RisCura Low-Equity Prescient Fund of Funds

Minimum Disclosure Document & General Investor Report

Inception date: 01 December 2020

Effective Date: 31 December 2024

Investment Objective And Policy

The Manager in selecting collective investment schemes for the portfolio will aim to achieve medium to long term capital growth with low volatility and a low correlation to equity markets through all marketcycles. Asset allocation will be managed actively, and the Fund will seek to capture value opportunities by switching between asset classes with a focus on fixed income selection opportunities. In order to achieve this objective, the RisCura Low Equity Prescient Fund of Funds will, apart from assets in liquid form, consist solely of participatory interest in collective schemes or similar schemes in equity, preference shares, fixed interest, money market and property which will be constructed within a conservative risk framework. The portfolio will have a conservative risk profile with a maximum effective equity exposure, including offshore equity, up to 40%. The underlying collective investment schemes are permitted to invest in listed and unlisted financial instruments in line with conditions as determined by legislation from time to time. The portfolio has adhered to its policy objective.

INVESTMENT MANAGER: RISCURA INVEST (PTY) LTD | TRUSTEE AND CUSTODIAN: NEDBANK INVESTOR SERVICES | MANAGEMENT COMPANY: PRESCIENT MANAGEMENT COMPANY (RF) (PTY) LTD

R64m
FUND VALUE

FUND UNIT INFO:
- 129.45 Per unit
- 6 879 630.59 Units per issue
- Income distribution: 0.06
- Valuation time: 17h00
- Distribution: March Annually, beginning of the month

ASISA
SA> Multi-Asset > Low-Equity

RISK PROFILE 3/5
Conservative — Aggressive

REG 28 COMPLIANT

BENCHMARK
Asisa SA > Multi-Asset > Low Equity> Category Average

Annualised Performance (net of fees)

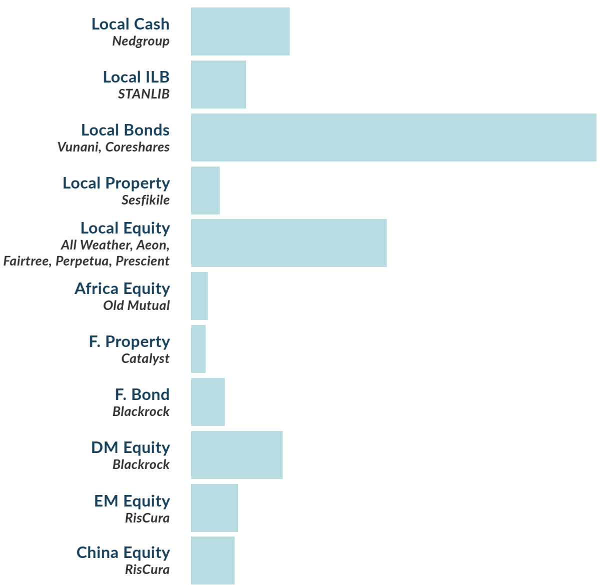
	1M	1 Year	2 Years	Since Inception	Highest rolling 1 Year	Lowest rolling 1 Year
Fund	0.31%	14.87%	11.88%	8.77%	21.31%	-0.53%
Benchmark	0.52%	11.96%	11.43%	9.26%	16.60%	1.33%

YTD= Year to Date M= Month Y= Year

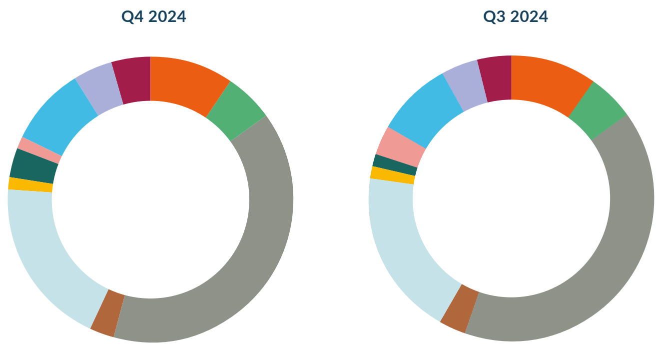
Fee Structure

Fee Class	Class B1	TER	1.11%
Applicable Management fees	0.91%	Transaction Fee	0.06%
Performance Fee	No Fee	TIC	1.17%

Manager Allocation (%)



Asset Allocation (%)



Q4% | Q3%

Local Cash 9.57% | 9.82%	F. Cash 0.15% | 0.07%
Local ILB 5.32% | 5.21%	Local Bonds 39.40% | 40.24%
Local Property 2.74% | 3.02%	Local Equity 19.01% | 19.12%
African Equity 1.56% | 1.28%	F. Bond 3.22% | 3.38%
F. Property 1.41% | 1.30%	DM Equity 8.87% | 8.51%
EM Equity 4.55% | 4.34%	China Equity 4.20% | 3.71%

Portfolio Risk

Annualised Volatility	6.23%	Sharpe Ratio	1.23
Max Drawdown	-5.61%	% Positive Months	64.58%

Positioning and outlook

Donald Trump emerged as the clear winner of the US election in November, winning the popular vote for the first time as well as control of the House and the Senate. His America First protectionism policies are perceived to be inflationary. The Federal Reserve signalled at its final meeting of the year that the pace of future interest rate cuts in the US would be slower than initially anticipated, which the market subsequently priced in accordingly.

US stocks had a strong finish to the year as the "Trump trade" gained momentum stretching already elevated valuations even further. At current valuations, it will be challenging for US companies to meet market-implied growth expectations. Given this scenario, we favour diversifying into cheaper areas and maintained our underweight position during the quarter.

We remain constructive on Global Bonds despite some volatility in yields. With more rate cuts to come, albeit potentially fewer than initially expected, the asset class is offering a unique opportunity to reduce overall portfolio risk and diversify away from DM equity while still offering positive real returns.

We remained neutral on emerging market equity. Valuations remain attractive relative to developed markets. However, in a volatile market linked with heightened geopolitical risk, EM equities are vulnerable to 'flight to safety' moves. The unpredictable nature of a second Trump presidency is adding additional uncertainty to emerging markets.

The Chinese government announced wide-ranging economic reforms aimed at improving economic growth towards the end of September. The market initially received the news in a positive light and rallied aggressively post the announcement. A lack of subsequent stimulus measures and policy clarity has however resulted in the rally losing steam. We are encouraged by the measures taken by the Chinese government. A systematic, targeted stimulus approach in our estimation is the correct approach for the Chinese economy. The Chinese market is still trading at a multi-year low valuation. We maintained our overweight to Chinese equity over the quarter. Very attractive equity valuations linked with the government's willingness and both fiscal and monetary stimulus headroom make for a very attractive investment case. It should, however, be noted that equity corrections are rarely linear, and we expect volatility going forward.

Investor confidence in South Africa improved following the formation of the GNU, leading S&P to upgrade the country's credit outlook to positive, reflecting growing confidence from international investors in the GNU reform agenda. Private-public partnerships have the potential to unlock much-needed investment in critical infrastructure in the short to medium term which should unlock economic growth. We remain favourable on SA equity from a valuation perspective and maintained our overweight to the asset class over the quarter.

Strong interest from international investors and a decrease in the country's risk premium made South African government bonds a favourite position for fixed-income asset managers during 2024. Even after a strong rally, SA nominal bonds continue to offer an attractive investment case, especially as the SARB manages inflation towards the lower end of the target range, which should result in meaningful real returns over the long term.

We remain in favour of nominal bonds over ILBs, as they provide better compensation to investors for duration risk, and we see inflation as being contained for the moment. As a result, we maintained our neutral position in ILBs.

After a strong recovery in 2024, property valuations are not as compelling as before, linked with deteriorating municipal services in large parts of the country. Additional capital expenditure might put some strain on earnings going forward. We remain underweight in the asset class.

The rand remains true to its reputation as one of the most volatile currencies in the world. During the quarter, the rand gave up some of its recent gains driving it into undervalued territory. In certain portfolios, where possible, we implemented tactical positioning around the currency.

Focus on portfolios over the past two years has been on risk reduction by diversification and increasing our risk-protecting assets. We now carefully watch to see what new policies unfold after the '2024 Year of the Election' and seek to take up opportunities accordingly.

Glossary Summary

Annualised performance: Annualised performance shows longer term performance rescaled to a one-year period. Annualised performance is the average return per year over the period. Actual annual figures are available to the investor on request.

NAV: The net asset value represents the assets of a Fund less its liabilities.

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.

Highest & Lowest return: The highest and lowest returns for any 1 year over the period since inception have been shown. The portfolio has adhered to its policy objective and there were no material changes to the composition of the Fund portfolio during the quarter.

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

% Positive Month: The percentage of months since inception where the Fund has delivered positive return.

Annualised Volatility: Returns a statistical measure of the degree to which an individual value in a probability distribution tends to vary from the population mean of the distribution. The annualised standard deviation shows how far away numbers on a list are from their averages and takes that number and multiplies it by the square root of the frequency. This statistic is annualised if the number for periods greater than one year.

CPU: Cents per unit, reflects the consideration in cents paid for a unit of participation in the Fund.

***Aggressive/ High Risk:** Generally, these portfolios hold more equity exposure than any other risk profiled portfolio therefore tend to carry higher volatility. Expected potential long-term returns could be higher than other risk profiles, in turn potential losses of capital could be higher.

***Moderate/ Medium Risk:** 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 is 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.

Contact Details

Investment Manager:
RisCura Invest (Pty) Ltd.
Registration number: 2009/015999/07 is an authorised Financial Services Provider (FSP40909) 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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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.

Issue Date: 28 January 2025

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 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.

A Fund of Funds is a portfolio that invests in portfolios of collective investment schemes, which levy their own charges, which could result in a higher fee structure for these portfolios.

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 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.

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

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

Disclaimer for Fund specific risk

1. **Default risk:** The risk that the issuers of fixed income instruments (e.g. bonds) may not be able to meet interest payments nor repay the money they have borrowed. The issuers credit quality it vital. The worse the credit quality, the greater the risk of default and therefore investment loss.
2. **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.
3. **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.
4. **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.
5. **Interest rate risk:** The value of fixed income investments (e.g. bonds) tends to be inversely related to interest and inflation rates. Hence their value decreases when interest rates and/or inflation rises.
6. **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.
7. **Currency exchange risk:** Changes in the relative values of individual currencies may adversely affect the value of investments and any related income.
8. **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.
9. **Derivative counterparty risk:** A counterparty to a derivative transaction may experience a breakdown in meeting its obligations thereby leading to financial loss.
10. **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.
11. **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.