



PPS Global Equity Fund

In the current market conditions, offshore investing has become vital in diversifying your investment portfolio, as it offers an opportunity to adequately benefit from a greater investment universe.

When you have offshore exposure, it means that you're spreading your risk - or diversifying - geographically. Diversification across different asset classes, asset managers, geographical locations or investments strategies means that at any point in time you have exposure to an element in your portfolio that, when optimally combined, should act in a complementary way. Your portfolio is therefore better able to withstand fluctuating market conditions, creating smoother returns over the long run.

But investing offshore can be a difficult landscape to traverse with various ways to access. Some of the common approaches are through opening an offshore bank account, or investing in unit trusts that offer offshore asset class exposure. When selecting unit trusts, an important aspect to consider is choosing an asset manager with extensive knowledge and experience to navigate the large universe of stocks and markets available, while having a keen

understanding of the global market place and where to find value.

As a multi-manager, we spend a substantial amount of time finding exceptional asset managers through our extensive quantitative and qualitative research screening and selection process. We embarked on this process to find a partnership manager for our newly launched offshore solution, the PPS Global Equity Fund, as part of our PPS Partnership Fund

range. The manager selection for this fund bears testimony to our process, having partnered with one of the largest and oldest managers in the world.

Introducing Capital Group - partnership manager for the PPS Global Equity Fund

Capital Group was founded in the United States in 1931, during the great depression. Today, they are one of the world's largest active managers, with \$2.1 trillion under management (as at December 2019) in equity, fixed income and multi-asset portfolios. They are an employee-owned private company that is solely focused on investment management. They have a strong focus on global equities, which they have been managing since 1953, and they started managing the first emerging market equity fund in 1986.

Global equities accounts for the majority of their assets under management.

Backed by an in-house research team consisting of more than 400 investment professionals globally, a dedicated team of experienced portfolio managers oversee the strategy for the PPS Global Equity Fund. These portfolio managers are based across the globe, making the team truly global focused.

What makes Capital unique?

Capital employs a multi-councillor approach to investing by allocating a portion of the fund to each of the portfolio managers and a portion to the research team. This approach seeks to achieve the best of both worlds: the high conviction of individual managers and the diversification of a team approach.

Collectively, the portfolio managers have a median of 29 years' industry experience, and 28 years of experience with Capital Group (as at December 2019). Due to the long tenure of the portfolio managers, the Principal Investment Officer has an excellent knowledge on the individual portfolio manager's investment philosophies and style, ensuring the portfolio is diverse in terms of style and allocations. Each portfolio manager is given the freedom to express high-convictions in their allocations. The multi-councillor approach can be likened to the way we as a multi-manager approach combining the skills and expertise of managers.

How this manager creates wealth

Capital Group is a well-established manager with a strong performance history through various market cycles. Their time-tested strategy has uncovered opportunities from changing patterns of world trade for 45 years. Using a bottom-up, research-driven approach that focuses on a combination of early stage and established multi-nationals, has fared well over the years. A multi-councillor approach to investing helps to diversify the fund to ensure smoother returns over the investment horizon, reducing factor and style biases.

Capital Group has an established track record across different strategies delivering long-term growth through the market cycles. We believe we have found an exceptional manager who shares a passion for creating wealth, who understands the value of multi-management and how diversification can ensure smoother returns over the long term.

Accessing diversified offshore exposure via the PPS Global Equity Fund

The PPS Global Equity Fund, managed in partnership with Capital Group, aims to provide long-term capital growth.

The strategy employs a fundamental, bottom-up investment process with risk management embedded throughout the following components:

Integrated research	<ul style="list-style-type: none"> • Global research analyst network • Integrated analysis of environmental, social and governance (ESG) issues
Eligibility criteria	<ul style="list-style-type: none"> • Market cap threshold • Significant revenue derived from markets outside the stock's domicile • Benefits from changes in global trade patterns
Portfolio construction	<ul style="list-style-type: none"> • Combines the highest conviction ideas from both portfolio managers and investment analysts • Investment analysts also manage a portion of the strategy
Implementation and risk control	<ul style="list-style-type: none"> • Principal investment officers oversee the total strategy • Risk monitoring throughout the process

Offshore investing made accessible

As an investor, you may not have the resources or appetite to research offshore investment options. Investing in the PPS Global Equity Fund gives you access to a top international investment manager with a proven track record through various market cycles. Speak to your financial adviser about diversifying offshore within your holistic financial plan. Alternatively, visit the PPS Investments Secure Site login page at www.ppsisecure.co.za to access the portal for more information on our direct offshore solution, the PPS Global Equity Fund.

