

UMTHOMBO WEALTH INSTITUTIONAL ACTIVE BOND PRESCIENT FUND



ABOUT THE FUND

The Fund is actively managed on a discretionary basis to provide stable long-term growth with moderate level of risk. The Fund shall be within 2 years of the modified duration of the BEASSA Total Return Index.

INVESTMENT STRATEGY

The Fund aims to deliver a return in excess of the benchmark over the long term, which comprises a reasonable level of income, as well as capital performance relative to the benchmark. The portfolio will invest in interest bearing and non-equity securities (including, but not limited to, government or quasi-government bonds, corporate bonds, cash deposits, money market and other interest-bearing securities), as well as listed and unlisted financial instruments in line with appropriate regulations. The investments are actively managed and will change over time to reflect a macro fundamental outlook including the interest rate cycle, business cycle, default cycle, as well as other cyclical and credit factors.

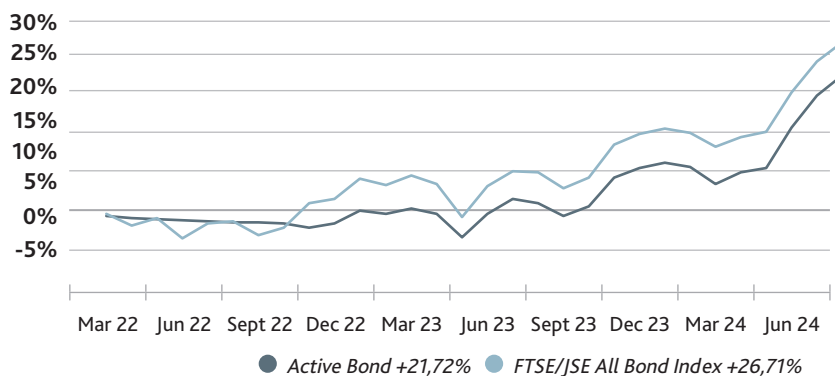
The portfolio has adhered to its investment objective and there were no material changes to the composition of the portfolio during the reporting period.

GENERAL FUND INFORMATION

Benchmark	FTSE/JSE All Bond Index (ALBI)
ASISA Sector	SA - Interest Bearing - Variable Term
Fund Size (NAV)	R 209 092 453,46
Launch Date	28 February 2022
Base Currency	ZAR
Number of Units	195599265,06
Unit Price	106,89
Risk Rating	Moderate
	This portfolio is focuses on capital preservation whilst providing medium exposure to long-term assets, with the goal of achieving a combination of stable income and capital growth. This portfolio can invest across the duration spectrum from money market to long bonds, which can result in capital volatility over the shorter term and deviation from the benchmark. This portfolio typically aims to generate returns above-inflation growth over a 3 to 5-year period.
Regulation 28	Compliant
Income Distribution	31 March, 30 September
Minimum investment	Monthly R1 000 Lump Sum R10 000
Portfolio Managers	Warden Mokoka, Molefe Leballo

TOTAL PERFORMANCE (%) (NET OF FEES) - SINCE INCEPTION

	Portfolio	Benchmark
1 Month	2,56%	2,38%
3 Months	13,14%	12,00%
YTD	13,12%	12,34%
1 Year	19,09%	18,60%
Since Inception: Ann. Return	8,15%	9,91%
Highest rolling 1 year	19,09%	18,60%
Lowest rolling 1 year	-2,73%	0,32%



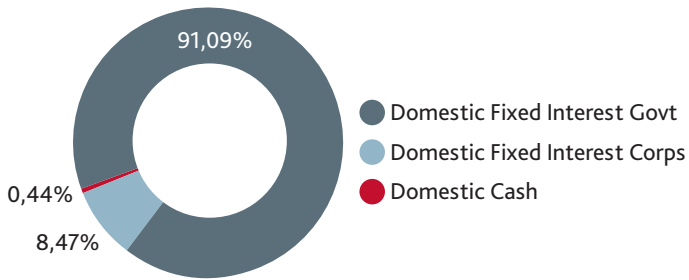
RISK MEASURES - SINCE INCEPTION

	Standard Deviation	Sharpe Ratio	Information ratio	Positive Months
Portfolio	0.07	-0,25	-0,38	15

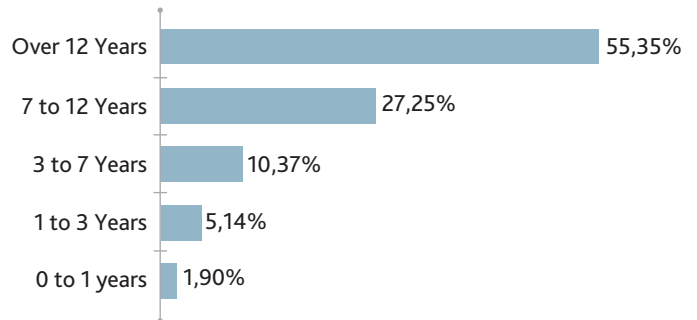
NB: The fund was actively managed as at 30 November 2022



ASSET ALLOCATION (%)



MATURITY PROFILE (%)



TOP 5 ISSUER EXPOSURE



FUND CHARGES AND RATIOS

Initial management fee	0.00%
Initial advisory fee	0.00%
Annual management fee	0,48%
Annual advisory fee	0.00%
Performance fee	0.00%

Cost ratios (incl. VAT) as at 30 June 2024

TER (%)	TC (%)	TIC (%)
0.54	0.00	0.54

TER (%): Total Expense Ratio, TC (%): Transactions Costs Ratio

TIC (%): Total Investment Charges (TER (%) + TC (%))

INCOME DISTRIBUTION (CPU)

Amount declared (cents per unit)	31 Mar 24	30 Sept 23
Dividend	0.03	0,07
Interest	5,32	4,89
Total	5,35	4,96

FUND COMMENTARY

The Umthombo Wealth Institutional Active Bond Prescient Fund outperformed the ALBI (benchmark) as the South Africa sovereign yield curve continued to bull flatten and break-evens narrowed. The local currency and SAGBs, alongside their peers, continue to benefit from more supportive global sentiment and developments. Both asset classes slightly outperformed peers recently with expectations for further outperformance. The focus in the U.S. markets have now shifted not to when the rates will be cut, but by how many rate cuts there will be in this cutting cycle (starting at the meeting on 18 September). In our views, markets are a bit too optimistic, pricing in a more than 100 bps worth of easing by the end of this year. Several Fed officials have since indicated that a gradual cutting cycle by the Fed is still seen as the most appropriate approach .

We maintain a long duration positioning as we remain constructive about the medium-term outlook for SA government bonds. Further gains in the rand and bonds require not only traction with growth reforms but also a supportive global backdrop.



GLOSSARY

- **Annualised performance:** Annualised performance shows 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.
- **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.
- **Max Gain:** Largest increase in any single month
- **% Positive Month:** The percentage of months since inception where the Fund has delivered positive return.
- **Average Duration:** The weighted average duration of all the underlying interest bearing instruments in the Fund.
- **Average Credit quality:** The weighted average credit quality of all the underlying interest bearing instruments in the Fund (internally calculated).

FUND SPECIFIC RISKS

- **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.
- **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.
- **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.
- **Derivative counterparty risk:** A counterparty to a derivative transaction may experience a breakdown in meeting its obligations thereby leading to financial loss.
- **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.

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. 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.

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



CONTACT DETAILS

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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 South Africa.

Investment Manager:

Umthombo Wealth (Pty) Ltd, Registration number: 2013/058341/07 is an authorised Financial Services Provider (FSP44802) 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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This portfolio operates as a white label fund under the Prescient Unit Trust Scheme, which is governed by the Collective Investment Schemes Control Act.

Published on 25 September 2024