

# PRESCIENT AFRICA EQUITY FEEDER FUND

## MINIMUM DISCLOSURE DOCUMENT

### INVESTMENT AND RETURN OBJECTIVE

The Fund invests in listed equity markets across Africa, excluding South Africa. It aims to achieve returns above the Nedbank All Africa Top 100 ex South Africa Index by investing in shares that are showing value relative to their trading price.

### INVESTMENT PROCESS

The Investment process follows an unbiased, quantitative bottom-up approach which invests in shares with various characteristics that have proven to pay rewards over time. The Fund will favour companies that represent good investment value, superior quality, positive market sentiment and exhibit lower volatility. Political and economic risks are also considered. Blending shares with different characteristics into the Fund helps to deliver a better diversified portfolio which results in improved stability in returns over time. Although the Fund aims to maximise returns over the long-term it is also structured to minimise the risk of underperforming the benchmark. The feeder fund is invested wholly in the Prescient Africa Equity Fund.

### WHO SHOULD INVEST

Investors with a long-term investment horizon who are seeking capital growth in US Dollars and have an appetite for African equity market volatility.

### RISK INDICATOR DEFINITION

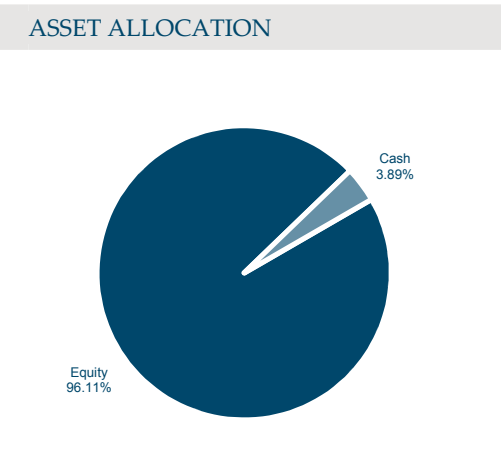
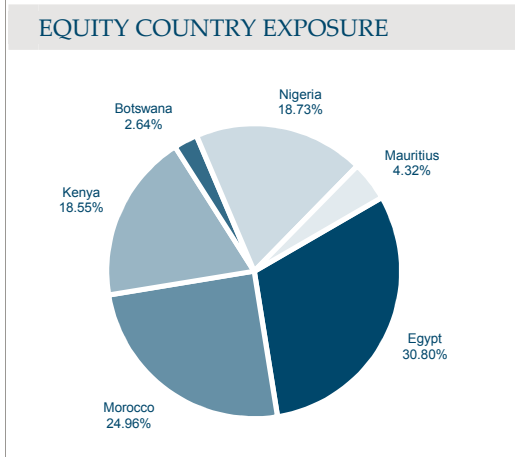
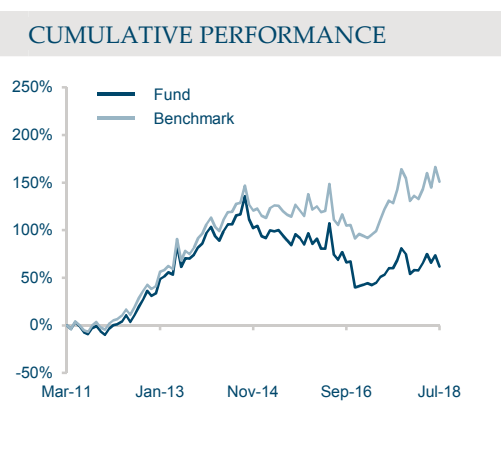
These portfolios typically hold meaningful equity and offshore exposure which may result in significant capital

### RISK INDICATOR



ANNUALISED PERFORMANCE (%): ZAR			
	Fund	Benchmark	MSCI Africa ex SA
1 year	1.04	8.61	-1.80
3 years	-5.09	5.10	2.10
5 years	-1.04	7.07	4.06
Since incep.	6.78	13.37	10.95
Highest 1 year	66.66	63.57	63.57
Lowest 1 year	-28.22	-17.53	-18.51

\* Composite benchmark change: 90% MSCI Africa ex SA 10% US TB prior November 2011. MSCI Africa ex SA November 2011 - September 2014. Nedbank All Africa 100 ex SA till May 2018. MSCI EFM Africa ex SA (TR) onwards



### TOP 10 HOLDINGS

	% of Fund
Commercial International	6.9
Safaricom Ltd	6.7
Maroc Telecom	5.2
Guaranty Trust Bank	5.2
Zenith Bank	4.6
MCB Group Ltd	4.2
Attijariwafa Bank	4.1
Cosumar	4.1
East African Breweries	4.0
Label Vie	4.0
<b>Total</b>	<b>49.1</b>

### RISK AND FUND STATS (ZAR)

Since inception (p.a.)	Fund	Benchmark
Alpha	-6.59%	
Sharpe Ratio	0.05	0.39
Standard Deviation	20.73%	19.38%
Max Drawdown	-40.71%	-23.02%

# PRESCIENT

MANAGEMENT COMPANY

31 JULY 2018

## ABOUT THE FUND

**Fund manager:**  
Prescient Equity Team

**Fund classification:**  
Regional - Equity General

**Benchmark:**  
MSCI EFM Africa ex ZA Net Total Return

**Fund Size:**  
R17.6 m

**No of units:**  
3,169,632

**Unit price:**  
144.36

**Inception date:**  
31 March 2011

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

**Income distribution:**  
31 March 2018 - 0 cpu

**Initial Fee:**  
0.00%

\*The manager has the right to institute an upfront initial fee of 1.00% and exit fee of 1.00% to offset the trading costs incurred in the portfolio. This amount is refunded to the Portfolio. The fee will be applicable on investments and redemption constituting 10% or more of the value of the Fund and also at the discretion of the manager on transaction where the investor buys and again redeems units within a three month period. The redemption notice is 10 business days.

**Annual management fee:**  
1.15% (incl VAT)

**Fee breakdown:**

Management Fee	1.00%
Performance Fees	0.00%
Other Fees*	3.37%
<b>Total Expense Ratio (TER)</b>	<b>4.37%</b>
<b>Transaction Costs (TC)</b>	<b>0.00%</b>
<b>Total Investment Charge (TIC)</b>	<b>4.37%</b>

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

# PRESCIENT AFRICA EQUITY FEEDER FUND

## FUND MONTHLY RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
<b>2011</b>				-3.93%	7.86%	-4.41%	-6.25%	-2.25%	7.04%	1.93%	-5.46%	-3.86%	-9.99%
<b>2012</b>	7.18%	3.72%	1.24%	2.66%	6.27%	-6.29%	6.68%	8.33%	6.22%	6.99%	-3.73%	2.05%	48.46%
<b>2013</b>	11.21%	1.80%	3.00%	-1.64%	20.18%	-12.39%	5.64%	-0.20%	2.41%	4.50%	2.19%	5.88%	47.39%
<b>2014</b>	3.35%	-4.87%	-2.43%	5.27%	3.57%	0.02%	4.59%	0.56%	8.75%	-10.25%	-4.41%	1.18%	3.86%
<b>2015</b>	-5.23%	-1.14%	4.18%	-0.45%	0.61%	-2.79%	-2.62%	-2.69%	6.21%	-2.01%	-3.52%	6.38%	-3.83%
<b>2016</b>	-5.56%	2.74%	-5.48%	0.16%	14.62%	-15.97%	-3.03%	4.73%	-6.00%	0.65%	-16.46%	1.06%	-28.22%
<b>2017</b>	0.88%	1.34%	-1.45%	1.56%	4.16%	1.70%	4.63%	-0.05%	5.20%	7.46%	-3.41%	-11.83%	9.11%
<b>2018</b>	2.52%	-0.26%	5.09%	5.54%	-5.12%	4.71%	-6.79%						5.01%

## FUND COMMENTARY

Global markets made a positive start to the second half of the year. The MSCI World index rose by an impressive 3.05% over the period and beat the MSCI Emerging Market index, which added 1.68%. Risk appetite returned to the market, but the fact that emerging market equities underperformed shows an element of caution was still in place. After the Trump Administration officially entered a trade war with China, initial expectations were for a tit-for-tat retaliation and in essence, a race to the bottom. However, China had been keeping their cards close to their chest while all of this was taking place but when the time was right, they introduced an intensive fiscal stimulus programme to cushion uncertainty surrounding external trade. Global markets reacted favourably with the S&P500, DAX and Shanghai Composite indices closing the month 3.6%, 4.1% and 1.0% up respectively. The JSE All Share index meanwhile went against most other emerging markets and lost -0.25%. SA specific factors were the culprits. More specifically, wage strikes at Eskom leading to load shedding and a significant loss posted there for the previous financial year weighed on sentiment. The South African rand lost 3.28% during the month.

The African markets, in their uncorrelated fashion, were mostly down for the first half of the year. The MSCI EFM AFRICA ex ZA Index shed -1.45% during July. There proved to be no place to hide during the month as all the major markets closed down. The worst performing region was Egypt where the stock market lost -4.56%. Over to the West, index heavyweight Nigeria was similarly down -3.45% for the month as the 2018 presidential election loomed large on the horizon. Towards the East, Kenya was marginally better although still closed the month down -1.85%. The best performing market for the month was Morocco (-0.64%).

The Prescient Africa Equity Fund was down -6.70% over the month.

### Top contributors

The counters that contributed the most to performance were Total Maroc SA (+8.88%), East African Breweries (+3.62%), and Labie Vie (+1.43%).

### Top detractors

The shares that detracted the most to Fund performance were Centum Investment Co (-9.78%), Zenith Bank (-8.15%) and Cosumar (-3.99%).

# PRESCIENT AFRICA EQUITY FEEDER FUND

---

## 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.

A Feeder Fund is a portfolio that invests in a single portfolio of a collective investment scheme which levies its own charges and which could result in a higher fee structure for the feeder fund.

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. Money Market Funds are priced at 1pm, all other 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](http://www.prescient.co.za)

# PRESCIENT AFRICA EQUITY FEEDER FUND

---

## 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.

**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.

**Max Drawdown:** The maximum peak to trough loss suffered by the Fund since inception.

## 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 612.0) 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:** Prescient House, Westlake

Business Park, Otto Close, Westlake 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 13 August 2018.*

---