**Investment objective (summary of investment policy)**

The PSG Flexible Fund's objective is to achieve superior medium- to long-term capital growth by investing in selected sectors of the equity, gilt and money markets, both locally and abroad. The fund has a flexible asset allocation mandate and equity exposure will be varied based on opportunity. The fund can invest up to 100% in equities of which up to 30% can be invested in foreign equity and may include listed and unlisted financial instruments (derivatives) in its portfolio. The selected sectors of the equity portion of the portfolio will change from time to time in accordance with changing market conditions and economic trends.

**Who should consider investing?**

Fund specific risks: The fund sits within the upper half of the risk/reward spectrum. Investors should be comfortable with fluctuations in stock markets and interest rates. The risk of short-term monetary loss is high. The portfolio is exposed to equity as well as default and interest rate risks. Interest rate risk is the risk that the value of fixed income investments tends to decrease when interest rates and/or inflation rises. Default risk is where the issuers of fixed income instruments may not be able to meet interest or capital repayments. Where derivatives are used, it may increase overall risk by magnifying the effect of both gains and losses and may lead to large financial losses. Property shares may be included in the portfolio which can carry the same risk as investing directly in real estate and is subject to economic and political conditions, interest rates and tax considerations. Investing in foreign securities may be subject to risks pertaining to overseas jurisdictions and markets, including (but not limited to) local liquidity, macroeconomic, political, tax, settlement risks and currency fluctuations. Changes in the relative values of different currencies may adversely affect the value of investments and any related income.

This fund is suitable for investors who:

- want exposure to the equity market, but with managed risk levels
- aim to build wealth
- are willing to accept potential capital loss
- have a medium- to long-term investment horizon of five years and longer

**Risk/reward profile**

![Risk/reward profile diagram]

- **Low**
- **Medium**
- **High**

Higher risk requires a longer investment horizon.

**Fund details**

- **Inception Date**: 3 September 2013
- **Fund manager**: Shaun le Roux and Mikhail Motala
- **Fund size (ZAR)**: R 9 367 382 007
- **Latest Distribution (cpu)**: 6.11c ; 10.19c
- **Bi-annual distribution**: 29 Feb 20 ; 31 Aug 19
- **ASISA sector**: South African - Multi Asset - Flexible
- **Benchmark**: SA CPI+ 6%
- **Minimum Investment**: As per the platform minimum
- **Regulation 28 Compliant**: No

**To invest**

This class is only available on investment platforms. Speak to your financial adviser, visit www.psg.co.za or visit your platform of choice. Cut-off time for daily transactions are determined by investment platforms.
PSG Flexible Fund Class E
31 July 2020

Performance fee

The fund’s daily net asset value per share (NAV) is compared to the fund’s High Water Mark (HWM highest NAV achieved) daily. Where the fund’s NAV is greater than the HWM, a (excl VAT) and subject to a 7% (incl VAT) of the NAV outperformance will be levied. The performance fee is accrued in the unit price daily and collected monthly. No performance fees are charged if the fund NAV is lower than the HWM NAV. The performance fee is uncapped with a since inception High Water Mark.

| Base fee | 0.75% (excl VAT) |
| Threshold | High Water Mark |
| Stepping ratio | 7% (excl VAT) |
| Minimum fee | 0.75% (excl VAT) |
| Maximum fee | Uncapped, with a since inception High Water Mark. The fund’s highest total TER since inception of TER was 1.55% (incl VAT) |
| Total Expense Ratio (TER) (3 years) | 1.15% (incl VAT) |

Example:
You invest R100,000 in a fund today. The fund earns a 2% return over day 1 and the NAV increases to R102,000. A performance fee of 7% will be payable on the 2% gain. i.e. 0.14% (excl VAT).

Over day 2, the NAV reduces by R3,000 to R97,000. No performance fee is payable for day 2.

On day 3, NAV increases to R105,000. The performance fee will be payable on the 2.94% gain (NAV of R105,000 – R102,000 the previous HWM). The performance fee will now be 7% of 2.94% i.e. 0.2% (excl VAT).

The NAV of R105,000 is now the new HWM.

Transaction costs

Transaction costs are shown separately and are a necessary cost in administering the Financial Product and impacts Financial Product returns.

Fees

A schedule of fees and charges and maximum commissions is available on request from PSG Collective Investments (RF) Limited. Commission and incentives may be paid and, if so, are included in the overall costs. Different classes of participatory interest may apply to these portfolios and are subject to different fees, charges and possibly dividend withholding tax and will thus have differing performances. Adviser fees are negotiated between the client and adviser and is distinct from the other fees on this document.


Disclaimer

Collective Investment Schemes in Securities (CIS) are generally medium to long-term investments. The value of participatory interests (units) or the investment may go down as well as up and past performance is not a guide to future performance. Fluctuations or movements in the exchange rates may cause the value of underlying international investments to go up or down. CIS are traded at ruling prices and can engage in borrowing and scrip-lending. The portfolio may borrow up to 10% of its market value to bridge insufficient liquidity. Where foreign securities are included in a portfolio, the portfolio is exposed to risks such as potential constraints on liquidity and the repatriation of funds, macroeconomic, political, foreign exchange, tax, settlement and potential limitations on the availability of market information. The portfolios may be capped at any time in order for them to be managed in accordance with their mandate. PSG Collective Investments (RF) Limited does not provide any guarantee either with respect to the capital or the return of such investment. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided.

Performance

All performance data for a lump sum, net of fees, include income and assumes reinvestment of income on a NAV to NAV basis. Annualised performances show longer term performance rescaled over a 12 month period. Individual investor performance may differ as a result of actual fees, the actual investment date, the date of reinvestment and dividend withholding tax. Performance is calculated for the portfolio and individual investor performance may differ as a result thereof. The portfolio is valued at 15:00 daily. Cut-off time is determined by the platform. Income distributions are net of any applicable taxes. Actual annual figures are available to the investor on request. Prices are published daily and available on the website www.psg.co.za/asset-management and in the daily newspapers. Figures quoted are from Morningstar Inc.

Pricing

Forward pricing is used. Unit trust prices are calculated on a net asset value (NAV) basis, which is the market value of all assets in the portfolio including income accruals less permissible deductions divided by the number of units in issue.

Redemptions

The ability of a portfolio to repurchase is dependent upon the liquidity of the securities and cash of the portfolio. To protect investors, a manager may suspend repurchases for a period, subject to regulatory approval, to await liquidity. A suspension ensures that the sale of a large number of units will not force

PSG Collective Investments to sell the underlying investments at a price in the market which could have a negative impact on investors. PSG Collective Investments will keep all investors informed should there be a situation arise where such suspension is required.

Company details

PSG Collective Investments (RF) Limited is registered as a CIS Manager with the Financial Sector Conduct Authority, and a member of the Association of Savings and Investments South Africa (ASISA) through its holding company PSG Konsult Limited. The membership of the portfolio is delegated to PSG Asset Management (Pty) Ltd, an authorised Financial Services Provider under the Financial Advisory and Intermediary Services Act 2002, FSP no 29524. PSG Asset Management (Pty) Ltd and PSG Collective Investments (RF) Limited are subsidiaries of PSG Konsult Limited. PSG Collective Investments (RF) Limited can be contacted on +27(21) 799 8000; (toll free) 0800 600 168, via email assetmanagement@psg.co.za.

Conflict of interest disclosure

The Fund may from time to time invest in a portfolio managed by a related party. PSG Collective Investments (RF) Limited or the fund manager may negotiate a discount in fees charged by the underlying portfolio. All discounts negotiated are reinvested in the Fund for the benefit of the investors. Neither PSG Collective Investments (RF) Limited nor PSG Asset Management (Pty) Ltd retains any portion of such discount for their own accounts. The fund manager may use the brokerage services of a related party, PSG Securities Ltd.

Trustees

The Standard Bank of South Africa Limited,
The Towers, 2 Heerengracht Street,
Cnr Hertzog Boulevard,
Cape Town
8001
Tel: +27 21 401 2443
Email: Compliance-PSG@standardbank.co.za

Additional information

Additional information is available free of charge on the website www.psg.co.za/asset-management and may include publications, brochures, forms and annual reports.

Performance fee

Total Expense Ratio % (incl. VAT) 1.15
Annual Management Fee % (incl. VAT) 0.86
Other costs excl. transaction costs % (incl. VAT) 0.03
Transaction costs % (incl. VAT) 0.27
Performance fee % (incl. VAT) 0.26

Total Investment Charge % (incl. VAT) 1.42

*The Performance Fee of 7% (excl VAT) of the outperformance of the high water mark.

Performance fee

Total Expense Ratio % (incl. VAT) 0.90
Annual Management Fee % (incl. VAT) 0.86
Other costs excl. transaction costs % (incl. VAT) 0.04
Transaction Costs % (incl. VAT) 0.26

Total Investment Charge % (incl. VAT) 1.16

Transaction costs

This chart shows how the performance can vary over time. It is an indication of the distribution of historical rolling returns from the portfolio over each rolling 12-month period.