

## 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):

150.9

### OUTSTANDING UNITS:

146,337,365.7

### FUND SIZE:

R221m

### 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: 1.61%  
 TIC incl VAT: 1.86%

### RISK PROFILE:

Moderate – High

### RECOMMENDED TIME HORIZON:

5 years

## ANNUALISED RETURNS (NET OF FEES)

RETURN PERIOD	HIGH STREET	BENCHMARK
1 month	0.15%	-2.27%
3 months	1.98%	-0.37%
6 months	1.11%	-0.30%
1 year	10.51%	18.28%
3 years	N/A	N/A
5 years	N/A	N/A
Since Inception (CAGR)	15.95%	10.83%
Highest rolling 1-year return	27.46%	28.98%
Lowest rolling 1-year return	0.11%	-12.32%

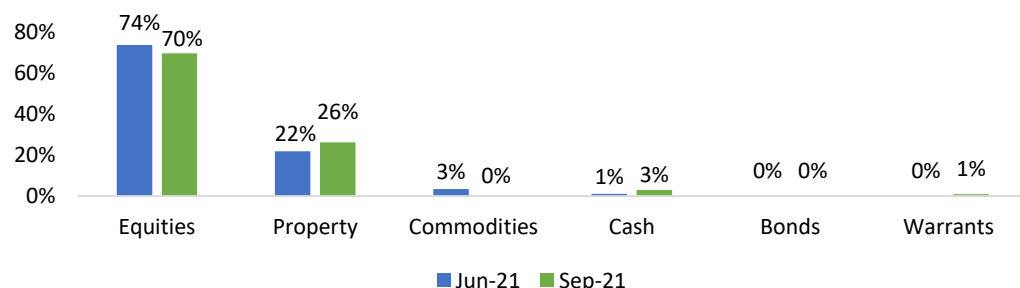
## PERFORMANCE GRAPH \*



## RISK RATIOS (SINCE INCEPTION)

STATISTIC	HIGH STREET	BENCHMARK
Annualised Standard Deviation	11.80%	13.08%
Sharpe Ratio	0.48	0.04
Downside Sortino Ratio	2.72	1.56
Maximum Drawdown	-7.70%	-15.90%
Time to Recover (Months)	3	7
Positive Months	76%	59%
Tracking Error	10.02%	
Information Ratio	0.51	

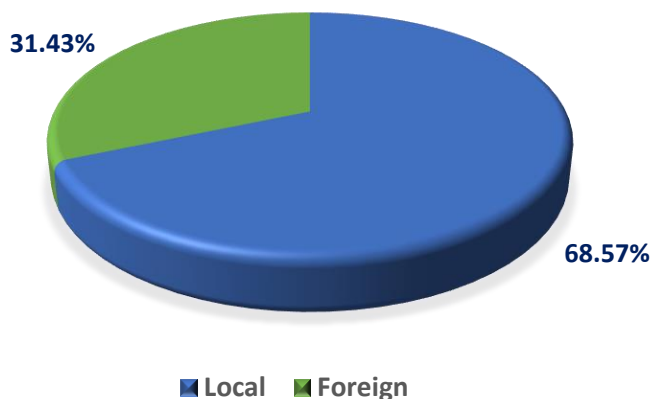
## ASSET ALLOCATION



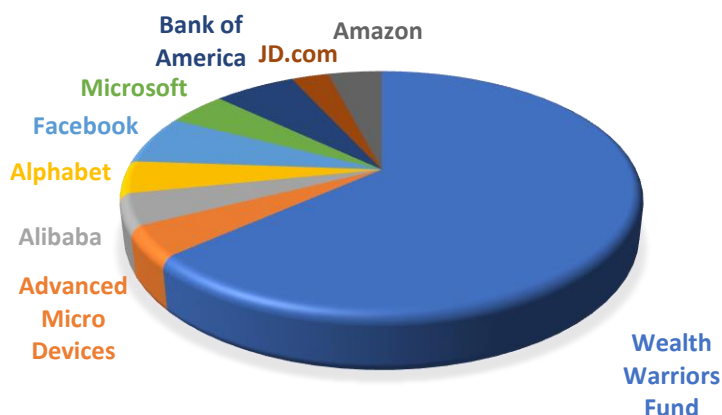
\* The illustrative investment performance which is shown is for illustrative purposes only and is calculated by taking the actual initial fees \*\* and all ongoing fees into account for the amount shown. Income is reinvested on the reinvestment date. \*\* There is no initial charge.



**GEOGRAPHIC ALLOCATION**



**FOREIGN HOLDING ALLOCATION**



**Investment Management Commentary**

For the month of September, the Fund returned 0.32% relative to its benchmark of -2.27% with the Rand depreciating by 3.75% against the US Dollar. The JSE All Share Total Return Index fell by -4.07%.

September was a negative month for global equity markets with inflation concerns, a rising US yield-curve and over-leveraged Chinese property giant, Evergrande, dominating headlines. It was a combination of these factors which led to a broad “risk-off” environment resulting in poor performance from equity markets across the globe and Dollar strength, as investors fled to the safety of the Greenback from riskier emerging market currencies. This, along with poor performance from some important commodities such as iron ore and platinum, is what the notable depreciation in the Rand can be attributed to. Having as large a Rand-hedge bias as we do, this Rand weakness along with some outperformance from our local holdings is what protected the Fund from the drawdowns which were felt across the globe.

The Best performers in the Fund were Master Drilling and EPP, who saw share price increases of 15.70% and 8.73% respectively. This is the second month running where Master Drilling has been our best performing equity security, and we remain high in our conviction on the company going forward. EPP operates as a real estate investment trust and are the largest owner of retail real estate in Poland in terms of leasable area.

Global technology giants Alibaba Group and Facebook saw the biggest declines of the portfolio falling by 11.34% and 10.54% respectively. Alibaba continued its negative trend in the month, with shares of the company trading 36.39% lower than they did on the 1<sup>st</sup> of January. At this point, despite the volatility that has existed in China in recent times, we remain of the opinion that Alibaba is attractively priced given its growth prospects over the coming years. Facebook came under pressure from the Wall Street Journal who attempted to use leaked internal company documents to expose the effects that Instagram was having on teenagers. This string of attacks on the company, along with the general risk-off environment, are what caused the company to see its biggest one-month drawdown since September of 2020.

Lastly, it is important we address China again, as the selling of Chinese equities has continued due to a slew of negative headlines since we last addressed the issue with investors a couple of months ago. The importance of Tencent to the JSE as well as to our Fund cannot be understated, with Naspers and Prosus now making up more than 20% of the All Share Index. Despite the recent negative price movement of Tencent, and thus Naspers and Prosus, we view the recent buyback activity initiated by Pony Ma as encouraging and see the company’s growth prospects as exciting. As a result, we remain bullish on both Naspers and Prosus.

Fund Manager  
 Ross Beckley, CFA

**TOP HOLDINGS**

**Equities**

Wealth Warriors Fund  
 Naspers  
 Prosus  
 Master Drilling  
 Tencor

BHP Group  
 Mix Telematics  
 Facebook  
 Brit. Amer. Tob.  
 Bank of America

**Property**

Sirius Real Estate  
 Industrials REIT  
 Mas Real Estate  
 EPP

**Warrants**

Richemont

**% MONTHLY PERFORMANCE (NET OF FEES)**

		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2021	FUND	4.03	2.26	0.85	0.34	-4.34	3.29	0.06	1.76	0.32				8.66
	BENCHMARK	3.98	4.47	1.48	0.59	1.23	-1.73	3.22	-1.22	-2.27				9.90
2020	FUND	4.06	-4.62	-3.26	11.15	1.83	7.01	2.78	3.98	-4.55	-0.50	1.60	0.77	20.85
	BENCHMARK	-1.13	-6.61	-8.95	10.62	0.35	5.92	2.02	-0.10	-1.10	-3.46	7.97	3.26	7.23
2019	FUND	0.06	5.22	3.66	3.49	-6.32	2.69	1.32	0.78	0.04	1.44	-0.84	1.91	13.78
	BENCHMARK	2.26	2.70	1.31	3.33	-3.48	3.72	-1.62	-1.68	0.29	2.50	-1.21	2.63	10.95
2018	FUND												1.17	1.17
	BENCHMARK												1.78	1.78

**Regulatory Statement:**

Please note that the fund adhered to its policy objective throughout the Month and the Quarter.

**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](http://www.prescient.co.za)

**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.
- 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.
- 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.
- 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.
- 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.

**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](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:**  
 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 (No.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](http://www.highstreetassetmanagement.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.

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)		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.
Base Fee (including administration)	1.38%	
Performance Fee	0.00%	
Other Fees	0.23%	
Total Expense Ratio (TER)	1.61%	
Transaction Costs (TC)	0.25%	
<b>Total Investment Charge (TIC)</b>	<b>1.86%</b>	

\* As at 30 September 2021