

PRESCIENT INCOME PROVIDER FUND (A2)

MINIMUM DISCLOSURE DOCUMENT

INVESTMENT AND RETURN OBJECTIVE

The Fund aims to return CPI + 3% per annum through a full interest rate cycle while providing stability by aiming never to lose capital over any rolling 3 month period.

INVESTMENT PROCESS

This Fund invests in local and offshore money market, bonds, property, preference shares, inflation-linked bonds and derivatives to meet the investment objectives. Fund performance can be generated from taking interest rate views or duration, yield enhancement via credit instruments, asset allocation between income producing asset classes, offshore exposure and also via the use of derivatives.

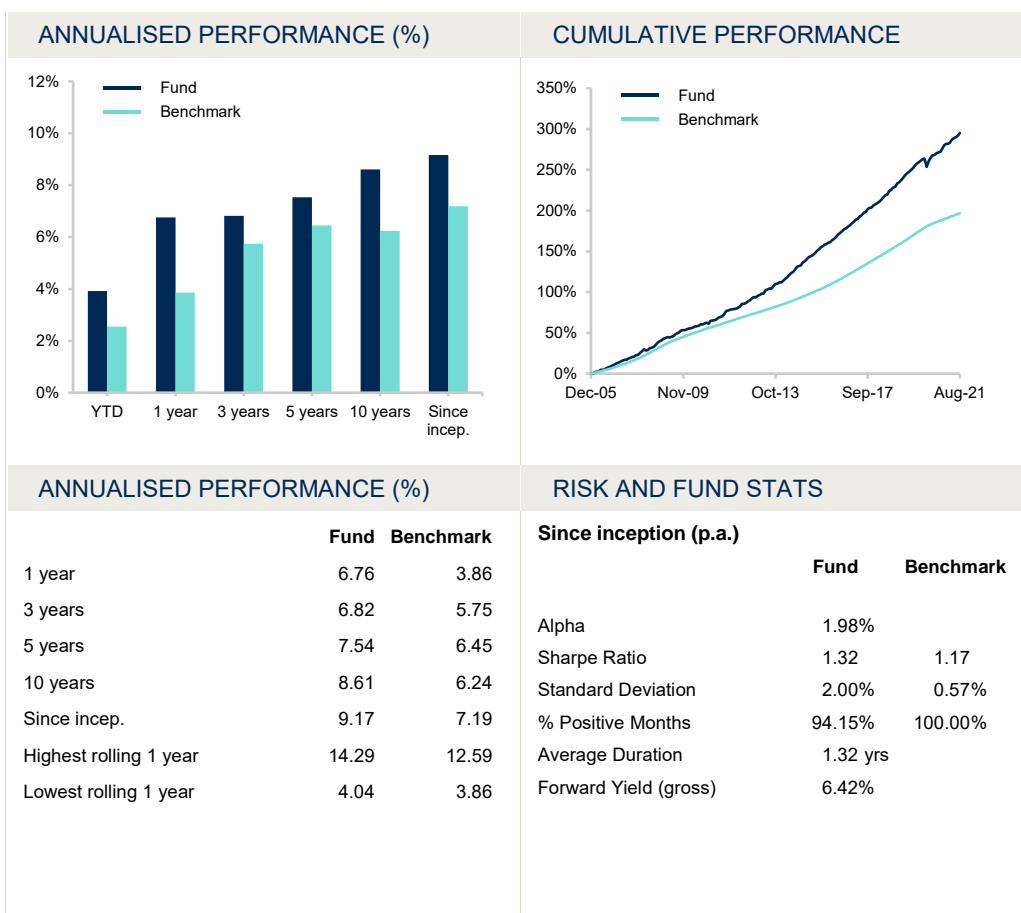
WHO SHOULD INVEST

Investors seeking stable real returns and aiming to maximise income via exposure to primarily the South African Money and Bond markets. This Fund is suitable to investors with a short- to medium-term investment horizon and is Regulation 28 compliant.

RISK INDICATOR DEFINITION

These portfolios typically have no or low equity exposure, resulting in higher interest yields and stable capital values with the probability of capital losses over the shorter term (3 months) highly unlikely. These portfolios typically target returns in the region of 1% – 3% above inflation before tax over the long term.

RISK INDICATOR



FUND COMMENTARY

August was a relatively calm month across SA markets with a general risk on tone seeing risky assets perform well. We continue to see the key global theme being the discussion around US inflation and the transitory nature thereof. As we have been advocating, we see this development as a positive and should see SA Fixed Income assets benefit from a return of foreign flows. At both the Federal Reserve meeting and the Jackson Hole symposium of the Federal Reserve governors the message remain consistent with market pricing. The SA market continues to price in almost 7 hikes in the next 2 years, pricing we see as favouring taking on some duration/ fixed rate risk. The Fund performed ahead of cash for the month. Most of the assets contributed to the return for the month. Most notable the fixed and floating rate bond exposures as well as the Preference Shares added the most for the month. We remain vigilant in our risk management with yields suppressed and risk elevated. To this end we continue to hold protection strategies against our duration exposure.

Prescient

31 AUGUST 2021

ABOUT THE FUND

Fund manager:

Prescient Interest Bearing Team

Fund classification:

South African - Multi Asset - Income

Benchmark:

STeFi Call 110%

Fund Size:

R31.9 bn

No of units:

11,457,248,313

Unit price (cpu):

141.17

Inception date:

31 December 2005

Minimum Investment:

R10 000 lump-sum

R1 000 per month

Initial Fee:

0.00%

Annual management fee:

0.58% (incl VAT)

Fee class:

A2

Fee breakdown:

Management Fee 0.50%

Performance Fees 0.00%

Other Fees* 0.11%

Total Expense Ratio (TER) 0.61%

Transaction Costs (TC) 0.01%

Total Investment Charge (TIC) 0.62%

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

Income distribution:

31 August 2021 - 0.63 cpu

31 July 2021 - 0.59 cpu

30 June 2021 - 0.65 cpu

31 May 2021 - 0.59 cpu

30 April 2021 - 0.67 cpu

31 March 2021 - 0.58 cpu

28 February 2021 - 0.52 cpu

31 January 2021 - 0.50 cpu

31 December 2020 - 0.58 cpu

30 November 2020 - 0.55 cpu

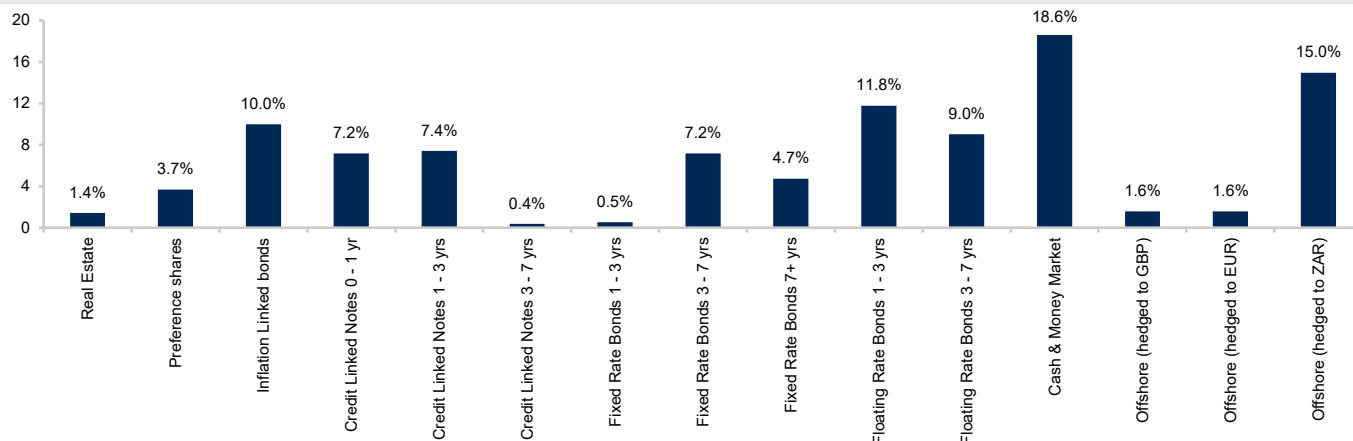
31 October 2020 - 0.60 cpu

30 September 2020 - 0.69 cpu

31 August 2020 - 0.52 cpu

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FUND COMPOSITION



FUND MONTHLY RETURNS

| | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | YTD |
|-------------|--------|-------|--------|--------|-------|--------|-------|--------|-------|-------|-------|--------|--------|
| 2006 | 0.22% | 1.81% | 0.42% | 0.33% | 1.81% | 0.09% | 0.36% | 1.54% | 1.17% | 0.79% | 1.35% | 0.56% | 10.95% |
| 2007 | 1.38% | 0.89% | 0.90% | 1.09% | 1.00% | -0.04% | 1.49% | 0.62% | 0.83% | 0.51% | 1.42% | 0.58% | 11.20% |
| 2008 | 1.94% | 1.52% | 1.66% | -1.16% | 0.57% | 1.73% | 0.45% | 1.02% | 1.65% | 2.09% | 1.23% | 0.69% | 14.19% |
| 2009 | 1.30% | 0.60% | 0.85% | -0.30% | 0.69% | 0.52% | 1.68% | 0.77% | 0.77% | 1.59% | 0.06% | 0.16% | 9.02% |
| 2010 | 0.65% | 0.59% | 0.32% | 0.46% | 0.62% | 0.41% | 0.51% | 0.76% | 0.09% | 0.66% | 0.70% | -0.72% | 5.16% |
| 2011 | 2.17% | 0.22% | 0.26% | 0.62% | 1.13% | 0.55% | 0.45% | 1.55% | 2.20% | 0.36% | 0.67% | 0.11% | 10.75% |
| 2012 | 0.37% | 0.16% | 0.74% | 0.72% | 1.75% | -0.02% | 0.71% | 0.95% | 0.67% | 1.17% | 0.85% | -0.17% | 8.16% |
| 2013 | 1.04% | 0.51% | 0.96% | -0.09% | 2.30% | 0.30% | 0.56% | -0.11% | 1.49% | 1.39% | 0.08% | 0.85% | 9.65% |
| 2014 | -0.11% | 0.99% | 1.00% | 1.04% | 1.29% | 0.99% | 0.62% | 1.26% | 1.58% | 0.36% | 0.38% | 1.46% | 11.39% |
| 2015 | 0.81% | 1.02% | 0.91% | 0.60% | 0.39% | 0.81% | 1.10% | 0.84% | 1.00% | 0.74% | 0.73% | 0.22% | 9.56% |
| 2016 | 0.67% | 0.25% | 0.90% | 0.69% | 1.04% | 0.95% | 0.73% | 0.77% | 0.80% | 0.47% | 0.75% | 0.63% | 8.98% |
| 2017 | 0.90% | 0.65% | 0.78% | 0.52% | 0.88% | 0.58% | 0.83% | 0.59% | 1.03% | 0.48% | 0.18% | 0.94% | 8.69% |
| 2018 | 0.38% | 0.55% | 0.51% | 0.79% | 0.89% | 0.74% | 0.41% | 1.33% | 0.40% | 0.79% | 0.42% | 1.13% | 8.66% |
| 2019 | 0.51% | 0.68% | 0.76% | 0.96% | 0.66% | 0.64% | 0.70% | 0.61% | 0.80% | 0.79% | 0.40% | 0.60% | 8.42% |
| 2020 | 0.55% | 0.16% | -2.84% | 1.95% | 1.19% | 0.82% | 0.19% | 0.52% | 0.25% | 0.30% | 0.98% | 1.19% | 5.29% |
| 2021 | 0.40% | 0.00% | 0.39% | 0.93% | 0.49% | 0.28% | 0.56% | 0.79% | | | | | 3.92% |

PRESCIENT INCOME PROVIDER FUND (A2)

GLOSSARY

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 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: 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.

% 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.

Forward Yield: The Forward Yield is the expected combined income of the instruments in the portfolio over the next year expressed as a percentage of the current value of those instruments.

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.

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.

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.

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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 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 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, 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.

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

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