

PRUDENTIAL CORE VALUE FUND

30 APRIL 2019

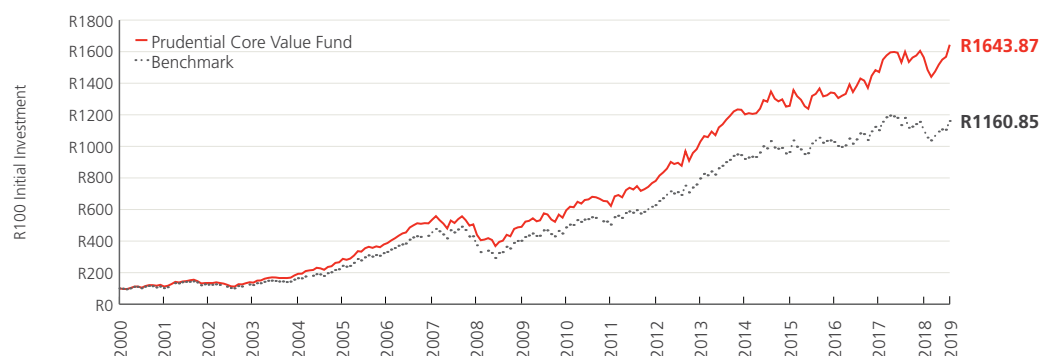
FACT SHEET/MINIMUM DISCLOSURE DOCUMENT



PRUDENTIAL
INVESTMENT MANAGERS

EQUITY

SINCE INCEPTION CUMULATIVE PERFORMANCE, DISTRIBUTIONS REINVESTED (B CLASS)



ANNUALISED PERFORMANCE	B CLASS	BENCHMARK*	F CLASS
1 year	2.8%	-1.7%	1.6%
3 years	7.3%	3.9%	n/a
5 years	7.1%	5.2%	n/a
7 years	11.9%	10.0%	n/a
10 years	15.1%	13.4%	n/a
Since inception	16.4%	14.1%	6.8%

* The Fund's benchmark changed from the FTSE/JSE All Share Index (TR) to the FTSE/JSE Capped SWIX All Share Index (TR) on 1 July 2017.

* Inception date F Class: 1 July 2016

RETURNS SINCE INCEPTION**	B CLASS	DATE
Highest annualised return	66.8%	30 Apr 2006
Lowest annualised return	-30.5%	28 Feb 2009

** 12-month rolling performance figure

RISK MEASURES	B CLASS	BENCHMARK
Monthly volatility (annualised)	15.0%	16.0%
Maximum drawdown over any period	-34.0%	-40.4%
% of positive rolling 12 months	86.3%	83.5%
Information ratio	1.4	n/a
Sortino ratio	0.0	-0.5
Sharpe ratio	0.0	-0.4

TOP HOLDINGS*	
1. Naspers Ltd	10.6%
2. Sasol Ltd	7.3%
3. Anglo American Plc	7.2%
4. British American Tobacco Plc	6.6%
5. Standard Bank Group Ltd	6.4%
6. FirstRand Ltd	4.9%
7. Old Mutual Ltd	3.9%
8. Compagnie Financiere Richemont SA	3.9%
9. Absa Group Ltd	3.7%
10. Bid Corporation Ltd	3.3%

*As at 31 March 2019 (updated quarterly)

INVESTMENT OPTIONS	F CLASS	B CLASS
Minimum lump sum investment	R50 million	n/a
Minimum monthly debit order	n/a	n/a

INITIAL FEES (excl. VAT)	F CLASS	B CLASS
Prudential	0.00%	0.00%
Financial adviser (if applicable)	0.00%	0.00%

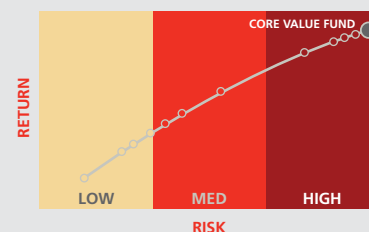
ANNUAL MANAGEMENT FEES (excl. VAT)	F CLASS	B CLASS
Prudential	1.00%	n/a
Financial adviser service fee** (if applicable)	0.00%	0.00%

** Included in Prudential's annual management fee above

EXPENSES (incl. VAT)	F CLASS	B CLASS
Total Expense Ratio (TER)	1.14%	0.01%
Transaction Costs (TC)	0.30%	0.28%
Total Investment Charges (TIC)	1.44%	0.29%

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 provide broad-based exposure to South African shares that offer value and medium-to long-term growth. The portfolio managers seek to invest in companies where returns can be achieved from any or all of (a) growth in earnings, (b) growth in dividends and (c) a re-rating by the market of the company's share price.

INVESTOR PROFILE:

Investors with a higher risk tolerance who are looking for out-performance of the South African equity market, while limiting volatility relative to the fund's benchmark. The recommended investment horizon is 7 years or longer.

INVESTMENT MANDATE:

The Fund can invest in any company listed on the JSE that meet the portfolio managers' value criteria. The Fund seeks out value by attempting to capture all components of return over time, including high dividend yield, earnings growth and possible market re-rating. The Fund will generally not invest in any foreign markets. The intended maximum limits are Equity 100%, Property 10% and Foreign 0%.

FUND MANAGERS:

Rehana Khan and Ross Biggs

ASISA CATEGORY:

South African - Equity - General

BENCHMARK:

FTSE/JSE Capped SWIX All Share Index

INCEPTION DATE:

21 September 2000

FUND SIZE:

R20 264 413 177

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EQUITY

INCOME DISTRIBUTIONS	TOTAL DISTRIBUTIONS	12-MONTH YIELD
(B Class) 31 December 2018	16.71 cpu	4.24%
(B Class) 30 June 2018	19.12 cpu	2.92%
(F Class) 31 December 2018	12.11 cpu	3.03%
(F Class) 30 June 2018	14.35 cpu	1.86%

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 recorded healthy gains in April as positive investor sentiment (largely arising from the easier global monetary outlook) outweighed renewed concerns over a slowdown in global growth - the IMF revised its 2019 global growth forecast down to 3.3% from 3.5% previously, citing the decelerating US and EU economies, as well as ongoing trade tensions. In the US, Q1 2019 GDP growth surprised on the upside at 3.2% (q/q annualised). This was attributed to an improved trade surplus and higher inventories, short-term factors that masked sizeable drops in consumer and business spending, as well as weaker housing investment and declines in manufacturing and industrial production. Comments from the US Federal Reserve continued to reinforce the outlook of "lower interest rates for longer", bolstering investor "risk-on" sentiment and helping both the S&P and Dow Jones indices set new record highs towards the end of the month. President Trump, meanwhile, indicated that the US may impose additional tariffs on US\$11 billion worth of EU products in response to its government subsidies for aircraft manufacturers. In the UK, Britain's withdrawal from the EU was postponed yet again, allowing Prime Minister Theresa May more time to have some form of exit deal approved by parliament.

The IMF lowered its economic growth forecast for South Africa to 1.2% for 2019 and 1.5% for 2020, citing high debt levels and political and policy uncertainty as major concerns. Moody's announcement that it would hold South Africa's sovereign credit rating at investment grade with a stable outlook kept the bond market buoyant in the first part of the month; however it later highlighted that the country's investment grade status was at risk due to its growing debt linked to SOE bailouts. The FTSE/JSE All Share Index returned 4.2% in April, led by Financials and Industrials, both with a 6.6% return. Listed property delivered 3.2%, while Resources lagged with -1.8%.

Among the largest relative contributors to performance for the month was an underweight position in AngloGold Ashanti, and overweight positions in ABSA and Togo Sun. Among the main detractors from value were overweight positions in BAT, Anglo American and Richemont.

GLOSSARY

12-month yield	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.
Annualised performance	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.
Compliance monitoring	We use the FTSE/JSE All Share Index for monitoring the Fund's compliance with the Collective Investment Schemes Control Act (CISCA). This is in line with the benchmark index as prescribed for the SA – Equity – General category as per the ASISA fund classification standards.
Cumulative performance graph	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.
Income distribution	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.
Information ratio	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.
Intended maximum limits	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.
Maximum drawdown	The largest drop in the Fund's cumulative total return from peak to trough over any period.
Monthly volatility (annualised)	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).
Percentage of positive rolling 12 months	The percentage of months, since inception, that the Fund has shown a positive return over a rolling 12-month period.
Sector holdings	A breakdown of the Fund's equity holdings, grouped per industry sector. This is inclusive of both local and foreign equities.
Sharpe ratio	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.
Sortino ratio	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.
Total Expense Ratio (TER)	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 over a rolling three years (where applicable) and annualised to the most recently 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.
Transaction Costs (TC)	The percentage of the value of the Fund incurred as costs relating to the buying and selling of the Fund's underlying assets. Transaction costs are a necessary cost in administering the Fund and impacts Fund 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 Fund, investment decisions of the investment manager and the TER.
Total Investment Charges (TIC)	The percentage of the value of the Fund incurred as costs, relating to the investment of the Fund. As fund returns are reported after deducting all fees and expenses, these costs (the TER, TC & IC) should not be deducted from the fund returns.
Unit class	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 and certain legal entities. 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 **instructions@myprudential.co.za**.

DISCLAIMER

Prudential Portfolio Managers Unit Trusts Ltd (Registration number: 1999/0524/06) is an approved CISCA management company (#29). Assets are managed by Prudential Investment Managers (South Africa) (Pty) Ltd, which is an approved discretionary Financial Services Provider (#45199).

The Trustee/Custodian details are: Standard Bank of South Africa Limited – Trustees Services & Investor Services, 20th Floor, Main Tower, Standard Bank Centre, Heerengracht, Cape Town. 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.