

# 27four Shari'ah Income Prescient Fund

Minimum Disclosure Document | 30 September 2018



## FUND INFORMATION

<b>Investment Manager</b>	27four Investment Managers (Pty) Ltd, a category II licensed financial services provider, FSP No: 31045
<b>Inception Date</b>	15 March 2017
<b>Fund Classification</b>	South African - Multi Asset - Income
<b>Fund Trustees</b>	Nedbank Investor Services
<b>Management Company</b>	Prescient Management Company (RF) (Pty) Ltd
<b>Benchmark</b>	110% STeFI
<b>Trading Closing Time</b>	14:00
<b>Income Distribution</b>	31 March, 30 June, 30 September, 31 December
<b>Fund Size</b>	R81,542,285.02

## RISK PROFILE

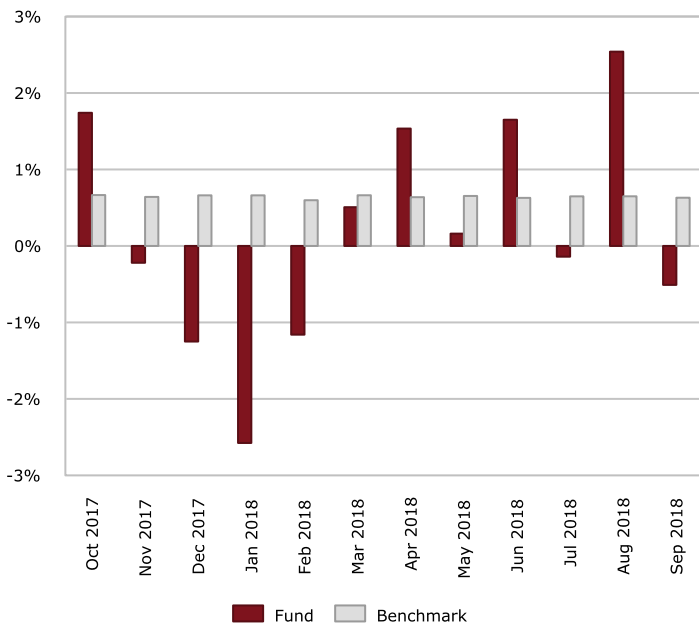


Generally low risk portfolios have minimal equity exposure or no equity exposure, resulting in far less volatility than more aggressively mandated portfolios and in turn the probability of capital loss (permanent/temporary) is less likely. However, expected potential long-term investment returns could be lower over the medium to long-term.

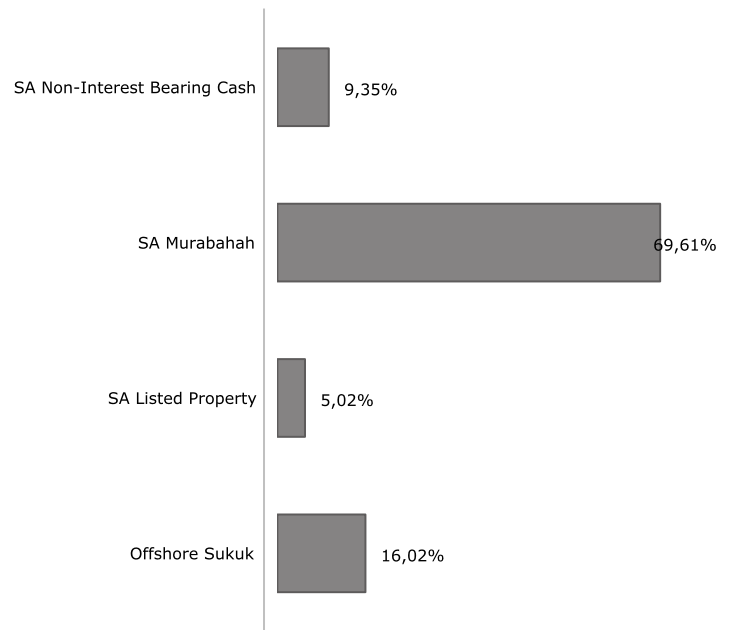
## FUND DESCRIPTION

The 27four Shari'ah Income Prescient Fund is a low risk multi-managed, Shari'ah compliant portfolio focusing on income generating assets. It aims to provide relative capital stability and optimal income returns. In order to achieve its investment objectives, the fund will utilise a combination of funds investing and direct investments in fixed income securities, listed property and other Income generating securities that are Shari'ah compliant in both South Africa and internationally, which have a fixed maturity date and either have a predetermined cash flow profile or are linked to benchmark yields.

## PERFORMANCE SUMMARY



## ASSET ALLOCATION



## PERFORMANCE ANALYSIS

	Fund	Benchmark
1 Month	-0.51%	0.63%
3 Months	1.88%	1.94%
6 Months	5.32%	3.91%
YTD	1.93%	5.92%
1 Year	2.18%	8.02%
3 Years (annualised)	-	-
5 Years (annualised)	-	-
Inception (annualised)	4.33%	8.17%
Inception (cumulative)	6.56%	13.24%
Highest Rolling 1 Year Return	3.57%	8.26%
Lowest Rolling 1 Year Return	1.18%	8.02%

## MATURITY SPREAD

	Percentage
Money Market : Maturity 0-1 Months	2.63%
Money Market : Maturity 1-3 Months	7.78%
Money Market : Maturity 3-6 Months	2.55%
Money Market : Maturity 6-12 Months	8.36%
Money Market : Maturity 12+ Months	48.29%

\* Portfolio performance is calculated on a NAV to NAV basis and does not take any initial fee into account. Income is reinvested on actual payment date. Returns are taken on an Annualised Growth Rate. Source: Morningstar

# PERFORMANCE SUMMARY

	2017	2018
January		-2.58%
February		-1.16%
March		0.51%
April	0.36%	1.53%
May	0.48%	0.16%
June	0.72%	1.65%
July	0.95%	-0.14%
August	0.86%	2.54%
September	0.85%	-0.51%
October	1.74%	
November	-0.22%	
December	-1.25%	
<b>Year</b>	<b>4.55%</b>	<b>1.93%</b>

## RISK ANALYSIS

	Fund	Benchmark
Volatility (annualised)	4.25%	0.08%
% Positive Months	66.67%	100.00%
% Negative Months	33.33%	-
Best Month	2.54%	0.69%
Worst Month	-2.58%	0.60%
Average Negative Months	-0.98%	-
Maximum Drawdown	-5.12%	-
Tracking Error	4.21%	-
Sharpe Ratio*	-0.72	-

\* The Sharpe ratio is used to indicate the excess return the portfolio delivers over the risk free rate per unit of risk adopted by the fund and STeFI is used as risk-free rate.

## SHARI'AH SUPERVISORY BOARD

Mufti Ahmed Suliman (Chairman)  
Mufti Mohammed Ashraf  
Mufti Zaid Haspatel

## DISCLAIMER

Collective Investment Schemes in Securities (CIS) should be considered as medium to long-term investments. The value may go up as well as down and past performance is not necessarily a guide to future performance. CIS's are traded at the ruling price and can engage in scrip lending and borrowing. The collective investment scheme may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. There is no guarantee in respect of capital or returns in a portfolio. A CIS may be closed to new investors in order for it to be managed more efficiently in accordance with its mandate.

CIS prices are calculated on a net asset basis, which is the total value of all the assets in the portfolio including any income accruals and less any permissible deductions (brokerage, STT, VAT, auditor's fees, bank charges, trustee and custodian fees and the annual management fee) from the portfolio divided by the number of participatory interests (units) in issue. Forward pricing is used. The Fund's Total Expense Ratio (TER) reflects the percentage of the average Net Asset Value (NAV) of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. 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 TER's. During the phase in period TER's do not include information gathered over a full year. A schedule of fees, charges and maximum commissions is available on request from the Investment Manager

Where a current yield has been included for Funds that derive its income primarily from interest bearing income, the yield is a weighted average yield of all underlying interest bearing instruments as at the last day of the month. This yield is subject to change as market rates and underlying investments change. The Investment Manager retains full legal responsibility for any third party named portfolio. Where foreign securities are included in a portfolio there may be potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political risks, foreign exchange risks, tax risks, settlement risks; and potential limitations on the availability of market information. The investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees.

Please note that all documents, notifications of deposit, investment, redemption and switch applications must be received by Prescient by or before 13:00 (SA), to be transacted at the net asset value price for that day. Where all required documentation is not received before the stated cut-off time Prescient shall not be obliged to transact at the net asset value price as agreed to. Funds are priced at either 3pm or 5pm depending on the nature of the Fund. Prices are published daily and are available on the Prescient website.

Performance has been calculated using net NAV to NAV numbers with income reinvested. The investment performance is calculated by taking the actual initial fees and all ongoing fees into account for the amount shown and income is reinvested on the reinvestment date. The performance for each period shown reflects the return for investors who have been fully invested for that period. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestments and dividend withholding tax. Full performance calculations are available from the Investment Manager on request.

## INVESTMENT TERMS

### FEES

Initial Fee	0.00%
Annual Management Fee	0.50% excl VAT
Minimum Investment Size	R5000 lump sum or R500 monthly debit order
Income Distribution	31 March, 30 June, 30 September, 31 December

## INCOME DISTRIBUTION

1st working day after declaration

**2018/09/30** : 1.35 cents per unit

**2018/06/30** : 1.30 cents per unit

**2018/03/31** : 1.32 cents per unit

**2017/12/31** : 1.24 cents per unit

Transaction Costs (TC) is 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.

For any additional information such as fund prices, brochures and application forms please go to [www.27four.com](http://www.27four.com).

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## TER BREAKDOWN

Management Fee	0.57%
Performance Fees	0.00%
Other Cost	0.41%
<b>Total Expense Ratio (TER)</b>	<b>0.98%</b>
Transaction Cost (TC)	0.15%
<b>Total Investment Charge (TIC)</b>	<b>1.13%</b>

## GLOSSARY

<b>Annualised Performance:</b>	Annualised performance show longer term performance rescaled to a 1 year period. Annualised performance is the average return per year over the period. Actual annual figures are available to the investor on request.
<b>Best Month:</b>	Largest increase in any single month.
<b>Highest &amp; Lowest Return:</b>	The highest and lowest returns over any 1 year period since the inception date.
<b>Max Drawdown:</b>	The maximum peak to trough loss suffered by the Fund since inception.
<b>NAV:</b>	The net asset value represents the assets of a Fund less its liabilities.
<b>Sharpe Ratio:</b>	The Sharpe ratio is used to indicate the excess return the portfolio delivers over the risk free rate per unit of risk adopted by the fund.
<b>Standard Deviation:</b>	The deviation of the return stream relative to its own average.
<b>Tracking Error:</b>	The volatility of the difference in returns between a Fund and its Benchmark. Also known as active risk.
<b>% Positive Months:</b>	The percentage of months since inception where the Fund has delivered positive return.

## FUND SPECIFIC RISKS

<b>Currency exchange risk:</b>	Changes in the relative values of individual currencies may adversely affect the value of investments and any related income.
<b>Default risk:</b>	The risk that the issuers of fixed income instruments (e.g. bonds) may not be able to meet interest payments nor repay the money they have borrowed. The issuers credit quality is vital. The worse the credit quality, the greater the risk of default and therefore investment loss.
<b>Derivatives risk:</b>	The use of derivatives could increase overall risk by magnifying the effect of both gains and losses in a Fund. As such, large changes in value and potentially large financial losses could result.
<b>Derivative counterparty risk:</b>	A counterparty to a derivative transaction may experience a breakdown in meeting its obligations thereby leading to financial loss.
<b>Developing Market (excluding SA) risk:</b>	Some of the countries invested in may have less developed legal, political, economic and/or other systems. These markets carry a higher risk of financial loss than those in countries generally regarded as being more developed.
<b>Equity investment risk:</b>	Value of equities (e.g. shares) and equity-related investments may vary according to company profits and future prospects as well as more general market factors. In the event of a company default (e.g. bankruptcy), the owners of their equity rank last in terms of any financial payment from that company.
<b>Foreign investment risk:</b>	Foreign securities investments may be subject to risks pertaining to overseas jurisdictions and markets, including (but not limited to) local liquidity, macroeconomic, political, tax, settlement risks and currency fluctuations.
<b>Geographic / Sector risk:</b>	For investments primarily concentrated in specific countries, geographical regions and/or industry sectors, their resulting value may fluctuate more than portfolios that are more broadly invested.
<b>Interest rate risk:</b>	The value of fixed income investments (e.g. bonds) tends to be inversely related to interest and inflation rates. Hence their value decreases when interest rates and/or inflation rises.
<b>Liquidity risk:</b>	If there are insufficient buyers or sellers of particular investments, the result may lead to delays in trading and being able to make settlements, and/or large fluctuations in value. This may lead to larger financial losses than expected.
<b>Property risk:</b>	Investments in real estate securities can carry the same risks as investing directly in real estate itself. Real estate prices move in response to a variety of factors, including local, regional and national economic and political conditions, interest rates and tax considerations.

## CONTACT DETAILS

<b>Management Company:</b>	Prescient Management Company (RF) (Pty) Ltd, Registration number: 2002/022560/07 • Physical address: Prescient House, Westlake Business Park, Otto Close, Westlake, 7945 • Postal address: PO Box 31142, Tokai, 7966 • Telephone number: 0800 111 899 • E-mail address: info@prescient.co.za • Website: www.prescient.co.za
<b>Trustee:</b>	Nedbank Investor Services • Physical address: 2nd Floor, 16 Constantia Boulevard, Constantia Kloof, Roodepoort, 1709 • Telephone number: +27 11 534 6557 • Website: www.nedbank.co.za
<b>Investment Manager:</b>	27four Investment Managers (Pty) Ltd, Registration number: 2007/006556/07 is an authorised Financial Services Provider (FSP 31045) under the Financial Advisory and Intermediary Services Act (No.37 of 2002), to act in the capacity as investment manager. This information is not advice, as defined in the Financial Advisory and Intermediary Services Act (No.37 of 2002). Please be advised that there may be representatives acting under supervision • Physical address: Firestation Rosebank, Fifth Floor, 16 Baker Street, Rosebank, 2196 • Postal address: PO Box 522417, Saxonwold, Johannesburg, 2132 • Telephone number: 011 442 2464 • Website: www.27four.com

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