

PPS MANAGED FUND



INVESTMENTS

As of 30 Jun 2024

FUND DESCRIPTION

36ONE Asset Management has been appointed as the exclusive manager of the PPS Managed Fund. This fund seeks to achieve medium to long term capital growth by investing across asset classes, utilising 36ONE's fundamental bottom up approach, combined with a top-down macroeconomic overlay. In the PPS Managed Fund (as in our other partnership strategies) our approach is to partner with a manager that our comprehensive research process has identified as having the skill set and capability to successfully manage the strategy. Partnership managers typically do not yet offer a similar strategy in the retail space.

The PPS Managed Fund aims to outperform CPI+5%, and has an investment horizon of greater than six years. This fund is managed according to Regulation 28 of the Pension Funds Act and therefore is a suitable standalone vehicle for retirement savings.

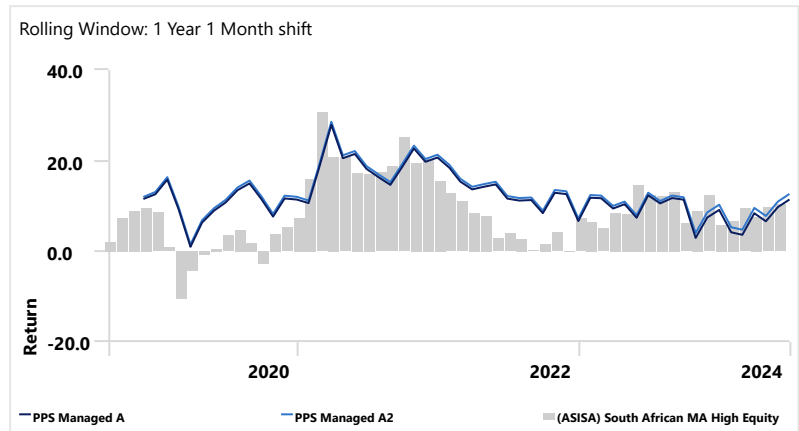
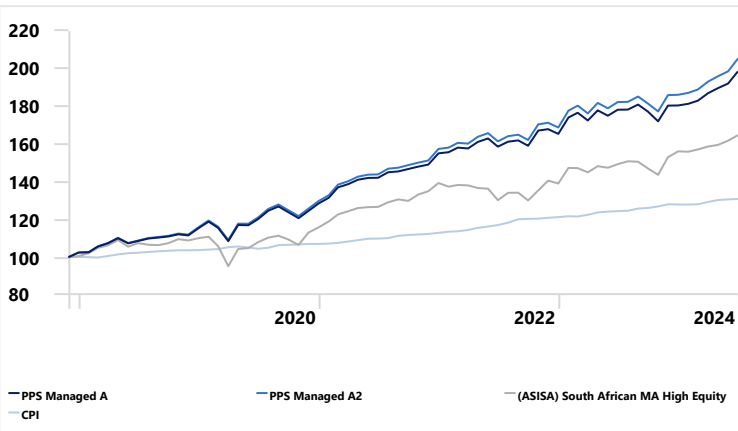
FUND OVERVIEW

List of classes**	A & A2 class
Portfolio category	South African - Multi Asset - High Equity
Launch date	1 November 2018 (A & A2)
Investment manager	PPS Multi-Managers Proprietary Limited (authorised FSP)
Benchmark	CPI for all urban areas +5%
Income distribution	Half-yearly
Investment horizon	Long-term - six years and longer
Portfolio size	R4 764 126 452
Market value (NAV price per unit)	168.01 (A); 168.41 (A2)
Number of units held	1 155 (A); 722 159 992 (A2)
Manager fee (excl. VAT)	1.55% (A) ; 1.10% (A2)
Trustee	Standard Chartered Bank
Risk profile	Medium - High

**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 Managed A	6.19%	11.42%	11.79%	12.84%	—	—	13.08%
PPS Managed A2	6.33%	12.65%	12.58%	13.55%	—	—	13.76%
CPI + 5%	2.41%	10.21%	11.02%	10.04%	9.87%	10.03%	9.95%
(ASISA) South African MA High Equity	3.80%	10.31%	9.15%	8.92%	7.85%	6.89%	9.35%

	YTD 2024*	2023	2022	2021	2020	2019	2018
PPS Managed A	10.02%	9.12%	6.66%	20.69%	11.41%	12.58%	—
PPS Managed A2	10.31%	10.27%	7.24%	21.31%	12.02%	13.08%	—
CPI + 5%	4.72%	10.53%	12.41%	10.47%	8.18%	8.56%	10.18%
(ASISA) South African MA High Equity	5.50%	12.25%	-0.17%	20.32%	5.19%	9.52%	-3.60%

*Periods less than one year are not annualised

ASSET MANAGERS



	%
● 36ONE Asset Management	100.0

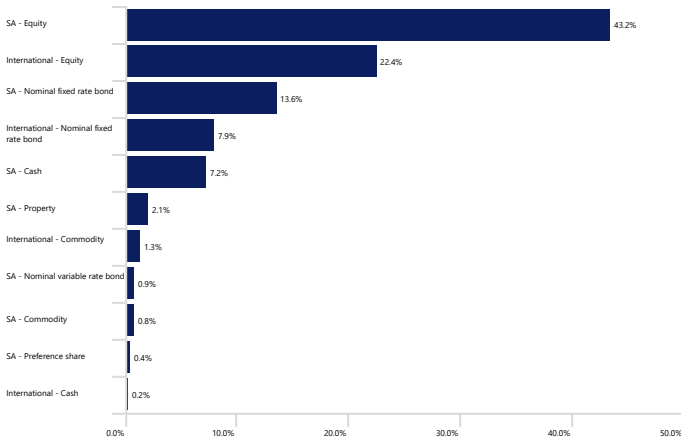
RISK METRICS***

Metric	A	A2	Benchmark
Annualised Standard Deviation	8.3%	8.2%	1.3%
Maximum Drawdown	-8.9%	-8.8%	-0.3%
Percentage of Positive months	77.6%	77.6%	97.0%
Information Ratio	0.33	0.42	—
Sharpe Ratio	0.87	0.96	—

***Risk metrics calculated over a 5 year period

As of 30 Jun 2024

ASSET ALLOCATION



PORTFOLIO DETAIL

Top 10 Holdings	Allocation
RSA R2048 8.75% 20490228	6.8%
RSA R2035 8.88% 20350228	6.7%
FirstRand Ltd	4.0%
Naspers Ltd	3.8%
Tencent Holdings Ltd	3.8%
ABSA 6.375% 20260527	3.5%
ABSA Group Ltd	3.5%
Remgro Ltd	3.2%
MAS Securities 4.25% 20260519	3.0%
AngloGold Ashanti PLC	2.9%

MATURITY ALLOCATION

Maturity	Allocation
< 1 year	4.8%
1 - 3 years	31.3%
3 - 7 years	0.3%
7 - 12 years	28.5%
12 and more years	35.1%

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

Metric	A	A2
Highest	27.9%	28.6%
Highest Month End Date	31 Mar 2021	31 Mar 2021
Lowest	1.0%	1.5%
Lowest Month End Date	31 Mar 2020	31 Mar 2020

1 YEAR FEES (%) (INCLUSIVE OF VAT)

Fees	A	A2
Total expense ratio (TER)	1.80	1.31
Transaction costs (TC)	0.36	0.36
Total investment charge (TER+TC)	2.16	1.67

3 YEAR FEES (%) (INCLUSIVE OF VAT)

Fees	A	A2
Total expense ratio (TER)	1.82	1.30
Transaction costs (TC)	0.42	0.42
Total investment charge (TER+TC)	2.24	1.72

DISTRIBUTIONS

Date	A	A2
30 Jun 2024	3.14	3.57
31 Dec 2023	2.62	3.98

MANAGER COMMENTARY

South African markets had a stellar second quarter, following a weak Q1. All asset classes posted positive returns as the market responded to local election developments and welcomed a centrist outcome. The FTSE/JSE All Share index ended an eventful quarter 8.2% higher. The top gainers in the quarter were broad but mostly comprised of retailers and financials. The ZAR strengthened by almost 4%, making it one of the best performing emerging market currencies in the quarter.

Global equities continued their positive run in Q2, led by the US. Market sentiment throughout the quarter was dominated by interest rate cut expectations, with equities also boosted by impressive corporate earnings. The global economy and markets have performed well, despite stickier-than-expected inflation causing higher-for-longer rates. The quarter was off to a weak start as March US CPI came in above expectations. This trend reversed by the end of the quarter and inflation is now on a more consistent downward trend with both April and May CPI coming in below expectations.

The Federal Reserve (Fed) held rates steady during the quarter and released their latest interest rate projection (commonly referred to as the dot plot) in June. One rate cut is now forecast for 2024 in November, lowered from three rate cuts in their prior projection. This seems to be a conservative forecast as macroeconomic data released in June showed signs of a cooling US economy. US Q1 GDP was revised downwards from 1.6% to 1.3% and May consumer sentiment was weaker. This softer macroeconomic data and downward trend in inflation have increased expectations that the Fed will start to cut rates at their September meeting, earlier than forecast. The market is now pricing in two rate cuts in 2024. The rate outlook remains dependant on the inflation trend, but US rate cuts are highly likely to begin in the second half of the year. The European Central Bank (ECB) has already started to cut rates and the Bank of England is likely to begin a cutting cycle in August. The South African Reserve Bank is likely to also lower rates in the second half of the year, which would support local markets.

Outside of the US, global markets were mixed during the quarter. UK equities continued their recovery as the economy emerged from recession with Q1 GDP growth of 0.6%. European equities had a strong start and reached new all-time highs as the ECB started to cut rates in June and the region's GDP growth showed a recovery (0.3% expansion in Q1 following a 0.1% contraction in Q4). The market gave back some of these gains in June as political uncertainty weighed in France. The election has now been concluded with no party winning an outright majority, raising question on policy continuity going forward. China's Q1 GDP growth also exceeded expectations at 5.3% y-o-y however, weaker property sales and retail sales data for April show that the recovery is not linear.

Now that the 2024 South African General Election is behind us, a meaningful overhang has been removed from markets. We have entered a new stage of our young democracy with the African National Congress (ANC) receiving less than 50% of the national vote for the first time. A Government of National Unity (GNU) has been announced, introducing power sharing for the first time at a national level. Political parties will now have to work together, despite different ideologies and policies. The GNU has had some early challenges, as we saw in the delayed announcement of the cabinet. It is still too early to determine the success of this election outcome and changes in leadership. We are, however, encouraged by continuity in key areas, particularly the Department of National Treasury. Stability in the fiscus along with the Presidency (which together oversee Operation Vulindlela), should support momentum in the reform agenda.

The key areas which require national attention remain Eskom and Transnet, as both entities now fall under the Presidency. Eskom has already showed significant progress under its new leadership, and we think that Transnet can achieve the same in the next two to three years. The market's positive response to the election outcome has seen many shares reaching 52-week highs. Despite this strong rally, we still see value in the local market.

The fund's performance for the quarter was positive, outperforming the CPI+5% benchmark as well as the ASISA SA Multi Asset High Equity Category. The primary drivers of this performance were banks (FirstRand, Absa, and Standard Bank), followed by technology (Naspers/Prosus and offshore US tech stocks), and local retailers (Mr Price, Shoprite, and Clicks). Conversely, the fund's performance in Q2 2024 was somewhat dampened by a strengthening rand. Rand hedges, including luxury and tobacco, experienced marginal underperformance over the quarter. Local equity was the primary performance driver by asset class. The recent South African election has sparked optimism for essential structural reforms, enhancing sentiment towards domestically focused stocks.

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).

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