

PPS INSTITUTIONAL BOND FUND

Fund data as at 31 July 2019



INVESTMENTS

FUND DESCRIPTION

The PPS Institutional Bond Fund is used as a building block in portfolios targeting inflation. The Fund is currently benchmarked against the JSE All Bond Index (a nominal bond index), but the underlying managers are given discretion to hold inflation-linked bonds, and internally measured against a composite bond benchmark that has an inflation-bond component. The managers are restricted from purchasing non-investment-grade paper, but are given reasonable discretion in terms of duration compared to the benchmark.

The PPS Institutional Bond Fund aims to outperform the JSE All Bond Index over periods longer than 36 months. This fund is managed according to Reg. 28 of the Pension Funds Act and therefore is a suitable standalone vehicle for retirement savings.

FUND OVERVIEW

Range	Select (A2 class)
Portfolio category	South African - Interest Bearing - Variable Term
Launch date	1 January 2019
Investment manager	PPS Multi-Managers Proprietary Limited (authorised FSP)
Benchmark	JSE All Bond Index
Income distribution	Half-yearly
Investment horizon	Short-term - twelve months and longer
Portfolio size	R 3 865 337 202
Market value (NAV price per unit)	103.70 cents
Number of units held	62 748 913 (participatory interests)
Asset management fee (excl. VAT)	0.65%
Trustee	Standard Chartered Bank
Risk profile	Low - Med

PORTFOLIO DETAIL

Top 10 holdings	Allocation
RSA R2044 8.75% 20440131	7.1%
RSA R202 CPI 3.45% 20331207	6.6%
RSA I2050 CPI 2.5% 20501231	6.2%
RSA I2025 CPI 2% 20250131	5.6%
NEDBANK 3M JIBAR 20200329	5.5%
RSA I2046 CPI 2.5% 2025131	5.4%
RSA I2038 CPI 2.25% 20380131	4.3%
RSA R2040 9% 20400131	3.5%
FIRSTRAND CPI 5.5% 20231207	3.4%
RSA I2033 CPI 1.875% 20330228	3.2%
As a % of total	50.7%

RISK METRICS*

Metric	Fund	Category average
Annualised Standard Deviation	n/a	n/a
Maximum Drawdown	n/a	n/a
Percentage of Positive months	n/a	n/a
Information Ratio	n/a	n/a
Sharpe Ratio	n/a	n/a

*Please note that the performance shown is over a 12 month rolling period. The performance of the fund will be published once a one year investment record has been established. The information provided in the Risk Metrics will be published once a one year investment record has been established.

RETURNS SINCE INCEPTION*

Annual figures	Fund
Highest	n/a
Lowest	n/a

ASSET ALLOCATION

Asset	Tactical
SA Bond	85.3%
SA Cash	14.7%

MATURITY ALLOCATION

Maturity	Allocation
< 1 Year	2.3%
1 - 3 years	4.9%
3 - 7 years	23.1%
7 - 12 years	15.4%
12 and more years	54.3%

ANNUALISED PERFORMANCE

	YTD	1 Year	3 Years	5 Years	10 Years	Since inception
PPS Institutional Bond Fund	n/a	n/a	n/a	n/a	n/a	5.09%
ALBI	6.85%	8.06%	8.79%	8.21%	8.80%	6.85%

	2018	2017	2016	2015	2014	2013
PPS Institutional Bond Fund	n/a	n/a	n/a	n/a	n/a	n/a
ALBI	7.69%	10.22%	15.45%	-3.93%	10.15%	0.64%

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ASSET MANAGER

Manager	Percentage
Prescient Investment Management	60.7%
Stanlib Asset Management	39.3%

DISTRIBUTIONS ^

Date	Cents per unit
n/a	n/a
n/a	n/a

FEES (INCLUSIVE OF VAT)*

Fees	1YR	3YR
Total expense ratio (TER)	0.77%	0.77%
Transaction costs (TC)	0.02%	0.02%
Total investment charge (TER+TC)	0.79%	0.79%

*The TER and Transaction Costs cannot be determined accurately because of the short life span of the Financial Product. Calculations are based on actual data where possible and best estimates where actual data is not available.

^ First distribution date for the PPS Institutional Bond Fund is December 2019

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 Financial Product's underlying assets are relinquished as payment for services rendered in the administration of the Financial Product. **Transaction Costs (TC)** is a measure of the total costs incurred in buying and selling assets underlying the CIS 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. 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. 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. **Total Investment Charges (TIC)** is a measure of total cost relating to the investment. The TER and TC disclosed are estimates based on our best estimate of the underlying costs. A schedule of fees, charges and maximum commissions are available on request.

Performance figures are from PPS Multi-Managers and Morningstar. 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.

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 PPS 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.

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

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: PPS Multi-Managers Proprietary Limited
PPS House, Boundary Terraces,
1 Mariendahl Lane, Newlands, 7700
0860 468 777 (0860 INV PPS)
TELEPHONE: clientservices@ppsinvestments.co.za
EMAIL: www.pps.co.za
WEBSITE:

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
011 217 6600
TELEPHONE: SouthAfrica.Securities-Services@sc.com
EMAIL: