

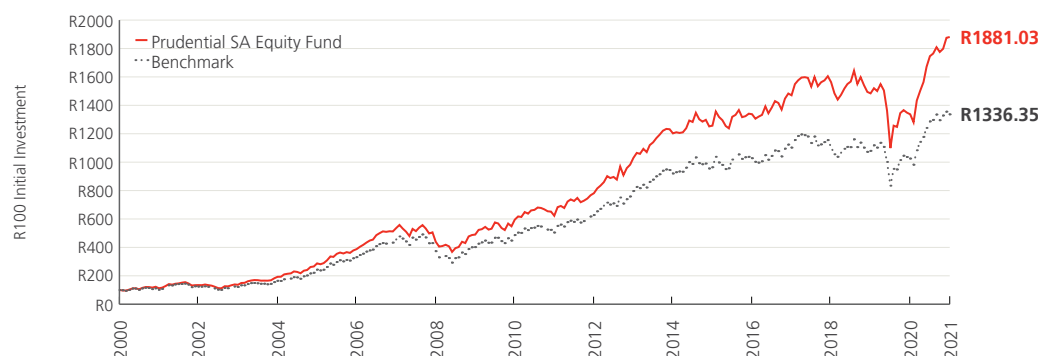
# PRUDENTIAL SA EQUITY FUND

## 30 SEPTEMBER 2021



### FACT SHEET/MINIMUM DISCLOSURE DOCUMENT

#### SINCE INCEPTION CUMULATIVE PERFORMANCE, DISTRIBUTIONS REINVESTED (B CLASS)



ANNUALISED PERFORMANCE	B CLASS	BENCHMARK*	F CLASS
1 year	40.7%	30.3%	39.1%
3 years	6.4%	6.5%	5.1%
5 years	7.1%	5.4%	5.8%
7 years	6.6%	5.5%	n/a
10 years	11.7%	10.2%	n/a
Since inception	15.0%	13.1%	5.8%

\* 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)	15.9%	16.5%
Maximum drawdown over any period	-34.0%	-40.4%
% of positive rolling 12 months	81.7%	79.7%
Information ratio	0.0	n/a
Sortino ratio	0.1	0.1
Sharpe ratio	0.0	0.0

TOP HOLDINGS*	
1. MTN Group Ltd	8.2%
2. Prosus NV	7.6%
3. Naspers Ltd	6.6%
4. Standard Bank Group Ltd	6.6%
5. Sasol Ltd	5.3%
6. British American Tobacco Plc	4.8%
7. Absa Group Ltd	4.7%
8. Firststrand Ltd	3.9%
9. Anglo American Plc	3.8%
10. MultiChoice Group Ltd	3.3%

\*As at 30 September 2021 (updated quarterly)

INVESTMENT OPTIONS	F CLASS	B CLASS
Minimum lump sum investment	R20 million	n/a
Minimum monthly debit order	n/a	n/a

INITIAL FEES (excl. VAT)	F CLASS	B CLASS
Prudential	0.00%	0.00%

ANNUAL MANAGEMENT FEES (excl. VAT)	F CLASS	B CLASS
Prudential	1.00%	n/a

EXPENSES (incl. VAT)	F CLASS	B CLASS
Total Expense Ratio (TER)	1.16%	0.01%
Transaction Costs (TC)	0.19%	0.19%
Total Investment Charges (TIC)	1.35%	0.20%

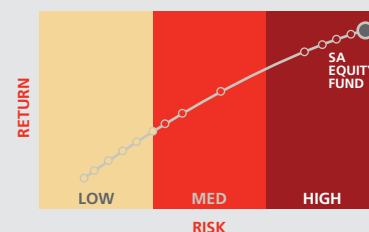
Where a transaction cost is not readily available, a reasonable best estimate has been used. Estimated transaction costs may include Bond, Money Market, and FX costs (where applicable).

SECTOR HOLDINGS	
Financial Services	27.8%
Communication Services	26.2%
Basic Materials	14.6%
Consumer Cyclical	9.5%
Energy	8.0%
Consumer Defensive	6.5%
Real Estate	4.4%
Industrials	2.3%
Technology	0.7%

ASSET ALLOCATION	
SA Equity	93.7%
SA Listed Property	4.3%
SA Cash	1.9%

### EQUITY

#### 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 not invest in any foreign markets. The intended maximum limits are Equity 100%, Property 10% and Foreign 0%.

#### FUND MANAGERS:

Ross Biggs, Chris Wood, Leonard Krüger and Aadil Omar

#### ASISA CATEGORY:

South African - Equity - General

#### BENCHMARK:

FTSE/JSE Capped SWIX All Share Index

#### INCEPTION DATE:

21 September 2000

#### FUND SIZE:

R35 550 647 328

#### Becoming M&G

We will soon be changing our name to M&G Investments, as we align our brand with our global shareholder, M&G plc group. Our ownership and identity changes will have no impact on the way our unit trust funds are managed. Our consistent investment process and philosophy remain the same.

#### LEARN MORE

# PRUDENTIAL SA EQUITY FUND

## 30 SEPTEMBER 2021



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INCOME DISTRIBUTIONS	TOTAL DISTRIBUTIONS	12-MONTH YIELD
(B Class) 30 June 2021	12.43 cpu	3.42%
(B Class) 31 December 2020	9.04 cpu	4.97%
(F Class) 30 June 2021	7.87 cpu	2.51%
(F Class) 31 December 2020	5.25 cpu	3.83%

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 negative in September over concerns that central banks were preparing to scale back stimulus measures. Contributing to the risk-off sentiment were events in China, where Chinese property group Evergrande faced a liquidity crisis that threatened to spill over into the broader economy. In the US, sentiment dampened after the Fed signalled that a rise in interest rates may follow more quickly than expected, and that a moderation in the pace of asset purchases may be warranted, as the economy continues to make progress towards employment and inflation goals. US GDP growth for Q2 2021 was revised higher to 6.7% (q/q, annualised). In the UK, Prime Minister Boris Johnson deployed army drivers and the government's reserve tanker fleet to help ease petrol shortages. Petrol stations ran dry as the region grappled with low supplies following a shortage of truck drivers and a temporary spike in consumer demand. Meanwhile, the Bank of England signalled that the case for modest tightening had strengthened as inflation could persist above 4% well into 2022. UK GDP expanded 5.5% q/q in Q2 2021, above initial estimates of a 4.8% increase. Elsewhere, the European Central Bank kept interest rates at record-low levels but said it would start tapering the pace of net asset purchases for the rest of the year due to improved economic conditions. The central bank reiterated, however, that it would adjust its purchases according to market conditions. Eurozone GDP was revised higher to 2.2% q/q in Q2 2021. In China, concerns over the impact of power curbs, further regulatory crackdowns, and the liquidity crisis facing Evergrande all weighed on investor sentiment.

In South Africa, the SARB kept the repo rate unchanged in September, citing that the overall risks to the medium-term growth outlook remained balanced, while the risks to the short-term inflation outlook were assessed to the upside. GDP for Q2 2021 grew by 1.2% q/q. The SARB raised its GDP growth projection for 2021 to 5.3% (from 4.2%), while lowering its growth forecasts for 2022 to 1.7% (from 2.3%) and 1.8% in 2023 (from 2.4%). Meanwhile, retail sales declined by 11.2% m/m in July, largely on the back of a decline in retail activity following the civil unrest that broke out across parts of the country. The FTSE/JSE ALSI returned -3.1% in September. The main detractor was the Resources sector, returning -9.3% on the back of sharp declines in metal prices. Financials delivered 2.1%, Industrials -0.8% and Listed Property -0.2%.

Among the largest contributors to relative performance for the month were overweight positions in Sasol and MTN Group, and an underweight position in Impala Platinum. Relative detractors included an underweight position in Aspen Pharmacare, and overweight positions in Truworths and Anglo American Platinum.

#### GLOSSARY

<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>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.
<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>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>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>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>Maximum drawdown</b>	The largest drop in the Fund's cumulative total return from peak to trough over any period.
<b>Sector holdings</b>	A breakdown of the Fund's equity holdings, grouped per industry sector. This is inclusive of both local and foreign equities.
<b>Compliance monitoring</b>	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.
<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>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>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>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).

### EQUITY

#### HOW TO INVEST

0860 105 775

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.