

# PPS BALANCED INDEX TRACKER FUND

Fund data as at 30 April 2019



INVESTMENTS

## 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, bonds, 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 published multi asset high equity composite index that is diversified across a number of constituent indices, and calculated and published daily by a recognised index compiler.

## PORTFOLIO DETAIL

Top 10 holdings	Allocation
Naspers	5.3%
Growthpoint	2.8%
Sasol	2.3%
Standard Bank	2.3%
Redefine Properties	2.1%
RSA R186 10.5% 20271221	2.1%
FirstRand Ltd	1.9%
Anglo American	1.7%
RSA R2048 8.75% 20480228	1.7%
MTN	1.6%
<b>As a % of total</b>	<b>23.8%</b>

## ASSET ALLOCATION

Asset	Fund weight	Benchmark weight	Strategic weight	Benchmark
SA equity	45.3%	45.3%	45.0%	FTSE/JSE CAPPED SWIX Index
Developed market equity	17.9%	18.0%	18.5%	MSCI World ESG Index
SA nominal bonds	13.1%	13.0%	12.5%	BEASSA ALBI Index
SA property	9.6%	9.6%	10.0%	FTSE/JSE SAPY Index
SA inflation linked bonds	7.6%	7.5%	7.5%	BEASSA IGOV Index
Emerging market equity	4.1%	4.1%	4.0%	MSCI EM ESG Index
SA cash	2.5%	2.5%	2.5%	Call rate of the trustee call account

## ANNUALISED PERFORMANCE

	YTD	1 Year	3 Years	5 Years	10 Years	Since inception
PPS Balanced Index Tracker Fund	8.41%	3.03%	4.68%	n/a	n/a	4.82%
PPS Balanced Index (Gross of Fees)	8.72%	3.89%	5.54%	8.06%	n/a	5.50%
Fund Category Average	8.49%	4.77%	4.48%	5.75%	9.97%	4.28%

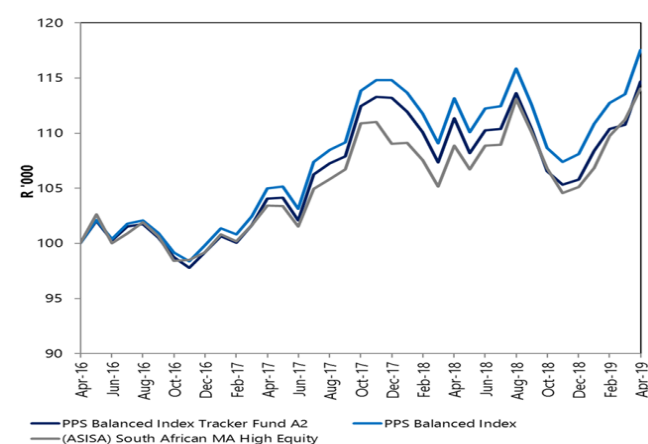
	2018	2017	2016	2015	2014	2013
PPS Balanced Index Tracker Fund	-6.52%	14.14%	3.49%	n/a	n/a	n/a
PPS Balanced Index (Gross Of Fees)	-5.82%	15.03%	4.32%	8.29%	15.69%	21.04%
Fund Category Average	-3.60%	9.97%	1.31%	7.66%	9.50%	18.03%

## FUND OVERVIEW

<b>Range</b>	Select (A2 class)
<b>Portfolio category</b>	South African - Multi Asset (MA) - High Equity
<b>Launch date</b>	1 November 2015
<b>Investment manager</b>	PPS Multi-Managers Proprietary Limited (authorised FSP)
<b>Benchmark</b>	PPS Balanced Index
<b>Income distribution</b>	Annually
<b>Investment horizon</b>	Long-term - seven years and longer
<b>Portfolio size</b>	R 696 610 452
<b>Market value (NAV price per unit)</b>	107.88 cents
<b>Number of units held</b>	247 337 416 (participatory interests)
<b>Asset management fee (excl. VAT)</b>	0.40%
<b>Trustee</b>	Standard Chartered Bank
<b>Risk profile</b>	Med - High

## ILLUSTRATIVE PERFORMANCE

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



## RISK METRICS

Metric	Fund	Category average	Benchmark
Annualised Standard Deviation	7.2%	6.9%	7.2%
Maximum Drawdown	-7.3%	-7.5%	-7.3%
Percentage of Positive months	59.5%	63.3%	63.3%
Information Ratio	-3.42	n/a	n/a
Sharpe Ratio	-0.28	n/a	n/a

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

	Annual figures	Fund	Period
Highest		15.9%	30-Nov-17
Lowest		-7.0%	30-Nov-18

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INVESTMENTS

## ASSET MANAGER

Manager	Percentage
Old Mutual Customised Solutions	100.0%

## DISTRIBUTIONS

Date	Cents Per Unit
31-Dec-18	3.61

## FEES (INCLUSIVE OF VAT)

Fees	Percentage
Total expense ratio (TER)	0.56%
Transaction costs (TC)	0.05%
<b>Total investment charge (TIC = TER+TC)</b>	<b>0.61%</b>

There was a reduction in asset management fees on 2 January 2019 and an estimated TER has been provided to illustrate this decrease. Calculations are based on actual data where possible and best estimates where actual data is not available.

## 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 a period of three years 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. Cut off times for receiving transactions requests is 2 p.m. (SA), to be transacted at the net asset value price for that day. Transaction requests received after this cut off times will only be processed on the next business 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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