

LONG BEACH MANAGED PRESCIENT FUND

MINIMUM DISCLOSURE DOCUMENT

INVESTMENT OBJECTIVE

The Long Beach Managed Prescient Fund is an actively managed portfolio which aims to provide real long-term growth in capital. The Fund invests in shares, bonds, cash, ETFs, listed real estate and derivatives, with up to 30% of the portfolio in foreign assets. The Fund may either hold cash and/or make use of derivatives to protect capital in periods of market turbulence. The Fund is managed in accordance with Regulation 28.

RISK INDICATOR



LONG BEACH CAPITAL

30 SEPTEMBER 2018

ABOUT THE FUND

Fund manager:
David Hansford CFA

Fund classification:
South African - Multi Asset - High Equity

Benchmark:
62.5% FTSE/JSE Shareholder Weighted All Share Index Total Return (SWIX) + 12.5% All Bond Index Total Return (ALBI) + 25% Cash (STEF1)

Fund size:
R34,519m

Inception date:
07 March 2013

Minimum investment:
R10 000 lump-sum
R500 per month debit order

Income distribution (31 March 2018):
0.00 cents per unit for the 12 month period to 31 March 2018.

Annual management fee:
1.25% (excl VAT)

Performance fee:
No. Long Beach Capital believes all investment performance should accrue to our clients.

Management and administration:
Prescient Management Company (RF) (Pty) Ltd (The Fund is a white label portfolio operating under the Prescient Unit Trust Scheme).

Domicile:
South Africa

Fee breakdown:

Management fee (Incl VAT)	1.44%
Other costs	0.54%
Total TER	1.98%
Transaction costs	0.48%
Total costs	2.46%

The annualised TER and costs shown above are for the 12 month period to 30 June 2018. This percentage of the Net Asset Value of the portfolio 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 TERs. Since Fund returns are quoted after deduction of the above expenses, the TER and transaction costs should not be deducted from the published returns. Other costs include VAT, audit and custody fees.

Trustee:
Nedbank

Auditor:
KPMG

Long Beach Capital (Pty) Ltd
Prescient House
Westlake Business Park
Otto Close, Westlake
Cape Town 7945
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PERFORMANCE AND RISK (%)			FUND COMMENT
	Fund	Benchmark	
Since inception (07/03/13)	68.45	57.44	The Long Beach Managed Prescient Fund returned
Since inception (annualised)	9.82	8.49	-4.69% for September and the fund's benchmark
2018 year to date (30 September)	4.69	-3.00	returned -2.67%.
Annualised Returns			
Latest 1 year	4.02	3.52	President Ramaphosa announced a stimulus package
Latest 2 years	4.78	5.49	aimed at improving SA's economic growth in
Latest 3 years	9.64	6.60	September, the package largely constituted R50bn
Latest 5 years	10.15	7.93	in reprioritised spending, a proposal for a new R400bn
Annualised Standard Deviation	12.30	6.96	infrastructure fund and previously announced
Maximum Drawdown	-16.57	-10.54	proposals such as the new mining charter and
Highest rolling 1 year return	28.51	25.30	releasing new radio spectrum for mobile
Lowest rolling 1 year return	-9.61	-3.51	telecommunications. Fitch ratings stated, "South
<i>Source: MoneyMate</i>			Africa's latest economic plan is unlikely to deliver a
<i>All performance data is net of fees</i>			significant boost to economic growth."
ASSET ALLOCATION (%)			
EQUITY	72.8		The retail price of petrol and diesel in SA reached
SA EQUITY	42.8		record levels in early October, which is likely to have
Resources	11.8		a further negative impact on the SA economy. US
Financials	6.2		sanctions on Iran are scheduled to take full effect in
Industrials	24.8		early November, and with ongoing trade tensions,
OFFSHORE EQUITY	30.0		international oil prices can be expected to remain at
COMMODITY ETFs	2.0		current levels or possibly move higher. Perhaps the
PROPERTY	24.8		SA government should reconsider the extent of fuel
CASH	0.4		levies, to be consistent with the stated intention to
TOTAL	100.0		increase economic growth.
TOP TEN HOLDINGS (%)			
	% of Fund		
Capital and Counties Properties Plc	10.2		The Long Beach Managed Prescient Fund's
Naspers Ltd - N	9.1		offshore holdings continue to be fully invested in
Paypal Holdings Plc	8.5		global equities. The fund's local holdings are
BHP Billiton Plc	6.9		substantially invested in global companies listed in
Compagnie Financiere Richemont SA	6.8		SA, technology companies with attractive earnings
Alphabet Inc	6.1		growth prospects, and UK listed property. The fund
Intu Properties Plc	5.9		maintains a strong preference for large cap companies
Brait SA	3.4		with sound balance sheets, an attractive business
Ivestec Australia Property Fund	3.3		franchise and globally diversified revenue and
Bid Corporation Ltd	3.2		earnings.

PRESCIENT
MANAGEMENT COMPANY

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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. A schedule of fees, charges and maximum commissions is available on request from the Manager. 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. 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

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 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 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 manager on request.

The portfolios risk classification is Medium to Medium - High, these portfolios generally hold more equity exposure than low risk portfolios but less than high risk portfolios. In turn the expected volatility is higher than low risk portfolios, but less than high risk portfolios. Expected potential long term investment returns could therefore be lower than high risk portfolios due to lower equity exposure, but higher than low risk portfolios.

For any additional information such as fund prices, brochures and application forms please go to www.longbeachcapital.co.za.

DISCLAIMER FOR FUND SPECIFIC RISK

Default risk: 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.

Derivatives risk: 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.

Developing Market (excluding SA) risk: 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.

Foreign Investment risk: 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.

Interest rate risk: 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.

Property risk: 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.

Currency exchange risk: Changes in the relative values of individual currencies may adversely affect the value of investments and any related income.

Geographic / Sector risk: For investments primarily concentrated in specific countries, geographical regions and/or industry sectors, their resulting value may decrease whilst portfolios more broadly invested might grow.

Derivative counterparty risk: A counterparty to a derivative transaction may experience a breakdown in meeting its obligations thereby leading to financial loss.

Liquidity risk: 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.

Equity investment risk: 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.

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GLOSSARY:

Annualised performance: Annualised performance shows longer term performance rescaled to a 1 year period. It is the average return per year over the period. Actual annual figures are available to the investor on request.

Highest & Lowest return: The highest and lowest returns for any 1 year over the period since inception have been shown.

NAV: The net asset value represents the assets of a Fund less its liabilities.

Standard Deviation: The deviation of the return stream relative to its own average.

Maximum Drawdown: The maximum percentage decline over any period.

CONTACT DETAILS:

Management Company:

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.

Trustee:

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. The Management Company and Trustee are registered and approved under the Collective Investment Schemes Control Act (No.45 of 2002). Prescient is a member of the Association for Savings and Investments SA.

Investment Manager:

Long Beach Capital (Pty) Ltd, Registration number: 2004/032569/07 is an authorised Financial Services Provider (FSP 22265) 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:** Prescient House, Westlake Business Park, Otto Close, Westlake 7945 **Postal address:** PO Box 30067, Tokai 7966 **Telephone number:** 021 700 3600 **Website:** www.longbeachcapital.co.za.

Management and administration:

Prescient Management Company (RF) (Pty) Ltd. This portfolio operates as a white label fund under the Prescient Unit Trust Scheme, which is governed by the Collective Investment Schemes Control Act.

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