

PRESCIENT EQUITY INCOME FUND

MINIMUM DISCLOSURE DOCUMENT

INVESTMENT AND RETURN OBJECTIVE

The Fund aims to provide an income from dividends that is greater than the FTSE/JSE Africa Shareholder Weighted Index by investing in shares that offer an attractive yield relative to the benchmark. It further aims to outperform the benchmark over the long-term.

INVESTMENT PROCESS

The Fund uses quantitative techniques to build a high income equity portfolio which aims to deliver superior dividend income and performance relative to its benchmark. The selection process targets those shares that offer an attractive dividend yield but screens out high dividend yield shares that is out of favour. A further screen ensures that the portfolio is scalable and maintains high liquidity.

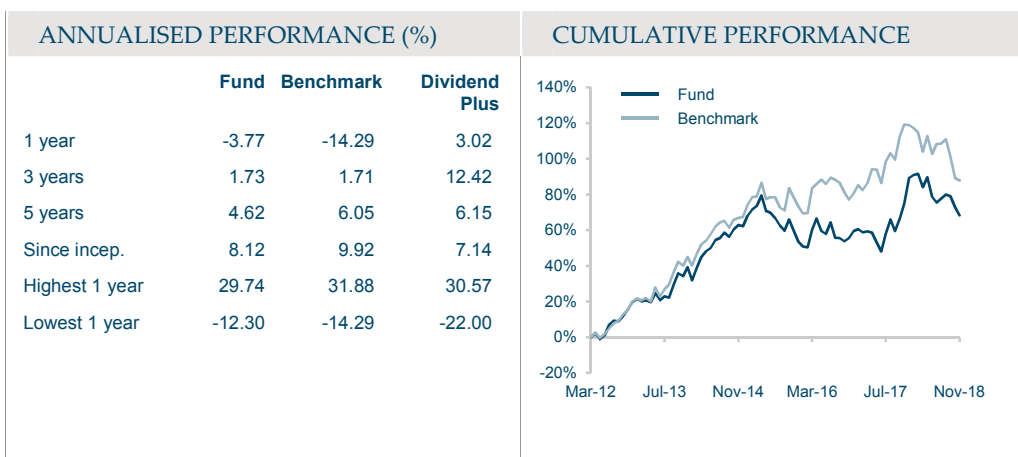
WHO SHOULD INVEST

Investors with a long-term investment horizon seeking broad based exposure to higher dividend yielding stocks in the South African equity market.

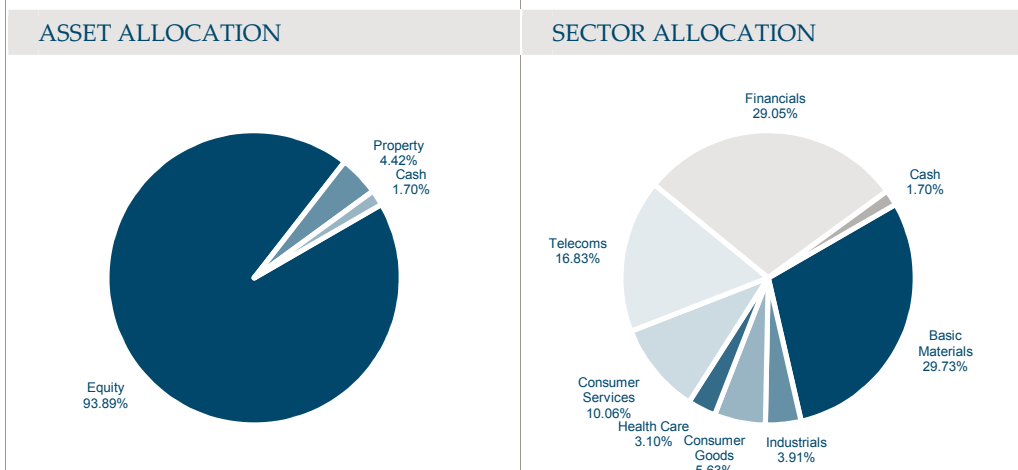
RISK INDICATOR DEFINITION

These portfolios typically hold meaningful equity and/or offshore exposure which may result in significant capital volatility over all periods. Due to their nature expected long term returns are higher than for the other risk categories.

RISK INDICATOR



RISK AND FUND STATS (Since inception)			TOP 10 SHARES	
Since inception (p.a.)	Fund	Benchmark		% of Fund
Alpha	-1.80%	0.37	MTN Group Ltd	6.7
Sharpe Ratio	0.20	0.37	Telkom SA Ltd	5.8
Standard Deviation	11.07%	10.75%	Kumba Iron Ore Ltd	5.0
Max Drawdown	-17.47%	-14.29%	BHP Group Plc	4.7
Dividend Yield	6.17%	3.68%	Firststrand Ltd	4.6
PE Ratio	11.52	14.97	Vodacom Group Limited	4.3
			Anglo American Plc	4.2
			Liberty Holdings Ltd	4.1
			Absa Group Ltd	4.0
			Standard Bank Group Ltd	3.9
			Total	47.4



PRESCIENT

MANAGEMENT COMPANY

30 NOVEMBER 2018

ABOUT THE FUND

Fund manager:
Prescient Equity Team

Fund classification:
South African - Equity - General

Benchmark:
FTSE/JSE Africa Shareholder Weighted TR Index (SWIX)

Fund Size:
R5.9 m

No of units:
318,667

Unit price:
140.38

Inception date:
31 March 2012

Minimum Investment:
R10 000 lump-sum
R1 000 per month

Income distribution:
31 March 2018 - 4.89 cpu

Initial Fee:
0.00%

Annual management fee:
1.15% (incl VAT)

Fee breakdown:	
Management Fee	1.00%
Performance Fees	0.00%
Other Fees*	0.69%
Total Expense Ratio (TER)	1.69%
Transaction Costs (TC)	0.17%
Total Investment Charge (TIC)	1.86%

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

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FUND MONTHLY RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2012				2.09%	-3.10%	2.11%	5.92%	2.08%	-0.29%	2.67%	3.14%	3.60%	19.47%
2013	1.66%	-1.10%	0.50%	-0.81%	4.14%	-3.22%	1.77%	-0.52%	6.20%	4.62%	-1.09%	3.67%	16.51%
2014	-5.21%	5.41%	4.27%	2.21%	1.20%	2.94%	0.72%	1.93%	-1.45%	2.64%	1.60%	-0.48%	16.49%
2015	3.54%	2.13%	1.15%	3.42%	-4.82%	-0.56%	-1.80%	-2.34%	-1.90%	3.96%	-3.72%	-3.91%	-5.27%
2016	-1.77%	-0.33%	6.60%	3.85%	-4.14%	-1.11%	4.19%	-5.28%	-0.07%	-1.15%	1.08%	2.55%	3.82%
2017	0.70%	-1.12%	0.28%	-0.38%	-3.57%	-3.23%	6.71%	5.03%	-3.90%	4.40%	5.09%	8.17%	18.64%
2018	0.85%	0.44%	-3.94%	2.99%	-5.75%	-1.85%	1.30%	1.24%	-0.50%	-3.46%	-2.60%		-11.04%

FUND COMMENTARY

A decent rally in global markets took place as November was nearing a conclusion. Prior to this, markets flip flopped with no clear direction as the US tech sector initially sold off and then recovered strongly when bargain hunting entered markets and the US Federal Reserve hinted that US interest rates were near the neutral rate. The tech heavy Nasdaq index, which was down over -5% at one point, ended 0.34% up in November, whilst the S&P500 index rose by 1.79% over the same period. Brexit negotiations continued to weigh on the UK and the EU. After eventually managing to strike a deal, UK Prime Minister Theresa May now faces a Herculean task of getting the deal through the House of Commons, who are set to vote on the agreement on the 11th of December. European markets hence struggled with the DAX and FTSE100 indices giving back -1.66% and -2.07% respectively. Amidst the geopolitical uncertainty, the MSCI Emerging Market index (+4.06%) outperformed the MSCI World index (+0.96%). On the home front, the South African Reserve Bank hiked interest rates by 0.25%, which caught markets off guard to some degree considering the desperate need for growth domestically. Meanwhile, another cabinet reshuffle took place as tempers flared at the Zondo commission of state capture, which hints at a bumpy ride till next year's national election.

The JSE All Share index decoupled from global markets by losing -3.17% in what was a tough month. The resources sector bore the brunt of this decline as the FTSE/JSE Resource Index lost -11.88% on the back of a -20.75% collapse in price of Brent crude oil. Financials closed the month up +2.59% and was helped by a stronger rand whilst Industrials were down -0.97%.

The Prescient Equity Income Fund returned -2.51%, giving back some of the relative gains from October, compared to the benchmark, which lost -0.61% for the month.

Contributors to Performance:

The positions that contributed most to the performance of the fund were Telkom SA SOC Ltd (+7.86%), Standard Bank Group (+7.26%) and Nedbank Group Ltd (+6.79%).

Detractors from Performance:

The largest detractors from the months' performance were Kumba Iron Ore (-14.34%), BHP Group Plc (-11.19%) and Anglo American (-12.24%).

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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.

Dividend Yield: The weighted average dividend yield of all the underlying equity in the Fund. The dividend yield of each company is the dividends per share divided by the price.

PE Ratio: The weighted average price earnings ratio of all the underlying equity in the Fund. The price earnings ratio of each company is the price divided by the earnings per share.

Fund Specific Risks

% 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.

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.

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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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.

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 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:** 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:

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

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