

**SINCE INCEPTION CUMULATIVE PERFORMANCE, DISTRIBUTIONS REINVESTED (A CLASS)**



ANNUALISED PERFORMANCE	A CLASS	BENCHMARK	T CLASS	X CLASS	B CLASS
1 year	16.2%	15.9%	16.4%	16.2%	16.7%
3 years	5.2%	6.1%	5.7%	5.4%	5.9%
5 years	6.4%	5.9%	6.9%	6.6%	7.2%
7 years	7.1%	6.3%	n/a	7.3%	7.8%
10 years	9.8%	8.3%	n/a	n/a	10.6%
Since inception	12.9%	11.3%	6.3%	8.8%	13.5%

\* Inception dates: X Class: 2 January 2013, B Class: 1 July 2002, T Class: 2 January 2015

RETURNS SINCE INCEPTION**	A CLASS	DATE
Highest annualised return	44.7%	30 Apr 2006
Lowest annualised return	-21.1%	28 Feb 2009

\*\* 12-month rolling performance figure

RISK MEASURES	A CLASS	BENCHMARK
Monthly volatility (annualised)	11.1%	9.3%
Maximum drawdown over any period	-23.2%	-16.8%
% of positive rolling 12 months	85.4%	89.5%
Information ratio	-0.3	n/a
Sortino ratio	-0.1	0.0
Sharpe ratio	-0.1	0.0

ASSET ALLOCATION	
SA Equity	45.7%
Foreign Equity	20.5%
SA Bonds (ex. Inflation-linked Bonds)	19.8%
SA Cash	4.8%
Foreign Bonds	3.0%
SA Listed Property	2.1%
Foreign Cash	1.8%
SA Inflation-linked Bonds	1.4%
Africa Equity	1.0%

**TOP 10 HOLDINGS\***

1. Prudential Worldwide Managed Fund	18.2%
2. Prudential Worldwide Strategic Managed Fund	6.8%
3. Naspers Ltd	5.5%
4. Prudential Corporate Bond Fund	4.7%
5. US Dollar	3.7%
6. Anglo American Plc	3.4%
7. Republic of SA Bond 8.50% 310137 (R2037)	3.3%
8. Republic of SA Bond 8.75% 310144 (R2044)	3.0%
9. Standard Bank Group Ltd	3.0%
10. Republic of SA Bond 8.875% 280235 (R2035)	2.9%

\*As at 31 December 2020 (updated quarterly)

INVESTMENT OPTIONS	A CLASS	T CLASS	I CLASS	X CLASS	B CLASS
Minimum lump sum investment	R10 000	R10 000	R10 000	R10 000	R20 million
Minimum monthly debit order	R500 pm	R500 pm	R500 pm	R500 pm	n/a

INITIAL FEES (excl. VAT)	A CLASS	T CLASS	I CLASS	X CLASS	B CLASS
Prudential	0.00%	0.00%	0.00%	0.00%	0.00%
Financial adviser (if applicable)	3.00% (max)	3.00% (max)	3.00% (max)	3.00% (max)	0.00%

ANNUAL MANAGEMENT FEES (excl. VAT)	A CLASS	T CLASS	I CLASS	X CLASS	B CLASS
Prudential**	1.00%	0.80%	1.25%	1.00%	0.60%
Financial adviser service fee (if applicable) ***	0.00%	0.00%	0.50%	0.50%	0.00%

\*\* The Fund can invest portions of its assets into underlying foreign investments (incl. investments into Africa). This would mainly be achieved by investing into the sub-funds of the Prudential Global Funds ICAV and the Prudential Africa Equity Fund. These funds will charge an additional asset management fee which is included in the Fund's NAV and the Fund's TER. The Manager receives a marketing and distribution fee in respect of the Prudential Global Funds.

\*\*\* Included in Prudential's annual management fee above (A & T Class Financial Adviser Fees: Initial and Ongoing Adviser Fees are negotiated between the Investor and Financial Adviser. Should you agree to an ongoing Adviser Fee, this will be paid via the regular repurchase of units)

EXPENSES (incl. VAT)	A CLASS	T CLASS	I CLASS	X CLASS	B CLASS
Total Expense Ratio (TER)	1.57%	1.15%	1.67%	1.38%	0.92%
Transaction Costs (TC)	0.14%	0.14%	0.14%	0.14%	0.14%
Total Investment Charges (TIC)	1.71%	1.29%	1.81%	1.52%	1.06%

Where a transaction cost is not readily available, a reasonable best estimate has been used. Estimated transaction costs may include Bond, Money Market, and FX costs (where applicable).

**RISK/RETURN PROFILE:**



**FUND OBJECTIVE:**

To achieve steady long-term growth of capital and income by investing in a diversified combination of domestic and international assets, where the asset allocation is tactically managed.

**INVESTOR PROFILE:**

A suitable fund for retirement provision and for those individuals looking to tilt their portfolio to value with controlled risk exposure. The recommended investment horizon is 5 years or longer.

**INVESTMENT MANDATE:**

The Fund conforms to the regulations governing retirement fund investments (Regulation 28). Intended maximum limits: Equity 75%, Listed Property 25%, Foreign 30%, plus additional 5% Africa (excl. SA).

**FUND MANAGERS:**

David Knee, Johnny Lambridis, Michael Moyle, Sandile Malinga and Leonard Krüger

**ASISA CATEGORY:**

South African - Multi-Asset - High Equity

**BENCHMARK:**

ASISA South African - Multi-Asset - High Equity Category Average

**INCEPTION DATE:**

2 August 1999

**FUND SIZE:**

R20 604 881 811

INCOME DISTRIBUTIONS	TOTAL DISTRIBUTIONS	12-MONTH YIELD
(A Class) 31 December 2020	6.82 cpu	3.33%
(A Class) 30 June 2020	11.93 cpu	3.00%
(B Class) 31 December 2020	8.29 cpu	3.89%
(B Class) 30 June 2020	13.36 cpu	3.76%
(T Class) 31 December 2020	7.55 cpu	3.67%
(T Class) 30 June 2020	12.63 cpu	3.52%

If the income earned in the form of dividends and interest exceeds the total expenses, the Fund will make a distribution. (cpu = cents per unit)

**FUND COMMENTARY**

Global equity markets were broadly positive in February amidst wide-scale rollouts of Covid-19 vaccines and indications that the global economy was on the path to recovery. In the US, the approval of a US\$1.9trn stimulus package by the House of Representatives helped drive risk-on sentiment, sparking a sharp sell-off out of longer-dated government bonds. Dovish comments from the US Federal Reserve (the Fed) helped ease the bond sell-off somewhat, with the Fed Chairman Jerome Powell reinforcing that the central bank would continue to use the tools at its disposal to support the economy. The US economy expanded at 4.1% (q/q, annualised) in Q4 2020. In the UK, sentiment was supported by hopes of a quicker economic recovery, aided by the rapid pace of vaccinations and the prospect of a post-Brexit trade deal with the EU. Prime Minister Boris Johnson unveiled the government's plans to lift all restrictions by 21 June 2021, subject to certain conditions. The UK economy expanded by 1.0% q/q in Q4 2020. In the EU, the European Commission lowered its GDP forecasts for 2021 from 4.2% to 3.8%, stating that the resurgence of Covid-19 infections and the appearance of more contagious variants had forced many countries to reintroduce lockdown measures. In China, news that the People's Bank of China (PBoC) would continue to provide economic support in 2021 lifted sentiment.

In South Africa, sentiment was boosted by news that the government had secured 80,000 doses of the Johnson & Johnson Covid-19 vaccine. In other news, Finance Minister Tito Mboweni unveiled his national budget speech, which saw the scrapping of proposed tax increases in favour of fiscal consolidation and reined-in expenditure to support the economy. Mboweni outlined a proposed wage bill cut of R300bn over the next three years to help reduce government debt and aid in funding the nation-wide vaccination programme. Investors, however, remained cautious over the path of recovery, with Moody's stating that the lower deficits unveiled in the budget speech are unlikely to prevent debt from rising, while Fitch said the country still faced "severe challenges" to implement fiscal consolidation. In February, the FTSE/JSE All Share Index returned 5.9%, the FTSE/JSE All Bond Index delivered 0.1%, inflation-linked bonds (the Composite ILB Index) posted 1.8%, and cash as measured by the STeFI Composite Index returned 0.3%. Looking at global market returns (all in US\$), the MSCI All Country World Index delivered 2.3%, the Bloomberg Barclays Global Aggregate Bond Index returned -1.7%, while the EPRA/NAREIT Global Property REIT Index posted 4.1%. The rand strengthened 0.1% against US dollar and 0.4% versus the euro, while weakening 1.4% against the pound sterling.

Contributing the most to absolute performance for the month was the fund's exposure to SA equities (excluding property), foreign equities and SA bonds (excluding inflation-linked bonds).

**GLOSSARY**

<b>12-month yield</b>	A measure of the Fund's income distributions as a percentage of the Fund's net asset value (NAV). This is calculated by summing the income distributions over a rolling 12-month period, then dividing by the sum of the NAV at the end of the period and any capital gains distributed over the same period.
<b>Annualised performance</b>	The average amount of money (total return) earned by an investment each year over a given time period. For periods longer than one year, total returns are expressed as compounded average returns on a yearly basis.
<b>Cumulative performance graph</b>	This illustrates how an initial investment of R100 or N\$100 (for example) placed into the Fund would change over time, taking ongoing fees into account, with all distributions reinvested.
<b>Income distribution</b>	The dividend income and/or interest income that is generated by the underlying Fund investments and that is periodically declared and distributed to investors in the Fund after all annual service fees.
<b>Information ratio</b>	Measures the Fund's active return (Fund return in excess of the benchmark) divided by the amount of risk that the manager takes relative to the benchmark. The higher the information ratio, the higher the active return of the Fund, given the amount of risk taken and the more consistent the manager. This is calculated over a 3-year period.
<b>Intended maximum limits</b>	This indicates the Fund's intended maximum exposure to an asset class. These limits may be reviewed subject to the Fund's Supplemental Deed and/or Regulation 28 for those Funds managed in accordance with Regulation 28 of the Pension Funds Act.
<b>Maximum drawdown</b>	The largest drop in the Fund's cumulative total return from peak to trough over any period.
<b>Monthly volatility (annualised)</b>	Also known as standard deviation. This measures the amount of variation or difference in the monthly returns on an investment. The larger the annualised monthly volatility, the more the monthly returns are likely to vary from the average monthly return (i.e. the more volatile the investment).
<b>Percentage of positive rolling 12 months</b>	The percentage of months, since inception, that the Fund has shown a positive return over a rolling 12-month period.
<b>Regulation 28</b>	The South African retirement fund industry is governed by the Pension Funds Act, No 24 of 1956. Regulation 28 of the Pension Funds Act prescribes the maximum limits in asset classes that an approved retirement fund may invest in.
<b>Sharpe ratio</b>	The Sharpe ratio is used to measure how well the return of an asset compensates the investor for the risk taken. The higher the Sharpe ratio the better the Fund's historical risk-adjusted performance has been. This is calculated by taking the difference between the Fund's annualised return and the risk-free (cash) rate, divided by the standard deviation of the Fund's returns. This is calculated over a 3-year period.
<b>Sortino ratio</b>	This is calculated by taking the difference between the Fund's annualised return and the risk-free (cash) rate, divided by the downside deviation of the Fund's returns i.e. the "bad" volatility. A high Sortino ratio indicates a low risk of large losses occurring in the Fund. This is calculated over a 3-year period.
<b>Total Expense Ratio (TER)</b>	This shows the charges, levies and fees relating to the management of the portfolio and is expressed as a percentage of the average net asset value of the portfolio, calculated for the year to the end of the most recent completed quarter. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs.
<b>Unit class</b>	Prudential's Funds are offered in different unit classes to allow different types of investors (individuals and institutions) to invest in the same fund. Different investment minimums and fees apply to different unit classes. A Class: for individuals only. B & D Class: retirement funds and other large institutional investors only. X Class: the special fee class that was made available to investors that were invested in the Dividend Income Feeder Fund. T Class: for investors in tax-free unit trusts. F Class: for Discretionary Fund Managers.

**HOW TO INVEST**

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prudential.co.za

query@myprudential.co.za

Application forms

Invest now

Application forms and all required documentation must be faxed to +27 11 263 6143 or e-mailed to instructionsa@myprudential.co.za.

**DISCLAIMER**

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Collective Investment Schemes (unit trusts) are generally medium-to long-term investments. Past performance is not necessarily a guide to future investment performance. Unit trust prices are calculated on a net asset value basis. This means the price is the total net market value of all assets of the unit trust fund divided by the total number of units of the fund. Any market movements – for example in share prices, bond prices, money market prices or currency fluctuations – relevant to the underlying assets of the fund may cause the value of the underlying assets to go up or down. As a result, the price of your units may go up or down. Unit trusts are traded at the ruling forward price of the day, meaning that transactions are processed during the day before you or the Manager know what the price at the end of the day will be. The price and therefore the number of units involved in the transaction are only known on the following day. The unit trust fund may borrow up to 10% of the fund value, and it may also lend any scrip (proof of ownership of an investment instrument) that it holds to earn additional income. A Prudential unit trust fund may consist of different fund classes that are subject to different fees and charges. Where applicable, the Manager will pay your financial adviser an agreed standard ongoing adviser fee, which is included in the overall costs of the fund. A Collective Investment Schemes (CIS) summary with all fees and maximum initial and ongoing adviser fees is available on our website. One can also obtain additional information on Prudential products on the Prudential website. The Fund may hold foreign securities including foreign CIS funds. As a result, the fund may face material risks. The volatility of the fund may be higher and the liquidity of the underlying securities may be restricted due to relative market sizes and market conditions. The fund's ability to settle securities and to repatriate investment income, capital or the proceeds of sales of securities may be adversely affected for multiple reasons including market conditions, macro-economic and political circumstances. Further, the return on the security may be affected (positively or negatively) by the difference in tax regimes between the domestic and foreign tax jurisdictions. The availability of market information and information on any underlying sub-funds may be delayed. The Manager may, at its discretion, close your chosen unit trust fund to new investors and to additional investments by existing investors to make sure that it is managed in accordance with its mandate. It may also stop your existing debit order investment. The Manager makes no guarantees as to the capital invested in the fund or the returns of the fund. Excessive withdrawals from the fund may place the fund under liquidity pressure and, in certain circumstances, a process of ring fencing withdrawal instructions may be followed. Fund prices are published daily on the Prudential website. These are also available upon request. The performance is calculated for the portfolio. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. Purchase and repurchase requests must be received by the Manager by 13h30 (11h30 for the Money Market Fund) SA time each business day. All online purchase and repurchase transactions must be received by the Manager by 10h30 (for all Funds) SA time each business day.