

PRUDENTIAL BALANCED FUND

30 JUNE 2017

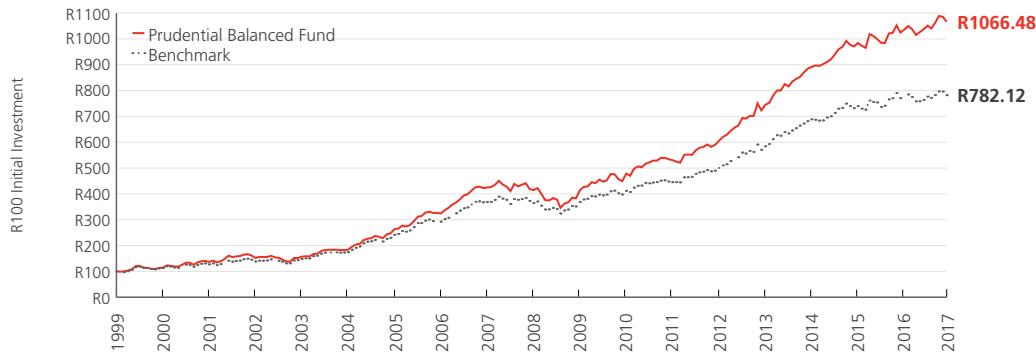


PRUDENTIAL
INVESTMENT MANAGERS

FACT SHEET/MINIMUM DISCLOSURE DOCUMENT

MULTI-ASSET

SINCE INCEPTION CUMULATIVE PERFORMANCE, DISTRIBUTIONS REINVESTED (A CLASS)



ANNUALISED PERFORMANCE	A CLASS	BENCHMARK	T CLASS	X CLASS	B CLASS
1 year	4.1%	1.5%	4.6%	4.3%	4.9%
3 years	6.4%	4.7%	n/a	6.7%	7.2%
5 years	12.6%	9.8%	n/a	n/a	13.4%
7 years	13.1%	10.1%	n/a	n/a	14.1%
10 years	9.7%	7.8%	n/a	n/a	10.7%
Since inception	14.1%	12.2%	5.2%	11.1%	14.5%

* Inception dates: X Class: 2 January 2013, B Class: 1 July 2002, T Class: 2 January 2015

RETURNS SINCE INCEPTION**	A CLASS	DATE
Highest annualised return	44.7%	30 Apr 2006
Lowest annualised return	-21.1%	28 Feb 2009

** 12-month rolling performance figure

RISK MEASURES	A CLASS	BENCHMARK
Monthly volatility (annualised)	10.7%	8.9%
Maximum drawdown over any period	-23.2%	-16.8%
% of positive rolling 12 months	89.2%	91.7%
Information ratio	1.0	n/a
Sortino ratio	-0.1	-0.5
Sharpe ratio	-0.1	-0.4

TOP 10 HOLDINGS*

1. Prudential Worldwide Managed Fund	19.2%
2. Prudential High Interest Fund	10.2%
3. Prudential Worldwide Strategic Managed Fund	7.0%
4. Naspers Ltd	5.1%
5. British American Tobacco Plc	5.0%
6. Prudential Corporate Bond Fund	4.5%
7. Old Mutual Plc	2.6%
8. Sasol Ltd	2.4%
9. Firststrand Ltd	2.4%
10. Standard Bank Group Ltd	2.3%

*As at 30 June 2017 (updated quarterly)

INVESTMENT OPTIONS	A CLASS	T CLASS	X CLASS	B CLASS
Minimum lump sum investment	R10 000	R10 000	R10 000	R100 million
Minimum monthly debit order	R500 pm	R1 000 pm	R500 pm	n/a

INITIAL FEES (excl. VAT)	A CLASS	T CLASS	X CLASS	B CLASS
Prudential	0.00%	0.00%	0.00%	0.00%
Financial adviser (if applicable)	3.00% (max)	2.25% (max)	3.00% (max)	0.00%

ANNUAL MANAGEMENT FEES (excl. VAT)	A CLASS	T CLASS	X CLASS	B CLASS
Prudential**	1.25%	0.80%	1.00%	0.60%
Financial adviser service fee*** (if applicable)	0.50%	0.00%	0.50%	0.00%

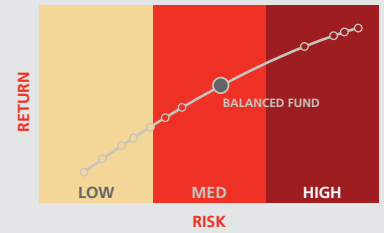
** Additional underlying foreign fund fees are dependent on the fund and are included in the TER

*** Included in Prudential's annual management fee above

EXPENSES (incl. VAT)	A CLASS	T CLASS	X CLASS	B CLASS
Total Expense Ratio (TER)	1.58%	1.03%	1.39%	0.84%
Transaction Costs (TC)	0.15%	0.15%	0.15%	0.15%
Total Investment Charges (TIC)	1.73%	1.18%	1.54%	0.99%

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).

RISK/RETURN PROFILE:



FUND OBJECTIVE:

To achieve steady long-term growth of capital and income by investing in a diversified combination of domestic and international assets, where the asset allocation is tactically managed.

INVESTOR PROFILE:

A suitable fund for retirement provision and for those individuals looking to tilt their portfolio to value with controlled risk exposure. The recommended investment horizon is 5 years or longer.

INVESTMENT MANDATE:

The Fund conforms to the regulations governing retirement fund investments (Regulation 28). Intended maximum limits: Equity 75%, Listed Property 25%, Offshore 25%, and Africa (excl. SA) 5%.

FUND MANAGERS:

David Knee, Michael Moyle, Duncan Schwulst and Johny Lambridis

ASISA CATEGORY:

South African - Multi-Asset - High Equity

BENCHMARK:

ASISA South African - Multi-Asset - High Equity Category Average

INCEPTION DATE:

2 August 1999

FUND SIZE:

R15 888 605 887



INCOME DISTRIBUTIONS	TOTAL DISTRIBUTIONS	12-MONTH YIELD
(A Class) 30 June 2017	8.24 cpu	2.80%
(A Class) 31 December 2016	7.98 cpu	2.73%
(B Class) 30 June 2017	10.55 cpu	3.52%
(B Class) 31 December 2016	10.26 cpu	3.45%
(T Class) 30 June 2017	9.82 cpu	3.30%
(T Class) 31 December 2016	9.54 cpu	3.23%

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)

FUND COMMENTARY

Most local asset classes ended the month in the red, while foreign equities delivered generally positive returns. As in May, South African equity returns were hurt by foreign investor sales, a stronger rand and weakness in precious metal prices, as well as low investor confidence and policy uncertainty.

In equity markets, the MSCI World Index returned 0.4%, underperforming the MSCI Emerging Markets Index at 1.1% (both in US\$). The S&P 500 returned 0.6%, Nasdaq -2.4%, Dow Jones EuroStoxx 50 -1.6% and the UK's FTSE 100 -1.5% (all in US\$). Global bonds were marginally negative in June as the Barclays Global Aggregate Bond Index (US\$) returned -0.1% (or -0.7% in rand terms). Global property as measured by the EPRA/NAREIT Global Property Index returned 0.9% in US\$, or 0.2% in rand terms.

The only positive local investment performances came from cash (the SteFI Composite Index returned 0.6%) and SA listed property with a 0.3% return. The BEASSA All Bond Index delivered -0.9%, and inflation-linked bonds (Composite ILB Index) -0.2%. The FTSE/JSE All Share Index returned -3.5% for the month, hit by weakness across most sectors. Industrial shares (-4.2%) were the worst performers, followed by Resources (-3.1%) and Financials (-2.1%). The rand, meanwhile, gained another 0.6% against the US dollar due to foreign demand and dollar weakness, and also appreciated 0.1% against sterling amid UK election-based jitters. It depreciated 0.7% against the euro in June, however.

The fund returned -1.7% for the month. The fund's overweight in foreign equity proved to be the largest positive contributor to relative performance, while its overweights in SA listed property and SA bonds also added value. The largest detractors were its underweights in SA cash and SA equities.

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 rolling 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.
Cumulative performance graph	This illustrates how an initial investment of R100 or N\$100 (for example) placed into the Fund would change over time, taking ongoing fees into account, with all distributions reinvested.
Fund's monthly asset class returns	The percentage return that each asset class the Fund is invested in, has contributed to the overall return of 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 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 volatile the investment).
Percentage of positive rolling 12 months Regulation 28	The percentage of months, since inception, that the Fund has shown a positive return over a rolling 12-month period.
Sharpe ratio	The South African retirement fund industry is governed by the Pension Funds Act, No 24 of 1956. Regulation 28 of the Pension Funds Act prescribes the maximum limits in asset classes that an approved retirement fund may invest in.
Sortino 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 returns. This is calculated over a 3-year period.
Total Expense Ratio (TER)	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.
Transaction Costs (TC)	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 over a rolling three years (where applicable) and annualised to the most recently 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.
Total Investment Charges (IC)	The percentage of the value of the Fund incurred as costs relating to the buying and selling of the Fund's underlying assets. Transaction costs are a necessary cost in administering the Fund and impacts Fund 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 Fund, investment decisions of the investment manager and the TER.
Unit class	The percentage of the value of the Fund incurred as costs, relating to the investment of the Fund. As fund returns are reported after deducting all fees and expenses, these costs (the TER, TC & IC) should not be deducted from the fund returns.
	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 Feeder Fund. T Class: for investors in tax-free unit trusts. F Class: for Discretionary Fund Managers.

HOW TO INVEST

0860 105 775

prudential.co.za

query@myprudential.co.za

Application forms

Invest now

Application forms and all required documentation must be faxed to **+27 11 263 6143** or e-mailed to **instructions@myprudential.co.za**.

DISCLAIMER

Prudential Portfolio Managers Unit Trusts Ltd (Registration number: 1999/0524/06) is an approved CISA management company (#29). Assets are managed by Prudential Investment Managers (South Africa) (Pty) Ltd, which is an approved discretionary Financial Services Provider (#45199). The Trustee's/Custodian details are: Standard Bank of South Africa limited – Trustees Services & Investor Services, 20th Floor, Main Tower, Standard Bank Centre, Heerengracht, Cape Town.

Collective Investment Schemes (unit trusts) are generally medium-to long-term investments. Past performance is not necessarily a guide to future investment performance. Unit trust prices are calculated on a net asset value basis. This means the price is the total net market value of all assets of the unit trust fund divided by the total number of units of the fund. Any market movements – for example in share prices, bond prices, money market prices or currency fluctuations – relevant to the underlying assets of the fund may cause the value of the underlying assets to go up or down. As a result, the price of your units may go up or down. Unit trusts are traded at the ruling forward price of the day, meaning that transactions are processed during the day before you or the Manager know what the price at the end of the day will be. The price and therefore the number of units involved in the transaction are only known on the following day. The unit trust fund may borrow up to 10% of the fund value, and it may also lend any scrip (proof of ownership of an investment instrument) that it holds to earn additional income. A Prudential unit trust fund may consist of different fund classes that are subject to different fees and charges. Where applicable, the Manager will pay your financial adviser an agreed standard ongoing adviser fee, which is included in the overall costs of the fund. A Collective Investment Schemes (CIS) summary with all fees and maximum initial and ongoing adviser fees is available on our website. One can also obtain additional information on Prudential products on the Prudential website. The Fund may hold foreign securities including foreign CIS funds. As a result, the fund may face material risks. The volatility of the fund may be higher and the liquidity of the underlying securities may be restricted due to relative market sizes and market conditions. The fund's ability to settle securities and to repatriate investment income, capital or the proceeds of sales of securities may be adversely affected for multiple reasons including market conditions, macro-economic and political circumstances. Further, the return on the security may be affected (positively or negatively) by the difference in tax regimes between the domestic and foreign tax jurisdictions. The availability of market information and information on any underlying sub-funds may be delayed. The Manager may, at its discretion, close your chosen unit trust fund to new investors and to additional investments by existing investors to make sure that it is managed in accordance with its mandate. It may also stop your existing debit order investment. The Manager makes no guarantees as to the capital invested in the fund or the returns of the fund. Excessive withdrawals from the fund may place the fund under liquidity pressure and, in certain circumstances; a process of ring fencing withdrawal instructions may be followed. Fund prices are published daily on the Prudential website. These are also available upon request. The performance is calculated for the portfolio. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. Purchase and repurchase requests must be received by the Manager by 13h30 (11h30 for the Money Market Fund) SA time each business day. All online purchase and repurchase transactions must be received by the Manager by 10h30 (for all Funds) SA time each business day.