

PPS BALANCED INDEX TRACKER FUND



INVESTMENTS

As of 30/06/2021

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.

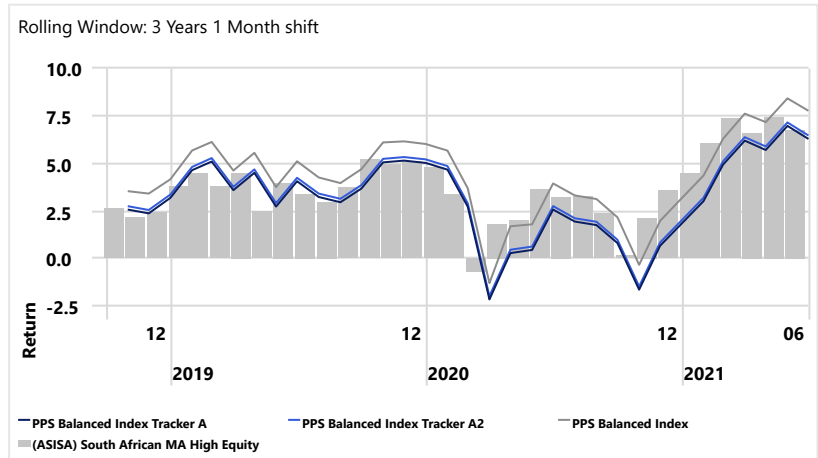
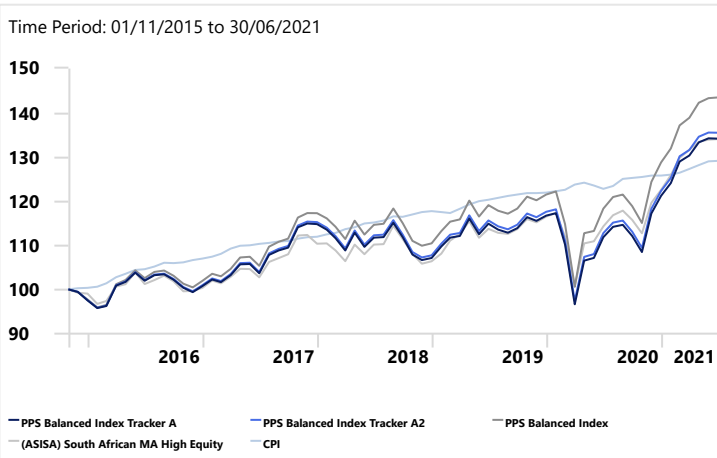
FUND OVERVIEW

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	R1 140 348 568
Market value (NAV price per unit)	114.63 (A); 115.60 (A2)
Number of units held	5 774 465 (A); 542 718 180 (A2)
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

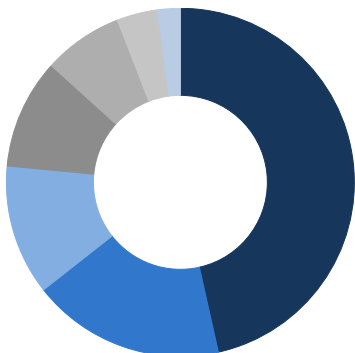


ANNUALISED PERFORMANCE

	3 months	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception
PPS Balanced Index Tracker A	2.93%	19.96%	6.29%	5.64%	—	—	5.32%
PPS Balanced Index Tracker A2	2.97%	20.17%	6.47%	5.82%	—	—	5.50%
PPS Balanced Index (Gross of fees)	3.32%	21.29%	7.48%	6.77%	7.65%	11.29%	6.42%
(ASISA) South African MA High Equity	1.84%	17.31%	6.77%	5.78%	5.93%	8.58%	5.31%

	YTD 2021	2020	2019	2018	2017	2016	2015
PPS Balanced Index Tracker A	10.68%	3.85%	8.96%	-6.68%	13.92%	3.33%	—
PPS Balanced Index Tracker A2	10.77%	4.03%	9.15%	-6.52%	14.14%	3.49%	—
PPS Balanced Index (Gross of fees)	11.43%	5.14%	10.01%	-5.82%	15.03%	4.32%	8.29%
(ASISA) South African MA High Equity	9.39%	5.19%	9.52%	-3.60%	9.97%	1.31%	7.66%

ASSET MANAGERS



	%
SA Equity	46.5
Developed Market Equity	17.9
SA Nominal Bonds	12.1
SA Property	10.2
SA Inflation Linked Bonds	7.4
Emerging Market Equity	3.8
SA Cash	2.1

FUND STRATEGY

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

Asset Class Benchmark Exposure

SA Equity (46.4%)
 Developed Market Equity (17.9%)
 SA Nominal Bonds (12.1%)
 SA Property (10.2%)
 SA Inflation Linked Bonds (7.4%)
 Emerging Market Equity (3.9%)
 SA Cash (2.2%)

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
 Call rate of the trustee call account

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As of 30/06/2021

ASSET ALLOCATION



	%
● Prescient Investment Management	100.0

HIGHEST & LOWEST RETURNS SINCE INCEPTION

	A	A2
Highest	34.9%	35.1%
Highest Month End Date	31/03/2021	31/03/2021
Lowest	-13.8%	-13.7%
Lowest Month End Date	31/03/2020	31/03/2020

DISTRIBUTIONS (Last 12 months)

Date	A	A2
31/12/2020	4.22	4.43

PORTFOLIO DETAIL

Top 10 Effective Holdings	Allocation
NASPERS	4.9%
GROWTHPOINT	2.6%
FIRSTRAND	2.4%
ANGLO AMERICAN	2.3%
NEPI ROCKCASTLE PLC	2.2%
RSA 10.50% 20261221	2.1%
IMPALA PLATINUM	1.8%
MTN	1.7%
RSA R2030 8% 20300131	1.7%
STANDARD BANK	1.5%

RISK METRICS**

Metric	A	A2	Benchmark
Annualised Standard Deviation	12.9%	12.9%	13.2%
Maximum Drawdown	-17.6%	-17.6%	-17.7%
Percentage of Positive months	62.3%	62.3%	63.9%
Information Ratio	-1.49	-1.25	—
Sharpe Ratio	-0.05	-0.03	0.04

**Risk metrics calculated over a 5 year period

1 YEAR FEES (%) (INCLUSIVE OF VAT)

Fees	A	A2
Total expense ratio (TER)	0.72	0.55
Transaction costs (TC)	0.08	0.08
Total investment charge (TER+TC)	0.80	0.63

3 YEAR FEES (%) (INCLUSIVE OF VAT)

Fees	A	A2
Total expense ratio (TER)	0.77	0.59
Transaction costs (TC)	0.08	0.08
Total investment charge (TER+TC)	0.85	0.67

FUND COMMENTARY

This passive fund tracks the PPS Balanced Index which itself is a composite benchmark made up of South African (SA) and foreign equities (both developed and emerging), SA property, SA bonds (both nominal and inflation-linked) and SA cash. The fund is expected to track the index before fees, and holds the underlying indices of the PPS Balanced Index in the appropriate proportions. The benchmark is constructed to be Regulation 28 compliant, and weighted towards growth assets.

Over the second quarter of 2021 the fund benefited from recovery in SA Listed Property (+12%) where an extremely pessimistic outcome had become priced into the sector as a result of the pandemic. Other notable contributors to return were SA Nominal Bonds (+6.9%), Developed Market Equities (+4%) and SA Inflation-linked Bonds (+3%). SA Equities were largely flat with Emerging Market Equities contributing slightly (+1.5%).

Over the last year to 30 June 2021 the fund participated in a broad recovery, particularly in SA assets and those with a bias to emerging markets. Major contributions were made by SA Equities (+27.6%), SA Listed Property (+25.2%), Emerging Market Equities (+16.4%), SA Inflation-linked Bonds (+14.8%) and to a lesser extent SA Nominal Bonds (+13.7%) as well as Developed Market Equities (+12.9%). The fund remains ahead of the peer group over one year and has delivered returns in line with the peer group, on an annualised basis since inception, by providing consistent exposure to a diversified set of asset classes.

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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).

MANAGER DETAILS:

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