

# TOWER CAPITAL EQUITY PRESCIENT FUND

(CLASS A1)

MINIMUM DISCLOSURE DOCUMENT  
PUBLISHED ON

30 SEPTEMBER 2018  
12 OCTOBER 2018

**TOWER**  
CAPITAL MANAGEMENT

<b>MONTH</b>	OCTOBER 2018
<b>FUND INCEPTION DATE</b>	FEBRUARY 2014
<b>PORTFOLIO MANAGERS</b>	JAMES FAIRCLIFF RICHARD BÖTTGER
<b>STRATEGY</b>	EQUITY LONG ONLY
<b>SUB-STRATEGIES</b>	FUNDAMENTAL LONG TACTICAL TRADING
<b>MANAGEMENT FEE</b>	1.5% per annum
<b>PERFORMANCE FEE</b>	10% per annum above FTSE/JSE All Share Total Return
<b>TOTAL INVESTMENT CHARGE (TIC)</b>	3.05
Management Fee	1.50
Performance Fees	0.20
Other Costs	0.43
<b>Total Expense Ratio (TER)</b>	2.13
<b>Transaction Costs (TC)</b>	0.92

<b>REGULATION 28</b>	No
<b>MAXIMUM LIMITS</b>	
Equity	100%
Foreign	25%
Africa	5%
Cash	20%
<b>FUND STATUS</b>	OPEN
<b>ASISA CLASSIFICATION</b>	SOUTH AFRICAN EQUITY GENERAL
<b>BENCHMARK</b>	FTSE/JSE ALL SHARE TOTAL RETURN
<b>FUND ADMINISTRATORS</b>	PRESCIENT MANAGEMENT COMPANY (RF) (PTY) LTD
<b>FUND AUDITORS</b>	KPMG
<b>FUND TRUSTEES AND CUSTODIAN</b>	NEDBANK INVESTOR SERVICES
<b>FUND BANKERS</b>	NEDBANK
<b>INCOME DISTRIBUTION ANNUALLY</b>	0.16 cpu
<b>ANNUALLY</b>	1 April 2017
<b>CONTACT</b>	1st Floor, 6A Sandown Valley Crescent Sandton, Johannesburg South Africa Tel : +27 10 822 4934 info@towercapital.co.za www.towercapital.co.za

## RISK PROFILE

Low Medium High

**PRESCIENT**  
MANAGEMENT COMPANY

## OBJECTIVE & STRATEGY

The Fund aims to outperform the JSE All Share index on a risk-adjusted basis. It is a concentrated high conviction portfolio that comprises primarily mid-cap, low beta holdings. The portfolio is constructed using two sub-strategies. Firstly, and predominantly, fundamental long holdings. These are premised on valuation relative to both quality and growth prospects, and are longer term investments in nature. Secondly, opportunistic trading positions employ largely technical indicators and are premised on either momentum or reversion to mean indicators. These positions are shorter term in nature.

## Top Holdings (%)

RICHEMONT	8.4%
ALVIVA	7.7%
BRITISH AMERICAN TOBACCO	7.6%
SAPPI	7.5%
ANGLO AMERICAN	7.0%

## PORTFOLIO INFORMATION

<b>PORTFOLIO SIZE</b>	R 420 000.00
<b>NAV PRICE</b>	105.3
<b>JSE TICKER</b>	TOCEQB3
<b>MINIMUM LUMP SUM</b>	R 10,000
<b>MINIMUM MONTHLY</b>	R 500
<b>VALUATION</b>	Daily
<b>VALUATION TIME</b>	15h00

## RISK & RETURN

<b>ANNUALISED RETURN (since inception)</b>	2.7%
<b>BEST ROLLING 1-YEAR RETURN</b>	23.3%
<b>WORST ROLLING 1-YEAR RETURN</b>	-10.7%
<b>1-MONTH RETURN</b>	-4.2%
<b>3-MONTH RETURN</b>	-2.1%
<b>6-MONTH RETURN</b>	-4.2%
<b>12-MONTH RETURN</b>	-9.4%
<b>YTD RETURN</b>	-7.1%
<b>STD DEVIATION</b>	8.7%

## ASSET ALLOCATION

<b>DOMESTIC EQUITY</b>	82.3%
<b>FOREIGN EQUITY</b>	0.0%
<b>CASH</b>	17.7%

## SECTOR EXPOSURE

<b>RESOURCES</b>	27.3%
<b>INDUSTRIAL</b>	11.7%
<b>FINANCIAL</b>	3.3%
<b>CONSUMER</b>	40.0%

## SUB-STRATEGY EXPOSURE

<b>FUNDAMENTAL LONG</b>	35.3%
<b>TACTICAL TRADING</b>	47.0%

## CONCENTRATION

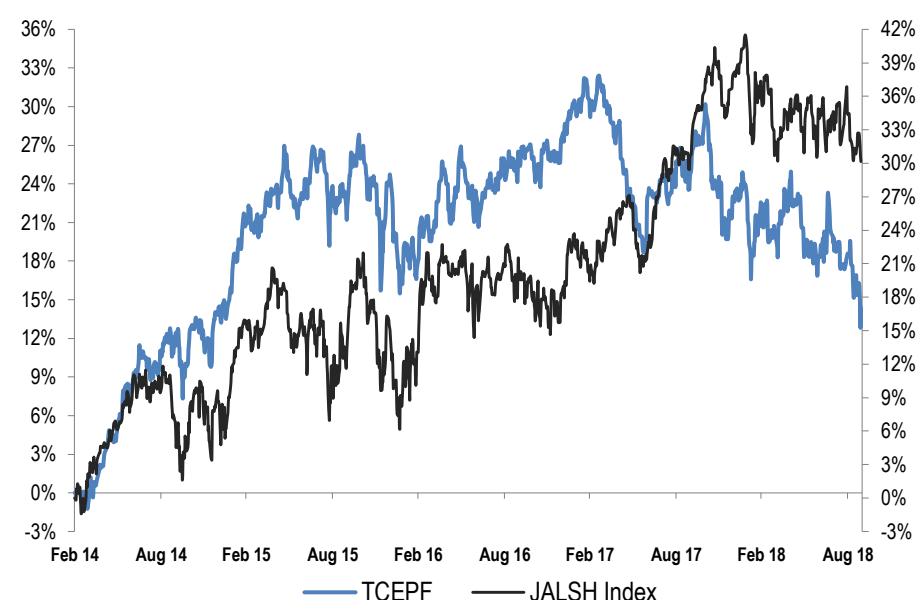
<b>LARGE CAP (Top 40)</b>	39.8%
<b>MID CAP (R5bn to Top 40)</b>	26.9%
<b>SMALL CAP (&lt;R5bn)</b>	15.7%
<b>NUMBER OF POSITIONS</b>	15

## CORRELATION\*

<b>POSITIVE IN JSE DOWN MONTHS</b>	48%
<b>POSITIVE IN JSE UP MONTHS</b>	77%

\*correlation of monthly returns to the JSE All Share Index

## CUMULATIVE RETURN COMPARISON



Returns in the chart above are net, after management and performance fees

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
<b>2018</b>	-2.1%	0.9%	-1.8%	3.9%	-5.6%	-0.2%	1.0%	1.2%	-4.2%				-7.1%
<b>2017</b>	1.7%	0.5%	0.2%	-1.6%	-5.5%	-0.2%	1.7%	1.3%	-1.2%	4.4%	-5.1%	-1.6%	-5.7%
<b>2016</b>	-5.6%	-1.0%	2.2%	3.7%	0.2%	-2.4%	0.7%	1.1%	1.1%	0.4%	1.0%	0.4%	1.5%
<b>2015</b>	2.9%	3.9%	-1.0%	3.2%	0.8%	-1.0%	2.4%	-1.9%	-2.6%	5.4%	-2.7%	0.7%	10.1%
<b>2014</b>		0.3%	-0.2%	2.3%	3.1%	2.7%	2.4%	0.8%	0.3%	1.2%	-0.2%	1.7%	15.3%

Monthly returns (in above table) are calculated by Prescient. These returns are after all fund costs and fees.

## GLOSSARY SUMMARY

<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>HIGHEST &amp; LOWEST RETURN</b>	The highest and lowest returns for any 1 year over the period since inception have been shown.
<b>NAV</b>	The net asset value represents the assets of a Fund less its liabilities.
<b>PERFORMANCE FEE</b>	The Fund charges a base and performance fee. Performance fees are payable on outperformance of the benchmark using a participation rate of 10%. A permanent high watermark is applied, which ensure that performance fees will only be charged on new performance. There is no cap on the performance fee.
<b>RISK PROFILE: LOW/ LOW - MEDIUM</b>	Little to no equity exposure, resulting in less volatile returns than a more aggressively mandated portfolio and in turn the probability of capital loss (permanent/temporary) is less likely. However, expected potential long term investment returns are normally lower over the medium to long term.
<b>RISK PROFILE: MEDIUM/ MEDIUM - HIGH</b>	Portfolios which hold more equity exposure than low risk portfolios but less than high risk portfolios. Expected volatility is higher than low risk portfolios, but less than high risk portfolios. The probability of losses are higher than that of the 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.
<b>RISK PROFILE: HIGH</b>	Portfolios which hold a majority equity exposure over any other risk profiled asset and therefore tend to carry higher volatility. Which in turn leads to higher expected returns and higher potential losses in capital.

## 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
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	
<b>INVESTMENT MANAGER</b>	Tower Capital Management (Pty) Ltd is a licensed Financial Services Provider (FSP license number 43630) 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	1st Floor, 6A Sandown Valley Crescent, Sandton, 2196
Postal address	1st Floor, 6A Sandown Valley Crescent, Sandton, 2196
Telephone number	+27 10 822 4934
Website	www.towercapital.co.za

### DISCLAIMER

Collective Investment Schemes in Securities (CIS) should be considered as medium to long-term investments. Investment performance is for illustrative purposes only. Investment performance is calculated by taking the actual initial fees and all ongoing fees into the account for the amount shown; and income is reinvested on the reinvestment date. 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. 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. 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. 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. For any additional information such as fund prices, brochures and application forms please go to [www.towercapital.co.za](http://www.towercapital.co.za). This document is for information purposes only and does not constitute or form part of any offer to issue or sell or any solicitation of any offer to subscribe for or purchase any particular investments. Opinions expressed in this document may be changed without notice at any time after publication. We therefore disclaim any liability for any loss, liability, damage (whether direct or consequential) or expense of any nature whatsoever which may be suffered as a result of or which may be attributable directly or indirectly to the use of or reliance upon the information. 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.