



PPS GLOBAL BALANCED FUND OF FUNDS

FUND DATA AS AT 30 SEPTEMBER 2018

OUR APPROACH

This is a multi-managed global balanced fund of funds that invests in international markets and is diversified across managers and strategies. The fund will typically have at least 60% invested in global equity markets. The fund will have a bias to managers that invest in developed markets, and who complement each other. The fund is suitable for investors with discretionary assets they wish to invest in international markets, or as part of a building block approach in a Regulation 28 portfolio, and who do not wish to make the international manager selection themselves.

RISK PROFILE



Low



Low to medium



Medium



Medium to high



High

QUARTERLY COMMENTARY

This is a multi-managed fund of funds with active manager selection. The managers in the fund are skilled stock pickers and asset allocators, and we expect them to take high conviction positions over time. By its nature, the PPS Global Balanced Fund of Funds generally has meaningful exposure to growth assets. The fund does not yet have a five-year track record; however, it is ahead of its benchmark and the ASISA category average since inception and over most time frames. The fund participated in global equity markets edging higher this quarter. Dollar strength over the quarter also contributed to performance, enhancing the fund's rand return. Compared to its benchmark, the PPS Global Balanced Fund of Funds remains overweight offshore equities and offshore property, and underweight international bonds. There were no manager changes during the quarter.

The PPS Global Balanced Fund of Funds aims to consistently outperform its benchmark over consecutive 60-month periods. It is benchmarked against a global composite that is typical of the funds in its ASISA unit trust sector.

Range	Select (A2 class)
Portfolio category	Global Multi-Asset (MA) High Equity
Launch date	1 December 2015
Investment manager	PPS Multi-Managers Proprietary Limited (authorised FSP)
Benchmark	60% MSCI AC World & 40% Citigroup World Government Bond Index (WGBI)
Income distribution	Half-yearly
Investment horizon	Long-term - five years and longer
Portfolio size	R 1 850 872 199
Market value (NAV price per unit)	130.52 cents
Number of units held	64 773 777 (participatory interests)
Asset management fee (excl. VAT)	0.70%
Trustee	Standard Chartered Bank

ASSET ALLOCATION

Asset	Weight
Foreign equity	67.2%
Foreign property	15.8%
Foreign cash	10.9%
Foreign bonds	2.4%
SA cash	3.2%
SA equity	0.4%
SA property	0.1%

ASSET MANAGERS

The investment manager uses a multi-manager approach, combining the strengths and expertise of experienced underlying asset managers.

	Asset Manager	Allocation	Portfolio Manager	Asset class
	Coronation Fund Managers	19%	Louis Stassen and Neil Padoa	Foreign multi-asset
	Old Mutual Customised Solutions	17%	Shariefa Parker	Foreign equity
	Nedgroup Investments	16%	Veritas Global Equity	Foreign equity
	Lansdowne Partners	15%	Peter Davies and Jonathon Regis	Foreign equity
	Catalyst Fund Managers	12%	Andre Stadler and Jamie Boyes	Foreign property
	Egerton Capital	8%	John Armitage	Foreign equity
	PPS Multi-Managers	7%	Cash	Foreign cash
	Baillie Gifford	6%	Douglas Brodie	Foreign equity

PORTFOLIO DETAIL

Top 10 Holdings	Fund	Region
Alphabet Inc	3%	North America
Vonovia SE	2%	Europe
Charter Communications	2%	North America
Microsoft Corp	2%	North America
JPMorgan Chase & Co	1%	North America
Airbus SE	1%	Europe
Facebook Inc	1%	North America
Amazon	1%	North America
Vivendi Universal	1%	Europe
Delta Air Lines Inc	1%	North America
As a % of total	16%	



PPS GLOBAL BALANCED FUND OF FUNDS

ILLUSTRATIVE PERFORMANCE

The performance graph of the fund will be published once a three-year investment record has been established.

ANNUALISED PERFORMANCE

	YTD	1 year	3 years	5 years	10 years	since inception
PPS Global Balanced Fund of Funds	20.41%	14.14%	n/a	n/a	n/a	9.14%
Benchmark	16.51%	10.63%	10.02%	13.31%	12.09%	7.70%
(ASISA) Global MA High Equity	13.39%	7.79%	8.92%	11.25%	10.84%	6.03%

	2017	2016	2015	2014	2013	2012
PPS Global Balanced Fund of Funds	6.21%	-7.88%	n/a	n/a	n/a	n/a
Benchmark	6.79%	-6.76%	32.04%	13.17%	38.07%	14.92%
(ASISA) Global MA High Equity	4.20%	-6.69%	29.67%	9.79%	45.76%	18.32%

RISK METRICS (SINCE INCEPTION OF FUND)

	PPS Global Balanced Fund of Funds	Benchmark	(ASISA) Global MA High Equity
Annualised standard deviation	17.90%	16.43%	15.89%
Maximum drawdown	-14.85%	-14.83%	-13.27%
Positive months	47.06%	44.12%	50.00%

Annualised performance is described as the weighted average compound growth rate over the performance period measured.

Please be advised that, as indicated by the risk profile and potentially influenced by asset allocation, risks may be associated with this fund as follows:

Actual annual figure	PPS Global Balanced Fund of Funds	Period
Highest	6.21%	2017
Lowest	-7.88%	2016

- General market risk
- Company risk
- Currency risk
- Credit risk
- Counterparty risk
- Third party operational risk

DISTRIBUTION DATES AND VALUES (LAST 12 MONTHS)

Date	Cents per unit
31-Dec-17	0.00
30-Jun-17	0.00

FEES (INCLUSIVE OF VAT)

Fees	Percentage
Total expense ratio (TER)	1.80
Transaction costs (TC)	0.06
Total investment charge (TER + TC)	1.86

- A schedule of fees, charges and maximum commissions is available on request.
- The TER disclosed is an estimate based on our best estimate of the underlying costs. After 12 months, the actual TER will be disclosed.
- PPS Fund of Funds invest in unit trusts that charge their own asset management fees, therefore the cost of the underlying managers will be reflected in the TER of the fund.

Get in Touch

If you need more information or would like to make an investment, please consult your PPS Investments accredited adviser. Alternatively, feel free to contact us directly. We are ready to assist if you require any brochures, application forms or annual reports or with any queries you may have. Contact us on 0860 468 777 (0860 INV PPS) or at clientservices@ppsinvestments.co.za.

Manager details: PPS Multi-Managers Proprietary Limited
PPS House, Boundary Terraces,
1 Mariendahl Lane, Newlands, 7700

Telephone: 0860 468 777 (0860 INV PPS)

Email: clientservices@ppsinvestments.co.za

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

Trustee details: Standard Chartered Bank
5th Floor, 4 Sandown Valley Crescent,
Sandton, 2196

Telephone: 011 217 6600

Email: SouthAfrica.Securities-Services@sc.com

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.

TER & TC

Transaction Cost (TC) is a measure of the total costs incurred in buying and selling assets underlying the CIS. The 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. 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. 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.

Performance figures are from PPS Multi-Managers and Morningstar. They 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. Past performance is not indicative of future performance.

This fund is exposed to foreign securities and as such, it may be subject to the additional macroeconomic 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 realising investments, due to system or liquidity issues experienced by the respective exchange. The portfolio may also be subject to settlement risk; regional market failures will impact the portfolio heavily invested therein. In addition, normal market and investment value fluctuations will occur.

Unit Trust prices are calculated on a NAV to NAV basis and do not take any initial fees into account, it is the total market value of all assets in the Fund including any income accruals and less any permissible deductions from the Fund divided by the number of units in issue. Portfolio valuations occur at 3pm on business days, except the last business day of the month, when it will be 5pm. The closing price on the day of the transaction is processed. In the case of management companies, requests must be received by the manager by 2pm to receive the same day's price. Linked Investment Service Providers specify their own timelines and may take up to five days to process. Prices are published daily and are available in the daily newspapers.

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

Professional Provident Society Insurance Company Limited, the ultimate holding company of PPS Management Company, is a member of the Association for Savings & Investment SA (ASISA).

PPS Investments (39270), PPS Multi-Managers (28733) and PPS Investment Administrators (45924) are licensed Financial Services Providers. PPS Management Company is a licensed collective investment scheme manager.