

Bateleur Global Equity Prescient Feeder Fund

Minimum Disclosure Document



31 December 2018

Investment Objective

The Bateleur Global Equity Prescient Feeder Fund aims to outperform global equity markets over the medium to long term. Its benchmark is the MSCI World Index.

Strategy

The fund is a feeder fund whose sole investment is the Ranmore Global Equity Fund Plc*, managed by Ranmore Fund Management Ltd. The Ranmore Global Equity Fund is an open-ended Irish UCITS with a 8 year track record. The Investment Manager utilises a fundamental, bottom up research process to identify investment opportunities. The fund will typically comprise of fewer than 40 investments at any time, primarily in large and mid-sized companies from a range of industry sectors.

Allocation of offshore funds – Ranmore Global Equity Fund

Regional Allocation	Sector Allocation	Portfolio Spread
North America	56%	Consumer Discretionary 11%
Europe	16%	Consumer Staples 2%
Asia	10%	Financials 23%
Emerging Markets	7%	Energy 12%
Cash & Cash Equivalents	11%	Information Technology 11%
		Industrials 8%
		Other 22%
		Cash & Cash Equivalents 11%
		Asset Allocation
		Equities 89.2%
		Derivatives 0.2%
		Cash 10.6%

Fund Performance Bateleur Global Equity

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2018	1.0%	-1.6%	-2.4%	5.0%	0.1%	7.3%	-1.9%	12.8%	-2.6%	-3.2%	-7.2%	-5.6%	0.1%
2017	0.1%	-0.5%	3.2%	2.6%	0.2%	0.1%	1.9%	-0.6%	7.1%	6.9%	-2.2%	-7.8%	10.4%
2016	-4.0%	0.7%	-2.2%	-3.7%	+11.0%	-8.0%	-1.7%	0.7%	-6.3%	-3.7%	3.1%	-2.4%	-12.1%
2015	-0.3%	3.5%	3.0%	0.5%	2.7%	-3.6%	0.9%	-0.9%	-0.3%	8.1%	4.5%	7.2%	27.8%
2014						-0.4%	0.9%	-0.5%	2.8%	-3.2%	2.8%	2.6%	4.9%

Annualised Returns

Return period	Fund	Benchmark
Since Inception	5.9%	11.2%
1 Year	0.1%	-2.6%
Highest rolling 1 year return (since inception)	27.8%	32.9%
Lowest rolling 1 year return (since inception)	-12.1%	-4.7%

*Previously called the Blue Alpha Global Equity Fund Plc
 **Full name is the Bateleur Global Equity Prescient Feeder Fund
 For performance information on the Ranmore Global Equity Fund, please visit www.ranmorefunds.com

Commentary from the Fund Manager of Ranmore Global Equity Fund Plc

At the beginning of 2018, the prospects for strong equity market returns over the year were good. Market participants were euphoric, buoyed by the positive impact of US tax cuts on corporate earnings, strong manufacturing data and a weaker dollar. Even the most bearish analyst strategist forecast the S&P rising to 2750, some 10% higher than where it finished, and as recently as late August, Bloomberg wrote that some Wall Street Strategists were rushing to raise their S&P 500 forecasts amid an equity rally. As it happened, the US trade war with China, Brexit and the US government shutdown spoil the party in Q4, quite possibly further exacerbated by tax strategy related selling in the US (selling losing positions to offset against the gains taken earlier in the year). But the good news is that these factors won't be permanent in nature – US lawmakers will open the US Government, the US and China will hash out a deal and the UK Parliament won't allow the UK to crash out of the EU without a deal. Furthermore, the recent price action from some stocks and sectors suggests the 'weak hands' may well have been flushed from the market in December. Prices for stocks have fallen, earnings have risen and this combination means valuations are lower and return potential substantially higher – the return potential from our portfolio based on our target prices is 25% and has rarely been higher.

Value investing had another difficult year, but over the long term is a winning strategy. However, it requires patience and rarely offers smooth returns. Some very welcome news after month end was the bid by Bristol Myers for one of our largest positions, Celgene, at a 51% premium to Celgene's closing price. Bristol estimates this deal offers a 40% enhancement to earnings due to synergies and their cost of borrowing being lower than the earnings yield of Celgene. Our Fund has a number of other holdings which we think are also potential acquisition targets given their low valuations (the Fund's weighted average forward multiple is 10x earnings) and market positions. As with 2018, the mood at the start of the year may well be no indication of what transpires. The transient nature of the factors currently affecting the market, low valuations and prospects for M&A make us very positive about the return prospects off this low base in 2019.

About the Fund

Fund Manager:

The Fund invests solely in the Ranmore Global Equity Fund, managed by Ranmore Fund Management Ltd

Launch Date:

June 2014

Sector:

Global Equity General

Benchmark:

MSCI World Index

Minimum Investment:

R20,000

Administrator:

Prescient Management Company (RF) (Pty) Limited

Custodian:

Nedbank Investor Services

Unit Price (Class A1):

130.14c

Fund Size:

R22m

Risk Profile:

High

Fees

Initial Fund Fee:

nil

Initial Adviser Fee:

nil

Annual Management Fee:

Class A1: 0.75% p.a excl. VAT

Total Expense Ratio

TER Incl. VAT: 2.02%

TIC Incl VAT: 2.02%

(Expense and Cost ratios are a function of Ranmore Global Equity Fund and Bateleur Global Feeder Fund fees combined.)

Income Distribution

Distribution:

April 2015 0.00c per unit

April 2016 0.00c per unit

April 2017 0.00c per unit

April 2018 0.00c per unit

Contact

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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

Management Fee	2.02%
Performance Fee	0.00%
Other Fees	0.00%
Total Expense Ratio (TER)	2.02%
Transactions Costs (TC)	0.00%
Total Investment Charge (TIC)	2.02%

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 the Manager 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.bateleurcapital.com

Ranmore Fund Management Limited, is authorised and regulated by the Financial Conduct Authority.

The Ranmore Global Equity Fund is an open-ended Irish UCITS fund, authorised and regulated by the Central Bank of Ireland. The Ranmore Global Equity Fund is approved for marketing in South Africa under s65 of the Collective Investment Schemes Control Act 2002.

Risk Guidance:

Low:

Generally low risk portfolios have minimal equity exposure or equity exposure, resulting in far less volatility than more aggressive mandated portfolio and in turn the probability of capital loss (permanent/temporary) is less likely.

Expected potential long term investment returns could be lower over the medium to long term

Moderate:

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.

The probability of losses are 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.

High:

Generally these portfolios hold more equity exposure than any other risk profiled portfolios. These portfolios therefore tend to carry more volatility.

Expected potential long term returns could be higher than other risk profiles, in turn potential losses of capital could be higher.

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.

Currency exchange risk:

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

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.

Glossary Summary

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 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.

High Water Mark: The highest level of performance achieved over a specified 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:

Bateleur Capital (Pty) Ltd, Registration number: 2003/029676/07 is an authorised Financial Services Provider (FSP 18123) 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.

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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.