**PRUDENTIAL DIVIDEND MAXIMISER FUND**

31 March 2020

**FACT SHEET/MINIMUM DISCLOSURE DOCUMENT**

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**SINCE INCEPTION CUMULATIVE PERFORMANCE, DISTRIBUTIONS REINVESTED (A CLASS)**

<table>
<thead>
<tr>
<th>Year</th>
<th>A CLASS</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>$1617.40</td>
<td>$1616.69</td>
</tr>
</tbody>
</table>

**ANNUALISED PERFORMANCE**

<table>
<thead>
<tr>
<th>Year</th>
<th>A CLASS</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 year</td>
<td>-20.2%</td>
<td>-21.4%</td>
</tr>
<tr>
<td>3 years</td>
<td>-3.9%</td>
<td>-5.9%</td>
</tr>
<tr>
<td>5 years</td>
<td>-1.4%</td>
<td>-3.3%</td>
</tr>
<tr>
<td>7 years</td>
<td>4.0%</td>
<td>1.8%</td>
</tr>
<tr>
<td>10 years</td>
<td>7.1%</td>
<td>5.2%</td>
</tr>
</tbody>
</table>

Since inception 14.5% 11.6%

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**RISK MEASURES**

| Monthly volatility | 14.3% | 14.7% |
| % of positive rolling 12 months | 84.7% | 83.1% |
| Information ratio | 0.5 | n/a |
| Sortino ratio | -0.9 | -1.0 |
| Sharpe ratio | -0.8 | -1.0 |

**ASSET ALLOCATION**

- SA Equity: 63.1%
- Foreign Equity: 7.5%
- Foreign Cash: 1.2%
- SA Cash: 0.4%
- Foreign Currency: 0.2%
- Risk Free: 0.0%

**INVESTMENT OPTIONS**

- A Class
- T Class
- I Class
- B Class
- F Class

**INITIAL FEES**

- Prudential: 3.00% (max)
- Financial adviser: 3.00% (max)

**ANNUAL MANAGEMENT FEES**

- Prudential: 1.00%
- Performance fee sharing rate: 1.00%
- Prudential: 2.25%

**FINANCIAL ADVISER FEES**

- 0.00%
- 0.00%

**TOTAL EXPENSE RATIO (TER)**

- A Class: 20.8%
- T Class: 21.2%
- I Class*: 21.7%
- B Class: 21.9%
- F Class: 22.1%

**PERFORMANCE FEES**

- 0.43%
- 0.43%
- 0.50%

**TRANSACTION COSTS (TIC)**

- 0.18%
- 0.18%
- 0.18%

**TOTAL INVESTMENT CHARGES (TIC)**

- 2.26%
- 2.29%
- 2.18%

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**RETURN SINCE INCEPTION**

<table>
<thead>
<tr>
<th>A Class</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>63.1%</td>
<td>31 Jul 2005</td>
</tr>
<tr>
<td>-22.3%</td>
<td>28 Feb 2009</td>
</tr>
</tbody>
</table>

**RISK/RETURN PROFILE:**

- **LOW**
- **MID**
- **HIGH**

**FUND OBJECTIVE:**

To provide broad-based exposure to 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 growth in earnings, growth in dividends and a re-rating of its share price; however, there will be a bias towards companies offering high but sustainable dividend yields.

**INVESTOR PROFILE:**

Investors with a higher risk tolerance looking for out-performance of the average SA General Equity Fund without taking on greater risk of loss. The recommended investment horizon is 7 years or longer.

**INVESTMENT MANDATE:**

The Fund invests in companies that meet the portfolio managers’ value criteria. The Fund will have a bias towards investment in companies offering high, sustainable dividend yields; however, it is not restricted from investing in companies offering earnings growth or possible market re-rating. The intended maximum limits are Equity 100%, Property 10%, Foreign 30% and Africa 5%.

**FUND MANAGERS:**

Ross Biggs and Kaitlin Byrne

**ASISA CATEGORY:**

South African - Equity - General

**BENCHMARK:**

ASISA South African - Equity - General Category Mean

**INCEPTION DATE:**

2 August 1999

**FUND SIZE:**

R3 028 470 302

**AWARDS:**


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**TOP 10 HOLDINGS**

1. Prudential Global Equity Fund 14.5%
2. M&G Global Dividend Fund 9.5%
3. Naspers Ltd 6.9%
4. Anglo American Plc 5.2%
5. Standard Bank Group Ltd 3.8%
6. Prudential Africa Equity Fund 3.6%
7. Denker Global Financial Fund 3.3%
8. Textainer Group Holdings Ltd 3.1%
9. Vulcan Value Equity Fund 2.5%

**ASISA CATEGORY:**

Ross Biggs and Kaitlin Byrne

**STATEMENT OF ADDITIONAL INFORMATION**

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**STATEMENT OF ADDITIONAL INFORMATION**
The widespread impact of the COVID-19 pandemic dominated global markets in March. Almost all asset classes sold off during the month, as the economic policies aimed at containing the pandemic weighed heavily on economic growth. The oil price war between Saudi Arabia and Russia further added to market volatility, as the price of oil fell more than 20% in a single day.

In the US, the Federal Reserve undertook an emergency 100bp interest rate cut and a US$700bn bond purchase programme. Meanwhile the government announced some fiscal tax and spending measures to help individuals and small businesses weather the local shutdown. The FTSE/JSE ALSI declined -12.1% in March. Industrials returned -3.1%, Financials -29.4%, Resources -12.4%, while Listed property (SAPY index) was the worst performer generating -36.6%

Looking at global equity market returns (all in US$), developed markets outperformed emerging markets, with the MSCI World Index delivering -13.2% and the MSCI Emerging Markets Index returning -15.4%.

Among the largest contributors to relative performance for the month were overweight positions in BAT and Tencent, and an underweight position in FirstRand. Detracting from relative performance were overweight positions in Sasol, ABSA and Tsogo Sun.

**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 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 50% – Equity General category as per the AASFA fund classification standards.

**Cumulative performance graph**
This illustrates how an initial investment of R100 or N100 (for example) placed into the Fund would change over time, taking into consideration any income that is reinvested, or paid directly to the investor.

**Information ratio**
The ratio of the Sharpe ratio to the standard deviation is a measure of the risk-adjusted performance of 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 Sharpe ratio formula is: 

\[
\text{Information Ratio} = \frac{\text{Sharpe Ratio}}{\text{Standard Deviation}}
\]

**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 the 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.

**Performance fee**
The performance fee is the fees charged to 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 Sharpe ratio formula is:

\[
\text{Performance Fee} = \frac{\text{Sharpe Ratio}}{\text{Standard Deviation}}
\]

**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 compares with the risk of the return. 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 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.

**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 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 Fund. 
- **T Class**: for investors in tax-free unit trusts.
- **F Class**: for Discretionary Fund Managers.

**FUND COMMENTARY**
The impact of the COVID-19 pandemic dominated global markets in March. Almost all asset classes sold off during the month, as the economic policies aimed at containing the pandemic weighed heavily on economic growth. The oil price war between Saudi Arabia and Russia further added to market volatility, as the price of oil fell more than 20% in a single day.