

PPS MODERATE FUND OF FUNDS



INVESTMENTS

As of 30 Jun 2022

FUND DESCRIPTION

This fund of funds allows for flexible asset allocation with equity exposure which will not exceed 60%. It may also invest in interest-bearing securities, listed and unlisted financial instruments and liquid assets. It solely holds units in local or foreign collective investment schemes or other similar schemes.

The PPS Moderate Fund of Funds aims to outperform inflation by 4% per year over periods longer than 60 months. This fund is managed according to Regulation 28 of the Pension Funds Act and therefore is a suitable standalone vehicle for retirement savings.

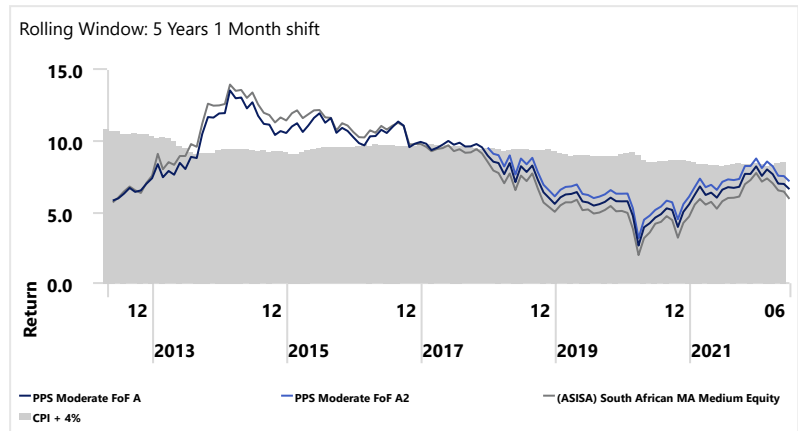
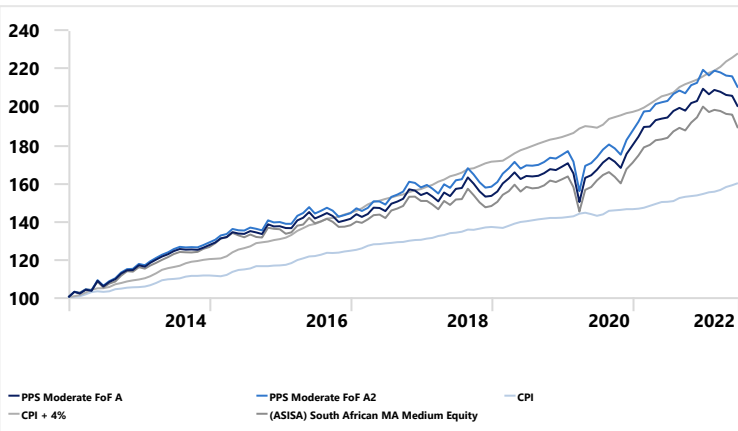
FUND OVERVIEW

List of classes*	A & A2 class
Portfolio category	South African - Multi Asset - Medium Equity
Launch date	14 May 2007 (A) ; 2 January 2013 (A2)
Investment manager	PPS Multi-Managers Proprietary Limited (authorised FSP)
Benchmark	CPI for all urban areas + 4%
Income distribution	Half-yearly
Investment horizon	Medium-term - five years and longer
Portfolio size	R8 237 834 080
Market value (NAV price per unit)	206.39 (A); 207.00 (A2)
Number of units held	366 301 883 (A); 1 757 808 768 (A2)
Manager fee (excl. VAT)	1.10% (A) ; 0.65% (A2)
Trustee	Standard Chartered Bank
Risk profile	Medium

*On PPS Investments platform, A2 class is available in Select range and A class is available in Original range

ILLUSTRATIVE PERFORMANCE

Estimated growth of R100 000 invested with all distributions reinvested (for illustrative purposes only). Growth is represented in R '000



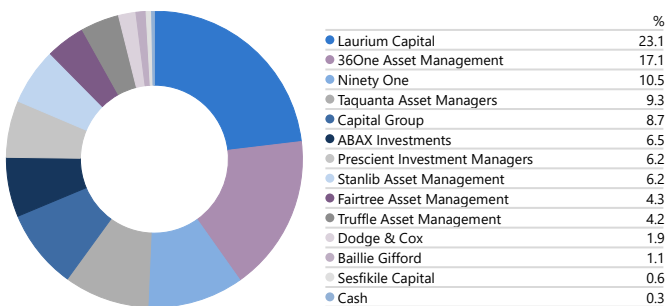
ANNUALISED PERFORMANCE

	3 months	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception A [^]	Since Inception A2 ^{^^}
PPS Moderate FoF A	-3.79%	2.91%	6.92%	6.62%	5.98%	8.17%	7.34%	—
PPS Moderate FoF A2	-3.67%	3.44%	7.48%	7.17%	6.52%	—	—	8.15%
Inflation + 4%	3.20%	10.53%	8.57%	8.51%	8.88%	9.09%	9.64%	9.10%
(ASISA) South African MA Medium Equity	-4.55%	2.78%	6.13%	5.93%	5.31%	7.60%	6.96%	6.93%

A[^] 14 May 2007; A2^{^^} 2 January 2013

	YTD 2022	2021	2020	2019	2018	2017	2016	2015
PPS Moderate FoF A	-4.52%	16.52%	6.69%	10.01%	-0.29%	8.86%	2.83%	7.77%
PPS Moderate FoF A2	-4.27%	17.12%	7.25%	10.58%	0.23%	9.40%	3.35%	8.30%
Inflation + 4%	5.60%	9.47%	7.18%	7.56%	9.18%	8.62%	10.61%	8.77%
(ASISA) South African MA Medium Equity	-5.65%	17.31%	5.38%	9.47%	-1.77%	9.28%	1.54%	7.40%

ASSET MANAGERS



RISK METRICS**

Metric	A	A2	Benchmark
Annualised Standard Deviation	8.2%	8.2%	1.2%
Maximum Drawdown	-12.0%	-11.9%	-0.5%
Percentage of Positive months	65.0%	65.0%	96.7%
Information Ratio	-0.22	-0.16	—
Sharpe Ratio	0.13	0.20	—

**Risk metrics calculated over a 5 year period

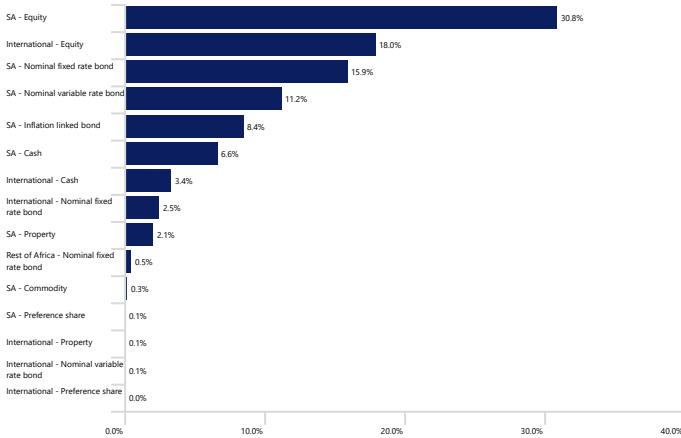
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ASSET ALLOCATION



PORTFOLIO DETAIL

Top 10 Holdings	Allocation
RSA R2048 8.75% 20480228	2.9%
PROSUS	2.5%
BRITISH AMERICAN TOBACCO	2.2%
RSA I2025 CPI 2% 20250131	2.0%
RSA I2050 CPI 2.5% 20501231	1.9%
NASPERS	1.8%
ABSA GROUP LTD	1.8%
RSA 8.75% 20440131	1.7%
GLENCORE XSTRATA	1.7%
SASOL	1.7%

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

Metric	A [^]	A2 ^{^^}
Highest	26.5%	27.1%
Highest Month End Date	31 Mar 2021	31 Mar 2021
Lowest	-12.2%	-7.2%
Lowest Month End Date	28 Feb 2009	31 Mar 2020

[^]14 May 2007; ^{^^}2 January 2013

1 YEAR FEES (%) (INCLUSIVE OF VAT)

Fees	A	A2
Total expense ratio (TER)	1.83	1.32
Transaction costs (TC)	0.24	0.24
Total investment charge (TER+TC)	2.07	1.56

3 YEAR FEES (%) (INCLUSIVE OF VAT)

Fees	A	A2
Total expense ratio (TER)	1.82	1.30
Transaction costs (TC)	0.22	0.22
Total investment charge (TER+TC)	2.04	1.52

DISTRIBUTIONS

Date	A	A2
30 Jun 2022	4.53	5.09
31 Dec 2021	0.00	0.51

FUND COMMENTARY

This FoF targets CPI+4% p.a. over rolling five years. Diversification is achieved both on an asset class and manager level. Approximately half the FoF is invested according to our house-view allocation (that aims to achieve CPI+4% p.a. over rolling five years at the lowest possible risk) while the remainder is invested with multi-asset class managers that follow their own strategies (and help mitigate our internal model risk).

The FTSE/JSE Capped SWIX fell sharply this quarter (-10.6%), tracking global stocks lower, after further upside inflation surprises in the US caused the Fed to ramp up its hawkishness, causing markets to take fright. Resources stocks were the hardest hit (-21.9%) as commodity prices corrected, but Financials also came under pressure (-15.6%), while Industrials (-2.6%) proved relatively more resilient after the jump in Naspers/Prosus. Among interest-sensitive asset classes, SA listed property fell in line with the equity market (-12.1%), and nominal bonds also declined (-3.7%), while inflation-linked bonds were a safe-haven in the broad-based market sell-off (+2.9%).

Foreign asset classes benefitted from dollar strength in the flight to safety, enhancing their performance when measured in rands. Foreign equities were down (-5.4%) in rands, with developed markets (-6.0%) underperforming emerging markets (-0.7%) significantly as Chinese equities bounced. Global listed real estate (-8.6%) also sold off sharply, while global bonds (+2.1%) rallied in response to declining US Treasury yields over the quarter.

Over the five-year investment horizon of the FoF, SA equities (up 5.9% p.a.) have underperformed foreign equities (up 11.9% p.a.) and our expectation for this asset class, while SA nominal bonds (up 7.8% p.a.) have outperformed SA inflation-linked bonds (up 5.5% p.a.), SA cash (up 5.9% p.a.) and SA inflation (averaging 4.5% p.a.). Better recent performance from SA equities has resulted in improved returns in the ASISA SA Multi-Asset Medium Equity category. The FoF has stood out well, having outperformed its peer group benchmark meaningfully over the most recent 5-year investment horizon, while ranking among the first quartile of funds in the ASISA category. Even though the fund ranks in the first quartile among the peer group it lags the CPI+4% benchmark mainly as a result of the weaker than usual SA equity returns over the investment horizon.

The multi-asset (MA) component of the FoF consists of a combination of MA managers from the MA low equity, MA medium equity and MA high equity categories, that in combination results in an asset allocation aligned to the MA medium equity category. The underlying managers are Ninety One, Abax, Laurium and 36One. All underlying multi-asset managers outperformed their respective peer group averages for the quarter.

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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 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.

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