

PPS BOND FUND

As of 28/02/2021



INVESTMENTS

FUND DESCRIPTION

The PPS Bond Fund is available as a building block to both retail and institutional investors. The benchmark has recently changed from the JSE All Bond Index (ALBI) to 50% JSE All Bond Index (ALBI) and 50% JSE Composite Inflation Linked Index (CILI). This allows the underlying managers to have exposures to both nominal and inflation linked bonds, with discretion as to the allocation to each. The underlying managers are restricted from purchasing non-investment grade paper, but are given reasonable allowance in terms of duration compared to the benchmark.

The PPS Bond Fund aims to outperform the 50% ALBI, 50% CILI benchmark over periods longer than 36 months. This fund is managed according to Reg. 28 of the Pension Funds Act and therefore is a suitable standalone vehicle for retirement savings.

FUND OVERVIEW

List of classes*	A2
Portfolio category	South African - Interest Bearing - Variable Term
Launch date	1 January 2019
Investment manager	PPS Multi-Managers Proprietary Limited (authorised FSP)
Benchmark	50% JSE All Bond Index (ALBI), 50% JSE Composite Inflation Linked Index (CILI)
Income distribution	Annually
Investment horizon	Medium term - 36 months and longer
Portfolio size	R5 665 995 112
Manager fee (excl. VAT)	0.65%
Trustee	Standard Chartered Bank
Risk profile	Low - Medium
Current Yield	8.6%

*On PPS platform, A2 class is available in Select.

RETURNS SINCE INCEPTION (12-month rolling performance)

	Fund
Highest	9.1%
Highest Month End Date	2020/02/29
Lowest	-1.6%
Lowest Month End Date	2020/03/31

RISK METRICS

Metric	A2	Benchmark
Annualised Standard Deviation	8.6%	8.1%
Maximum Drawdown	-8.6%	-8.4%
Percentage of Positive months	68.0%	68.0%
Information Ratio	0.15	—
Sharpe Ratio	0.39	—

ASSET ALLOCATION

Asset	Allocation
SA - Nominal fixed rate bond	50.6%
SA - Inflation linked bond	43.0%
SA - Cash	6.0%
SA - Nominal variable rate bond	0.4%

MATURITY ALLOCATION

Maturity	Allocation
< 1 year	6.1%
1 - 3 years	6.9%
3 - 7 years	9.2%
7 - 12 years	15.8%
12 and more years	62.0%

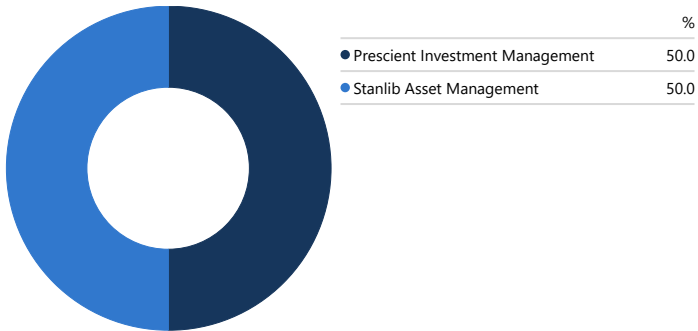
ANNUALISED PERFORMANCE

	3 months	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception
PPS Bond Fund A2	5.29%	7.48%	—	—	—	—	8.71%
50% ALBI- 50%CILI	4.72%	8.13%	6.25%	9.25%	8.10%	8.29%	8.24%

	YTD 2021	2020	2019	2018	2017	2016	2015
PPS Bond Fund A2	2.74%	5.23%	—	—	—	—	—
50% ALBI- 50%CILI	2.37%	6.49%	8.18%	7.69%	10.22%	15.54%	-3.93%

As of 28/02/2021

ASSET MANAGERS



DISTRIBUTIONS

Date	A2
31/12/2020	6.12

1 YEAR FEES (%) (INCLUSIVE OF VAT)

Fees	A2
Total expense ratio (TER)	0.75
Total costs (TC)	0.04
Total investment charge (TER+TC)	0.79

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

Fees	A2
Total expense ratio (TER)	0.73
Total costs (TC)	0.03
Total investment charge (TER+TC)	0.76

**The TER and Transaction Costs cannot be determined accurately because of the short life span of the Financial Product. Calculations are based on actual data where possible and best estimates where actual data is not available.

PORTFOLIO DETAIL

Top 10 Holdings	Allocation
RSA 8.5% 20370131	11.3%
RSA I2050 CPI 2.5% 20501231	9.9%
RSA R2048 8.75% 20480228	8.5%
RSA 8.75% 20440131	5.7%
RSA I2046 CPI 2.5% 20460331	5.4%
RSA I2038 CPI 2.25% 20380131	5.1%
Nedbank SWAP Inflation Linked 0% 20220329	4.2%
RSA R202 CPI 3.45% 20331207	4.0%
RSA I2025 CPI 2% 20250131	3.5%
RSA R2030 8% 20300131	3.4%

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:

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