



1941 - 2021

HELP YOUR CLIENT RETIRE WELL! ALIGN THEIR PROFIT-SHARE ACCOUNT TO THIS GOAL

MAKE THEIR PROFIT-SHARE
WORK FOR THEM

**CHOOSING AN
INVESTMENT PORTFOLIO**

THE PPS PROFIT-SHARE ACCOUNT

THE PPS PROFIT-SHARE
ACCOUNT IS AN EXCLUSIVE
RETIREMENT BENEFIT
AVAILABLE TO PPS MEMBERS

BEING A MEMBER OF PPS

As a company operating on the ethos of mutuality, PPS has no external shareholders and operates solely for the benefit of its members. Therefore, 100% of the profits generated by the company are shared among PPS members* through the PPS Profit-Share Account.

PPS members receive profit allocations to their PPS Profit-Share Account based on the qualifying products they hold with PPS as well as the profitability and investment returns the company earns. They could earn additional profit allocations from Profmed and PPS Short-Term Insurance products, as well as by investing with PPS Investments. Profit-Share allocations are distributed to the PPS Profit-Share Account and invested on members' behalf. Once they reach retirement, their PPS Profit-Share Account will vest, and they can activate and incorporate their PPS Profit-Share Account into their retirement savings plan.

Before reaching retirement - from the age of 55 - PPS offers members the opportunity to align the manner in which their share of the PPS Profit-Share Account is invested, to what their overall retirement plans are. This is done by way of the Portfolio Choice.

*PPS members (as part of a PPS Provider Policy) through the PPS Profit-Share Account



WAYS TO INCREASE A MEMBER'S ANNUAL PROFIT-SHARE ALLOCATION

1.

Take up any of the range of Provider Products such as Life cover, sickness cover, critical illness and disability cover with PPS.

2.

Hold qualifying Provider Products for all their financial needs (risk insurance, short-term insurance, medical aid and investments) with PPS Group.

3.

Choose PPS Investments to grow their investments through our comprehensive investment solutions and funds.

4.

Link their spouse, children, parents and/or parents-in-law investments to their PPS member number to earn additional profits.

5.

Protect their assets through PPS Short-Term Insurance.

6.

Take advantage of the Profit-Share Cross-Holdings Booster and boost profit share allocations by up to 27.5% by taking up more products.

*Percentages will be determined once PPS has declared Profit-Share. These percentages may differ each year and will be declared each year with Profit-Share declarations.



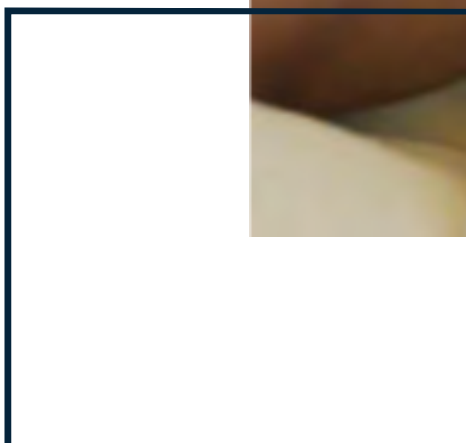
PHASES OF THE PPS PROFIT-SHARE ACCOUNT

There are various phases a member's Profit-Share Account moves through as they age. The first is the accumulation phase, followed by the pre-retirement and finally the retirement phase.

ACCUMULATION PHASE Before age 55

During this phase, members build up a unique retirement benefit that will support them in achieving their retirement goals via the PPS Profit-Share Account. Their annual profit allocations are invested in the Pooled PPS Profit-Share Account Portfolio (High Equity), which targets a return of 5.3% above inflation over rolling five-year periods.

This portfolio aims to achieve maximum levels of capital growth over the long term. The mandate of the portfolio is to hold 50% or more of its assets in equities. The portfolio typically holds around 70% in equities and is therefore emphatically weighted towards capital growth assets.





PRE-RETIREMENT PHASE

Age 55 to retirement

As a member nears retirement, we provide them with an opportunity to incorporate and align their Profit-Share Account to that of their retirement savings plans. They have the option to elect how their Profit-Share Account is invested from a range of portfolio options which are suited to different savings plans.

The member can exercise their Portfolio Choice on their PPS Profit-Share Account annually until they reach retirement.

While equity tends to outperform other asset classes (such as property, bonds and cash) over the long term, it also results in short-term volatility and heightens the risk of losing capital over shorter periods. It is therefore essential that the member's portfolio selection is not based purely on performance history, but also takes their risk profile as well as time horizon until their retirement into account.

THE PORTFOLIO CHOICES

From the age of 55, PPS offers members the opportunity to invest their profits in one of a range of portfolios. The portfolios aim to provide different investment mandates that are suited to a number of retirement savings plans. It is important for a member to consider their retirement savings plans and how their Profit-Share Account can enhance their retirement goals. Portfolio Choice provides the member the opportunity to align how their Profit-Share Account is invested and aligned to that of their retirement savings plan. The member can select one of the following Portfolio Choices:

ENHANCED YIELD PORTFOLIO

This portfolio aims to provide capital preservation for those looking for returns similar to cash with the lowest risk over the short term. The bulk of the portfolio is invested in floating rate securities and the fund is expected to deliver a return in excess of cash over time, by investing in income-generating assets. It is suited to investors who place a larger emphasis on limiting exposure to short-term market fluctuations rather than targeting inflation-beating returns. Members can consider this portfolio if they have an investment horizon of one to three years.



INCOME PORTFOLIO

This portfolio has a strong income bias in excess of a broad fixed income market index. The portfolio can hold no more than 10% in equities. It provides greater exposure to income-generating assets and reduced exposure to capital growth assets. It is suited to investors who place a larger emphasis on limiting exposure to short-term market fluctuations rather than on targeting inflation-beating returns. Members can consider this portfolio if they have an investment horizon of one to three years.

LOW EQUITY PORTFOLIO

This portfolio seeks to provide a total return of 2% above inflation over the medium term. The portfolio can hold no more than 40% in equities. It primarily provides exposure to assets likely to result in stable capital growth as well as exposure to income-generating assets. It is suited to investors who place a relatively larger emphasis on targeting inflation-beating returns rather than on limiting exposure to short-term market fluctuations. Members can consider this portfolio if they have an investment horizon of at least three years.



MEDIUM EQUITY PORTFOLIO

This portfolio seeks to provide a total return of 4% above inflation over the long term. The portfolio can hold no more than 60% of its assets in equities. It provides considerable exposure to capital growth assets and reduced exposure to income-generating assets. It is suited to investors who place a significantly larger emphasis on targeting inflation-beating returns rather than on limiting exposure to short-term market fluctuations. Members can consider this portfolio if they have an expected investment horizon of at least five years.



SOUTH AFRICA DOMESTIC-ONLY EQUITY PORTFOLIO

This portfolio seeks to outperform the South African listed equity market. It can be fully invested in domestic equity, providing maximum exposure to the South African equity market. It is suited to investors who place an emphasis on domestic growth assets and long-term capital growth. Members can consider this portfolio if they have an investment horizon of at least seven years.



WORLDWIDE FLEXIBLE PORTFOLIO

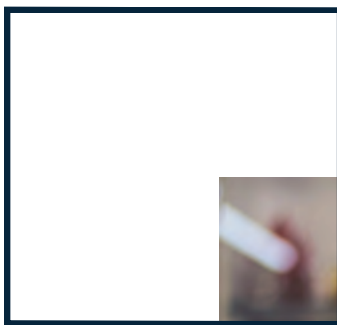
This portfolio seeks to provide a return of 6% above inflation over the long-term. The portfolio can hold approximately 90% in equity, and between 30% and 60% offshore. It provides aggressive exposure to growth assets, combining both local and offshore. It is suited to investors who place an emphasis on offshore diversification and long-term capital growth. Members can consider this portfolio if they have an investment horizon of at least seven years.



Alternatively, members can choose to remain invested in or choose to return to the default Pooled PPS Profit-Share Account Portfolio (High Equity).

POOLED PPS PROFIT-SHARE ACCOUNT (HIGH EQUITY)

This portfolio seeks to provide a return of 5.3% above inflation over the long-term. The portfolio can hold no more than 90% in equity. It provides a high degree of capital growth over the medium to long-term. Members can consider this portfolio if they have a capital growth objective, and they have an expected investment horizon of at least seven years.



RETIREMENT PHASE

From age 60

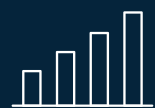
From the age of 60, the profits a member has accumulated through the PPS Profit-Share Account over the course of their PPS membership will be vested in their name via the Vested PPS Profit-Share Account. Once their PPS Profit-Share Account vests, they are able to use their accumulated profits through the Vested PPS Profit-Share Account as part of their retirement planning. In addition, any Profit-Share allocations earned on their investments with PPS Investments will be paid into their Profit-Share Account.

Members will continue to share in profits from their remaining PPS Provider Products, Profmed and Short-Term Insurance until they cancel all their PPS Provider Policies or pass away. Members therefore get the best of both worlds - being covered for any potential risks, while growing their Profit-Share Account.



HOW THE VESTED PPS PROFIT-SHARE ACCOUNT BOOSTS RETIREMENT INCOME

The Vested PPS Profit-Share Account allows members to keep their profit-share assets invested for longer to generate further returns and supplement their retirement savings.



It allows members to reinvest their accumulated Profit-Share to generate more capital growth.



Use it to supplement and prolong their retirement savings by only making withdrawals when necessary, e.g. pay for medical aid contributions or short and long-term insurance needs.



Provides members with an opportunity to continue sharing in PPS profits attributable to PPS Investments.



Withdrawals are net of tax and therefore the tax reporting is not a member's responsibility.



It gives members access to premium unit trusts via PPS Multi-Managers.





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For information, call us on 0860 123 777, Mondays to Fridays between 07:00 and 19:00, or e-mail us at portfoliochoice@pps.co.za.

www.pps.co.za

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The PPS Profit-Share Account and PPS Profit-Share Cross-Holdings Booster are benefits available to PPS members only and are not financial services regulated by the FAIS Act, but are Insurance obligations in terms of the Insurance Act 18 of 2017. PPS Group will not be held liable or responsible for any direct or consequential loss or damage suffered by any party as a result of that party acting on the basis of the information provided in any of these guides.

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