

PPS DEFENSIVE FUND



INVESTMENTS

As of 30 Jun 2024

FUND DESCRIPTION

Terebinth Capital has been appointed as the portfolio manager for the PPS Defensive Fund. Terebinth Capital combines their skill-sets in macroeconomic and quantitative analyses to construct diversified portfolios, reflecting their best investment view, to achieve appropriate risk-adjusted returns. As in our other partnership strategies, our approach for the PPS Defensive Fund is to use our comprehensive research process to identify a best-in-class manager with the skill set and capabilities to successfully manage a strategy. A key differentiating factor is that partnership managers typically don't yet offer a similar strategy in the retail space.

The PPS Defensive Fund is aimed at investors looking for a low volatility, diversified multi asset portfolio, managed in line with Regulation 28 of the Pension Fund Act. The primary objective of the fund is to outperform the ASISA SA Multi Asset Low Equity category average. Simultaneously, the aim is to deliver long-term capital growth with low short-term volatility. The investment horizon for this fund is greater than three years.

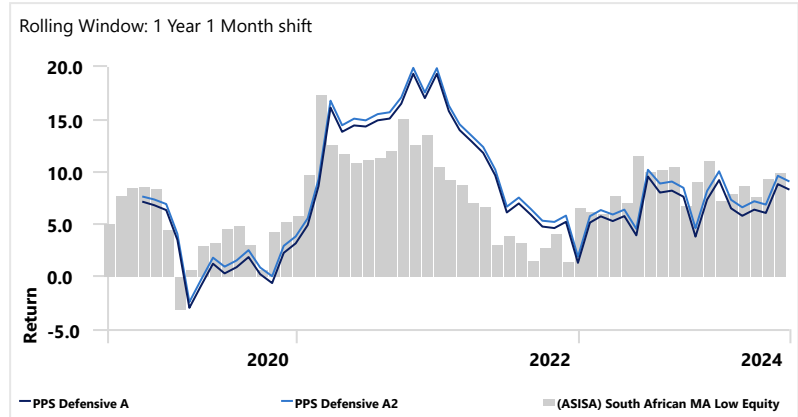
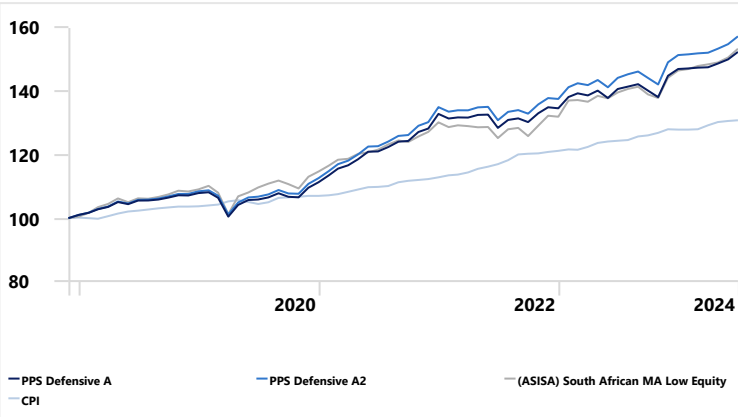
FUND OVERVIEW

List of classes**	A & A2 class
Portfolio category	South African - Multi Asset - Low Equity
Launch date	1 November 2018 (A & A2)
Investment manager	PPS Multi-Managers Proprietary Limited (authorised FSP)
Benchmark	South African - Multi Asset - Low Equity (Category average)
Income distribution	Half-yearly
Investment horizon	Medium-term - three years and longer
Portfolio size	R 701 533 812
Market value (NAV price per unit)	120.69 (A); 121.08 (A2)
Number of units held	1 261 (A); 111 790 288 (A2)
Manager fee (excl. VAT)	1.35% (A) ; 0.90% (A2)
Trustee	Standard Chartered Bank
Risk profile	Low - Medium

**On PPS Investments platform, A2 class is available in Select 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 Defensive A	3.28%	8.31%	7.99%	7.63%	—	—	7.85%
PPS Defensive A2	3.39%	9.08%	8.64%	8.27%	—	—	8.46%
(ASISA) South African MA Low Equity	3.31%	9.87%	8.06%	7.63%	7.22%	6.80%	7.97%

	YTD 2024*	2023	2022	2021	2020	2019	2018
PPS Defensive A	3.66%	9.22%	1.33%	19.35%	3.19%	6.82%	—
PPS Defensive A2	3.90%	10.06%	1.91%	19.89%	3.85%	7.37%	—
(ASISA) South African MA Low Equity	4.68%	11.05%	1.36%	13.53%	5.17%	8.58%	1.24%

*Periods less than one year are not annualised

ASSET MANAGERS



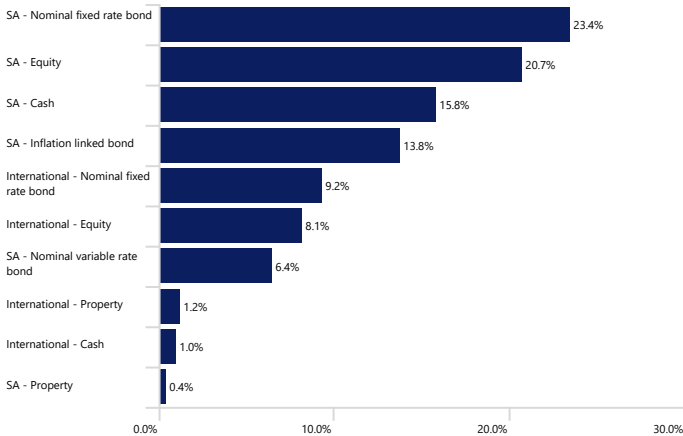
RISK METRICS***

Metric	A	A2	Benchmark
Annualised Standard Deviation	5.6%	5.5%	6.0%
Maximum Drawdown	-7.2%	-7.1%	-8.2%
Percentage of Positive months	77.6%	79.1%	73.1%
Information Ratio	0.00	0.29	—
Sharpe Ratio	0.35	0.46	—

***Risk metrics calculated over a 5 year period

As of 30 Jun 2024

ASSET ALLOCATION



PORTFOLIO DETAIL

Top 10 Holdings	Allocation
RSA ILB 2.00% 20250131	8.6%
RSA ILB 1.88% 20290331	8.4%
RSA R2035 8.88% 20350228	8.2%
Vanguard Total World Stock ETF	7.4%
RSA R209 6.25% 20360331	6.0%
FirstRand ILB 2.60% 20280331	4.2%
USA T-Bill 4.625% 20260228	3.7%
RSA R213 7.00% 20310228	3.0%
ABSA 9.55% 20290315	2.8%
Investec 9.55% 20290315	2.7%

MATURITY ALLOCATION

Maturity	Allocation
< 1 year	19.5%
1 - 3 years	11.0%
3 - 7 years	41.6%
7 - 12 years	27.9%
12 and more years	—

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

Metric	A	A2
Highest	19.4%	19.9%
Highest Month End Date	31 Oct 2021	31 Oct 2021
Lowest	-3.0%	-2.4%
Lowest Month End Date	31 Mar 2020	31 Mar 2020

1 YEAR FEES (%) (INCLUSIVE OF VAT)

Fees	A	A2
Total expense ratio (TER)	1.64	1.13
Transaction costs (TC)	0.13	0.13
Total investment charge (TER+TC)	1.77	1.26

3 YEAR FEES (%) (INCLUSIVE OF VAT)

Fees	A	A2
Total expense ratio (TER)	1.64	1.11
Transaction costs (TC)	0.07	0.07
Total investment charge (TER+TC)	1.71	1.18

DISTRIBUTIONS (cents per unit)

Date	A	A2
30 Jun 2024	2.31	2.59
31 Dec 2023	1.84	2.40

MANAGER COMMENTARY

Macro dynamics over the past quarter can be characterised as being in transition. While many DM central banks started their easing cycles, the Fed maintained its hawkish. Elections surprised, with Mexico getting its first female president, Modi not winning by a landslide in India, and the ANC garnering only 40% of the vote in South Africa. SA markets experienced greater volatility in Q2, driven by the election expectations, outcome and subsequent coalition negotiations. Amid fears of a lurch to the left, rand volatility, and a hawkish Fed, the SARB kept the repo rate on hold in May. The ultimate settlement on a Government of National Unity (GNU) triggered a substantial rally in SA assets.

The fund's return in 2Q24 was driven largely by SA government fixed-rate bonds and SA equity, followed by SA government inflation-linked bonds, and SA fixed-rate NCDs. While the underlying offshore investments posted positive foreign currency returns, by and large, the substantial recovery in the rand led to FX translation losses that more than offset the underlying performance.

Our core view remains that the US is in late-cycle territory, based on moderating growth, pending disinflation and tight monetary policy. In contrast, Europe and Japan are still recovering from a weak 2H23, while China's focus on investment and exports have stabilized growth. A key consideration for the remainder of 2024 is how the markets digest dynamics around the US election.

Domestically we have tilted more towards the optimistic side given the confirmation of the GNU, improved electricity supply, resolving transport bottlenecks, disinflation and our expected for monetary policy easing. The reform agenda will come back into focus, which, alongside relatively contained fiscal risks, bode well for SA assets. As such, we have maintained a home bias, given still-attractive valuations and greater SA-specific optimism.

The fund has adhered to its policy objective.

As of 30 Jun 2024

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.