

# PPS WORLDWIDE FLEXIBLE FUND OF FUNDS\*



INVESTMENTS

As of 30/06/2021

## FUND DESCRIPTION

This fund of funds allows for flexible asset allocation and may invest in equity securities, interest-bearing securities, listed and unlisted financial instruments and liquid assets. No maximum asset allocation applies to South African or offshore investments. Ratios may vary. The fund solely holds units in local or foreign collective investment schemes or other similar schemes.

The PPS Worldwide Flexible Fund of Funds aims to outperform inflation by 6% per year over periods longer than 84 months. The fund will typically hold between 40% and 60% in foreign assets and may hold more than 75% in equities.

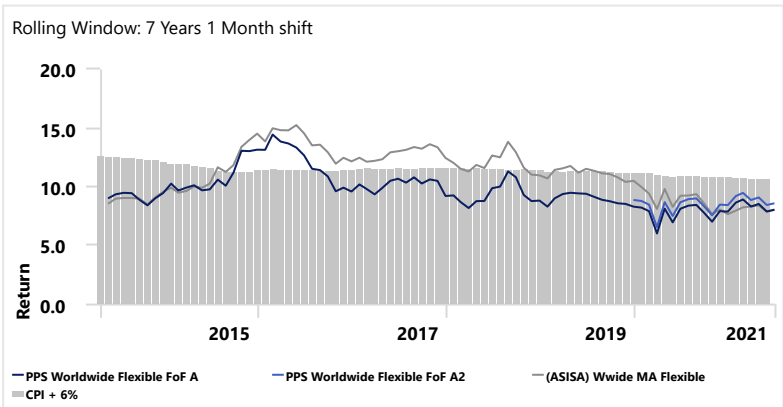
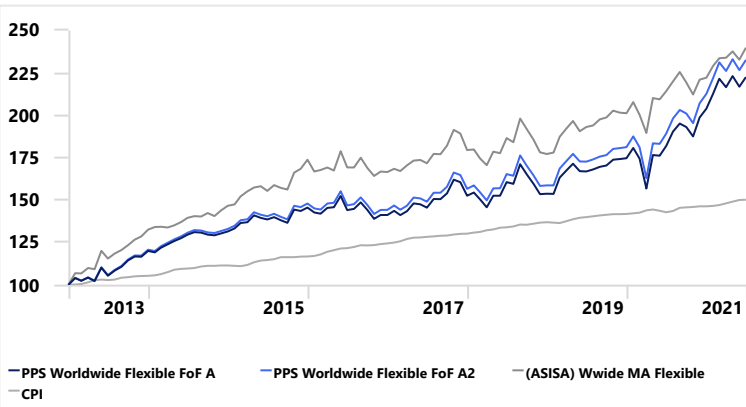
## FUND OVERVIEW

<b>List of classes**</b>	A & A2 class
<b>Portfolio category</b>	(ASISA) WWide Multi Asset Flexible
<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>	CPI for all urban areas + 6%
<b>Income distribution</b>	Half-yearly
<b>Investment horizon</b>	Long-term - seven years and longer
<b>Portfolio size</b>	R 508 246 465
<b>Market value (NAV price per unit)</b>	280.90 (A); 283.33 (A2)
<b>Number of units held</b>	82 659 263 (A); 47 919 108 (A2)
<b>Manager fee (excl. VAT)</b>	1.15% (A) ; 0.70% (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 100 000 invested with all distributions reinvested (for illustrative purposes only). Growth is represented in '000



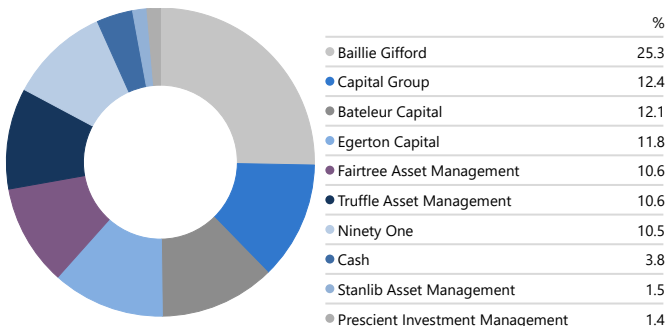
## ANNUALISED PERFORMANCE

	3 months	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception A <sup>^</sup>	Since Inception A <sup>^^</sup>
PPS Worldwide Flexible FoF A	2.76%	22.32%	11.49%	9.08%	8.03%	10.35%	8.75%	—
PPS Worldwide Flexible FoF A2	2.90%	22.96%	12.07%	9.65%	8.58%	—	—	10.62%
Inflation + 6%	2.84%	11.17%	9.90%	10.31%	10.61%	11.01%	11.64%	11.05%
(ASISA) Wwide MA Flexible	2.53%	11.96%	8.74%	7.22%	8.05%	11.47%	9.56%	11.07%

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

	YTD 2021	2020	2019	2018	2017	2016	2015	2014
PPS Worldwide Flexible FoF A	9.14%	16.73%	13.62%	0.78%	8.06%	-3.02%	10.73%	9.57%
PPS Worldwide Flexible FoF A2	9.42%	17.34%	14.21%	1.29%	8.62%	-2.53%	11.29%	10.14%
Inflation + 6%	5.53%	9.18%	9.56%	11.19%	10.62%	12.62%	10.78%	11.81%
(ASISA) Wwide MA Flexible	7.97%	10.43%	13.57%	-1.30%	7.79%	-4.19%	18.54%	10.62%

## ASSET MANAGERS



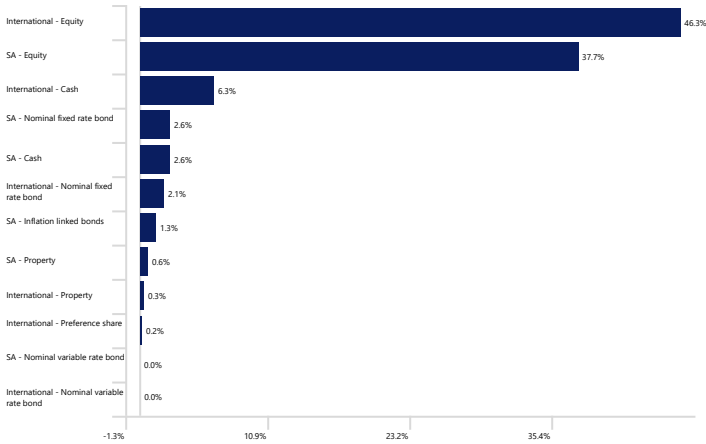
## RISK METRICS\*\*

Metric	A	A2	Benchmark
Annualised Standard Deviation	12.5%	12.6%	1.1%
Maximum Drawdown	-13.2%	-13.2%	-0.1%
Percentage of Positive months	55.7%	60.7%	96.7%
Information Ratio	-0.10	-0.05	—
Sharpe Ratio	0.23	0.27	—

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

As of 30/06/2021

## ASSET ALLOCATION



## PORTFOLIO DETAIL

Top 10 Holdings	Allocation
NASPERS	3.8%
IMPALA PLATINUM	2.5%
ANGLO AMERICAN	1.8%
ALPHABET INC	1.4%
ABSA GROUP LTD	1.3%
AMAZON	1.3%
TESLA INC	1.3%
SIBANYE STILLWATER LTD	1.3%
FIRSTRAND	1.3%
RSA R2030 8% 20300131	1.2%

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

	A	A2
Highest	38.1%	38.8%
Highest Month End Date	31/03/2021	31/03/2021
Lowest	-22.8%	-5.9%
Lowest Month End Date	28/02/2009	31/03/2020

^14 May 2007; ^2 January 2013

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

Fees	A	A2
Total expense ratio (TER)	1.85	1.33
Transaction costs (TC)	0.20	0.20
<b>Total investment charge (TER+TC)</b>	<b>2.05</b>	<b>1.53</b>

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

Fees	A	A2
Total expense ratio (TER)	1.92	1.40
Transaction costs (TC)	0.18	0.18
<b>Total investment charge (TER+TC)</b>	<b>2.10</b>	<b>1.58</b>

## DISTRIBUTIONS

Date	A	A2
30/06/2021	0.77	1.49
31/12/2020	0.00	0.52

## FUND COMMENTARY

This FoF targets CPI+6% p.a. over rolling seven years. Diversification is achieved both on an asset class and manager level, but heavily skewed in favour of SA and foreign equities. Three quarters of the FoF is invested according to our house-view allocation (that aims to achieve CPI+6% p.a. over rolling seven 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 FoF is not constrained by Regulation 28 and can express our best investment view.

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. South African government bonds outpaced local equities this quarter, with domestic stocks also underperforming global equities. The FoF performed well against this backdrop, with the global equity allocation being the strongest contributor.

Year-to-date SA equities (up 13.3%) outperformed foreign equities (up 9.2%), while SA nominal bonds (up 5.0%) underperformed SA inflation-linked bonds (up 7.7%) and SA cash (up 1.8%). Within SA equities, resources (up 12.6%) and industrials (up 12.5%) outperformed financials (up 10.6%). Year-to-date, both SA and foreign equities have contributed to the FoF achieving its inflation objective (as well as over the medium term), but domestic equities have however weighed on longer-term returns.

Over the seven-year investment horizon of the FoF, SA equities (up 5.0% p.a.) have materially underperformed foreign equities (up 14.5% p.a.) and our expectation for this asset class, while SA nominal bonds (up 8.5% p.a.) have outperformed SA cash (up 6.6% p.a.), SA inflation (averaging 4.7% p.a.) and SA inflation-linked bonds (up 4.4% p.a.). The FoF, over this seven-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 material detractor to performance over the long-term, given the strategy's dependence on SA equities to deliver on its objectives.

The house-view allocation of the FoF is made up of specialist managers and typically holds between 40% and 60% in foreign assets, and 70% to 90% in equities. The multi-asset (MA) component of the FoF consists of a combination of MA managers from various ASISA sectors that targets an overall foreign allocation of approximately 50%. There were no asset allocation or manager changes this quarter, and overall, positioning continues to reflect a preference for global over local equity, and an overweight to SA bonds, which offer attractive yields.

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 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).

### MANAGER DETAILS:

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