

PPS BALANCED INDEX TRACKER FUND



INVESTMENTS

As of 2020/07/31

FUND DESCRIPTION

The fund is a South African Multi Asset High Equity fund that may invest in a combination of listed and unlisted financial instruments in the local and global equity, bond, money, and property markets with the explicit purpose of tracking the PPS Balanced Index. The manager may make use of optimisation or other techniques to track the index efficiently. This fund is managed according to Regulation 28 of the Pension Funds Act and therefore is a suitable standalone vehicle for retirement savings.

The primary investment objective of the PPS Balanced Index Tracker Fund is to track the customised PPS Balanced Index, a multi asset high equity composite index that is diversified across a number of constituent indices, as calculated and published daily by a recognised index compiler.

FUND OVERVIEW

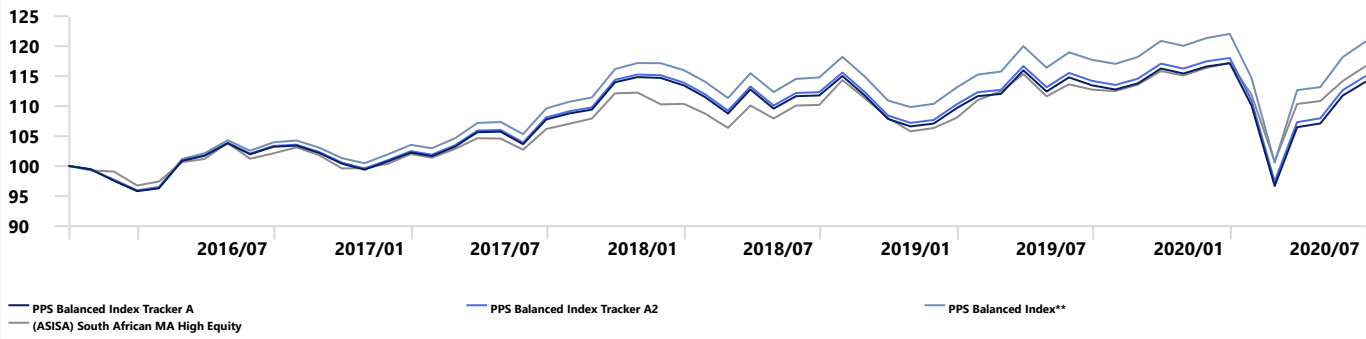
| | |
|---|---|
| List of classes* | A & A2 class |
| Portfolio category | South African - Multi Asset - High Equity |
| Launch date | 1 November 2015 (A & A2 class) |
| Investment manager | PPS Multi-Managers Proprietary Limited (authorised FSP) |
| Benchmark | PPS Balanced Index |
| Income distribution | Annually |
| Investment horizon | Long-term - seven years and longer |
| Portfolio size | R 956 880 148 |
| Asset management fee (excl. VAT) | 0.55% (A) ; 0.40% (A2) |
| Trustee | Standard Chartered Bank |
| Risk profile | Medium - High |

*On PPS Investments platform, A2 class is available in Select range and A class is available in Original range

ILLUSTRATIVE PERFORMANCE

Estimated growth of R100 000 invested with all distributions reinvested (for illustrative purposes only). Growth is represented in R '000

Time Period: 2015/11/01 to 2020/07/31



**Disclaimer

The benchmark of the PPS Balanced Index Tracker Fund was restated by the index provider on 21 July 2020. The performance of the fund was not affected, and no investors were prejudiced due to the restating of the benchmark. You may request more information from PPS Multi Managers through the avenues listed under Manager Details.

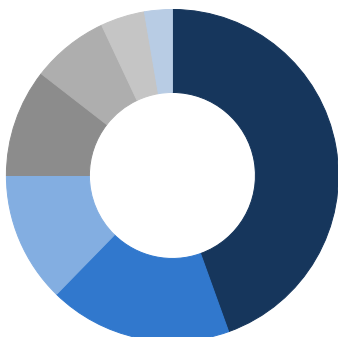
ANNUALISED PERFORMANCE

| | YTD | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | Since Inception |
|---|--------|--------|---------|---------|---------|----------|-----------------|
| PPS Balanced Index Tracker A | -2.17% | 0.56% | 1.93% | — | — | — | 2.83% |
| PPS Balanced Index Tracker A2 | -2.09% | 0.73% | 2.10% | — | — | — | 3.01% |
| PPS Balanced Index (Gross of fees)** | -1.26% | 1.81% | 3.03% | 4.36% | 7.90% | 10.52% | 3.90% |
| (ASISA) South African MA High Equity*** | 0.24% | 3.51% | 3.22% | 3.75% | 6.18% | 8.00% | 3.32% |

***Since Inception return based on the oldest fee class

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--------------------------------------|--------|--------|--------|-------|-------|--------|--------|
| PPS Balanced Index Tracker A | 8.96% | -6.68% | 13.92% | 3.33% | — | — | — |
| PPS Balanced Index Tracker A2 | 9.15% | -6.52% | 14.14% | 3.49% | — | — | — |
| PPS Balanced Index (Gross of fees)** | 10.01% | -5.82% | 15.03% | 4.32% | 8.29% | 15.69% | 21.04% |
| (ASISA) South African MA High Equity | 9.52% | -3.60% | 9.97% | 1.31% | 7.66% | 9.50% | 18.03% |

ASSET ALLOCATION



| | | |
|-----------------------------|------|---|
| ● SA Equity | 44.5 | % |
| ● Developed Market Equity | 18.9 | |
| ● SA Nominal Bonds | 12.7 | |
| ● SA Property | 9.4 | |
| ● SA Inflation Linked Bonds | 7.5 | |
| ● Emerging Market Equity | 4.3 | |
| ● SA Cash | 2.7 | |

FUND STRATEGY

The composite benchmark of the fund comprises of the following asset class building blocks:

Asset Class Benchmark Exposure

SA Equity (44.5%)
 Developed Market Equity (19.1%)
 SA Nominal Bonds (12.7%)
 SA Property (9.4%)
 SA Inflation Linked Bonds (7.5%)
 Emerging Market Equity (4.3%)
 SA Cash (2.5%)

The strategic allocation of the fund comprises of the following asset class building blocks:

Asset Class Strategic Exposure

SA Equity (45.0%)
 Developed Market Equity (18.5%)
 SA Nominal Bonds (12.5%)
 SA Property (10.0%)
 SA Inflation Linked Bonds (7.5%)
 Emerging Market Equity (4.0%)
 SA Cash (2.5%)

Benchmark

FTSE/JSE CAPPED SWIX Index
 MSCI World ESG Index
 FTSE/JSE ALBI Index
 FTSE/JSE SAPY Index
 FTSE/JSE IGOV Index
 MSCI EM ESG Index
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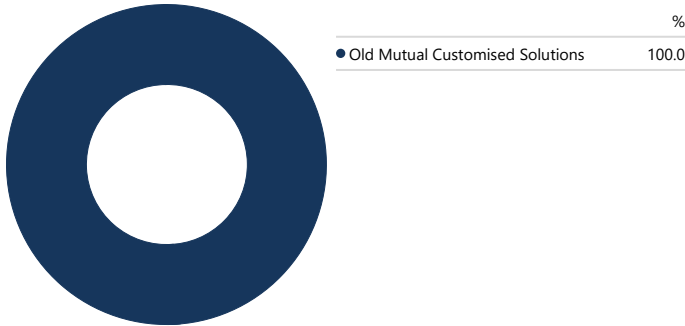
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INVESTMENTS

As of 2020/07/31

ASSET MANAGERS



PORTFOLIO DETAIL

| Top 10 Holdings | Allocation |
|--------------------------|------------|
| NASPERS | 4.6% |
| GROWTHPOINT | 2.4% |
| RSA 10.50% 20261221 | 2.2% |
| PROSUS | 2.1% |
| ANGLO AMERICAN | 2.1% |
| NEPI ROCKCASTLE PLC | 2.0% |
| FIRSTRAND | 1.9% |
| BRITISH AMERICAN TOBACCO | 1.6% |
| ANGLOGOLD | 1.5% |
| STANDARD BANK | 1.5% |

RETURNS SINCE INCEPTION

| | A | A2 |
|------------------------|------------|------------|
| Highest | 15.6% | 15.9% |
| Highest Month End Date | 2017/11/30 | 2017/11/30 |
| Lowest | -13.8% | -13.7% |
| Lowest Month End Date | 2020/03/31 | 2020/03/31 |

DISTRIBUTIONS

| Date | A | A2 |
|------------|------|------|
| 2019/12/31 | 3.86 | 4.07 |

RISK METRICS

| Metric | A | A2 | Benchmark |
|-------------------------------|--------|--------|-----------|
| Annualised Standard Deviation | 12.3% | 12.3% | 12.7% |
| Maximum Drawdown | -17.6% | -17.6% | -17.7% |
| Percentage of Positive months | 59.6% | 59.6% | 58.3% |
| Information Ratio | -1.44 | -1.22 | — |
| Sharpe Ratio | -0.39 | -0.38 | — |

1 YEAR FEES (%) (INCLUSIVE OF VAT)

| Fees | A | A2 |
|---|-------------|-------------|
| Total expense ratio (TER) | 0.75 | 0.57 |
| Total costs (TC) | 0.10 | 0.10 |
| Total investment charge (TER+TC) | 0.85 | 0.67 |

3 YEAR FEES (%) (INCLUSIVE OF VAT)

| Fees | A | A^ | A2 | A2^ |
|---|-------------|-------------|-------------|-------------|
| Total expense ratio (TER) | 0.82 | 0.74 | 0.64 | 0.56 |
| Total costs (TC) | 0.08 | 0.08 | 0.08 | 0.08 |
| Total investment charge (TER+TC) | 0.90 | 0.82 | 0.72 | 0.64 |

^There was a reduction in asset management fees on 2 January 2019 and estimated fees have been provided to illustrate this decrease. Calculations are based on actual data where possible and best estimates where actual data is not available.

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DISCLOSURES

Collective Investment Schemes in Securities (CIS) are generally medium-to long-term investments. The value of participatory interests (units) may go down as well as up, and past performance is not necessarily a guide to future performance. CIS are traded at ruling prices and can engage in borrowing and scrip lending up to 10% of the market value of the portfolio to bridge insufficient liquidity. The manager does not provide any guarantee either in respect of the capital or the return of a portfolio. A fund of funds is a portfolio that 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.

Total Expense Ratio (TER) is a measure that can be used by investors and advisers to determine how much of a Financial Product's underlying assets are relinquished as payment for services rendered in the administration of the Financial Product. **Transaction Costs (TC)** is a measure of the total costs incurred in buying and selling assets underlying the CIS are a necessary cost in administering the CIS and impact CIS's 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 CIS, the investment decisions of the investment manager and the TER. TER's and TC's are expressed as a percentage of the daily net asset value of the CIS calculated over the past one year and three year period on an annualised basis. 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 TER's. **Total Investment Charges (TIC)** is a measure of total cost relating to the investment. The TER and TC disclosed are estimates based on our best estimate of the underlying costs. A schedule of fees, charges and maximum commissions are available on request.

Performance figures are from PPS Multi-Managers and Morningstar. These performance figures are for lump sum investments with income distributions reinvested on the e-dividend date. All PPS Multi-Managers performance figures and values are quoted after the deduction of costs and applicable tax as incurred within the Fund. Actual investment performance will differ based on the initial fees applicable, the actual investment date and the date of the reinvestment of income and dividend withholding tax. The reinvestment of income is calculated based on actual distributed amount and factors such as payment date and reinvestment date will be considered. Please note that performance over periods greater than one year is annualised. Annualised performance is the average return earned on an investment each year over a given time period.

This fund is exposed to foreign securities and as such, it may be subject to the macroeconomic, settlement risks and political risks brought about by this exposure. It may also be subject to currency risk, which means the underlying investments of the fund could depreciate or appreciate against the reporting currency of the investor. Because these securities are listed on other exchanges, it may be subject to the relevant regulatory authority, and thus the tax implications and legislative changes of that particular entity. There may also be delays in realizing investments, due to system or liquidity issues experienced by the respective exchange. In addition, market and investment value fluctuations may occur. Overall, please be advised that, as indicated by the risk profile and potentially influenced by asset allocation, risks may be associated with this fund such as general market risk, company risk, credit risk, counterparty risk and third party operational risk.

Unit Trust prices are calculated on a Net Asset Value basis, which is the total market value of all assets in the portfolio including any income accruals and less any deductible expenses from the Fund divided by the number of units in issue. Transactions must be received by the Management Company (MANCO) by 2pm to receive the net asset value price for that day. Transaction requests received after this cut off time will only be processed on the next business day, and will receive the price of that day. Linked Investment Service Providers (LISP), specify their own transaction timelines and may take up to five business days to process. Portfolio valuations occur at 3 p.m. on business days, except the last business day of the month, when it will be 5pm. Prices are published daily and are available in the daily newspapers.

The manager may close the portfolio to new investors to ensure the portfolio is managed according to its mandate.

PPS Investments (39270), PPS Multi-Managers (28733), PPS Investment, Administrators (45924) and PPS Insurance (1044) are licensed Financial Services Providers. PPS Management Company is a licensed collective investment scheme manager. PPS Nominees is an independent nominee company approved by the Financial Sector Conduct

MANAGER DETAILS:

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PPS Multi-Managers is the appointed investment manager for the PPS Management company.