

PRESCIENT CORE ALL SHARE EQUITY FUND (A2)

MINIMUM DISCLOSURE DOCUMENT & GENERAL INVESTOR REPORT

INVESTMENT AND RETURN OBJECTIVE

The Fund aims to deliver returns close to the FTSE/JSE Africa All Share Total Return Index at low cost. Although the Fund is structured similarly to the All Share, it can out / underperform the All Share by small amounts over time.

INVESTMENT PROCESS

The Fund follows an investment policy which firstly endeavours to follow the composition of the FTSE/JSE Africa All Share Total Return Index closely and secondly seeks enhancement opportunities to secure for investors an optimum overall return. In addition to investing in physical assets, the Fund can use derivatives to create exposure to the FTSE/JSE Africa All Share Total Return Index or subsets thereof in a low cost and efficient manner.

WHO SHOULD INVEST

Investors who are seeking long term capital growth through exposure to the South Africa equity market by investing in a fund with a low tracking error relative to the FTSE/JSE Africa All Share Total Return Index and who are cost conscious.

RISK INDICATOR DEFINITION

These portfolios typically hold meaningful equity and/or offshore exposure which may result in significant capital volatility over all periods. Due to their nature expected long term returns are higher than for the other risk categories.

RISK INDICATOR



ANNUALISED PERFORMANCE (%)			CUMULATIVE PERFORMANCE	
	Fund	Benchmark		
1 year	27.62	23.93		
3 years	15.31	14.73		
Since incep.	13.58	13.34		
Highest rolling 1 year	52.46	53.98		
Lowest rolling 1 year	-3.66	-2.86		

RISK AND FUND STATS (Since inception)			TOP 10 SHARES	
Since inception (p.a.)	Fund	Benchmark		% of Fund
Alpha	0.24%		Naspers Ltd - N Shares	10.9
Sharpe Ratio	0.45	0.45	Firststrand Limited	6.5
Standard Deviation	17.67%	17.05%	Standard Bank Group	5.0
Max Drawdown	-20.84%	-21.38%	Capitec Bank Hldgs Ltd	4.0
Dividend Yield	3.63%	3.69%	Prosus	3.7
PE Ratio	24.00	23.75	Gold Fields Ltd	3.7
			Anglo American	3.3
			MTN Group	2.6
			British American Tobacco Plc	2.5
			Compagnie Financiere Richemont AG	2.4
			Total	44.6

ASSET ALLOCATION		SECTOR ALLOCATION (%)			
		Fund	Benchmark	Relative	
		Basic Materials	19.3	19.3	0.0
		Consumer Discretionary	7.8	7.9	-0.1
		Consumer Goods	0.0	0.0	0.0
		Consumer Staples	11.7	11.9	-0.2
		Energy	0.8	0.9	0.0
		Financials	30.7	30.6	0.1
		Health Care	1.7	1.9	-0.1
		Industrials	3.7	3.7	0.0
		Real Estate	4.8	5.0	-0.1
		Technology	14.7	14.7	0.0
		Telecommunications	4.1	4.1	0.0
		Cash	0.6	0.0	0.6

Prescient

INVESTMENT MANAGEMENT

30 SEPTEMBER 2024

ABOUT THE FUND

Fund Manager:
Prescient Equity Team

Fund Classification:
South African - Equity - General

Benchmark:
FTSE/JSE ALSI

JSE Code:
PCALA2

ISIN:
ZAE000282471

Fund Size:
R495.6 m

No of Units:
48,297,522

Unit Price (cpu):
166.96

Inception Date:
31 December 2019

Minimum Investment:
R10 000 lump-sum
R1 000 per month

Income Distribution:
31 March 2024 - 1.62 cpu

Initial Fee:
0.00%

Annual Management Fee:
0.30% (excl VAT)

(All performance figures are net of TIC)

Fee Breakdown:	
Management Fee	0.30%
Performance Fees	0.00%
Other Fees*	0.09%
Total Expense Ratio (TER)	0.39%
Transaction Costs (TC)	0.01%
Total Investment Charge (TIC)	0.40%

*Other fees includes underlying fee (where applicable): Audit Fees, Custody Fees, Trustee Fees and VAT

PRESCIENT CORE ALL SHARE EQUITY FUND (A2)

FUND MONTHLY RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2020	-1.94%	-8.71%	-11.57%	13.85%	0.50%	7.63%	2.61%	-0.39%	-1.62%	-4.88%	10.58%	4.16%	7.40%
2021	5.13%	5.60%	1.23%	1.06%	1.66%	-2.60%	4.28%	-1.95%	-3.29%	5.10%	4.55%	4.83%	28.08%
2022	0.99%	2.88%	-0.12%	-3.81%	-0.35%	-8.45%	3.95%	-1.30%	-5.16%	5.39%	13.23%	-2.26%	3.36%
2023	9.84%	-2.82%	-0.94%	2.60%	-6.00%	2.63%	4.49%	-4.78%	-3.08%	-3.20%	9.45%	2.09%	9.15%
2024	-3.05%	-2.67%	2.52%	3.31%	0.87%	5.09%	4.52%	1.88%	4.60%				17.99%

Source: Performance calculated by Prescient Fund Services verified by the FSP
Date: 30 September 2024

FUND COMMENTARY

Market Context

Global equity markets delivered a mixed bag of generally positive performances in September 2024. With no major earnings releases this month, the markets were mainly driven by macroeconomic factors. Labour market and inflation data remained central to investment considerations as the market participants evaluated signs of economic weakness and monetary policy direction. The MSCI World Index posted a modest gain of 1.8% to close off the quarter 6.4% higher. In the U.S., the Federal Reserve delivered its first interest rate cut of 50 basis points (bps), which was more than what some market participants anticipated. The S&P 500 gained 2.1% for the month and 5.9% for the quarter .

The tech-heavy Nasdaq also advanced, supported by strong demand in technology and consumer discretionary sectors, particularly for AI-driven innovations. However, the energy sector underperformed due to declining oil prices. The European equity market was similarly positive on the back of another interest rate cut this year delivered in September. The Euro Stoxx 500 delivered a 1.9% return for the month, taking its quarterly gain to 7.1%. Cyclical sectors, notably financials and industrials, struggled amid recession risks in Germany and the UK. In contrast, defensive sectors like utilities and healthcare provided stability. In Asia, Japan's Nikkei 225 managed to record a marginal gain of 0.2% in September to close the quarter off 7.7% higher. China was the standout performer, the CSI 300 index delivered a remarkable 22.2% return for the month to end the quarter 20.2% firmer. This surge came as the market reacted favourably to a significant stimulus package announced by the Central Bank towards the end of the month. The MSCI Emerging Markets Index, heavily influenced by China, outperformed developed markets, returning 6.7% in September.

South Africa's equity markets posted healthy gains, largely attributed to China-exposed tech companies Naspers and Prosus. The technology sector surged, delivering a return of 13.9% for the month. Financials, resources, and industrials similarly posted positive but more modest gains while the rand strengthened by 4% for the month.

Fund Positioning

The Fund maintains the maximum effective exposure to the large and midcap sectors of the market. This equity exposure consists of top three allocations to the Financials, Basic Materials and Technology sectors with the largest share exposures to Naspers, FirstRand Bank and Standard Bank.

Outlook

We currently maintain a moderately positive outlook for the domestic equity market. This is based on improved sentiment indicators and despite the recent positive re-rating, valuation measures remain positive. Notwithstanding the 25 basis point cut delivered by South African Reserve Bank during the month, the restrictive monetary conditions underpin our negative view on financial conditions.

Fund Performance

The Fund was up 4.63% (gross of fees) in September, outperforming the benchmark, which rose 4.04%. YTD, the Fund is ahead of the benchmark by 2.38%, with a return of 18.29% (gross of fees).

Contributors and Detractors

The top contributors to the Fund's performance in September were Naspers (+14.1%), Prosus (+14.3%), and Gold Fields (+9.8%). Detractors included AngloGold (-13.2%), FirstRand Bank (-3.4%), and Aspen (-17.2%).

PRESCIENT CORE ALL SHARE EQUITY FUND (A2)

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 performance: The highest and lowest performance 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.

Current Yield: Annual income (interest or dividends) divided by the current price of the security.

CPU: Cents Per Unit to the Glossary

Alpha: Denotes 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.

Dividend Yield: The weighted average dividend yield of all the underlying equity in the Fund. The dividend yield of each company is the dividends per share divided by the price.

PE Ratio: The weighted average price earnings ratio of all the underlying equity in the Fund. The price earnings ratio of each company is the price divided by the earnings per share.

Fund Specific Risks

Default Risk: The risk that the issuers of fixed income instruments 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.

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.

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.

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.

Information Disclosure

The portfolio has adhered to its policy objective and there were no material changes to the composition of the portfolio during the quarter.

PRESCIENT CORE ALL SHARE EQUITY FUND (A2)

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 TERs. During the phase in period TERs 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 cost is 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 11:00 (SA) for money market funds and the Prescient Optimised Income Fund and by or before 13:00 for all other funds, 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, including actual initial and all ongoing fees, with income reinvested on the reinvestment date. 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

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:** 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 SA.

Investment Manager:

Prescient Investment Management (Pty) Ltd, Registration number: 1998/023640/07 is an authorised Financial Services Provider (FSP 612) 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:** Block B, Silverwood, Silverwood Lane, Steenberg Office Park, Tokai, 7945 **Postal address:** PO Box 31142, Tokai 7966 **Telephone number:** +27 21 700 3600 **Website:** www.prescient.co.za

This document is for information purposes only and does not constitute or form part of any offer to issue or sell or any solicitation of any offer to subscribe for or purchase any particular investments. Opinions expressed in this document may be changed without notice at any time after publication. We therefore disclaim any liability for any loss, liability, damage (whether direct or consequential) or expense of any nature whatsoever which may be suffered as a result of or which may be attributable directly or indirectly to the use of or reliance upon the information. Issue date 10 October 2024
