



**FUND OBJECTIVE & STRATEGY**

The ClucasGray Equilibrium Prescient Fund is a Regulation 28 compliant, multi-asset high equity fund. The Fund aims to provide long term capital growth ahead of its peer group by delivering both income and capital growth in excess of inflation over time. The Fund aims to achieve these objectives through an active approach to asset allocation, and via superior stock selection. Fundamental analysis, a valuation discipline and a belief that inefficient markets create opportunities in mispriced assets underpin both our asset allocation and stock selection process.

**FUND INFORMATION**

Portfolio Managers:	Andrew Vintcent & Grant Morris
Inception Date:	16 January 2015
Fund Size:	R1053 million
Unit Price:	139.68 cents
ASISA Category:	South African Multi-Asset High Equity
Benchmark:	Market value-weighted average return of ASISA category
Min Lump Sum:	R20 000
Min Monthly Investment:	R1 000
Issue Date:	10 December 2021
ISIN:	ZAE000243838

**WHO SHOULD INVEST**

The Fund is an ideal wealth creation vehicle for investors with a medium to long-term investment horizon.

**RISK INDICATOR**

These funds typically exhibit more volatility given their higher exposure to equities and offshore markets where currency fluctuations 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 30 NOVEMBER 2021**

	3-Months	6-Months	1-Year
Fund*	2.9%	7.7%	25.5%
Class C**	2.8%	7.4%	24.7%
Class B2***	2.9%	7.7%	25.4%
Peer Group	3.3%	6.4%	19.2%

	3-Year	5-Year	Since Inception
Fund*	10.3%	8.8%	8.8%
Class C**	9.6%	8.2%	8.2%
Class B2***	10.2%	n/a	8.4%
Peer Group	10.4%	7.2%	6.4%

**CALENDAR YEAR PERFORMANCE**

	Fund	Class C	Class B2***	Peer Group
2015*	12.5%	11.9%	0.0%	7.9%
2016	5.1%	4.6%	0.0%	1.2%
2017	11.9%	11.3%	7.8%	9.1%
2018	1.4%	0.8%	1.3%	-3.8%
2019	8.8%	8.2%	8.7%	9.7%
2020	-0.3%	-0.9%	-0.5%	4.9%
2021**	22.7%	22.1%	22.6%	16.5%

\* Since inception 16 January 2015

\*\* Year to date

\*\*\* Class B2 Inception 31 May 2017

**ROLLING 12 MONTH RETURN**

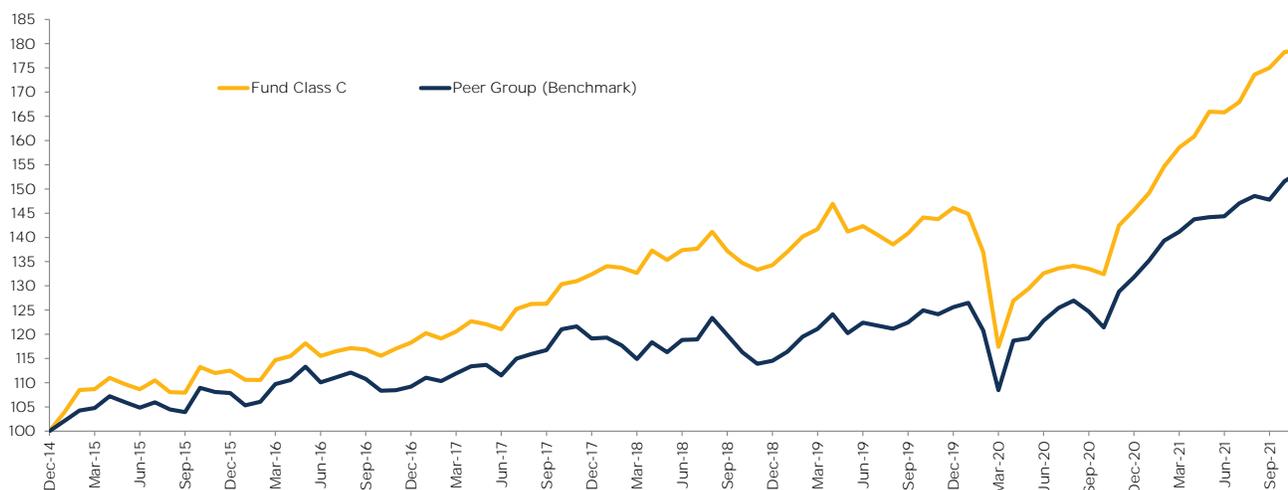
	Highest	Average	Lowest
Fund Class C	34.2%	7.0%	-17.6%

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

\*\* Highest Fee Class

\*\*\* Class B2 Inception 31 May 2017

**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.



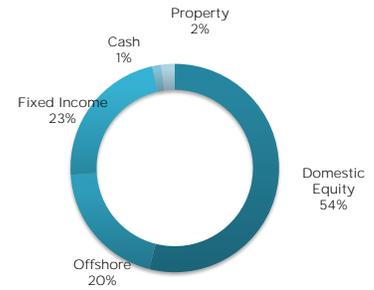
TOP 15 SA EQUITY HOLDINGS

ABSA	Prosus
Standard Bank	Anglo American
MTN	Reunert
British American Tobacco	Life Healthcare
Old Mutual	Sasol
Royal Bafokeng Platinum	EPE Capital Partners
Long4Life	Adcock Ingram
AECI	

The Top 15 holdings make up 36% of the total fund.

FUND ASSET ALLOCATIONS

Asset Class	%
Domestic Equity	53.9%
Foreign Equity	17.0%
SA Cash	1.4%



DISTRIBUTIONS

Distribution Frequency	Annually
Distribution Date	01 April
Last Distribution	4.30 cents per unit

FEE STRUCTURE

TER	Class C	Class B2
Annual Management Fee (excl. VAT)	1.20%	0.75%
Other Cost	0.10%	0.10%
VAT	0.20%	0.13%
Total Expense Ratio (incl. VAT)	1.50%	0.98%
Transaction Costs (incl. VAT)	0.15%	0.15%
Total Investment Charge (incl. VAT)	1.65%	1.13%

MONTHLY COMMENTARY

The last quarter proved to be a good one for investors in the ClucasGray Equilibrium Prescient Fund, with the Fund gaining around 3% in the quarter. Over the last 12 months, the Fund has gained over 25%, compared to the peer group returns of 19%. As illustrated on the fact sheet, we have been encouraged that the ClucasGray Equilibrium Prescient Fund has delivered compound annual returns of 8.8% since its inception nearly 7 years ago, ahead of the peer group returns of 6.4%.

It has been pleasing to see active managers producing returns in excess of the JSE indices of late – the contest between active and passive solutions is one that has defined the global asset management industry over the last few decades. We recently wrote an article for the Glacier Funds on Friday publication, titled “Acknowledging Passive, Embracing Active”, where we expanded on our views of this dynamic, and how we believe our active solutions offer compelling blending benefits to investors. The link to the article is as follows <https://www.cgam.co.za/glacier-funds-on-friday-acknowledging-passive-embracing-active-15-october-2021/>

Over the last few months 2 material holdings in the fund have been the subject of corporate action. RB Plats is in the cross hairs of both Impala and Northam – it has long life mines, and has been trading at substantial valuation discounts to its peer group. As a consequence of the bidding war, the share price has rallied over 60% in the last quarter – a development that has benefited the performance of the fund. In addition, our long standing position in Long4Life has been boosted by an offer from a private equity fund to buy out the whole company at a reasonable premium to where it has been trading. It is a gem of a business that in our view has perennially traded at the incorrect valuation – a thesis underscored to some extent by the takeout offer. The share price has rallied 25% in the last quarter.

We don't explicitly go looking for corporate action targets, but it can at times be a natural consequence of our investment process – we aim to invest in good businesses that trade at undemanding valuation multiples, and have the ability to deliver attractive prospective returns to investors. In some ways it is a vindication of our process that numerous material holdings have been the subject of takeovers – private capital and industry peers have also identified these companies as having the ability to meet their required hurdle rates.

The last few months have been characterized by a return of that old South African nemesis – a weakening currency. Emerging markets like Turkey have imploded, Brazil has enjoyed their own unique issues, and South Africa is seemingly never without an issue of concern – the latest one being the return of the travel red lists. We strive to deliver real Rand returns for our investors, and continue to believe that the yields and valuations on offer in South African bonds and equities remain extremely compelling. The yield differential on our local currency bonds is once again nearing multi decade highs, and we believe the prospective Rand returns to investors are enticing.

Notwithstanding a strong recovery in the share prices of many South African listed equities, we continue to believe investors have been presented with numerous opportunities through which to generate very attractive prospective returns. We have no insight into when these returns will materialize, but remain confident that patience will be well rewarded.

After what has been a long, rewarding and at times draining year, we would like to wish you and your families a relaxing and enjoyable Festive Season.



## 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.

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.

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.

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.

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