

# Cogence Fixed Interest Prescient Fund of Funds

## Minimum Disclosure Document & General Investor Report

31 May 2024



### Fund Details

Portfolio manager	Riscura Invest (Pty) Ltd
Investment manager	Cogence (Pty) Ltd
Launch date of portfolio	22 August 2022
Portfolio classification	South African – Multi Asset Income
Benchmark <sup>1</sup>	70% ALBI, 20% SteFi Composite, 10% iGOV
Fund size	R322 589 713
NAV price	98.42c
Number of units	327 741 825
Annual fees (Incl. VAT)	0.40%
Performance fees	None
Total expense ratio (TER)	0.99%
Transaction costs (TC)	0.01%
Total investment charges (TIC)	0.99%
JSE code	COGFFA
ISIN number	ZAE000312302
Transaction cut-off time:	16:00

#### Notes

1. Benchmark data provided by Prescient.

### Fund investment policy

The objective of this portfolio is to provide investors with a high level of income while seeking opportunities to maximize capital gains. This will be achieved by investing in collective investment schemes in accordance with the Act that have a bias to local and international bonds, corporate bonds and other securities that offer a high return of income. The portfolio will be actively managed and the Manager will be permitted to invest in offshore investments as legislation permits.

Risk Profile: Cautious

The fund has adhered to its policy objective.

### Who this investment may be suitable for

The fund is suitable for investors seeking a high level of income and stable capital growth, with a low tolerance for capital loss.

### Historical Performance

Period (annualised)	Fund	Benchmark
1 year	10.56%	11.56%
3 year	-	-
5 year	-	-
Since Inception (Ann.)	6.60%	7.33%
Since Launch (Cum.)	11.83%	13.18%

### Risk Statistics

Statistic	Fund
Volatility (last three years annualised)	6.03%
Maximum drawdown	-3.74%
Highest one-year return	10.56%
Lowest one-year return	4.46%
Sharpe ratio (Rf = 0%)	1.09

Performance is calculated using the Total Returns Index (TRI), net of fees, with all dividend and/or income declarations reinvested on the declaration date at the net asset value price at that time. Investment performance is for illustrative purposes only.

## Fund Holdings

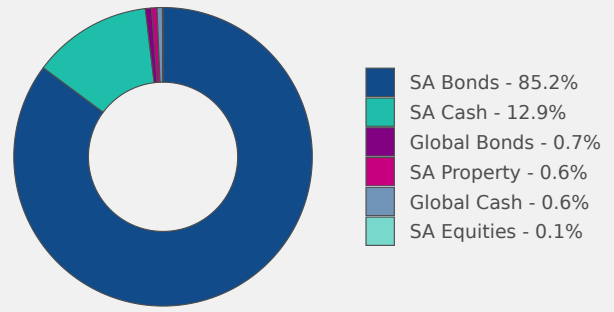
Name	Allocation
Discovery Strategic Bond	29.9%
SATRIX Bond Index	14.6%
10X Yield Selected Bond Index Fund	13.9%
Discovery Diversified Income	10.0%
Nedgroup Investments Money Market Fund	9.9%
Vunani BCI Bond	8.1%
Laurium BCI Strategic Income	8.0%
1NVEST ILB Index Tracker Fund	5.0%
Vunani BCI Bond RETENTION	0.3%
South African Rand	0.2%

May not add up to 100% due to rounding.

## Income Distribution (Last 12 Months)

September 2023	0.11c
October 2023	0.95c
November 2023	0.17c
December 2023	0.11c
January 2024	2.88c
February 2024	0.11c
March 2024	0.07c
April 2024	0.98c
May 2024	0.13c

## Asset allocation chart



## Monthly Market Commentary

After a challenging April for risk assets, May was broadly positive as developed equity gained 4.5% over the month while Global Fixed Income gained 0.9%, both in USD terms. Local assets too were buoyed by the rally in global assets with local equity gaining close to 1% while local bonds closing month with gains of 0.75%. While the local assets underperformed global assets, particularly equities, the performance as more in line with emerging markets, outperforming the EM index by 0.4%. Local equities registered a strong gains for most of the month up c. 3.5%, however gave back most of its gains in the last few days post elections as it became increasingly clear that the outcome of ANC losing majority would be a coalition government. The rally earlier in the month was well supported by second consecutive month of no-load shedding, spurring industrials activity. Retail sales too showed signs of strength over the month. Inflation continued to moderate with April numbers coming in at 5.2% for headline and 4.6% for core inflation. South African Central bank kept its policy rate unchanged, however acknowledged the trend in inflation and updated their estimates to reflect the inflation rate reaching their target by mid of 2025 as opposed to end of 2025. Survey based measures have continued to show weakness with manufacturing PMI remaining in contractionary territory and Q1 GDP print showing a contraction of 0.1%, missing market consensus of increasing by 0.1%. Finally, the Rand closed the month broadly flat vs USD (around R18.8/\$ mark), however witnessed strong rally for the first half on the month, giving back all of the gains in the second half.

## Contact details

### Investment Manager

#### Cogence (Pty) Ltd

Registration number	2009/011658/07
Postal address	PO Box 786722, Sandton, Gauteng, 2196
Physical address	Sandton, Gauteng, 2196
Website	www.cogence.co.za

## General

Collective investment schemes (Unit Trusts) are generally medium to long-term investments. The value of participatory interests (units) or the investment may go down as well as up. Past performance is not necessarily a guide to future performance. Collective investment schemes are traded at ruling prices and can engage in borrowing and scrip lending (i.e. borrowing and lending of assets). The manager does not provide any guarantee, with respect to the capital or the return of a portfolio. Prescient retains full legal responsibility for the third-party-named portfolio. Any forecasts and/or commentary in this document are not guaranteed to occur. Different classes of participatory interests apply to these portfolios and are subject to different fees and charges. A schedule of all fees and charges, inclusive of VAT and maximum commissions, is available on request from us or from your financial adviser. Forward pricing is used.

### CIS Manager

#### 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

Prescient is registered and approved under the Collective Investment Schemes Control Act.

### 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

## Yields

The yield for bond and income portfolios is historic and is calculated quarterly.

## Important information

The collective investment scheme may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. The ability of the portfolio to repurchase is dependent upon the liquidity of the securities and cash of the portfolio. A manager may suspend repurchases for a period, subject to regulatory approval, to await liquidity, and the manager must keep the investors informed about these circumstances.

A fund of funds is a portfolio that invests in portfolios of collective investment schemes that levy their own charges. This could result in a higher fee structure.

Lump-sum performance returns are being quoted. Income distributions, prior to deduction of applicable taxes, are included in the performance calculations. NAV to NAV figures have been used for the performance calculations, as calculated by the manager at the valuation point defined in the deed, over all reporting periods. Investment performance calculations are available for verification upon request by any person. Reinvestment of income is calculated on the actual amount distributed per participatory interest, using the ex-dividend date NAV price of the applicable class of the portfolio, irrespective of the actual reinvestment date. The performance is calculated for the fee class. The individual investor performance may differ, as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax.

The rate of return is calculated on a total return basis, and the following elements may involve a reduction of the investor's capital: interest rates, economic outlook, inflation, deflation, economic and political shocks or changes in economic policy. Annualised returns are period returns re-scaled to a period of one year. This allows investors to compare returns of different assets that they have owned for different lengths of time. All period returns greater than one year have been annualised. Returns for periods less than one year have not been annualised. A cumulative return is the aggregate amount an investment has gained or lost over time, independent of the period of time involved. Actual annual figures are available to the investor on request. Illustrative investment performance is for illustrative purposes only.

## Specific fund risks

- Derivatives
- Exposure to foreign securities
- Drawdown
- Liquidity
- Equities
- Bond

For a detailed description of these risks, and other risks that are relevant to the portfolio, please refer to the CIS and other Risk Disclosure Documents, available at [www.cogence.co.za](http://www.cogence.co.za).

## What is the total investment charge (TIC)

Total expense ratio (TER) is the percentage of the value of the portfolio that was incurred as expenses relating to the administration (charges, levies and fees) of the portfolio. TER is calculated over rolling 3 years (or since inception, where applicable), and is annualised, to the most recent calendar quarter-end. A higher TER does not necessarily imply a good return. The current TER may not necessarily be an accurate indication of future TER's. Transaction costs (TC) is the percentage of the value of the portfolio that was incurred as costs relating to the buying and selling of the assets underlying the portfolio. Transaction Costs are a necessary cost in administering the portfolio and impacts portfolio 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 financial product, the investment decisions of the investment manager, and the TER. Calculations are based on actual data, where possible, and best estimates, where actual data is not available. Total investment charges (TIC) is the percentage of the value of the portfolio that was incurred as costs relating to the investment of the portfolio. It is the sum of the TER and TC.

For additional information on the portfolio, refer to the application forms, quarterly investment report and minimum disclosure documents, available on our website, [www.cogence.co.za](http://www.cogence.co.za), from your financial adviser, or on request from the manager, free of charge.

The complaints policy and procedure, as well as the conflicts of interest management policy, are available on our website [www.cogence.co.za](http://www.cogence.co.za). Associates of the manager may be invested within certain portfolios, and the details thereof are available from the manager. The manager has the right to close certain portfolios to new investors, in order to manage them more efficiently, in accordance with their mandates. This document was published on 18 June 2024.

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.

This portfolio operates as a white label fund under the Prescient Unit Trust Scheme, which is governed by the Collective Investment Schemes Control Act.

Cogence (Pty) Ltd - Registration 2009/011658/07 - is an authorised financial services provider (FSP No 52242).

This document was issued on 18 June 2024.