Minimum Disclosure Document

High Street High Equity Prescient Fund

As at 30 September 2020 – Issued on 13 October 2020

PRESCIENT MANAGEMENT COMPANY

highstreet Asset Management

FUND OBJECTIVE & INVESTMENT POLICY

The Fund aims to deliver medium to long-term capital growth over time. The Fund invests in a diversified range of equities, preference shares, bonds, debentures, money market, fixed income, property markets and instruments based on the value of any precious metal. The equity allocation will be managed at a maximum effective exposure, including offshore equity, up to 75%. The Fund is permitted to invest in listed and unlisted financial instruments in line with the conditions as determined by legislation from time to time. The Fund will predominately invest in South African markets but is however permitted to include investments in offshore jurisdictions subject to the investment conditions determined by legislation from time to time. The Fund complies with Regulation 28 of the Pension Funds Act.

PORTFOLIO DYNAMICS

FUND MANAGER:
High Street Asset Management (Pty) Ltd
- Ross Beckley, CFA

LAUNCH DATE:
19 December 2018

CLASSIFICATION:
South African – Multi Asset – High Equity

BENCHMARK:
75% FTSE/JSE All Share Total Return Index
25% SAFE South Africa Short Term Fixed Interest Rate – Composite Index, net of fees

ISIN:
ZAE000264552

MINIMUM INVESTMENT:
Lump sum: R10,000
Monthly: R500

ADMINISTRATOR:
Prescient Fund Services (Pty) Ltd

CUSTODIAN:
Nedbank Investor Services

UNIT PRICE – NAV (cents):
136.55

OUTSTANDING UNITS:
99,485,200.89

FUND SIZE:
R135.97m

ANNUAL DISTRIBUTION:
March 2020 - No Distribution

FEES:
Initial Fund Fee: Nil
Exit Fund Fee: Nil

ANNUAL MANAGEMENT FEE - RETAIL:
Class A1: 1.00% (excl. VAT)

ANNUAL PERFORMANCE FEE:
None

TOTAL EXPENSE RATIO:
TER incl VAT: 1.32%
TIC incl VAT: 1.61%

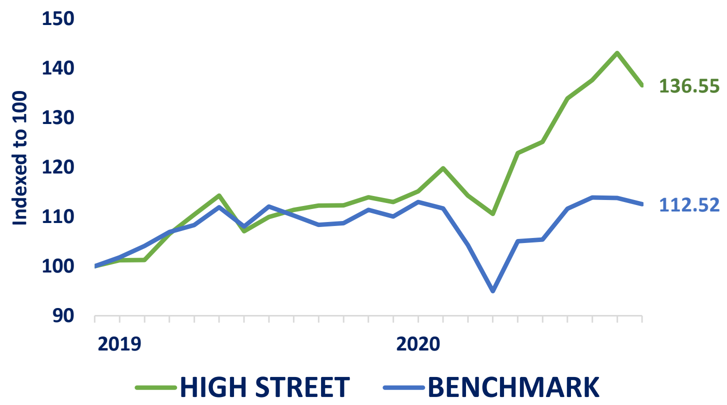
RISK PROFILE:
Moderate – High

RECOMMENDED TIME HORIZON:
5 years

ANNUALISED RETURNS (NET OF FEES)

RETURN PERIOD	HIGH STREET	BENCHMARK
1 month	-4.55%	-1.10%
3 months	2.00%	0.80%
6 months	23.54%	18.51%
1 year	21.60%	3.55%
3 years	N/A	N/A
5 years	N/A	N/A
Since Inception	19.12%	6.85%
Highest rolling 1-year return	27.46%	10.95%
Lowest rolling 1-year return	0.11%	-12.32%

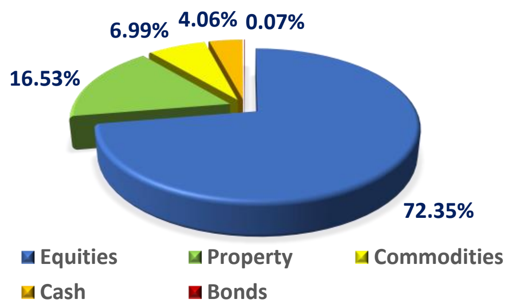
PERFORMANCE GRAPH *



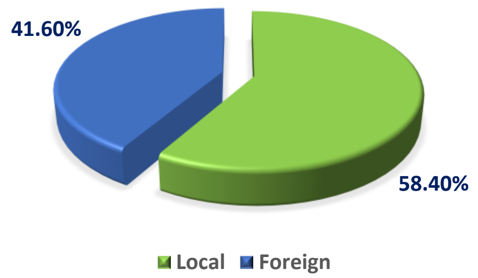
RISK RATIOS (SINCE INCEPTION)

STATISTIC	HIGH STREET	BENCHMARK
Annualised Standard Deviation	13.73%	14.03%
Sharpe Ratio	0.66	-0.23
Sortino Ratio	1.11	-0.32
Maximum Drawdown	-7.70%	-15.90%
Time to Recover (Months)	3	7
Positive Months	77%	59%
Tracking Error	2.41%	
Information Ratio	5.10	
Out/(Under)performance	12.27%	

ASSET ALLOCATION



GEOGRAPHIC EXPOSURE



** The illustrative investment performance which is shown is for illustrative purposes only and is calculated by taking the actual initial fees ** and all ongoing fees into account for the amount shown. Income is reinvested on the reinvestment date. ** There is no initial charge*

High Street Asset Management

@HighStreet_AM

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Investment Management Commentary

The Fund returned -4.55% for the month of September relative to a benchmark return of -1.10%, with the rand appreciating by 1.14% against the US dollar. For the third quarter of the year, the Fund returned 2.00% against a benchmark return of 0.80%, with the rand appreciating by 3.47% against the US dollar.

The COVID-19 pandemic continued to dominate international headlines as countries battled to contain the virus and attempt to settle into what has been dubbed the "new normal". A growing desire to return to a semblance regularity led to several nations easing their lockdown measures and enacting plans to stimulate economic growth. The UK's "Eat Out to Help Out" scheme – which offered customers dining in at restaurants 50% off their meal – was used more than 64 million times in its first three weeks of operation. In South Africa, President Cyril Ramaphosa relaxed what had been some of the toughest lockdown restrictions in the world, declaring that the country had "reached the peak and moved beyond the inflection point of the curve". However, as social distancing measures eased several countries have subsequently seen a spike in cases, sparking fears that a second wave of infections could be imminent. Meanwhile, according to data compiled by Johns Hopkins University, global fatalities from the virus reached the somber milestone of 1 million confirmed deaths in late September. With the threat of a new round of lockdowns looming on the horizon, the debate between balancing the sanctity of human life with the desire for economic prosperity continues. What can be celebrated is that despite the infection rate rising towards levels last seen in April, the death rate appears to be far lower than what was experienced earlier in the year.

Somewhat removed from the economic reality of enforced lockdowns and sustained unemployment, markets continued their upward trend, bolstered by Big Tech's strong balance sheets and socially distanced business models. These growth stocks now account for the five biggest companies on the S&P 500 Index, making up around 22% of its total value. The disparity between the disruptive names and the "old economy" – covering everything from energy to banks – has been vast. Growth has outperformed value by a staggering 32% this year, quickly recouping the losses sustained in the March sell-off and driving the market to all-time highs at the start of September. However, volatility surrounding the US presidential election and fears of overvaluation in share prices led to a correction of -10% in the offshore market later in the month. As a result of its high offshore exposure, along with the headwind of a strengthening rand, the Fund underperformed its benchmark for the first time this year. Despite this correction, we believe that the themes that have driven it to be one of the top performing SA balanced funds this year will continue – the Fund has outperformed the JSE All Share Index by almost 21% so far this year.

Within the Fund, activity during the month largely consisted of adding to existing positions in offshore property (Sirius Real Estate and MAS Real Estate), and local technology (Mix Telematics). Sirius reported a strong cash collection rate throughout the quarter as the German government remained committed to support businesses through the pandemic. Occupancies declined marginally during the interim period, however, this was largely offset by increasing like-for-like rentals – a commendable performance in this economic climate. Sustained new enquiries talk to the resilience of their business model and point to strength ahead. MAS Real Estate continued to shift out of their mature Western European assets into the Central & Eastern European area. This region appears to remain attractive, with metrics suggesting a slow recovery in footfall and a gradual return of consumer confidence. Additionally, indications are that property prices remain resilient in their mature markets (primarily Germany), presenting an appealing opportunity to dispose of these assets at, or even above, book value. Mix Telematics offers good value at these levels, with a considerable income stream of dollar earnings that should pickup alongside a post coronavirus economic recovery in the States. Regional competitor Cartrack's results were pleasing, which provides a positive readthrough for Mix's South African operations, currently around half of its business.

As always, the large rand hedge component of the fund enables South African investors to protect the global purchasing power of their local savings, should they express concern with the prevailing political and economic climate in South Africa. As such, the fund will show a high correlation to the rand exchange rate – i.e. a weak rand will generally see strong fund performance, and vice versa, all else being equal.

Ross Beckley, CFA
Fund Manager

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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.

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

FUND SPECIFIC RISKS

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. **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.
3. **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.
4. **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.
5. **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.
6. **Currency exchange risk**: Changes in the relative values of individual currencies may adversely affect the value of investments and any related income.
7. **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.
8. **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.
9. **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.

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 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.

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 **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:
High Street Asset Management (Pty) Ltd, **Registration number:** 2013/124971/07 is an authorised Financial Services Provider (FSP45210) 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 (N0.37 of 2002). Please be advised that there may be representatives acting under supervision.
Physical address: The Offices of Hyde Park, Block B, 1 Strouthos Rd / Off 2nd Rd, Hyde Park, 2196 **Postal address:** P.O. Box 523041, Saxonwold, 2132 **Telephone number:** +27(0)11-3254006 **Website:** www.highstreetassetmanagement.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.

TER & TC

FEES * (Incl VAT)	
Base Fee (including administration)	1.15%
Performance Fee	0.00%
Other Fees	0.17%
Total Expense Ratio (TER)	1.32%
Transaction Costs (TC)	0.29%
Total Investment Charge (TIC)	1.61%

The TER and TC ASISA Standard came into effect from 1 January 2016. This standard is to ensure that all ASISA members operate within the outcomes of TCF. Therefore, it is a requirement to disclose both the TER and TC numbers. Transaction Costs are not included in the calculation of TER hence we need to disclose both the TER and TC numbers separately and also Total Investment Charge which is the combination of TER and TC. This will impact the MDDs as we will have to disclose this and amend the disclaimer to cater for the definition of Total Costs.

* *As at 30 June 2020*