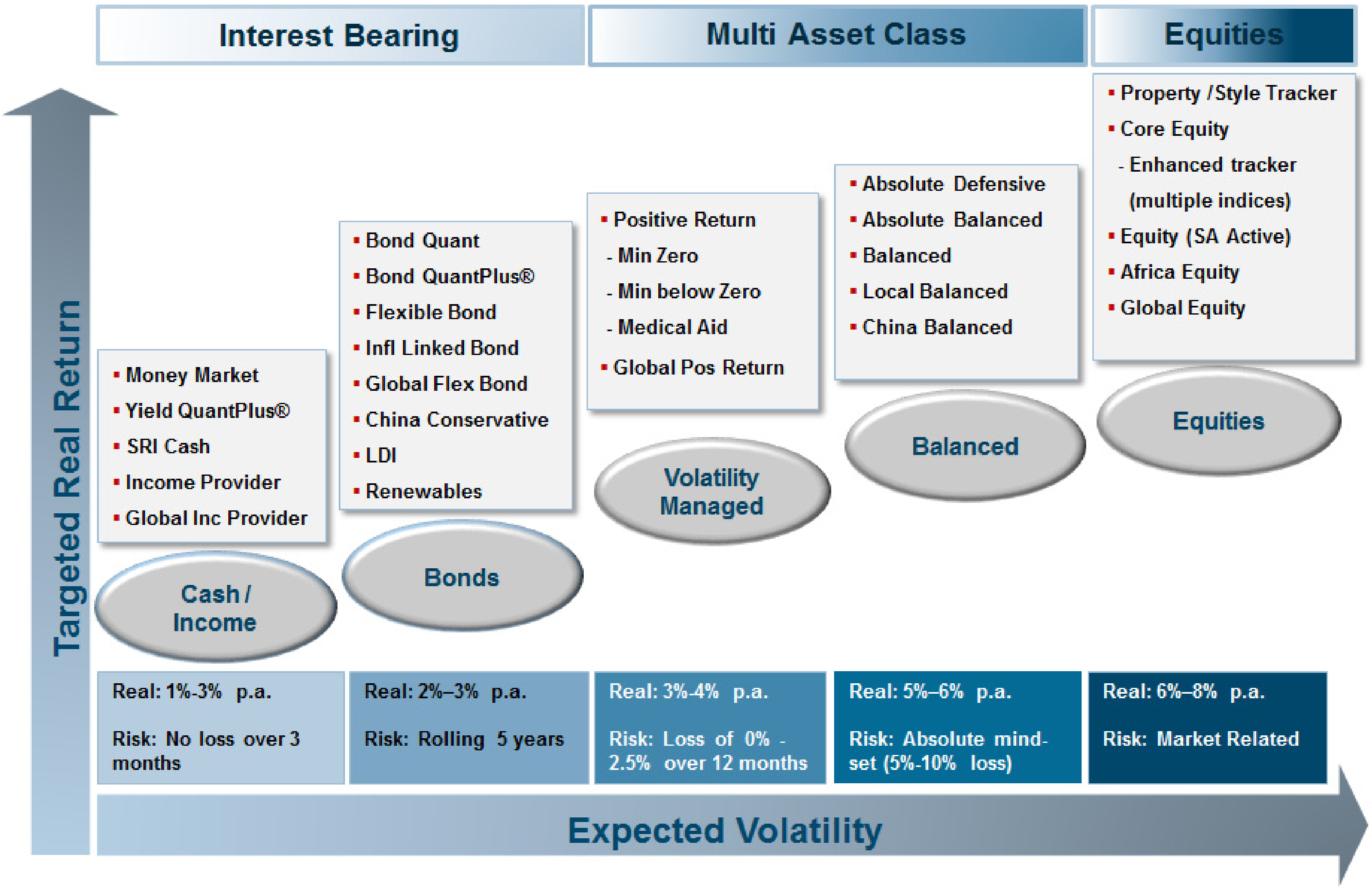
PRESCIENT
INVESTMENT MANAGEMENT

SOLUTIONS RANGE



MONEY MARKET AND ENHANCED YIELD FUNDS

Money Market

The fund aims to achieve returns above the STefI Call Index, while minimising the risk of any underperformance. Importantly, the fund is managed conservatively and it aims to maintain capital stability and liquidity. The fund invests in cash, money market, high-quality capital market (nominal or real) instruments. Returns achieved above the benchmark are used in specialist strategies designed to enhance yield further. The average duration of the fund is limited to 90 days and the maximum single instrument maturity is 13 months. The fund is Regulation 28 compliant.

Yield QuantPlus®

The fund aims to achieve returns above the STefI Call Index, while minimizing the risk of any underperformance. Importantly, the fund is managed conservatively and it aims to maintain capital stability and liquidity. The fund invests in cash, money market, high-quality capital market (nominal or real) instruments including structured notes. The fund can invest in fixed as well as variable rate paper across the full spectrum of South African money market instruments. Fund performance can be generated from taking interest rate views or duration, yield enhancement via credit instruments and also via the use of derivatives. The fund is Regulation 28 compliant. The average duration of the portfolio will not exceed 9 months (or 270 days). The maximum single instrument maturity is limited to 36 months with no weighted average fund legal maturity limits.

SRI Cash

The fund is similar to Yield QuantPlus, however, the credit used to sweeten the yield will have an SRI focus. In addition, the term to maturity may be longer, i.e. 5 years as long as the instrument is swapped back to meet the overall average duration target (270 days). As this is a credit focused portfolio, it may have greater exposure to credit paper when yield pick-up versus risk is attractive. Depending on the nature of the credit included, liquidity in this portfolio may be lower. The SRI universe can be determined by the client.

INCOME FUNDS

Income Provider

The fund aims to generate real income and outperform the South African cash and short-term market through a full interest cycle. In addition, the fund aims to provide capital stability and it can also capture some growth in capital. This fund uses a combination of money market, bonds, property, preference shares, inflation-linked bonds, derivatives and offshore cash and bonds to meet the investment objectives. Fund performance can be generated from taking interest rate views or duration, yield enhancement via credit instruments, asset allocation between income producing asset classes, offshore exposure and also via the use of derivatives. The fund has no duration limitation, but is managed conservatively to improve capital stability over rolling 3 month periods. The fund is Regulation 28 compliant.

Global Income Provider (UCITS Offshore Mutual Fund and Rand Feeder)

The fund aims to generate real return in US dollars and takes advantage of investment opportunities in the international credit and currency markets. The investment universe includes fixed, floating, real and nominal money market and bond market investments, property, derivatives and global currencies. Fund performance can be generated by taking interest rate views or duration, yield enhancement via credit instruments, asset allocation between income producing asset classes, the use of derivatives and currency management. Focus is placed on maintaining the high credit quality of the fund and the benchmark is the US Treasury Bill rate.

BONDS

Bond Quant

The portfolio is managed as an enhanced bond index fund, where the duration deviation relative to the index is limited to 0.5 away from index. The fund invests in high-quality money market and capital market instruments. Out performance is generated by employing low risk yield enhancements strategies and incremental duration positions. The fund can invest in nominal and real instruments, structured notes and derivatives can be employed to mitigate risk in the portfolio. The benchmark for the portfolio is the JSE All Bond Index.

This mandate is appropriate where the client has decided on a specific allocation to the bond sector and wants to get market-linked performance with some possibility of extra performance with low tracking risk.

Bond QuantPlus®

The portfolio is managed actively and a number of techniques are used to generate returns, including duration or interest rate management, yield enhancements via credit exposure and risk management strategies. The fund can invest in nominal and real instruments, structured notes and derivatives. Duration can deviate by up to 2 years from the ALBI. The benchmark for the portfolio is the JSE All Bond Index.

This mandate is appropriate where the client has decided on a specific allocation to the bond sector but is prepared to give the fund manager some discretion to exercise his views on value in the bond market.

Flexible Bonds (Also available as Global Flexible Bond)

The portfolio is managed actively and a number of techniques are used to generate returns, including active switching between bonds and cash, duration management, yield enhancements via credit exposure and risk management strategies, where these strategies are designed to provide downside protection. The fund can invest in nominal and real instruments, structured notes, property, preference shares and derivatives. The fund does not have a duration limitation and is managed with and absolute return mind-set. The client may select the benchmark for the portfolio, generally it is measured against both STeFI Call and the JSE All Bond Index, aiming to be above both over 5 years, or alternatively an inflation plus target is selected.

This mandate is appropriate where the client tasks Prescient to do the asset allocation between the different interest bearing asset classes. The selection of asset classes can be defined by the client. This mandate is also available in a Global version, where the offshore allocation will be managed in a similar manner as describes above.

Inflation Linked Bonds

The portfolio aims to generate returns above the benchmark. The portfolio may invest in government as well as corporate and bank fixed and floating rate assets and inflation linked paper. Credit and derivative instruments may be used to enhance yield. The client can set the duration limitation of the portfolio; generally duration may deviate away from the ILB Index by 3 years. The benchmark for the portfolio comprises 10% STeFI Call and 90% Barclays Global Inflation Linked Bond Index.

This mandate is appropriate where the client has decided on a specific allocation to inflation-linked bonds.

China Conservative Fund (UCITS Offshore Mutual Fund and Rand Feeder)

The Fund utilises Prescient's Qualified Foreign Institutional Investor License (QFII) to invest in China mainland debt instruments, including government, state owned enterprise, bank and corporate debt. The duration of the portfolio is low to reduce capital volatility. The Fund is available in US dollars with no currency hedge (effectively the CNY performance expressed in UD$), a US$ class hedge to US$ and, via the Feeder Fund in rand also hedged back to rand. Due to an inefficient currency forward market, US$ and rand hedge investors are able to lock in the currency premium and earn a competitive rate in dollars or rand.

Liability Driven Investments (LDI)

Many institutions and Funds have liabilities, known and unknown, for which they must make provision. To meet these future obligations, institutions will generally invest their assets; however, they face the risk that the proceeds of their investments might be insufficient to cover their liabilities. Thus, they need to establish a formal manner in which they can manage investments relative to their liabilities. Prescient manages LDI accounts in 3 ways:

Cashflow matching:

This is when liabilities can be determined with reasonable accuracy. The institution can invest in a way which ensures that the cashflows from investments (assets) match those of the liabilities. The cash flows can be closely matched by using a variety of instruments, including nominal, real and credit assets. This method carries very low risk of a mismatch, particularly with an initial lump sum investment. In structuring a matched liability fund, the aim should be to prudently lift the yield or investment rate as much as possible in order to reduce the funding cost. Prescient will optimise and tailor the investments according to each client's liability profile and risk tolerance.

LDI or Liability Matching:

In this method, instead of implementing a near perfect hedge the assets can be tranched with some leeway around the liability benchmark. Besides the bonds used in the example above, swaps can also be used actively.

Active management:

The portfolio can be actively managed where the liability profile is considered, and the interest rate and credit risk actively managed. A mandate can be structured where the manager has a tolerance around the liability duration that must be matched. This will mean that a portion of the liability is hedged and the remainder can be invested to manage the cost of funding lower over time. This may enable the manager to protect capital in periods of rising bond yields. This method may have more mis-match risk, but this can be managed, and should result in lower hedging cost over time. Prescient and the Client can agree on the component of liabilities that must be matched.

Renewable Energy

The Fund is an unlisted debt Fund and aims to generate real returns over time, with the expectation to beat inflation by at least 4.5% (gross of fees) over any rolling 3-year period. The Fund is a vehicle through which investors can obtain access to a diversified pool of generally unattainable clean energy and infrastructure assets which offer returns that are uncorrelated to the South African equity and capital markets.

MULTI-ASSET PORTFOLIOS: Volatility Managed Strategies

Positive Return QuantPlus®

The fund aims to achieve sustainable real returns over time and is benchmarked against inflation. This is achieved by generating consistent positive returns, while safeguarding the portfolio from downside. The fund aims to protect capital over a rolling 12 month basis. The fund invests in money market instruments, capital market instruments and equities with an active asset allocation overlay. The equity component of the fund is always protected to reduce the risk of capital loss. The portfolio is thus structured to optimise returns in positive market cycles and to protect capital in negative periods. The fund is Regulation 28 compliant.

Positive Return Minimum Below Zero

The fund aims to achieve sustainable real returns over time and is benchmarked against inflation. This is achieved by generating consistent positive returns, while safeguarding the portfolio from downside. The fund invests in money market instruments, capital market instruments and equities with an active asset allocation overlay. The equity component of the fund is always protected to reduce the risk of capital loss. Losses are limited in line with the requirements of the client and generally range between minus 2.5% and minus 5%. The portfolio is thus structured to optimise returns in positive market cycles and to minimise capital losses in negative periods. The fund is Regulation 28 compliant.

Positive Return Medical Aid

The fund aims to achieve sustainable real returns over time, while maintaining compliance with the spreading requirements in Annexure B of the Medical Schemes Act. This is achieved by generating consistent positive returns, while safeguarding the portfolio from downside. The fund aims to protect capital over a rolling 12 month basis. The fund invests in cash, capital market instruments and equities with an active asset allocation overlay. The effective equity component of the fund is limited to 40% and equities are always protected to reduce the risk of capital loss. The portfolio is thus structured to optimise returns in positive market cycles and to protect capital in negative periods. The fund is Regulation 29 and 30 compliant.

All Positive Return mandates are also available in a Global version, where the offshore allocation will be managed in our Global Positive Return Fund, which essentially is Positive Return applied in developed markets. Currency management can be discretionary, which may result in a below zero profile or alternatively, currency can be hedged back to rand to avoid rand volatility.

Global Positive Return Fund (UCITS Offshore Mutual Fund and Rand Feeder Fund)

This portfolio is suitable to South African as well as foreign investors.

For a South African investor who invests offshore, often the objective of taking money offshore is for diversification and safety purposes. Investing in risky investments offshore often compounds the risk to the investor, not only do they have the currency risk, but also the risk of losing money. The Global Positive Return Fund alleviates one of the risks in offshore investment, namely the risk of losing money offshore.

For a foreign investor, the Fund gives certainty of positive returns under all market conditions.

The Global Positive Return Fund follows Prescient's local Positive Return Fund philosophy in delivering long term real returns while reducing downside volatility in the portfolio. The Fund invests in money market instruments, capital market instruments and equities with an active asset allocation overlay. The equity component of the Fund is always protected to reduce the risk of capital loss with a target of not losing more than 2.5% in any year. The Fund is available in euro, US dollars, sterling and rand where the currency risk is hedged back to the pricing currency to reduce currency volatility. The Fund aims to outperform G7 inflation over time.

MULTI-ASSET PORTFOLIOS: Balanced Funds

Absolute Defensive

The Prescient Absolute Defensive fund is suitable for clients who require broad based exposure to South African and global markets with conservative equity exposure. The fund is managed to preserve capital and deliver returns that are close to income assets while giving the investor the opportunity to participate in the equity market. On average, the fund allocates 80% to income assets and 20% to local equities. This asset allocation is subject to occasional tactical adjustments in response to short-term risk factors or market mispricing. The fund is Regulation 28 compliant.

Absolute Balanced

The Prescient Absolute Balanced Fund is suitable for clients who require broad based exposure to South African and global markets with active asset allocation. The fund aims to achieve sustainable real returns over time and has an absolute return focus. The fund invests in local and international cash, capital markets and equities. Derivatives are utilised to reduce downside risk when pricing warrant this and is used at the discretion of the manager. The fund is well diversified globally and the asset manager will adjust asset allocation and manage currency exposure actively. The fund is Regulation 28 compliant.

Balanced Fund (CIS Fund)

The Prescient Balanced Fund is suitable for clients who want broad based exposure to South African and global markets with relatively static asset allocation and significant equity exposure. The Fund invests in local and international cash, capital markets and equities. The asset allocation will typically remain near benchmark weights with 70% exposure to local and international equities and listed property. The asset allocation is subject to occasional tactical adjustments in response to short-term risk factors or market mispricing. The Fund complies with Regulation 28.

China Balanced Fund (UCITS Offshore Mutual Fund and Rand Feeder Fund)

The Fund aims to generate capital growth and outperformed Chinese inflation by 3% over the long-term. It invests predominantly in mainland Chinese equities, bonds, money market and derivative instruments with an active asset allocation overlay. The Fund may also hold instruments listed in Hong Kong. Equity selection focusses on value, quality and momentum reversion. The Fund has a flexible mandate and can vary asset class exposure from 0% to 100%.

TRACKER EQUITY

Property Fund (Passive tracker)

The Fund offers efficient and cost effective exposure to listed property as represented by the FTSE/JSE SA Listed Property Index. The fund is a property index fund where returns are enhanced by taking advantage of low risk arbitrage opportunities in the market. Additional benefits are gained from efficient implementation of cash flows, dividend reinvestments, management of corporate actions and index rebalancing. The fund aims to remain fully invested in property shares at all times

Style indices, including Value, Quality, Momentum, Size and Low Volatility are also available for clients following a building block approach.

CORE EQUITY

Top 40 Equity

The fund is an enhanced equity index fund, aiming to outperform the FTSE/JSE Africa Top 40 index. Returns are enhanced by taking advantage of low risk arbitrage opportunities in the market and other low risk quantitative strategies. Additional benefits are gained from efficient implementation of cashflows, dividend reinvestment, management of corporate actions, use of future discounts and index rebalancing. Tracking error to the index is minimised in the process. The fund aims to remain fully invested in equities at all times.

Core Equity

The fund aims to deliver returns in line with the FTSE/JSE Africa Shareholder Weighted Total Return Index (SWIX) at low cost. The Fund follows an investment process which firstly endeavours to replicate the composition of the index closely and secondly seeks enhancement opportunities to secure an optimum overall return. The investment process utilises the use of both derivatives and physical equity to obtain market exposure that is similar to the index. Although the fund is structured similarly to the index, the performance can deviate slightly from the index over time.

This strategy is also available on the ALSI, the capped SWIX, the MSCI All Country, MSCI World and other custom indices.

BENCHMARK UNCONSTRAINED EQUITY

Equity Fund

The fund aims to capture differentiated market risk premia to generate alpha. The equity selection is done purely on a bottom-up basis and risk is actively managed in the portfolio construction process to eliminate undue stock specific risk. The fund uses quantitative techniques (multi-factor model) to build an active equity portfolio. The selection process targets those shares that offer the best economic value company fundamentals and market data. The process maintains some positive index type characteristics, such as low turnover and high liquidity, while generating outperformance versus the benchmark. The benchmark for the fund is the FTSE/JSE Shareholder weighted index.

Africa Equity Fund (UCITS Offshore Mutual Fund and Rand Feeder Fund)

The Fund invests in listed equity markets across Africa, excluding South Africa. It aims to achieve returns above the Nedbank All Africa Top 100 ex South Africa Index by investing in shares that are showing value relative to their trading price. The investment process follows an unbiased, quantitative bottom-up approach which invests in shares with various characteristics that have proven to pay rewards over time. The Fund will favour companies that represent good investment value, superior quality, positive market sentiment and exhibit lower volatility. Political and economic risks are also considered. Blending shares with different characteristics into the Fund helps to deliver a better diversified portfolio which results in improved stability in returns over time. Although the Fund aims to maximise returns over the long-term it is also structured to minimise the risk of underperforming the benchmark.

Global Equity (UCITS Offshore Mutual Fund and Rand Feeder Fund)

The Global Equity Fund aims to gain broad exposure to global developed markets and is usually fully invested in physical and synthetic equities. The Fund is structured to minimise the risk of underperforming the benchmark by investing in a diversity of risk premia and blending those strategies to reduce relative market risk over time. The Fund uses quantitative techniques (multi-factor model) to build an active equity portfolio. The selection process targets those shares that offer the best economic value company fundamentals and market data. The fund is measure against the MSCI World Index.