

# PFPS Ci BALANCED Fund of Funds

## June 2016



### Investment Objective

The fund's objective is to provide high capital growth over the long term. The probability of capital loss over the short to medium term is high.

Furthermore, the fund will exhibit high levels of return volatility over the short term. The fund aims to achieve returns in excess of inflation over 3 years and longer. This fund complies with Regulation 28 of the Pension Funds Act.

Risk Weighting:



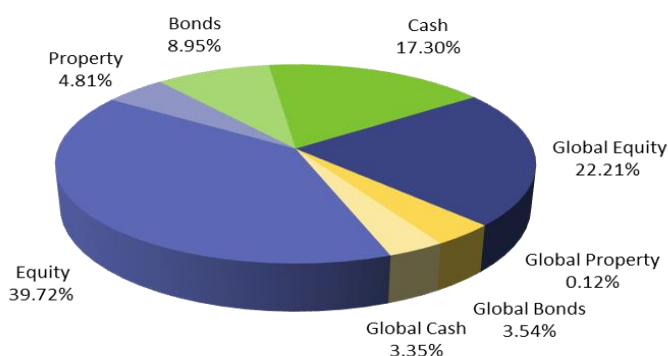
### Portfolio Manager

PFPS Wealth Management and PFPS Asset Management is a Johannesburg based wealth management firm specialising in financial planning and asset management.

PFPS is totally independent and can therefore offer truly objective advice. We provide a personal and confidential service and at all times strive to build lasting relationships with our clients. This service is supported by a range of quality and innovative investment products, complimented by effective tax planning.

In order to enhance PFPS's investment process PFPS has appointed Analytics Consulting to consult to the PFPS Investment Committee on an advisory basis. Analytics Consulting is one of the leading investment consulting operations in South Africa.

### Asset Allocation



### Performance

	1 year	3 year	5 year	Inception
PFPS Ci BALANCED Fund of Funds	6.24%	n/a	n/a	3.14%
Benchmark	13.13%	n/a	n/a	14.04%
Lowest 1 year rolling return				2.65%
Highest 1 year rolling return				7.31%

### Information Disclosure

ASISA Classification	South African - Multi Asset High Equity
Risk Profile	High
Benchmark	CPI for all urban areas + 7% over rolling 5-7 years
Equity Exposure	The Fund will have a maximum effective exposure of 0% and 75% for equity and 25% for property
Foreign Exposure	Up to 25% of the assets may be invested offshore and an additional 5% invested in Africa, ex RSA
Launch Date	1 April 2015
Opening NAV Price	100.00 cents per unit
Fund Size	R55 million
Initial Fee	Class A: 0%
Initial Advisory Fee	Maximum 3.42% (Incl VAT)
Annual Service Fee	Class A: 0.684% (Incl VAT)
Annual Advisory Fee	Maximum 1.14% (Incl VAT)
Total Expense Ratio	Class A 1.64%, Class B 1.59%
Transaction Costs	Class A 0.12%, Class B 0.08%
Total Investment Charge	Class A 1.76%, Class B 1.67%
Calculation Period	Inception - 31 March 2016
Income Declaration Dates	30 June and 31 December
Last 12 months Distributions (cents per unit)	30/06/2016: (A) 0.94 31/12/2015: (A) 0.90
Income Reinvestment / Payout Dates	2nd working day in July and January
Transaction cut-off Time	14:00
Valuation time	24:00
Frequency of pricing	Our NAV prices are published on our website and in the national newspaper daily.

### Underlying Funds

Analytics International Flexible Fund managed by: Canaccord Wealth Management and Investec Asset Management	25.42%
Analytics Ci Managed Equity Fund managed by: Coronation Fund Managers, Sanlam Investment Managers, Investec Asset Management, Imara Asset Managers	31.97%
Ci High Equity Strategic Fund managed by: Sanlam Investment Managers	20.68%
Ci Diversified Income Fund managed by: Prescient Investment Management and Investec Asset Management	1.15%
Ci Property Index Fund managed by: Sanlam Investment Managers	2.08%
Stanlib Bond Fund	6.61%
Stanlib Corporate Money Market Fund	6.47%
Cash	5.62%

This document is a Minimum Disclosure Document (MDD) which contains key information about this portfolio. This MDD will be updated on a monthly basis. Source: Figures quoted are from Morningstar, for the period ending June 2016 for a lump sum, using NAV-NAV prices with income distributions reinvested. CPI for all urban areas sourced from I-Net Bridge.

Published date: 7/15/2016

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### FAIS Conflict of Interest Disclosure

The annual fees for the A class include a fee of 0.228% payable to PFPS; a fee of 0.228% payable to Ci Collective Investments; and a fee of 0.228% payable to Analytics Consulting.

All fees stated are inclusive of VAT.

Please note that in most cases where the Financial Services Provider (FSP) is a related party to the portfolio manager, the FSP/distributor may earn additional fees other than those charged by the portfolio manager. It is the FSP's responsibility to disclose such additional fees to the investor.

### Characteristics, risk reward profile and nature of risks

#### Characteristics

This is a multi-asset high equity portfolio which means that it may invest in a spectrum of equity, bond, property and money market and tends to have an increased probability of short term volatility and aims to maximise long term capital growth. The portfolio may have a maximum equity exposure of up to 75% and a maximum property exposure of 25% at all times and complies with the regulation governing retirement funds.

This portfolio may, at the discretion of the portfolio manager, invest up to 25% of the assets outside of South Africa plus an additional 5% of the assets in Africa excluding South Africa.

#### Risks

##### Market Risk

Equity markets are volatile and the price of equities fluctuate based on a number of factors such as changes in the economic climate, general movements in interest rates and the political and social environment which will also affect the value of the securities held in the unit trust, thereby affecting the overall value of the unit trust.

##### Currency Risk / Foreign Exchange Risk

This risk is associated with investments that are denominated in foreign currencies. When the foreign currencies fluctuate against the South African Rand, the investments face currency gains or losses.

##### Concentration Risk

Unit Trusts pool the assets of many investors and use the proceeds to buy a portfolio of securities. There are regulations in place which limit the amount that a unit trust may invest in securities, thereby spreading the risk across securities, asset classes and companies.

##### Liquidity Risk

This relates to the ability of the unit trust to trade out of a security held in the portfolio at or near to its fair value. This may impact on liquidity and in the case of foreign securities, the repatriation of funds.

##### Credit Risk

Credit risk is where an issuer of a non-equity security may not be able to make interest payments or repay the capital. This will impact the value of the unit trust.

##### Inflation Risk

The risk of potential loss in the purchasing power of your investment due to a general increase of consumer prices.

##### Political Risk

The risk that investment returns could suffer as a result of a country's political changes or instability in the country. Instability could come from changes in the country's government, policy makers or military.

##### Tax Risk

This risk relates to any change to tax laws or to the interpretation of existing tax laws which has an impact on the manner in which unit trusts are taxed.

##### Compliance Risk

This refers to the risk of not complying with the legislation, regulations, prescribed investment limits and internal policies and procedures by the manager or the portfolio manager.

This document is not intended to address the personal circumstances of any Financial Services Provider's (FSP's) client nor is it a risk analysis or examination of any client's financial needs. Collective Investment Schemes in Securities ("CIS") are generally medium to long term investments. The value of participatory interests 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. Different classes of units apply to this portfolio and are subject to different fees and charges. A schedule of fees and charges is available on request from Ci. Ci does not provide any guarantee either with respect to the capital or the return of the portfolio. Forward pricing is used. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. International Investments may include additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information. The portfolio may be closed from time to time in order to manage it more efficiently in accordance with its mandate. A fund of funds is a portfolio that invests in portfolios of collective investment schemes, which levy their own charges, which could result in a higher fee structure for the fund of funds. The PFPS portfolios are portfolios established and administered by Ci, and PFPS Asset Management (Pty) Ltd has been appointed to manage and market the portfolios. PFPS is an indirect shareholder of Ci. As an indirect shareholder, PFPS may earn dividends from time to time and participation in any dividends may be linked to the revenue generated by Ci from the PFPS portfolios, and from any other Ci portfolios. Ci retains full legal responsibility for this co-named portfolio. Additional information on the portfolio may be obtained, free of charge, directly from Ci. Ci is an affiliate member of the Association for Savings & Investment SA (ASISA).

Total Expense Ratio (TER): The above TER % has been annualised and indicates the percentage of the value of the portfolio which was incurred as expenses relating to the administration of the portfolio over the rolling 3 year period or since fund inception, 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's cannot be regarded as an indication of future TER's.

Transaction Cost (TC): The above TC % has been annualised and indicates the percentage of the value of the portfolio which was incurred as costs relating to the buying and selling of the assets underlying the portfolio. Transaction Costs are a necessary cost in administering the portfolio and impacts portfolio 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 portfolio, investment decisions of the investment manager and the TER.

Total Investment Charge is the TER plus TC which indicates the percentage of the value of the portfolio which was incurred as costs relating to the investment of the portfolio.

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.

Performance quoted is for lump sum investment with income distributions, prior to deduction of applicable taxes, included. NAV to NAV figures have been used. The annualised return is the return of the performance period re-scaled to a period of one year. Performance is calculated for the portfolio and individual investor performance may differ as a result of initial fees, actual investment date, date of reinvestment and dividend withholding tax.

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Trustee: FirstRand Bank Limited Tel: (011) 371 2111.

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