PPS Defensive Fund

INVESTMENTS

As of 30 September 2026

FUND OBJECTIVE

Terebinth Capital has been appointed as the portfolio manager for the PPS Defensive Fund. Terebinth Capital combines their skillsets in macroeconomic and quantitative analyses to construct diversified portfolios, reflecting their best investment view, to achieve appropriate risk-adjusted-returns. As in our other partnership strategies, our approach for the PPS Defensive Fund is to use our comprehensive research process to identify a best-in-class manager with the skill set and capabilities to successfully manage a strategy. A key differentiating factor is that partnership managers typically don't yet offer a similar strategy in the retail space. The PPS Defensive Fund is aimed at investors looking for a low volatility, diversified multi asset portfolio, managed in line with Regulation 28 of the Pension Fund Act. The primary objective of the fund is to outperform the ASISA SA Multi Asset Low Equity category average. Simultaneously, the aim is to deliver long-term capital growth with low short-term volatility. The investment horizon for this fund is greater than three years.

FUND OVERVIEW

Fund risk profile

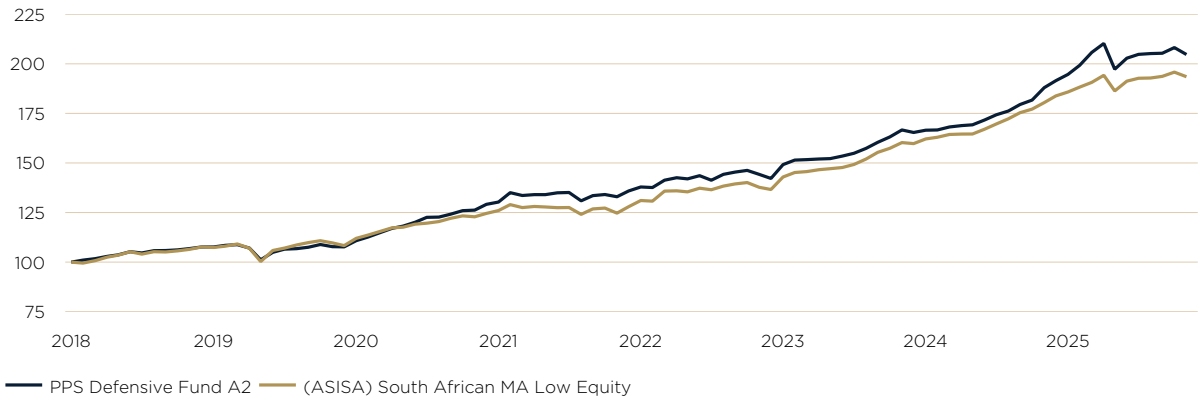
Low-Medium

Fund Class	**ISIN**
A2	ZAE000259339
Asisa Category	**Portfolio Size (ZAR)**
(ASISA) South African MA Low Equity	802,069,163.80
Portfolio Launch Date	**NAV Price Per Unit (cents)**
01 November 2018	142.01
Class Launch Date	**Manager Fee (excl.VAT)**
01 November 2018	0.90%
Benchmark	**Other Fees**
(ASISA) South African MA Low Equity	Initial Fees, Advisor Fees = 0
Regulation 28	**Trustee**
Yes	Standard Chartered Bank
Income Distribution	**Partner Manager**
Last day of Jun & Dec	Terebinth Capital
Investment Horizon	**Investment Manager**
Medium-term - three years and longer	PPS Multi-Managers Proprietary Limited

ILLUSTRATIVE PERFORMANCE

Performance Since Inception

Estimated Growth of R100 invested with all distributions reinvested (for illustrative purposes only).



Performance is shown net of all fees.

ANNUALISED PERFORMANCE

	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception
PPS Defensive Fund A2	8.90%	12.38%	10.15%	9.73%	-	9.45 %
(ASISA) South African MA Low Equity	7.24%	12.00%	9.51%	8.91%	7.85%	8.70 %

	YTD*	2025	2024	2023	2022	2021
PPS Defensive Fund A2	2.74%	19.56%	10.03%	10.06%	1.91%	19.89%
(ASISA) South African MA Low Equity	2.78%	15.51%	12.25%	11.05%	1.36%	13.53%

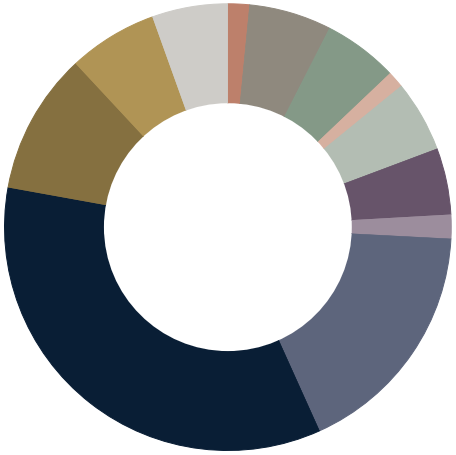
Periods less than one year are not annualised.

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As of 30 September 2026

INVESTMENTS

ASSET ALLOCATION



SA FIXED RATE BOND	34.6%
SA EQUITY	17.4%
SA INFLATION LINKED	10.2%
SA PROPERTY	6.4%
GLOBAL EQUITY	6.0%
SA VARIABLE RATE BOND	5.5%
GLOBAL FIXED RATE BOND	5.4%
GLOBAL VARIABLE RATE BOND	5.2%
SA CASH	4.9%
SA COMMODITY	1.7%
GLOBAL CASH	1.5%
GLOBAL PROPERTY	1.2%

Cash comprises money market and other interest-bearing instruments with a maturity of 13 months or less.

Asset allocation is calculated on Effective Exposure.

PORTFOLIO DETAILS

Top 10 Holdings	Allocation
RSA R2040 9.00% 31012040	5.9%
Republic of South Africa ILB 1.875% 28022033	5.9%
RSA R2035 8.875% 28022035	5.8%
RSA R2044 8.75% 31012044	4.8%
RSA R209 6.25% 20360331	4.7%
FirstRand ILB 2.60% 31032028	4.3%
Republic of South Africa 10.125% 31032042	3.7%
RSA R2037 8.5% 31012037	3.7%
Nedbank NCD 8.54% 23072031	2.4%
Treasury IL NB 20330115	2.1%

RISK METRICS

Since Inception

Metric	Fund Class
Standard Deviation	5.6
Maximum Drawdown	-7.09%

HIGHEST AND LOWEST RETURNS

Since Inception (12 months rolling)

Metric	Fund Class
Highest	24.53%
Highest month end date	28 Feb 2026
Lowest	-2.40%
Lowest month end date	31 Mar 2020

3 YEAR FEE (%)

Inclusive of VAT

Metric	Fund Class
Total expense ratio (TER)	1.10
Transaction cost (TC)	0.16
Total investment charge (TER+TC)	**1.26**

DISTRIBUTIONS

Date	Fund Class
31 December 2025	2.67
30 June 2026	3.46

PPS Defensive Fund

As of 30 September 2026

INVESTMENTS

Quarterly commentary

The PPS Defensive Fund aims to outperform the benchmark with short-term volatility that is lower than that of equities, but with long-term capital growth. The portfolio is constructed to minimise the risk of capital loss over a 12-month period, while achieving returns of CPI + 3% over the medium to longer term. In a bid to achieve these objectives, the fund will generally be diversified across various listed asset classes.

The fund lost 0.3% in 3Q26, underperforming the benchmark, with the quarterly performance being dragged down by a weak and volatile September. However, over the 12 months to September 2026, the fund returned a positive 8.4%, 1.1ppt ahead of the benchmark. During Q3, the main detractors from performance were offshore listed property, local fixed-rate bonds, local listed property, and fixed-rate NCDs. These were partly offset by local equities, local inflation-linked bonds, and local floating-rate notes. Offshore equity and fixed income were marginally accretive as a mixed underlying performance was masked by the positive translation gains of a weaker rand against the US dollar.

SA markets were rather lacklustre over the past three months, with listed property (down 1.5%), bonds (down 0.7%), and equities (down 0.3%), and inflation-linked bonds (up 1.5%) underperforming cash (up 1.7%). Within equities, the only major sector to post net gains was industrials (up a mere 0.5% with a varying underlying performance), with declines ranging from -9.8% for technology to -0.6% for consumer staples. Basic materials lost 9.4% as weaker mining counters more than offset the gains in chemicals – a reflection of lower metals prices versus higher energy prices.

The surge in core bond yields had a particularly negative impact on listed property, with broad-based weakness across sectors and regions. A similar story played out locally, where the bellwether names (where the bulk of our exposure lies) underperformed sharply in Q3, given the negative spillovers from implicit offshore exposure.

While government bonds were negative for performance, this was due to a relatively large allocation and overweight duration stance in the asset class amid only a mild decline on a total return basis. Similarly, money market yields rose on account of rising bond yields and a repricing in monetary policy expectations.

Local equities were resilient during Q3, but still ended in the red as a recovery in August was eroded in September amid the confluence of rising bond yields and falling commodity prices (except for oil). Earnings reports have been robust across most banks and basic materials, but this was not enough to counter the expectations of moderation as the market became more forward-looking amid heightened uncertainty. The fund benefited from select exposure to gold and platinum mining despite sectoral weakness, as well as to Sasol. Banks were the main detractors, reflecting the beta to higher bond yields.

The outlook remains highly uncertain given the confluence of a stronger US dollar, higher bond yields and elevated energy prices. This combination is a tightening on global financial conditions, which will be a more notable headwind to growth and to EM asset prices. In addition, the hawkish monetary policy pivot and waning fiscal impulse will be a further drag on growth in the medium term. Yet from a short-term perspective, growth resilience is evident in rising PMIs, still solid nominal GDP momentum and a willingness amongst consumers to carry on spending. This is partly a function of a savings drawdown, but can also reflect an expectation of future government and central bank support should the economy hit a slump – much like the post-GFC and post-Covid responses. The risk this time round is that the room to manoeuvre is less for both fiscal and monetary policy – the former is constrained by already large deficits and rising debt ratios, while the latter still needs to contain inflation on a sustainable before lending any cyclical support. As such, we think risk assets remain vulnerable and have retained a defensive bias in the portfolio.

The challenges currently emanate from high interest rate volatility, reflected in sharply higher bond yields, and from event risk. In addition to the usual calendar for Q4, including the final SARB MPC meeting of the year, two FOMC meetings, the Medium Term Budget Policy Statement, and SA's sovereign credit rating reviews, the markets will have to digest the US midterm elections and the SA local government elections. There are two-sided risks for both these polls, with equity markets looking for pro-growth outcomes, while bond markets want to see enhanced inflation fighting and fiscal prudence. These are at odds with one another.

We expect a modest recovery in the South African recovery over the medium term, but expect the headwinds of rising policy rates, elevated fuel costs, and ongoing fiscal consolidation to be cyclical headwinds. This dampens the near-term outlook for asset price performance, but valuations are attractive, with better entry levels resulting in notably better return prospects in the longer term.

There were no material changes to the composition of the portfolio and underlying managers during the quarter. The fund has adhered to its policy objective.

PPS Defensive Fund

As of 30 September 2026

INVESTMENTS

CONTACT US

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DISCLOSURE

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. The manager does not provide any guarantee either in respect of the capital or the return of a portfolio.
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. Performance is based on NAV to NAV calculations and calculated on a rolling monthly basis. The past performance is relevant to the investment or the service offered by the manager. Actual annual figures are available to the investor on request. 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. Furthermore, market and investment values are subject to fluctuations, and the availability of market information may be limited. 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 the 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 is available on www.pps.co.za. A schedule of fees, charges and maximum commissions are available on request. This fund does not charge performance fees. The manager may close the portfolio to new investors to ensure the portfolio is managed according to its mandate. Additional information of the proposed investment, including brochures, application forms and annual or quarterly reports, can be obtained from the Manager, free of charge.
Total Expense Ratio (TER) is a measure that can be used by investors and advisers to determine how much of a CIS's underlying assets are relinquished as payment for services rendered in the administration of the CIS. 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.
Transaction Costs (TC) is a measure that can be used by investors and advisors to determine the costs incurred in buying and selling assets underlying the CIS. TC's 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.
Total Investment Charges (TIC) is a measure of total cost relating to the investment. TIC is the sum of the total expense ratio (TER) and the transaction cost (TC).
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. The TER and TC disclosed are estimates based on our best estimate of the underlying costs.

Risk profile:
LOW-MEDIUM RISK: A Low-Medium Risk investor values capital preservation, but is comfortable with accepting a small degree of risk and volatility in order to seek some degree of appreciation. This investor desires greater liquidity, is willing to accept lower returns, and is willing to accept minimal losses.

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).

Investment Manager Disclaimer
PPS Multi-Managers Proprietary Limited is an authorised Financial Service Provider (FSP 28733).
Appointed sub-investment manager: Terebinth Capital (Pty) Ltd (FSP 47909).