

PRESCIENT AFRICA EQUITY FUND

MINIMUM DISCLOSURE DOCUMENT

INVESTMENT AND RETURN OBJECTIVE

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.

INVESTMENT PROCESS

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.

WHO SHOULD INVEST

Investors with a long-term investment horizon who are seeking capital growth in Rands and have an appetite for African equity market volatility.

RISK INDICATOR DEFINITION

These portfolios typically hold meaningful equity and/or offshore exposure which may result in significant

RISK INDICATOR



ANNUALISED PERFORMANCE (%): USD			CUMULATIVE PERFORMANCE	
	Fund	Benchmark		
1 year	-15.00	-8.39		
3 years	-7.13	2.27		
Since incep.	-7.13	2.27		
Highest rolling 1 year	33.14	40.47		
Lowest rolling 1 year	-21.38	-8.61		
EQUITY COUNTRY EXPOSURE			ASSET ALLOCATION	
TOP 10 HOLDINGS			RISK AND FUND STATS (USD)	
	% of Fund		Since inception (p.a.)	
Commercial International	7.3		Fund	Benchmark
Safaricom Ltd	6.1		Alpha	-9.40%
Maroc Telecom	5.6		Sharpe Ratio	-0.45 0.09
Guaranty Trust Bank	5.3		Standard Deviation	18.02% 15.25%
Zenith Bank	5.1		Max Drawdown	-22.56% -18.02%
MCB Group Ltd	4.8			
Cosumar	4.4			
Label Vie	4.1			
Attijariwafa Bank	4.0			
LafargeHolcim Maroc SA	3.5			
Total	50.1			

PRESCIENT

GLOBAL FUNDS

31 OCTOBER 2018

ABOUT THE FUND

Fund manager:
Prescient Equity Team

Fund classification:
UCITS

Benchmark:
MSCI EFM Africa ex ZA Net Total Return

Fund Size:
\$1.3 m

No of units:
122

Unit price:
786.90

Inception date:
31 October 2015

Minimum Investment:
\$5 000

Income distribution:
31 March 2018 - 0 cpu

Initial Fee:
0.00%

**The manager has the right to institute an upfront initial fee of 1.00% and exit fee of 1.00% to offset the trading costs incurred in the portfolio. This amount is refunded to the Portfolio. The fee will be applicable on investments and redemption constituting 10% or more of the value of the Fund and also at the discretion of the manager on transaction where the investor buys and again redeems units within a three month period. The redemption notice is 10 business days.*

Annual management fee:
1.00%

Fee breakdown:

Management Fee	1.00%
Performance Fees	0.00%
Other Fees*	2.52%
Total Expense Ratio (TER)	3.52%

*Other fees includes underlying fee (where applicable): Audit Fees, Custody Fees, Trustee Fees and VAT

PRESCIENT AFRICA EQUITY FUND

FUND MONTHLY RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2015											-7.17%	1.15%	-6.11%
2016	-10.23%	3.39%	1.80%	4.37%	1.48%	-8.73%	2.77%	-1.94%	1.39%	3.33%	-19.39%	4.20%	-19.01%
2017	1.32%	3.77%	-3.60%	1.94%	6.13%	1.75%	2.97%	2.58%	1.56%	3.54%	-0.87%	-1.66%	20.80%
2018	5.91%	1.07%	4.36%	0.80%	-7.98%	-2.22%	-2.50%	-2.04%	-5.78%	-4.35%			-12.81%

FUND COMMENTARY

Significant selling in global markets took place last month, which was later dubbed Red October. In what was one of the worst months since the global financial crisis, the MSCI World and MSCI Emerging Market indices shed -7.42% and -8.78% respectively. Robust economic news out of the US initially led to expectations of higher than expected interest rates as sellers then began to outnumber the buyers. Trade war rhetoric thereafter added to selling pressure as did the spat between US President Donald Trump and the Federal Reserve over rising interest rates. The S&P500 index lost a mammoth -6.94% over the month as practitioners hurriedly headed for the door. This created headwinds for other global equity markets, but the EU had their fair share of uncertainty that also created ripples. Moreover, Italy's proposed budget deficit put their new coalition government on a crash course with the EU, who have a lower prespecified deficit as part of their fiscal policy rules. Meanwhile, Brexit uncertainty remains another source of anxiety in the region as a no deal situation will adversely impact them as well as the UK. The CAC40 (-7.28%), DAX (-6.53%) and the FTSE100 (-5.09%) indices each gave back massive amounts. The same pain was felt in Africa, the MSCI EFM Africa ex ZA index was down -4.07% for the month. Egypt was the worst performing market (-9.84%) followed by Morocco (-4.82%). South of the Sahara, the Kenyan market gave back -4.74% whilst Nigeria fared better (-0.47%) ahead of the upcoming presidential elections.

Prescient Africa Equity Fund was down -4.26% for the month (gross of fees), 0.19% behind the benchmark (-4.07%).

Top contributors:

The counters that contributed the most to performance over the month were Zenith Bank (+9.79%), Kenolkobil Group (+14.57%) and Dangote Cement (+2.41%).

Top detractors:

The shares that detracted the most from performance over the month were East African Breweries (-7.10%), Total Maroc SA (-7.73%) and Safaricom (-6.26%).

PRESCIENT AFRICA EQUITY FUND

GLOSSARY

Annualised performance: 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.

Highest & Lowest performance: The highest and lowest performance 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.

Current Yield: Annual income (interest or dividends) divided by the current price of the security.

CPU: Cents Per Unit to the Glossary

Alpha: Denoted the outperformance of the fund over the benchmark.

Sharpe Ratio: 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.

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

Max Drawdown: The maximum peak to trough loss suffered by the Fund since inception.

Fund Specific Risks

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.

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.

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.

PRESCIENT AFRICA EQUITY FUND

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 TERs. During the phase in period TERs 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 cost is 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.

A Feeder Fund is a portfolio that invests in a single portfolio of a collective investment scheme which levies its own charges and which could result in a higher fee structure for the feeder fund.

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, including actual initial and all ongoing fees, with income 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 manager on request.

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

CONTACT DETAILS

Management Company:

Prescient Global Funds PLC, **Registration number:** **Physical address:** 49 Upper Mount Street, Dublin 2, Ireland **Postal address:** 33 Sir John Rogerson's Quay, Dublin 2, Ireland **Telephone number:** 00 353 1 676 6959 **E-mail:** info@prescient.ie **Website:** www.prescient.ie

Trustee:

NORTHERN TRUST FIDUCIARY SERVICES (IRELAND) LIMITED, **Physical address:** Georges Court, 54 - 62 Townsend Street, Dublin 2, Ireland **Telephone number:** +353 1 542 2000 **Website:** www.northerntrust.com

Investment Manager:

Prescient Investment Management (Pty) Ltd, Registration number: 1998/023640/07 is an authorised Financial Services Provider (FSP 612.0) 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:** Block B, Silverwood, Silverwood Lane, Steenberg

Office Park, Tokai, 7945 **Postal address:** PO Box 31142, Tokai 7966 **Telephone number:** +27 21 700 3600 **Website:** www.prescient.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. Issue date 13 November 2018.
