



FUND OBJECTIVE & STRATEGY

The Fund aims to generate income in excess of money market rates combined with modest capital growth by investing in a range of fixed income assets including cash, NCD's, preference shares, government and corporate bonds and inflation-linked bonds. The Fund may hold listed property and equity, with weightings limited to the sector classification limits. The Fund aims to generate a gross return of CPI plus 1% - 2% over a rolling 12 to 24 month period whilst having a high degree of capital stability. The average duration of the funds investments will typically be in the range of 2-4 years.

FUND INFORMATION

Portfolio Managers:	Andrew Vintcent & Grant Morris
Inception Date:	15 February 2022
Fund Size:	R138.3 million
Unit Price:	98.83 cents
ASISA Category:	South African Multi-Asset Income
Benchmark:	Market value-weighted average return of ASISA category R20 000
Min Lump Sum:	R20 000
Min Monthly Investment:	R1 000
Issue Date:	07 June 2024
ISIN:	ZAE000307880

WHO SHOULD INVEST

The Fund is an ideal wealth creation vehicle for investors with a medium to long-term investment horizon.

RISK INDICATOR

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.



PERFORMANCE (NET OF FEES) AT 31 MAY 2024

	1 Month	3 Months	6 Months	12 Months	Annualised Since Inception
Fund <sup>1</sup>	0.7%	1.0%	3.4%	11.5%	6.8%
Fund Class B1 <sup>2</sup>	0.7%	1.0%	3.4%	11.4%	6.7%
Benchmark	1.3%	1.6%	3.7%	10.0%	7.6%

RISK & FUND STATS (ANNUALISED SINCE INCEPTION)

Max Drawdown <sup>3</sup>	-2.3%
Max Gain <sup>4</sup>	2.9%
% Positive Months	71.4%

ROLLING ANNUAL RETURNS

	Highest	Average	Lowest
Fund Class B1 <sup>2</sup>	11.4%	7.5%	3.3%

<sup>1</sup> Fund performance is the net weighted average fee return for the fund.  
<sup>2</sup> Highest fee class.  
<sup>3</sup> The maximum peak to trough loss suffered by the Fund since inception.  
<sup>4</sup> Largest increase in any single month.

TOP 10 HOLDINGS

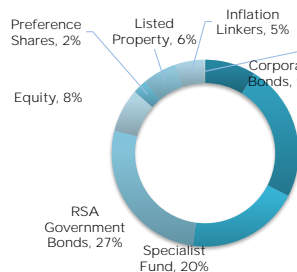
Corion Prime Income Fund	R209 Govt Bond
Nedbank NCD's	I2025 Govt Bond
FirstRand NCD's	FirstRand FRB32 Bond
R213 Govt Bond	BTI
R2032 Govt Bond	Standard Bank Preference Shares

The Top 10 holdings make up 79% of the total fund.

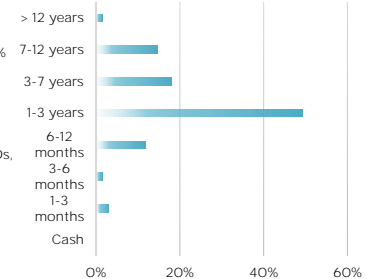
YIELD AND DURATION

	Fund
Gross Yield as of 31 May 2024	9.22%
Fund Duration	2.42

ASSET ALLOCATION



MATURITY PROFILE



DISTRIBUTIONS

Distribution Frequency	Quarterly
Distribution Date	02 April
Last Distribution	1.79 cents per unit

FEE STRUCTURE

	Class A1	Class B1
TER		
Annual Management Fee (excl. VAT)	0.65%	0.50%
Other Cost	0.16%	0.15%
VAT	0.09%	0.07%
Total Expense Ratio (incl. VAT)	0.90%	0.72%
Transaction Costs (incl. VAT)	0.02%	0.02%
Total Investment Charge (incl. VAT)	0.92%	0.74%

QUARTERLY COMMENTARY | MARCH 2024

The fund had a marginally positive period, ending +0.4% up for the quarter to March 2024. Over the last 12 months the fund has returned +7.7% which is largely in line with the benchmark of +8.0%

The ALBI had a difficult month and quarter, ending -1.9% for March and -1.8% for the quarter. Returns within the ALBI were better shielded in the shorter duration end of the curve, whereas longer duration instruments (>7 years) were down by more than 2.4% over the quarter. Shorter duration inflation linked bonds, enjoyed a modest but positive quarter. South African yields have largely followed global bond yields higher; the World Govt Bond Index has delivered a negative -2.4% (USD) return for the quarter. The US 10-year yield started the year at 3.95% and ended March at 4.32%.

We still hold the view that there are more disinflationary trends than inflationary concerns within both a global and domestic context, however central banks remain very cautious with regards to moving prematurely to cut interest rates. The Federal Reserve is nevertheless expected to reduce rates into the second half of the year, though these expectations are increasingly being pushed further out. In South Africa, we remain optimistic that inflation trends will continue to subside and that we will see lower interest rates into the second half of the year.

During the quarter we made a limited number of changes to the fund. We have re-introduced a position in the R186 Bond at a yield of over 9%, funded through selling NCD's. Within the property and equity component, we have added to property by introducing Redefine and we sold our entire position in Momentum to initiate a position in ABSA. We slightly reduced our position in the Standard Bank preference share to accommodate the combination of the property and equity changes. Our view is that the current asset allocation is well positioned to meet the funds' stated objective of generating real returns of CPI plus 1%-2%. The duration of the fund is marginally lower than the prior quarter at 2.41 years with a gross running yield of 9.2%.



## 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.

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. The investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees. A list of fund specific risks is provided below. 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.

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.

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

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.

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.

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.

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.

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

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.

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 is vital. The worse the credit quality, the greater the risk of default and therefore investment loss.

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.

For any additional information such as fund prices, brochures and application forms please go to [www.cgam.co.za](http://www.cgam.co.za)

## 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 Returns:

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.

### % Positive Months:

The percentage of months since inception where the Fund has delivered positive return.

### Net Performance

Unit trust performance is net (after) management fees have been deducted.

## 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](mailto:info@prescient.co.za) Website: [www.prescient.co.za](http://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](http://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:

ClucasGray (Pty) Ltd, Registration number: 2005/012445/07 is an authorised Financial Services Provider FSP21117 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: Dunkeld Place, 12 North Road, Dunkeld West, 2196 Postal address: PO Box 413037, Craighall, 2024 Telephone number: +27 11 771 1960 Website: [www.cgam.co.za](http://www.cgam.co.za)

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