

Objective

The Fund aims to provide investors with long-term capital growth by primarily investing in the equity and bonds of listed South African companies.

Strategy

The Fund complies with Regulation 28 of the Pension Funds Act and may invest up to a maximum of 25% in offshore foreign assets. The Fund will mainly invest in a suitably diversified range of equities, investment grade bonds and cash, but may also opportunistically allocate capital to property, preference shares, currencies and commodities. The Fund will only invest in understandable businesses run by ethical, competent management teams whose long-term incentives are aligned to our clients. Asset allocation will be actively managed with the Fund seeking to capture value opportunities by focusing on equity selection opportunities and switching between asset classes where appropriate.

Risk Management

We manage risk by not overpaying for assets and by not selling indiscriminately. The Fund invests across a diversified portfolio of asset classes and industries to mitigate against material risk events outside our direct control.

Suitability

The Fund is most suited to investors with an investment horizon of 5 – 10 years seeking a combination of principal preservation, income generation and long-term capital growth.

Fund Asset Allocation

ZAR Cash	64.9%
ZAR Equity	33.1%
ZAR Property Equity	2.0%
Offshore	0.0%
Bonds	0.0%
Preference Shares	0.0%
Commodities	0.0%

Top Holdings

ZAR Equity	% of Total Asset Holdings
Discovery	3,01%
Remgro	2,99%
Old Mutual	2,02%
Life Healthcare	2,02%
Wilson Bayly Holmes - Ovcon	2,01%
Coronation Fund Managers	2,01%
Liberty Holdings	2,01%
Hosken Consolidated Investments	2,00%
The Spar Group	2,00%
RMB Holdings	2,00%

Fund Performance

N/A

Income Distributions

N/A

Fund Information

Fund Manager	Perspective Investment Management Daniel Malan and Sean Neethling
ASISA Fund Classification	SA – Multi Asset – High Equity
Risk Profile	Moderate
Benchmark	CPI + 5%
Fund NAV	ZAR 3,4mn
ISIN	ZAE000248605
Fund Launch Date	04 September 2017
Issue Date	24 October 2017
Income Distribution	March 2018
Annual Management Fee	1% exclusive of VAT
Total Expense Ratio (TER)	N/A
Minimum Investment	Lump Sum: R 10 000 / Monthly: R 500

About the Fund Manager

Perspective is an investment management firm based in Cape Town, South Africa. The firm was founded in January 2017 and is designed to be an employee-owned and managed business focused on the principles of long-term investing on behalf of our clients. Our commitment is to establish a resilient enterprise that creates exceptional long-term value for all our current and future clients and stakeholders.

Daniel Malan *B.Com, CFA*

Daniel has 21 years of investment industry and business management experience across multiple asset classes and geographies.

Sean Neethling *M.Com Finance*

Sean has 15 years of relevant industry experience across listed and unlisted credit and fixed income markets.

Fund Commentary

As long-term investors, all of our research homework distills to asking a straightforward, simple yet powerful question:

“What exactly makes us confident about owning this asset for the next five to ten years and longer?”

If we cannot convince ourselves with a clear evidenced answer to this question, our decision will be not to buy, to go and do more work and thinking, or to wait. Our conviction is that work, thinking and patience are valuable resources in the investment decision making field.

Specific things that, grouped together, would make us confident about long-term asset ownership is (a) paying an entry price that gives our fund investors the opportunity to earn meaningfully positive investment returns, (b) competent and honest management, (c) an awesome underlying business and (d) delivering at or ahead of realistic expectations over time. One, two or even three of these in isolation is not enough.

As of the end of September we had invested approximately 35% of the fund in a diversified selection of JSE listed equities that we are confident about owning on a long-term basis.

Our work continues.

Glossary

Long Term: An investment period of 5 to 10 years.

NAV: Fund assets minus Fund liabilities.

Annualised Performance: Shows fund performance re-scaled to a 12-month period. The average return per year over the period.

Moderate Risk: The fund aims to maximise long term capital growth and can invest up to 75% in equities, which provide the best opportunity for high returns but also carry the risk of temporary and / or permanent capital loss.

Highest and Lowest Return: The highest and lowest return over a 12-month period since the inception of the fund.

Default Risk: A measure of the creditworthiness of the Fund to the extent that underlying issuers are unable and / or unwilling to continue to service periodic interest and / or repay the full debt principal owing to the Fund.

Liquidity Risk: The risk that the Fund Manager may not be able to buy or sell investments in the Fund as required by investors.

Total Expense ratio (“TER”): The total cost to the investor from investing in the fund inclusive of audit, custody and trustee fees. *Please note the Total Expense Ratio and Transaction Costs cannot be determined accurately because of the short life span of the Financial Product and the funds TER will be available after one year.*

Tax Free Investment

Based on section 12T of the Income Tax Act this Fund qualifies as a tax-free investment account (“TFSA”). This allows South African individuals to qualify for no tax on distributions and / or capital gains while invested in the Fund. The current tax framework limits contributions to tax-free investments to R33 000 per tax year with the lifetime limit capped at R500 000. Any contributions exceeding these limits will be subject to tax. It is recommended that any investor considering investing in the Fund for specific tax purposes and requires explicit tax advice consult directly with a qualified tax professional. Perspective Investment Management (Pty) Ltd does not render financial advice but can recommend accredited professionals who are licenced to do so if required.

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.
0800 111 899 | info@prescient.co.za | www.prescient.co.za

Trustee: Nedbank Investor Services

Physical address: 2nd Floor, 16 Constantia Boulevard, Constantia Kloof, Roodepoort, 1709
+27 (0) 11 534 6557 | 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: Perspective Investment Management (Pty) Ltd – **Registration number:** 2015/211710/07

Physical and postal address: Unit 22, Victoria Junction, Prestwich Street, Cape Town 8001
info@perspectiveim.co.za | www.perspectiveim.co.za

Perspective Investment Management (Pty) Ltd is an authorised Financial Services Provider (FSP No. 47672) 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.

Disclaimer

This portfolio operates as a white label fund under the Prescient Unit Trust Scheme, which is governed by the Collective Investment Schemes Control Act. 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. 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 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.perspectiveim.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.