



FUND OBJECTIVE & STRATEGY

The ClucasGray Equity Prescient Fund is a SA only, general equity fund. The Fund aims to provide long term capital growth ahead of its benchmark (SWIX) and the competing unit trust category by investing in any shares that are listed on the JSE. The Fund is a high conviction fund aiming to hold no more than 25 stocks at any one time. Fundamental analysis, a valuation discipline and a belief that inefficient markets create opportunities in mispriced assets underpin our process.

FUND INFORMATION

Table with 2 columns: Field (Portfolio Managers, Inception Date, Fund Size, Unit Price, ASISA Category, Benchmark, Min Lump Sum, Min monthly investment, Issue Date) and Value (Andrew Vintcent & Grant Morris, 01 October 2011, R640 million, 216.03 cents, South African Equity General, SWIX Total Return, R20 000, R1 000, 02 September 2021)

WHO SHOULD INVEST

The Fund is suitable for long-term investors seeking high levels of investment growth who can tolerate the associated levels of capital volatility.

RISK INDICATOR

These funds typically exhibit more volatility given their higher exposure to equities which may result in capital losses. Expected potential long-term returns could be higher than other risk profiles, in turn potential losses of capital could be higher.



NET PERFORMANCE (ANNUALISED) AT 31 AUGUST 2021

Table with 5 columns: Period (3-Months, 6-Months, 1-Year, 3-Year, 5-Year, 7-Year, 9-Year, Since Inception) and 5 rows: Fund\*, Class A1, Class A2\*\*, SWIX TR, Peer Group.

CALENDAR YEAR PERFORMANCE

Table with 6 columns: Year, Fund, Class A1, Class A2, SWIX Total Return, Peer Group. Rows for years 2011\* to 2021\*\*.

\* Since inception 1 October 2011

\*\* Year to date

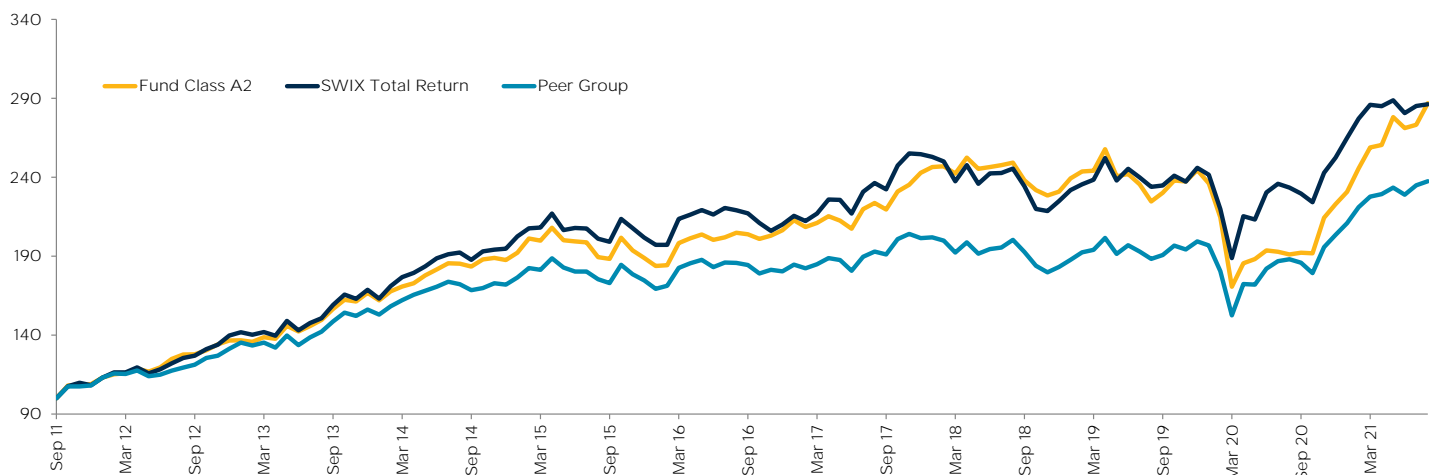
ROLLING 12 MONTH RETURN

Table with 4 columns: Metric (Highest, Average, Lowest) and 1 row: Fund Class A2 (50.5%, 8.9%, -30.7%)

\* Fund performance is the net weighted average fee return for the fund

\*\* Highest Fee Class

CUMULATIVE VALUE OF R100 INVESTED AT INCEPTION VS BENCHMARK (ILLUSTRATIVE PERFORMANCE)



Source: Prescient Fund Services

The illustrative investment performance is shown 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.



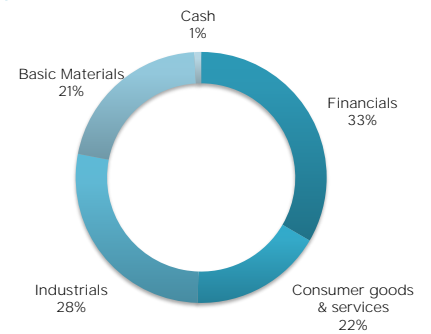
TOP 15 EQUITY HOLDINGS

ABSA	Metrofile
AECI	MTN
Anglo American	Old Mutual
British American Tobacco	Prosus
Exxaro	Reunert
FirstRand	Royal Bafokeng Platinum
Long4Life	Standard Bank
Massmart	

The Top 15 holdings make up 67% of the total fund.

FUND ASSET ALLOCATIONS

Asset Class	%
SA Equity	99.1%
Cash	0.9%



DISTRIBUTIONS

Distribution Frequency	Annually
Distribution Date	01 April
Last Distribution	6.48 cents per unit

FEE STRUCTURE

TER	Class A2	Class A1
Annual Management Fee (excl. VAT)	1.30%	0.90%
Other Cost	0.04%	0.04%
VAT	0.20%	0.14%
Total Expense Ratio (incl. VAT)	1.53%	1.07%
Transaction Costs (incl. VAT)	0.18%	0.18%
Total Investment Charge (incl. VAT)	1.71%	1.25%

MONTHLY COMMENTARY

The ClucasGray Equity Prescient Fund had a strong performance in August, gaining nearly 5%. The Fund is up nearly 17% in the last 6 months, and over 50% in the last year. This compares favorably to the JSE Swix, which was up 3.3% and 22.6% in the last 6 months and year respectively. The returns are also well ahead of the General Equity peer group, which has gained 7.5% and 26.2% in the same periods.

In October 2021, the Fund will celebrate a significant milestone - the 10 year anniversary of its inception. It has indeed been an eventful decade - as ever, a decade with many moving parts, both global and domestic, both political and economic. For South African investors it has, at many times, felt like we have been swimming against a strong current, a current we have alluded to numerous times in our various commentaries over the years. The Fund has delivered a compound annual return to investors of 11.2% since its inception nearly 10 years ago. These returns, net of fees, are in line with the Swix gross returns, and well ahead of the peer group returns of 9.1% per annum.

We recently looked at the Rand returns on the JSE over various periods up to 30 June 2021, leveraging off data provided by SBG Securities, Bloomberg and our own research. Since 31 December 2010, the JSE has returned nearly 12% per annum - with South African inflation at 5.4%, it highlights the sustained ability of equities to deliver real returns over time. However the JSE has materially lagged the MSCI World, which delivered a Rand return of 18.5% per annum over the same period. The contributing factors are plentiful, but the Rand weakening by over 7% per annum, coupled with a remarkable bull market for many large US companies, many technology related, would be deemed the major causes of this underperformance. Whilst the last decade has been relatively disappointing for South African equity investors, it is instructive to note that since 31 December 2000, and 31 December 1975, South African equities have materially outperformed the MSCI World returns, in Rands. Over the last 45.5 years, the JSE has delivered a real return of over 9% per annum, and outperformed the MSCI World Index by 3% per annum.

Whilst we all know that history is clearly no guide to future performance, what provides us with some comfort is that the current forward PE valuation of the JSE against the MSCI World is at a 50% discount - the last decade, which coincides with the performance referred to above, has seen South Africa de-rate from parity to the 50% discount today. Today's relative rating is the lowest of the last 17 years - looking at relative prospective returns, we would argue that much negativity is already priced into South African equities.

Over the last few months we have continued to reduce the number of holdings in the portfolio, and added to the positions in companies where we have more conviction in their investment case. Whilst there can no guarantee that our considered assumptions and forecasts are accurate, our bottom up assessment of the potential returns of all the companies in the portfolio, does provide us with some cause for optimism.

Each investment case is unique - in some companies we expect earnings and dividend growth to drive returns, while others are likely to enjoy a re-rating off remarkably low valuation multiples. In addition there is a growing list of companies that have their own levers to pull to unlock what we believe to be extraordinary value that to date remains trapped. It is these companies, some of which are holding company structures, where we believe proactive management teams have an ability to generate outsized returns for their shareholders. The future is always uncertain, but we take comfort in current valuations for the large majority of our portfolio holdings, and believe patience is likely to be well rewarded.

## 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.

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. The investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees. A list of fund specific risks is provided below. 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.

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.

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.

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.

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.

For any additional information such as fund prices, brochures and application forms please go to [www.cgam.co.za](http://www.cgam.co.za)

## 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 Returns:

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.

### % Positive Months:

The percentage of months since inception where the Fund has delivered positive return.

### Net Performance

Unit trust performance is net (after) management fees have been deducted.

## 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:

ClucasGray (Pty) Ltd, Registration number: 2005/012445/07 is an authorised Financial Services Provider FSP21117 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: Dunkeld Place, 12 North Road, Dunkeld West, 2196 Postal address: PO Box 413037, Craighall, 2024 Telephone number: +27 11 771 1960 Website: [www.cgam.co.za](http://www.cgam.co.za)

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### Performance Fee:

Performance Fee: The Fund has a performance fee class. Performance fees are payable on outperformance of the benchmark using a participation rate of 10%. A permanent high watermark is applied, which ensure that performance fees will only be charged on new performance. There is a cap up to a maximum of 2.5%.

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