

PPS FLEXIBLE INCOME FUND



INVESTMENTS

As of 30/06/2021

FUND DESCRIPTION

The fund may invest in high-yielding securities and listed or unlisted financial instruments. It may also hold units in collective investment schemes or other similar schemes. Ratios may vary to optimise prevailing market conditions. The maximum effective exposure in local and foreign equities is limited to 10%; and effective local and foreign property is limited to 25% of the market value of the portfolio.

The PPS Flexible Income Fund aims to provide investors with income in excess of its benchmark, while providing capital protection in times of bond market weakness. This fund is managed according to Regulation 28 of the Pension Funds Act and therefore is a suitable standalone vehicle for retirement savings.

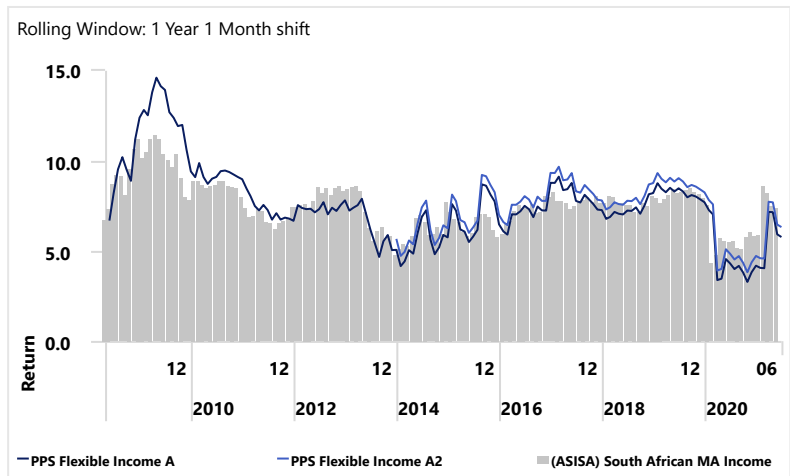
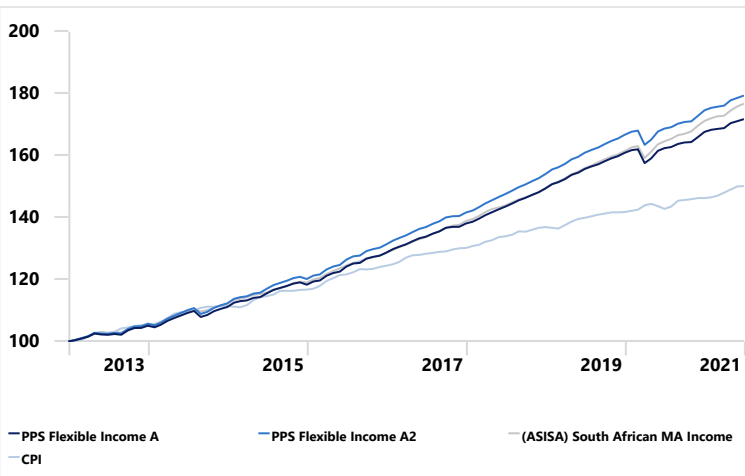
FUND OVERVIEW

List of classes*	A & A2
Portfolio category	South African - Multi Asset - Income
Launch date	14 May 2007 (A) ; 2 January 2013 (A2)
Investment manager	PPS Multi-Managers Proprietary Limited (authorised FSP)
Benchmark	South African - Multi Asset - Income Quarterly
Income distribution	Quarterly
Investment horizon	Short term - twelve month and longer
Portfolio size	R1 544 093 269
Market value (NAV price per unit)	109.14 (A); 109.53 (A2)
Number of units held	103 365 961 (A); 458 479 057 (A2)
Manager fee (excl. VAT)	1.00% (A) ; 0.55% (A2)
Trustee	Standard Chartered Bank
Risk profile	Low - Medium

*On PPS Investment 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



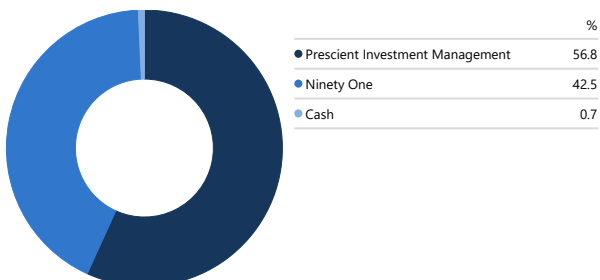
ANNUALISED PERFORMANCE

	3 months	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception A [^]	Since Inception A ^{^^}
PPS Flexible Income A	1.73%	5.79%	6.18%	6.71%	6.70%	6.73%	7.35%	—
PPS Flexible Income A2	1.86%	6.33%	6.73%	7.26%	7.23%	—	—	7.14%
(ASISA) South African MA Income	2.25%	7.38%	7.11%	7.26%	7.09%	7.14%	7.55%	7.00%

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

	YTD 2021	2020	2019	2018	2017	2016	2015	2014
PPS Flexible Income A	2.47%	4.19%	7.71%	8.22%	7.27%	8.79%	6.48%	5.76%
PPS Flexible Income A2	2.73%	4.73%	8.26%	8.77%	7.81%	9.34%	7.00%	6.27%
(ASISA) South African MA Income	3.25%	6.02%	8.18%	7.50%	8.03%	8.03%	6.18%	5.96%

ASSET MANAGERS



RISK METRICS**

Metric	A	A2	Benchmark
Annualised Standard Deviation	1.8%	1.8%	1.6%
Maximum Drawdown	-2.8%	-2.7%	-2.4%
Percentage of Positive months	98.4%	98.4%	98.3%
Information Ratio	-0.08	0.00	—
Sharpe Ratio	0.27	0.57	—

**Risk metrics calculated over a 5 year period

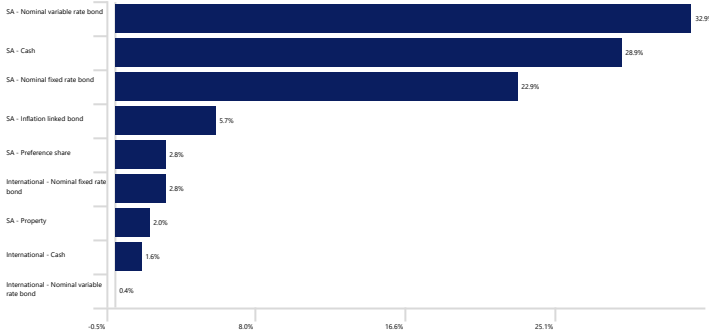
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ASSET ALLOCATION



PORTFOLIO DETAIL

Top 5 Holdings	Allocation
Ninety One High Income Fund Class Z	6.6%
Ninety One Corp Bond Fund Class Z	5.0%
Nedbank 3M JIBAR +65.5BPS 20220105	3.8%
RSA 10.50% 20261221	3.3%
RSA R2030 8% 20300131	2.9%

Top 5 Issuers	Allocation
Republic of South Africa	22.2%
Nedbank Ltd.	18.2%
Standard Bank of South Africa Ltd.	13.7%
FirstRand Bank Ltd.	11.2%
Investec Bank PLC	10.7%

MATURITY ALLOCATION

Maturity	Allocation
< 1 year	24.5%
1 - 3 years	31.0%
3 - 7 years	29.2%
7 - 12 years	11.8%
12 and more years	3.5%

1 YEAR FEES (%) (INCLUSIVE OF VAT)

Fees	A	A2
Total expense ratio (TER)	1.17	0.66
Transaction costs (TC)	0.06	0.06
Total investment charge (TER+TC)	1.23	0.72

3 YEAR FEES (%) (INCLUSIVE OF VAT)

Fees	A	A2
Total expense ratio (TER)	1.18	0.66
Transaction costs (TC)	0.04	0.04
Total investment charge (TER+TC)	1.22	0.70

DISTRIBUTIONS

Date	A	A2
30/06/2021	1.20	1.35
31/03/2021	1.11	1.25
31/12/2020	0.84	0.98
30/09/2020	1.26	1.41

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

	A [^]	A2 ^{^^}
Highest	14.6%	9.7%
Highest Month End Date	2009/04/30	2017/02/28
Lowest	3.3%	3.8%
Lowest Month End Date	2020/10/31	2020/10/31

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

FUND COMMENTARY

This multi-managed multi-asset fund aims to outperform an index of shorter-dated government bonds over rolling one-year periods. Managers in the fund can invest in bonds across the maturity spectrum, as well as hold property, preference shares, floating rate instruments, and other fixed interest assets including foreign bonds and cash. The fund is diversified across managers who themselves implement their best investment view.

The vaccination drive was still rolling out slowly over the quarter and the concerns of a third wave was manifested by the increase to alert level four and more stringent lockdown rules for local businesses. Inflation ticked up above the midpoint of the target band, albeit still within the band. While this increased the likelihood of an interest rate hike in 2021, it was largely expected that inflation would increase due to base effects as the lockdown was still highly restrictive 12 months ago.

Over the one year investment horizon SA nominal bonds in total were up 13.7%, while short dated bonds were up 4.9% and long dated bonds were up 17.9%. Inflation-linked bonds continued to perform well with a 14.8% return for the year. Cash delivered a return of only 3.5%, which has been declining over time, in line with short term rate cuts. Domestic property (up 25.2%) performed well on valuation grounds in a difficult macro environment for the asset class.

For the quarter the fund marginally underperformed the benchmark (peer group average) and has remained competitive against peers over longer time periods. Ninety One has performed consistently since being included in the fund in the last quarter of 2020 by applying a conservative, diversified approach. We remain positive that the change in underlying managers will continue to result in an improvement in performance.

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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.