

# PPS EQUITY FUND



INVESTMENTS

As of 30/06/2021

## FUND DESCRIPTION

This fund invests primarily in shares of listed companies. It may, however, also invest in listed and unlisted financial instruments, and it may also hold units in collective investment schemes. Ratios may vary.

The PPS Equity Fund aims to provide investors with investment returns in excess of its benchmark while seeking to provide capital growth over the long-term.

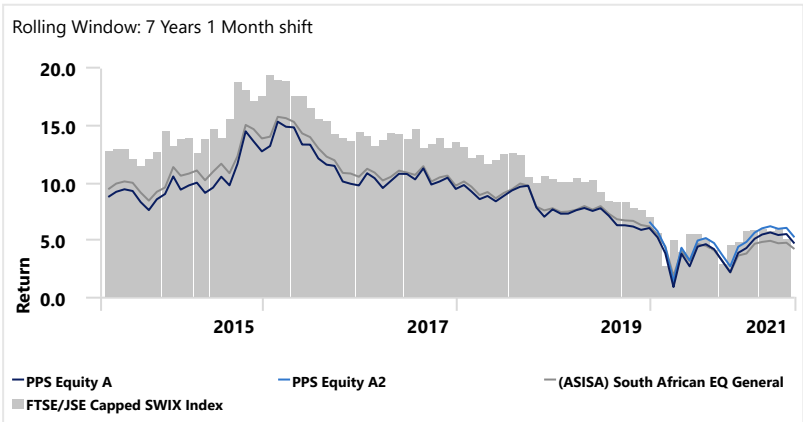
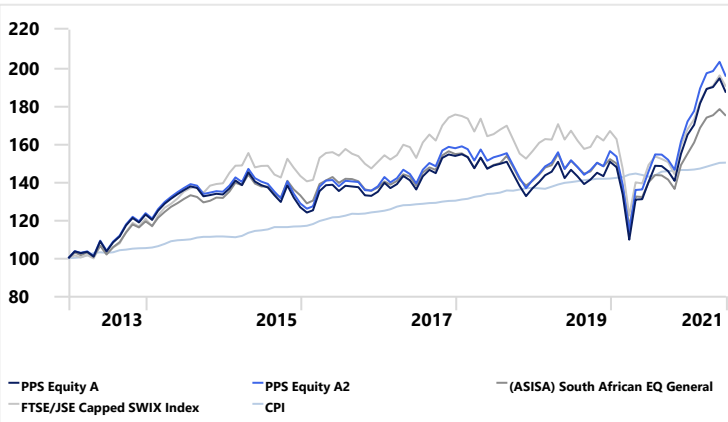
## FUND OVERVIEW

<b>List of classes*</b>	A & A2 class
<b>Portfolio category</b>	South African - Equity - General
<b>Launch date</b>	14 May 2007 (A) ; 2 January 2013 (A2)
<b>Investment manager</b>	PPS Multi-Managers Proprietary Limited (authorised FSP)
<b>Benchmark</b>	FTSE/JSE Total Return Capped SWIX Index
<b>Income distribution</b>	Half-yearly
<b>Investment horizon</b>	Long-term - seven years and longer
<b>Portfolio size</b>	R3 461 706 379
<b>Market Value (NAV price per unit)</b>	205.11 (A); 205.99 (A2)
<b>Number of units held</b>	60 903 319 (A); 70 732 792 (A2)
<b>Manager fee (excl. VAT)</b>	1.50% (A) ; 1.05% (A2)
<b>Trustee</b>	Standard Chartered Bank
<b>Risk profile</b>	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



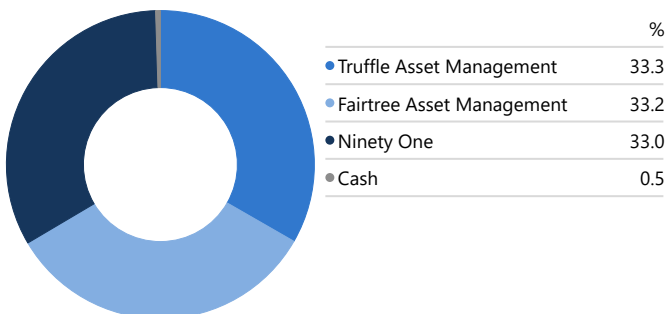
## ANNUALISED PERFORMANCE

	3 months	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception A <sup>^</sup>	Since Inception A <sup>^^</sup>
PPS Equity A	-1.03%	34.25%	7.93%	6.68%	4.68%	8.57%	6.88%	—
PPS Equity A2	-0.91%	34.94%	8.49%	7.24%	5.22%	—	—	7.94%
FTSE/JSE Capped SWIX Index	0.63%	27.60%	4.80%	4.32%	5.01%	9.78%	—	7.93%
(ASISA) South African EQ General	0.53%	24.99%	5.46%	4.61%	4.19%	7.99%	6.91%	6.86%

<sup>^</sup> 14 May 2007; <sup>^^</sup> 2 January 2013

	YTD 2021	2020	2019	2018	2017	2016	2015	2014
PPS Equity A	13.41%	9.40%	10.16%	-11.02%	13.93%	6.43%	-5.02%	8.57%
PPS Equity A2	13.70%	9.98%	10.74%	-10.57%	14.51%	6.97%	-4.54%	9.11%
FTSE/JSE Capped SWIX Index	13.31%	0.58%	6.75%	-10.94%	16.49%	5.16%	2.78%	15.42%
(ASISA) South African EQ General	12.81%	1.93%	8.06%	-9.06%	12.78%	3.12%	1.01%	10.31%

## ASSET MANAGERS



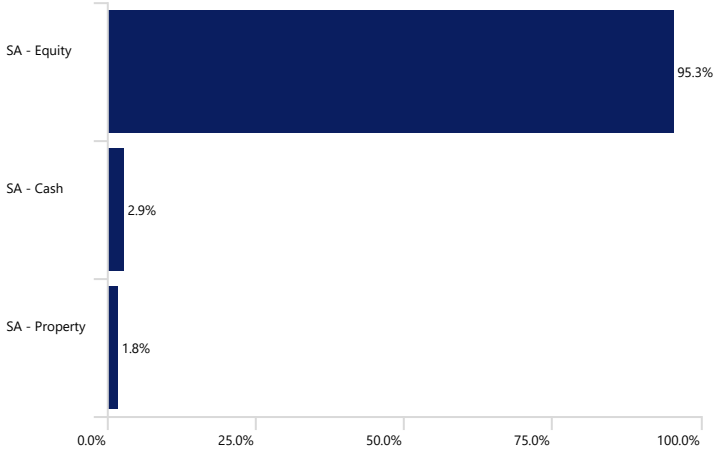
## RISK METRICS\*\*

Metric	A	A2	Category Average	Benchmark
Annualised Standard Deviation	17.1%	17.1%	13.8%	15.5%
Maximum Drawdown	-29.0%	-28.2%	-25.1%	-30.2%
Percentage of Positive months	55.7%	55.7%	54.1%	52.5%
Information Ratio	0.58	0.72	—	—
Sharpe Ratio	0.03	0.06	—	—

\*\*Risk metrics calculated over a 5 year period

As of 30/06/2021

## ASSET ALLOCATION



## PORTFOLIO DETAIL

Top 10 Holdings	Allocation	Benchmark
NASPERS	9.1%	10.1%
IMPALA PLATINUM	6.9%	4.3%
ABSA GROUP LTD	4.2%	1.7%
ANGLO AMERICAN	4.2%	5.4%
SIBANYE STILLWATER LTD	4.0%	3.3%
FIRSTRAND	3.3%	4.8%
STANDARD BANK	3.2%	2.9%
NORTHAM PLATINUM	3.0%	1.8%
SASOL	2.8%	2.6%
GLENCORE XSTRATA	2.7%	0.9%

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

	A <sup>^</sup>	A2 <sup>^^</sup>
Highest	72.1%	73.0%
Highest Month End Date	31/03/2021	31/03/2021
Lowest	-38.7%	-24.1%
Lowest Month End Date	28/02/2009	31/03/2020

<sup>^</sup>14 May 2007; 2 January 2013

## 1 YEAR FEES (%) (INCLUSIVE OF VAT)

Fees	A	A2
Total expense ratio (TER)	1.75	1.23
Transaction costs (TC)	0.45	0.45
<b>Total investment charge (TER+TC)</b>	<b>2.20</b>	<b>1.68</b>

## 3 YEAR FEES (%) (INCLUSIVE OF VAT)

Fees	A	A2
Total expense ratio (TER)	1.74	1.22
Transaction costs (TC)	0.42	0.42
<b>Total investment charge (TER+TC)</b>	<b>2.16</b>	<b>1.64</b>

## DISTRIBUTIONS (Last 12 months)

Date	A	A2
30/06/2021	1.95	2.48
31/12/2020	2.28	2.73

## FUND COMMENTARY

This is a domestic-only mandate that aims to outperform an investable benchmark of South African (SA) listed equities over rolling seven years. The fund is made up of a combination of active SA equity managers, who are expected to be fully invested in SA equities at all times, and implement their best SA equity investment view. The manager combination is deliberately constructed to deliver more consistent returns relative to the benchmark over time.

The local equity market took a breather this quarter, after a strong start to the year. The FTSE/JSE Capped SWIX ended marginally higher, weighed down by resource shares, which gave up some of their previous gains. Financials on the other hand were up strongly, with the listed property sector posting another solid gain, while industrial shares were largely flat, having to contend with the stronger rand. The fund lagged both its benchmark and the ASISA category average this quarter, with its resource exposure (which added meaningfully in prior quarters) having detracted.

Year-to-date SA equities returned 13.3%, having risen 27.6% over one-year. Within SA equities, resources (up 12.6%) outperformed both industrials (up 12.5%) and financials (up 10.6%). The managers in PPS Equity Fund have held meaningful resources exposure, which has been a key driver of fund performance over the medium term. Strong commodity prices have boosted profits in the mining sector, which has resulted in sustained share price appreciation, but even at these levels the managers still see value amongst the miners, alongside many other attractively priced opportunities in the SA market.

Over the seven-year time horizon of the fund, SA equities have compounded at only 5.0% per annum. This is only slightly ahead of inflation (averaging 4.7%) over seven years, in an environment where active managers have found it difficult to outperform their benchmark. PPS Equity Fund is ahead of its benchmark as well its peers over this seven-year period, with significant recent underlying manager outperformance having boosted long-term performance.

Although SA equities have underperformed expectations significantly over the past seven years, the substantial rebound over the last 18 months has been encouraging. The SA economy remains structurally challenged over the long-term, and the effects of the virus still weigh on near-term prospects, but the environment is expected to improve somewhat over the medium term. Global growth is currently strong, the commodity backdrop is supportive, and interest rate policy is very accommodative, while the political environment is also improving. Coupled with this, valuations locally are undemanding, and the underlying managers in the fund are hence finding ample opportunities to invest in.

As of 30/06/2021

## 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 may invest in 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).

### MANAGER DETAILS:

PPS Management Company (Pty) Limited (RF)  
PPS House, Boundary Terraces,  
1 Mariendahl Lane, Newlands, 7700  
0860 468 777 (0860 INV PPS)  
clientservices@ppsinvestments.co.za  
www.pps.co.za

### TELEPHONE:

### EMAIL:

### WEBSITE:

### TRUSTEE DETAILS:

Standard Chartered Bank  
5th Floor, 4 Sandown Valley Crescent,  
Sandton, 2196  
011 217 6600  
SouthAfrica.Securities-Services@sc.com

### TELEPHONE:

### EMAIL:

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