

PPS CONSERVATIVE FUND OF FUNDS



INVESTMENTS

As of 30/06/2021

FUND DESCRIPTION

This fund of funds is well diversified across managers and asset classes, with limited equity exposure which will not exceed 40% and a maximum effective property exposure of 25%. It may invest in listed and unlisted financial instruments. It solely holds units in local or foreign collective investment schemes or other similar schemes.

The PPS Conservative Fund of Funds aims to outperform inflation by 2% per year over periods longer than 36 months. This fund is managed according to Regulation 28 of the Pension Funds Act and therefore is a suitable standalone vehicle for retirement savings.

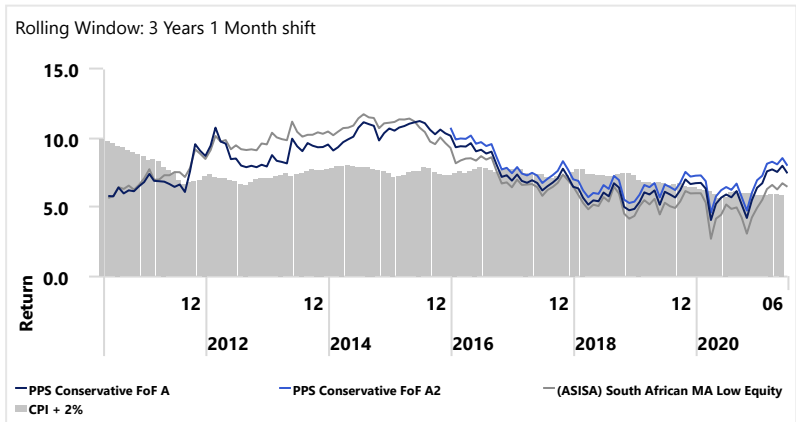
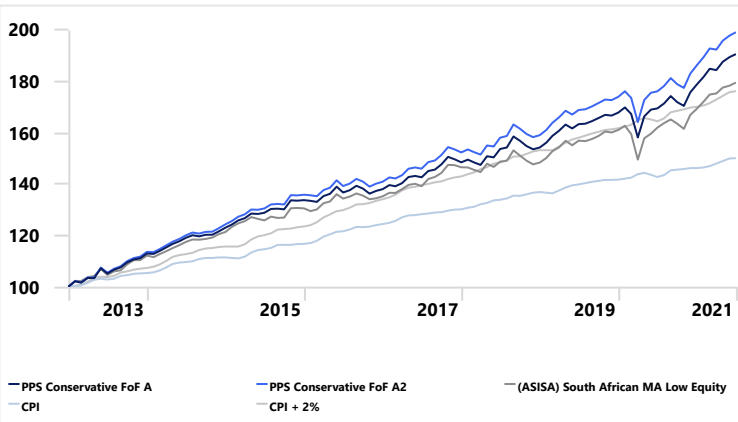
FUND OVERVIEW

List of classes*	A & A2 class
Portfolio category	South African - Multi Asset - Low Equity
Launch date	14 May 2007 (A) ; 2 January 2013 (A2)
Investment manager	PPS Multi-Managers Proprietary Limited (authorised FSP)
Benchmark	CPI for all urban areas + 2%
Income distribution	Half-yearly
Investment horizon	Medium-term - three years and longer
Portfolio size	R3 737 922 699
Market Value (NAV price per unit)	169.10 (A); 169.91 (A2)
Number of Units Held	65 837 389 (A); 1 309 859 161 (A2)
Manager fee (excl. VAT)	1.05% (A) ; 0.60% (A2)
Trustee	Standard Chartered Bank
Risk profile	Low - Medium

*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



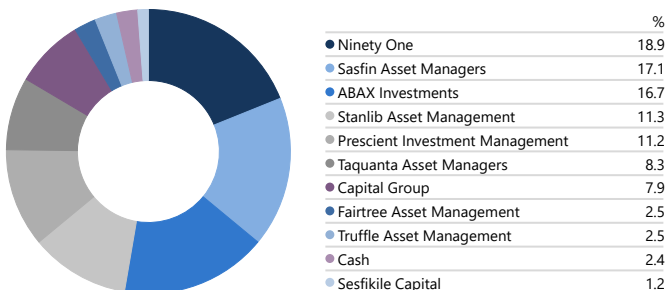
ANNUALISED PERFORMANCE

	3 months	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception A^	Since Inception A^^
PPS Conservative FoF A	3.39%	12.49%	7.46%	6.89%	6.97%	8.10%	7.6) %	—
PPS Conservative FoF A2	3.52%	13.08%	8.01%	7.43%	7.51%	—	—	8*) %
Inflation + 2%	1.91%	7.17%	5.89%	6.31%	6.60%	7.00%	7.*9%	+\$\$\$%
(ASISA) South African MA Low Equity	2.43%	10.86%	6.49%	5.98%	6.26%	7.79%	7.(' %	+\$\$\$%

^ 14 May 2007; A^^ 2 January 2013

	YTD 2021	2020	2019	2018	2017	2016	2015	2014
PPS Conservative FoF A	6.59%	6.58%	8.83%	3.89%	7.58%	3.21%	8.74%	8.94%
PPS Conservative FoF A2	6.87%	7.13%	9.40%	4.41%	8.12%	3.73%	9.31%	9.46%
Inflation + 2%	3.62%	5.18%	5.56%	7.18%	6.62%	8.61%	6.77%	7.80%
(ASISA) South African MA Low Equity	6.01%	5.18%	8.58%	1.24%	8.39%	3.59%	7.60%	8.20%

ASSET MANAGERS



RISK METRICS**

Metric	A	A2	Benchmark
Annualised Standard Deviation	5.8%	5.8%	1.2%
Maximum Drawdown	-6.9%	-6.8%	-0.8%
Percentage of Positive months	6+8%	6+8%	93.3%
Information Ratio	0.1%	0.2%	—
Sharpe Ratio	\$'1'	\$'8'	—

**Risk metrics calculated over a 5 year period

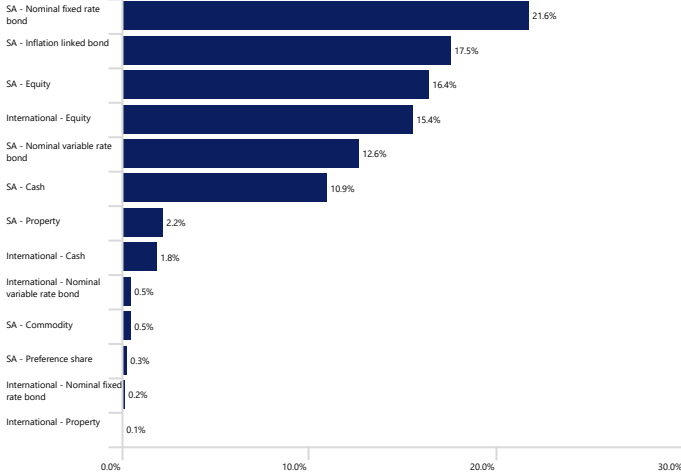
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ASSET ALLOCATION



PORTFOLIO DETAIL

Top 10 Holdings	Allocation
RSA 8.25% 20320331	4.3%
RSA R2048 8.75% 20480228	3.9%
RSA R2030 8% 20300131	3.8%
RSA I2038 CPI 2.25% 20380131	3.4%
RSA I2025 CPI 2% 20250131	2.7%
RSA I2050 CPI 2.5% 20501231	2.6%
RSA 8.5% 20370131	1.8%
RSA 10.50% 20261221	1.3%
RSA R213 7% 20310228	1.3%
RSA I2033 CPI 1.875% 20330228	1.2%

HIGHEST & LOWEST RETURNS SINCE INCEPTION (12-month rolling performance)

	A [^]	A2 ^{^^}
Highest	17.2%	17.2%
Highest Month End Date	2010/02/28	2021/03/31
Lowest	-4.5%	-1.1%
Lowest Month End Date	2009/02/28	2020/03/31

[^] 14 May 2007; ^{^^} 2 January 2013

1 YEAR FEES (%) (INCLUSIVE OF VAT)

Fees	A	A2
Total expense ratio (TER)	1.72	1.21
Transaction costs (TC)	0.07	0.07
Total investment charge (TER+TC)	1.79	1.28

3 YEAR FEES (%) (INCLUSIVE OF VAT)

Fees	A	A2
Total expense ratio (TER)	1.72	1.21
Transaction costs (TC)	0.08	0.08
Total investment charge (TER+TC)	1.80	1.29

DISTRIBUTIONS (Last 12 months)

Date	A	A2
30/06/2021	5.40	5.85
31/12/2020	0.59	1.00

FUND COMMENTARY

This FoF targets CPI+2% p.a. over rolling three years. Diversification is achieved both on an asset class and manager level. Approximately half the FoF is invested according to our house-view allocation (that aims to achieve CPI+3% p.a. over rolling three years at the lowest possible risk) while the remainder is invested with multi-asset class managers that follow their own strategies (and help mitigate our internal model risk).

The second quarter of 2021 saw domestic equities take a breather after a strong start to the year. The recent gains particularly in the resources sector reversed with the financial sector being the strong performer for the quarter. Global stocks continued to perform strongly in rand terms and both property and bonds, both nominal and inflation-linked, outperformed domestic equities. The vaccination drive was still rolling out slowly over the quarter and the concerns of a third was manifested by the increase to alert level four and more stringent lockdown rules for local businesses. The FoF benefitted from the overweight exposure to global equities and domestic bonds and delivered first quartile performance for the quarter.

Over the past 12 month SA equities (up 27.6%) still outperformed foreign equities (up 14.4%), while SA nominal bonds (up 13.7%) and SA inflation-linked bonds (up 14.8%) outperformed SA cash (up 3.5%). Within SA equities all three sectors, resources (up 28.4%), industrials (up 17.1%) and financials (up 33.4%) delivered strong returns. The initial uptick in equity markets in the second quarter of 2020, has rolled out of the 12-month performance to this quarter end and although returns do not appear as high as they were last quarter investors still benefitted from strong returns. Over the three-year investment horizon of the FoF, SA equities (up 4.8% p.a.) have materially underperformed foreign equities (up 16.1% p.a.), while SA nominal bonds (up 9.2% p.a.) has outperformed SA cash (up 5.6% p.a.), SA inflation-linked bonds (up 5.1% p.a.), SA inflation (up 4.2% p.a.) and SA property (down 8.9% p.a.). The FoF over this three-year period has benefited from our house-view being overweight foreign equities relative to SA equities, but the underperformance of SA equities has been a detractor to performance. The overweight domestic bond exposure together with a high cash allocation and low property holding has added to performance and resulted in the fund outperforming the inflation benchmark and delivering first quartile performance in the peer group over its investment horizon.

The multi-asset (MA) component of the FoF consists of a combination of MA low equity managers, which includes Ninety One, Abax and Sasfin as the underlying managers. All three delivered strong absolute returns since inception, with Ninety One and Sasfin outperforming peers this quarter, while Abax lagged the category average. Overall, positioning continues to reflect a preference for global over local equity, and an overweight to SA bonds which offer attractive yields.

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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.

Total Expense Ratio (TER) is a measure that can be used by investors and advisers to determine how much of a CIS's underlying assets are relinquished as payment for services rendered in the administration of the CIS. 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.

Transaction Costs (TC) is a measure that can be used by investors and advisers to determine the costs incurred in buying and selling assets underlying the CIS. TC's 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.

Total Investment Charges (TIC) is a measure of total cost relating to the investment. TIC is the sum of the total expense ratio (TER) and the transaction cost (TC).

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. The TER and TC disclosed are estimates based on our best estimate of the underlying costs.

These performance figures are for lump sum investments with income distributions reinvested on the ex-dividend date. All PPS Multi-Managers performance figures and values are quoted after the deduction of costs and applicable taxes 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. Performance is based on NAV to NAV calculations and calculated on a rolling monthly basis. The past performance is relevant to the investment or the service offered by the manager.

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.

A schedule of fees, charges and maximum commissions are available on request. This fund does not charge performance fees.

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

Additional information of the proposed investment, including brochures, application forms and annual or quarterly reports, can be obtained from the Manager, free of charge.

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 Authority (FSCA).

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