%
Delta Property Fund Limited	3.44%
FRJ23 8.4750% 310723	3.15%
WHL01 8.4350% 101020	3.14%
APF08 8.8750% 240721	3.13%
CCT03 11.160% 150325	2.30%
FRJ25 9.0250% 090325	2.30%

MONTHLY COMMENTARY

The US Federal Reserve (the Fed) opted to leave interest rates unchanged following the conclusion of their November policy meeting. At the time of the meeting, the committee felt that the risks to the economic outlook in the United States appeared roughly balanced. Since the meeting, the outlook for global growth had deteriorated as tensions between the United States and China escalated, the United Kingdom and Europe appear no closer to a Brexit deal and violent protests have erupted in France. Both the German and Japanese economies contracted in the third quarter, highlighting the risks posed to global growth by the escalation in trade tensions between the United States and China.

The Fed is still expected to hike interest rates by 0.25% when they meet again in December, although the probability, according to Bloomberg, has declined to less than 70%. Importantly, the probability of another rate hike during 2019 has now reduced to less than 34%. The front of the US yield curve has inverted after the yield on 2-year US Treasuries rose above the yield on 5-year US Treasuries. The yield on 10-year US Treasuries has been falling on expectations of lower global inflation and economic growth and is now below 3% again.

In South Africa, the yield on government's benchmark R186 bond declined by more than 40 basis points and the rand strengthened by 90c against the US dollar to finish November at R13.87/US\$. Investors appeared more confident about the prospects for emerging markets in 2019 and emerging market ETFs experienced significant inflows during the month. At the same time, the Monetary Policy Committee (MPC) of the South African Reserve Bank raised official interest rates by 0.25% following the conclusion of its November policy meeting. The decision was by no means unanimous and was predicated on the view at the time that the Fed would be raising interest rates at least three times next year. The MPC is now not expected to hike again until such time as the US Fed's gradual interest rate normalisation resumes, which may only be in 2020, if at all.

South Africa's listed property sector failed to make any headway despite the improved sentiment towards emerging markets. Rebois Property Fund announced a more than 50% reduction in its final distribution, while several domestically-focused listed property companies warned that property fundamentals deteriorated in the second half of 2018 and that distribution growth in 2019 would be low or negative. At the same time, Viceroy Research published a report on NEPI Rockcastle entitled "Horsing Around the Stable", in which they contend that it is impossible to reconcile the company's international earnings, management enriched themselves through M&A and investors were hoodwinked through misleading analysis. As a result, South Africa's listed property sector declined by 1.3% in November and is now down 24.5% in 2018. The current one-year forward yield on the FTSE/JSE South African Listed Property Index is now 9.6%, while distributions are expected to grow by approximately 5% per annum in the medium term.

The Bridge High Income Fund advanced by 0.1% in November. The Fund allocates 20% of the portfolio to listed property companies that offer the highest possible level of initial income yield, while at the same time providing an acceptable level of income growth, as well as property and geographic diversification.

HOW TO INVEST

- Visit our website at www.bridgefm.co.za and download an application form.
- Complete the relevant sections and return all required documentation and proof of payment to us via fax: + 27 (0) 31 571 0761 or email: investments@bridgefm.co.za
- If you have any queries regarding this form please contact your financial service advisor or our Client services department on 0800 117 842.

DISCLOSURES

Management Company and Mandate

Bridge Collective Investments (RF) (Pty) Ltd ("the Manager"), Registration number 2008/022492/07, is a company incorporated in South Africa acting as a manager of collective investment schemes in securities in terms of Section 42 of the Collective Investments Schemes Control Act and is supervised by the Financial Sector Conduct Authority. The registered address of the Manager is 5th Floor Protea Place, 40 Dreyer Street, Claremont, Western Cape, 7708. The Trustee and Custodian is Société Générale Johannesburg Branch. **The Investment Management of the portfolios is outsourced to Bridge Fund Managers (Pty) Ltd, an authorised financial services provider, FSP 29834.** Client administration is outsourced to Maitland Group South Africa Limited, Tel: 021 681 8059; Address: Maitland House 1, River Park, Gloucester Road, Mowbray, 7700, Cape Town.

Performance

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. Past portfolio performance is measured on a rolling monthly basis.

Fees

A schedule of fees and charges and maximum commissions is available on request from the manager. There are no performance fees charged in the portfolio. Commission 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. Participatory interests in the portfolios issued by the manager qualify as investment instruments for the purposes of Tax Free Savings and Investment account by virtue of Section 12T of the Income Tax Act.

Tax-Free Savings Plan

If you wish to invest in a Tax-Free Savings and Investment Plan please ensure that you fill in the correct application form. Bridge is required by law not to accept contributions in excess of the annual (R33 000) and lifetime limits (R500 000). Bridge does not monitor the contributions you may have with other service providers. Consequently, you undertake to advise Bridge when your aggregate contribution across service providers has reached the annual limit (R33 000) and the lifetime limits (R500 000). Bridge is not responsible for the tax penalty which you may incur as a result of excess contributions made by you into the Investment Plan. A 40% penalty is payable on the contribution above limit. Bridge does not charge any fees for withdrawal of the tax free investment.

General

The General Investor Report is published on a quarterly basis and is available on request and on our website. The portfolio may borrow up to 10% of its net assets on a temporary basis. Such borrowings are permitted only to meet the portfolio's obligations in relation to (i) the administration of the Fund relating to purchase or sale transactions; and/or (ii) the redemption or cancellation of participatory interests in the portfolio. Borrowings in relation to (i) above are only permitted for a period of up to 8 calendar days, and 61 calendar days in respect of (ii). The annual report, brochures, application form is available on our website. The portfolio may be closed to new investments at any time in order to be managed in accordance with its mandate. Forward pricing is used. Information on this document shall not be construed as financial advice as defined and/or contemplated in terms of the Financial Advisory and Intermediary Services Act, Act 37 of 2002 ("the FAIS Act").

Complaints

Bridge shall, wherever possible, avoid situations causing a conflict of interest. Where it is not possible to avoid such conflict, Bridge shall advise you of such conflict in writing at the earliest reasonable opportunity and shall mitigate the conflict of interest in accordance with its conflict of interest Management Policy. You may send a blank email with a subject "conflict of interest" to the compliance officer, should you need a copy of this policy. Complaints should be directed to the Compliance Officer. The Complaints Resolution Policy is available on request. The Compliance Officer's email address is compliance@bridgefm.co.za. Bridge Collective Investments (RF) (Pty) Ltd and Bridge Fund Managers (Pty) Ltd (collectively referred to as "Bridge") are members of the Bridge Financial Services Group and are supervised by the Financial Sector Conduct Authority.

Total expense ratio (TER) and transaction costs

Total expense ratio (TER) is a measure of a portfolio's assets that have been expended as payment for services rendered in the management of the portfolio or collective investment scheme (CIS), expressed as a percentage of the average daily value of the portfolio or CIS calculated over rolling three year periods coinciding with a calendar quarter end and annualised. Transaction costs (TC) is a measure to determine the costs incurred in buying and selling the underlying assets of a portfolio or CIS, expressed as a percentage of the average daily value of the portfolio or CIS calculated over a period of three years on an annualised basis. TC are a necessary cost in administering the portfolio or CIS and impacts 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 portfolio or CIS, the investment decisions of the investment manager and the TER. Total investment charges is a measure of the total value of portfolio incurred as costs relating to the investment of the portfolio or CIS. **A higher TER / TC does not necessarily imply a poor return, nor does a low TER / TC imply a good return.** The current TER may not necessarily be an accurate indication of future TER / TC's. The effective annual cost (EAC) is a measure which allows you to compare the cost that you can expect to incur when you invest in different financial products.

Contact details

Clients can contact our Client Services centre on 0800 117 842 or email investments@bridgefm.co.za to request an EAC statement.

JULY - SEPTEMBER 2018

QUARTERLY GENERAL INVESTOR REPORT

PARTICIPATORY INTERESTS	UNITS	UNIT PRICE	TER @ 30/09/2018
CLASS A	2 940 919.56	1 070.03	1.03%
CLASS C	18 607 390.35	1 072.00	0.76%

ADHERENCE TO POLICY OBJECTIVE

This portfolio adhered to the agreed investment policy objective throughout the period

PORTFOLIO COMPOSITION AND CHANGES FOR 3 MONTHS

BONDS & LOANS	START %	END %	CHANGE
ABSA BANK LTD FRN	5.08	5.25	0.17
ACCELERATE PROPERTY FUND FRN	5.48	5.64	0.16
AIRPORTS CO SOUTH AFRICA FIXED CPN	1.27	1.31	0.04
ANGLO AMERICAN PLC FIXED CPN	0.85	0.87	0.02
BARCLAYS AFRICA GROUP LTD FRN	3.02	3.12	0.10
BARLOWORLD LTD FRN	1.68	1.73	0.05
BIDVEST FIXED CPN	0.85	0.87	0.02
CAPE TOWN CITY	2.17	2.22	0.05
DEVELOPMENT BANK OF SA FIXED CPN	0.85	0.88	0.03
EKURHULENI METRO MUNICIPALITY	0.56	0.58	0.02
EMIRA PROPERTY FUND FRN	2.52	1.30	-1.22
FIRSTRAND BANK LTD FIXED CPN	1.24	1.27	0.03
FIRSTRAND BANK LTD FRN	11.89	12.28	0.39
FORTRESS INCOME FUND LTD FRN	0.84	0.87	0.03
IMPERIAL GROUP FRN	2.11	0.00	-2.11
INVESTEC BANK LTD FIXED CPN	0.00	0.00	0.00
INVESTEC PROPERTY FUND FRN	1.68	1.73	0.05
MERCEDES-BENZ SA FRN	1.69	1.74	0.05
MTN HOLDINGS FRN	4.23	4.37	0.14
NEDBANK LTD FRN	7.21	7.48	0.27
PPC LTD FRN	1.66	1.72	0.06
REBOSIS PROPERTY FUND FRN	1.26	1.30	0.04
REDEFINE PROPERTIES LTD FRN	2.10	2.17	0.07
STANDARD BANK OF SA FRN	1.69	1.74	0.05
VUKILE PROPERTY FUND LTD FRN	4.22	4.35	0.13
WOOLWORTHS LTD FRN	2.95	3.04	0.09
TOTAL BONDS & LOANS	69.10	67.83	

PREFERENCE SHARES	START %	END %	CHANGE
PSG PREFERENCE SHARES	1.52	1.60	0.08
STEINHOFF INV PREFS	0.56	0.57	0.01
TOTAL PREFERENCE SHARES	2.08	2.17	

PROPERTY	START %	END %	CHANGE
DIPULA INCOME FUND B	3.62	3.26	-0.36
DELTA PROPERTY FUND LTD	3.53	4.09	0.56
FAIRVEST PROP HLDS	4.15	4.68	0.53
SAFARI INV LTD	4.04	4.53	0.49
TOWER PROP FUND LTD	3.97	3.85	-0.12
TOTAL PROPERTY	19.31	20.41	