

PRESCIENT

MAINTAINING STABILITY IN TIMES OF HEIGHTED UNCERTAINTIES.

An investment is like a boat in the deep sea being swayed away by winds and tides of differing magnitude from different directions. Depending on the sailor's skill, the boat can either get closer to the shore despite the opposing factors or get lost in the deep sea. Occasionally, some tides come so sudden that even the most skilled sailors are not able to anticipate them.

In the investment world, macroeconomic factors can be likened to the 'strong winds and tides' that sway the performance of investments. Political, interest rates, policy, inflation and overall growth are some of the most apparent global risk factors. Furthermore, any change in these factors has an immediate impact on sentiment, which is one of the major driving forces of investment performance. Recently, geopolitical events (China and US trade wars) escalated and business confidence took a knock globally. Though financial conditions have been relatively easy, local shocks remain a ticking bomb that requires more than assurance of turnarounds from officials, but real action towards restoration of the dire economic state. The recent decline in South Africa's GDP growth, coupled with the increase in South Africa's inflation rate and unemployment rate, should not be taken lightly, especially given the fact that opposing policy stances would have to be taken to remedy these challenges.

For a South African investor, any policy that would look to remedy the depressed local growth and alleviate the unemployment problem would put additional pressure on the already heightened inflation rate. Such pressure on the inflation rate would further distort the buying power of investor's money, leaving investors with less money (in real terms) than they had invested.

In the short-to-medium term, we can expect further global shocks, especially given the uncertainty around trade wars and overall growth prospects which might shake the performance of financial markets. However, at Prescient Investment Management, we persistently apply our market leading core skills in stable yield generation, risk management and where need be, portfolio protection, to ensure that we are able to remain stable even in the most volatile 'currents'. For your investment, this means that we focus our resources on ensuring that we can offer stable returns over the long run, leaving you with a peace of mind, knowingly that no matter which direction the wind blows and no matter its strength, there are systems in place which ensure that we can not only swiftly overcome the weakest tides, but can also bravely move through the strongest ones too.

PRESCIENT INVESTMENT MANAGEMENT (PTY) LTD

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Executive Directors: Cheree Dyers (CEO) Herman Steyn Guy Toms
Reg No. 1998/023640/07 FSP No. 612

About Prescient

- Prescient Investment Management (Pty) Ltd (Prescient Investment Management), is an authorised financial services provider (FSP 612).
- For any additional information, including our services, fund prices, fees, brochures, minimum disclosure documents and application forms please go to www.prescient.co.za

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