

# PPS FLEXIBLE INCOME FUND



INVESTMENTS

Fund data as at 30 April 2020

## 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

<b>Range</b>	Select (A2 class)
<b>Portfolio category</b>	South African - Multi Asset - Income
<b>Launch date</b>	14 May 2007
<b>Fee class launch date</b>	02 January 2013
<b>Investment manager</b>	PPS Multi-Managers Proprietary Limited (authorised FSP)
<b>Benchmark</b>	JSE ALBI 1-3 year Total Return Index Quarterly
<b>Investment horizon</b>	Short-term - twelve months and longer
<b>Portfolio size</b>	R1 161 733 081
<b>Market value (NAV price per unit)</b>	106.01 cents
<b>Number of units held</b>	408 348 428 (participatory interests)
<b>Asset management fee (excl. VAT)</b>	0.55%
<b>Trustee</b>	Standard Chartered Bank
<b>Risk profile</b>	Low - Medium

## PORTFOLIO DETAIL

Top 5 Holdings	Allocation
RSA R2026 10.50% 20261221	3.2%
FirstRand 3M JIBAR + 169BPS 20290814	3.1%
Nedbank 3M JIBAR + 97.5BPS 20210301	3.1%
RSA R2040 9% 20400131	2.6%
RSA R2030 8% 20300131	2.6%
<b>As a % of total</b>	<b>14.6%</b>

Top 5 Issuers	Allocation
Standard Bank Of South Africa Ltd.	20.3%
South Africa (Republic Of)	18.4%
FirstRand Bank Ltd.	16.9%
Nedbank Ltd.	14.3%
ABSA Bank Ltd.	7.3%
<b>As a % of total</b>	<b>77.2%</b>

## ASSET ALLOCATION

Asset	Allocation
SA cash	70.2%
SA bonds	24.8%
Foreign bonds	2.0%
SA property	1.7%
SA equity	1.4%
Foreign cash	-0.1%

## MATURITY ALLOCATION

Maturity	Allocation
< 1 Year	28.3%
1 - 3 years	26.2%
3 - 7 years	24.4%
7 - 12 years	11.9%
12 and more years	9.2%

## ANNUALISED PERFORMANCE

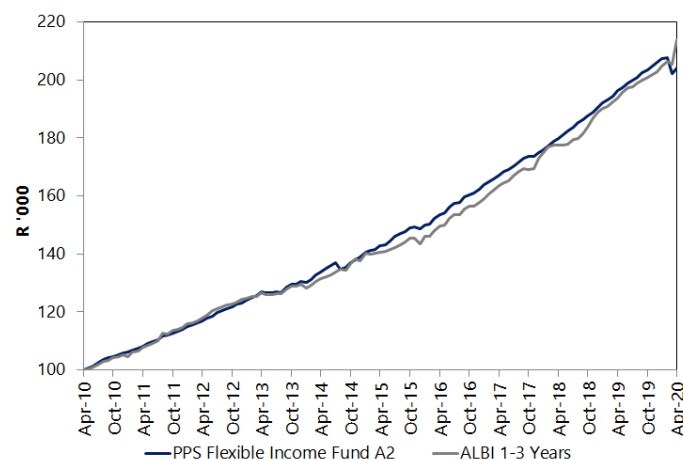
	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since inception
PPS Flexible Income Fund	-0.96%	4.01%	6.87%	7.43%	4.86%	n/a	7.22%
JSE ALBI 1-3 Total Return Index	5.36%	10.28%	9.35%	8.74%	5.38%	7.89%	7.79%

	2019	2018	2017	2016	2015	2014	2013
PPS Flexible Income Fund	8.26%	8.77%	7.81%	9.34%	7.00%	6.27%	6.05%
JSE ALBI 1-3 Total Return Index	7.50%	9.14%	9.61%	10.08%	4.10%	6.23%	4.40%

## ILLUSTRATIVE PERFORMANCE

Estimated growth of R100 000 invested with all distributions reinvested (for illustrative purposes only)



\* Performance prior to January 2013 is based on an older fee class performance prior to the launch of the A2 class and is adjusted for any fee differences

## RISK METRICS

Metric	Fund	Benchmark
Annualised Standard Deviation	1.9%	2.5%
Maximum Drawdown	-2.7%	-1.5%
Percentage of Positive months	96.7%	90.0%
Information Ratio	-0.19	n/a
Sharpe Ratio	0.31	n/a

## RETURNS SINCE INCEPTION (12-month rolling performance)

Annual figures	Fund	Period
Highest	15.5%	30-Apr-09
Lowest	3.9%	31-Mar-20

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INVESTMENTS

## ASSET MANAGERS

Manager	Percentage
Prescient Investment Management	51.9%
Prudential Investment Managers	48.1%

## FEES (INCLUSIVE OF VAT)

Fees	1 Year	3 Years
Total expense ratio (TER)	0.67%	0.68%
Transaction costs (TC)	0.03%	0.03%
<b>Total investment charge (TER+TC)</b>	<b>0.70%</b>	<b>0.71%</b>

## DISTRIBUTIONS

Date	Cents per unit
31-Mar-20	2.03
31-Dec-19	1.97
30-Sep-19	1.96
30-Jun-19	1.98

## 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. A fund of funds is a portfolio that invests in portfolios of collective investment schemes that levy their own charges, which could result in a higher fee structure for the fund of funds.

**Total Expense Ratio (TER)** is a measure that can be used by investors and advisers to determine how much of a Financial Product's underlying assets are relinquished as payment for services rendered in the administration of the Financial Product. **Transaction Costs (TC)** is a measure of the total costs incurred in buying and selling assets underlying the CIS 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. 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. 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. **Total Investment Charges (TIC)** is a measure of total cost relating to the investment. The TER and TC disclosed are estimates based on our best estimate of the underlying costs. A schedule of fees, charges and maximum commissions are available on request.

Performance figures are from PPS Multi-Managers and Morningstar. 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.

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.

The manager may close the portfolio to new investors to ensure the portfolio is managed according to its mandate.

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.

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