Inception date B Class: 2 January 2007, F Class: 1 June 2016

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).

Should you agree to an ongoing Adviser Fee, this will be paid via the regular repurchase of units.)

Period. The Manager receives a marketing and distribution fee in respect of the Prudential Global Funds.

TER. A 0.25% p.a. fee discount will be effected on the base annual management fee of the A and B classes, should net performance fall below the benchmark over a rolling five-year

Prudential Global Funds ICAV and the Prudential Africa Equity Fund. These funds will charge an additional asset management fee which is included in the Fund's NAV and the Fund's

** The Fund can invest portions of its assets into underlying foreign investments (incl. investments into Africa). This would mainly be achieved by investing into the sub-funds of the

*As at 30 September 2020 (updated quarterly)

30 NOVEMBER 2020

PRUDENTIAL EQUITY FUND

TOTAL INVESTMENT CHARGES (TIC) 2.29% 2.37% 1.88% 1.49%

Sortino ratio -0.5 -0.6

Sharpe ratio -0.3 -0.5

ASSET ALLOCATION

SA Equity 79.3%

Foreign Equity 14.7%

SA Listed Property 2.5%

Africa Equity 1.8%

SA Cash 1.4%

Foreign Cash 0.4%

FLOW MEASURES

Monthly volatility (annualised) 14.9% 14.9%

% of positive rolling 12 months 82.0% 82.0%

Information ratio 0.6 n/a

Sortino ratio -0.5 -0.6

Sharpe ratio -0.3 -0.5

TOP 10 HOLDINGS*

1. Prudential Global Equity Fund 14.5%

2. Naspers Ltd 11.5%

3. British American Tobacco Plc 6.2%

4. Anglo American Plc 6.1%

5. Standard Bank Group Ltd 4.7%

6. Prosus NV 4.0%

7. MTN Group Ltd 3.6%

8. Exaro Resources Ltd 3.1%

9. Absa Group Ltd 3.1%

10. Impala Platinum Holdings Ltd 3.0%

*As at 30 September 2020 (updated quarterly)

INVESTMENT OPTIONS

Minimum lump sum investment

R10 000 R10 000 R20 million R20 million

Minimum monthly debit order

R500 pm R500 pm n/a n/a

INITIAL FEES (excl. VAT)

Prudential

0.00% 0.00% 0.00% 0.00%

Financial adviser fee (if applicable)

3.00% (max) 3.00% (max) 0.00% 0.00%

ANNUAL MANAGEMENT FEES (excl. VAT)

Prudential (minimum base fee)**

1.00% 1.25% 0.65% 1.00%

Prudential (performance fee sharing rate)

20.00% 20.00% 20.00% n/a

Prudential (maximum total fee)

2.25% 2.50% 1.90% n/a

Financial adviser service fee (if applicable)***

0.00% 0.50% 0.00% 0.00%

** The Fund can invest portions of its assets into underlying foreign investments (incl. investments into Africa). This would mainly be achieved by investing into the sub-funds of the

*** Included in Prudential’s annual management fee above (F Class). Financial adviser fees are negotiated between the Investor and Financial Adviser. Should you agree to an ongoing Adviser fee, this will be paid via the regular repurchase of units)

EXPENSES (incl. VAT)

Total Expense Ratio (TER)

2.10% 2.18% 1.69% 1.30%

Performance fee (included in TER above)

0.56% 0.56% 0.60% 0.00%

Transaction Costs (TIC)

0.19% 0.19% 0.19% 0.19%

Total Investment Charges (TIC)

2.29% 2.37% 1.88% 1.49%

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).

*Estimated expenses

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 those 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 average South African 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 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 intended maximum limits are Equity 100%, Listed Property 10%, Foreign 30% and Africa (excl. SA) 5%.

FUND MANAGERS:

Chris Wood, Aaidil Omar and Yusuf Mowlana

ASISA CATEGORY:

South African - Equity - General

BENCHMARK:

ASISA South African - Equity - General Category Mean

INCEPTION DATE:

2 August 1999

FUND SIZE:

R3 101 551 576

AWARDS:


FUND COMMENTARY

Global equity markets were broadly positively in November as investors welcomed news of a prospective Covid-19 vaccine. Other factors contributing to investor sentiment included Joe Biden’s US presidential election victory and the increased likelihood of a post-Brexit deal between the UK and the EU. In the US, the S&P 500 index improved following the presidential victory, with the expectation that his administration will help boost economic growth and strengthen international alliances. Traders welcomed comments from Federal Reserve (Fed) Chairman Jerome Powell suggesting that the Fed would inject more money into the economy by expanding both its bond-buying programme and cheap loans to banks. Meanwhile, tensions between the US and China escalated after reports indicated that the Trump administration would add China’s top chipmaker, SMIC, and national offshore oil and gas producer, CNOCO, to the US sanctions blacklist. In the UK, the economy expanded 15.5% q/q in Q3. Sentiment was further supported by hopes of a post-Brexit trade deal, easing coronavirus restrictions, and positive Covid-19 vaccine results. In the Eurozone, there remain positive signs of economic recovery, with the region’s economy growing by 12.6% q/q in Q3. Meanwhile, China and Japan joined several Asia Pacific countries in signing a historical free trade agreement, the Regional Comprehensive Economic Partnership, which is pegged to be one of the biggest free trade deals in history.

In South Africa, the SARB kept the repo rate unchanged in its November meeting, stating that further easing was unlikely in the near term. The economy is expected to shrink by 8% in 2020, before rebounding by 3.5% in 2021 and 2.4% in 2022. Meanwhile, investors welcomed the news that the government had gazetted 50 strategic integrated projects, valued at R340bn. The projects focus on different targets including industrial zones, energy, digital infrastructure, rail, ports, developing infrastructure, transport, telecommunications and agriculture. Meanwhile, on the activism front, a group of hedge fund managers are pushing for more transparency from the country’s directors on how they have managed the national travel insurance policy.

The rand strengthened 5.8% against US dollar, 2.6% against the pound sterling and 3.3% versus the euro. Further into “junk” territory. The FTSE/JSE All Share Index returned 10.5% in November. Industrials delivered 8.0%, listed property (SAPY index) returned 17.5%. Financials 17.1% and Resources 10.9%. Looking at global equity market returns (all in US$), developed markets outperformed emerging markets, with the MSCI World Index returning 12.8% and the MSCI Emerging Markets Index delivering 9.3%. The rand strengthened 5.8% against US dollar, 2.6% against the pound sterling and 3.3% versus the euro.

Among the largest contributors to relative performance for the month was an underweight position in AngloGold Ashanti, and overweight positions in ABSA and Investec Plc. Detracting from relative performance were overweight positions in MultiChoice and Naspers, with the rand strengthening by 5.8%.

GLOSSARY

12-month yield
A measure of how 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 the beginning of the period.

Annualised performance
The average amount of money (total return) earned by an investment 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 prescribed for the SA – Equity – General category as per the ASISA 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 account investment growth and income contributions (if any) reinvested back into the Fund.

Income distribution
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.

Information ratio
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.

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 investment objectives.

Maximum drawdown
The largest drop in the Fund’s cumulative total return from peak to trough over any period.

Monthly volatility
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).

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 based on 20% of the Fund’s outperformance of its benchmark, measured over a rolling 36-month period. The performance fee will be capped at 1.25% for any rolling 12-month period.

Sector holdings
A breakdown of the Fund’s equity holdings, grouped per industry sector. This is indicative of both local and foreign equities.

Sharpe ratio
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 return. 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 ratio is calculated as a percentage of one year’s income distribution, divided by the total assets of the underlying asset. The ratio represents the charges, fees and expenses the fund has to pay to settle securities and to repatriate investment income, capital or the underlying assets of the fund. The management of the fund pays fund expenses (including all the costs of the underlying assets of the fund, such as management fees, fees for the financial adviser and other costs) out of the fund’s income distribution, dividend, capital gain distribution or the underlying assets of the fund. The expense ratio, therefore, indicates the amount of income distribution or dividend that is available to cover the above costs. A higher expense ratio may indicate a higher management fee or lower expenses, therefore a lower expense ratio means a lower cost to the investor.

Unit class
Prudential’s funds are offered in different unit classes to allow different types of investors (and individuals to institutions) to invest in the same fund. Different investment minimums and fees apply to different unit classes.

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 (and individuals to institutions) to invest in the same fund. Different investment minimums and fees apply to different unit classes.

X Class: for tax-free unit trusts.
F Class: for Discretionary Fund Managers.

An electronic copy of this document is available at www.prudential.co.za

INCOME DISTRIBUTIONS
TOTAL DISTRIBUTIONS
12-MONTH YIELD
(A Class) 30 June 2020
19.13cpu
1.98%
16.35cpu
1.36%
(B Class) 30 June 2020
20.93cpu
2.44%
19.31cpu
1.78%

(A Class) 31 December 2019
19.13cpu
1.98%
16.35cpu
1.36%

(B Class) 31 December 2019
20.93cpu
2.44%
19.31cpu
1.78%

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)