

**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**

Portfolio Managers:	Andrew Vincent & Grant Morris
Inception Date:	01 October 2011
Fund Size:	R699 million
Unit Price:	223.05 cents
ASISA Category:	South African Equity General
Benchmark:	SWIX Total Return
Min Lump Sum:	R20 000
Min Monthly Investment:	R1 000
Issue Date:	11 January 2022
ISIN:	ZAE000160693

**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.

LOW	LOW - MED	MED	MED - HIGH	HIGH
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**NET PERFORMANCE (ANNUALISED) AT 31 DECEMBER 2021**

	3-Months	6-Months	1-Year	3-Year
Fund*	8.8%	17.1%	42.4%	11.2%
Class A1	8.8%	16.8%	41.8%	10.8%
Class A2**	8.6%	16.6%	41.2%	10.3%
SWIX TR	8.3%	8.9%	21.1%	10.8%
Peer Group	9.3%	12.0%	26.0%	11.9%

	5-Year	7-Year	10-Year	Since Inception
Fund*	9.0%	7.8%	11.3%	11.9%
Class A1	8.6%	7.3%	10.4%	11.0%
Class A2**	8.1%	7.0%	10.4%	11.1%
SWIX TR	7.8%	6.6%	10.9%	11.5%
Peer Group	7.3%	5.9%	9.0%	9.6%

**ROLLING 12 MONTH RETURN**

	Highest	Average	Lowest
Fund Class A2	55.3%	10.3%	-30.7%

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

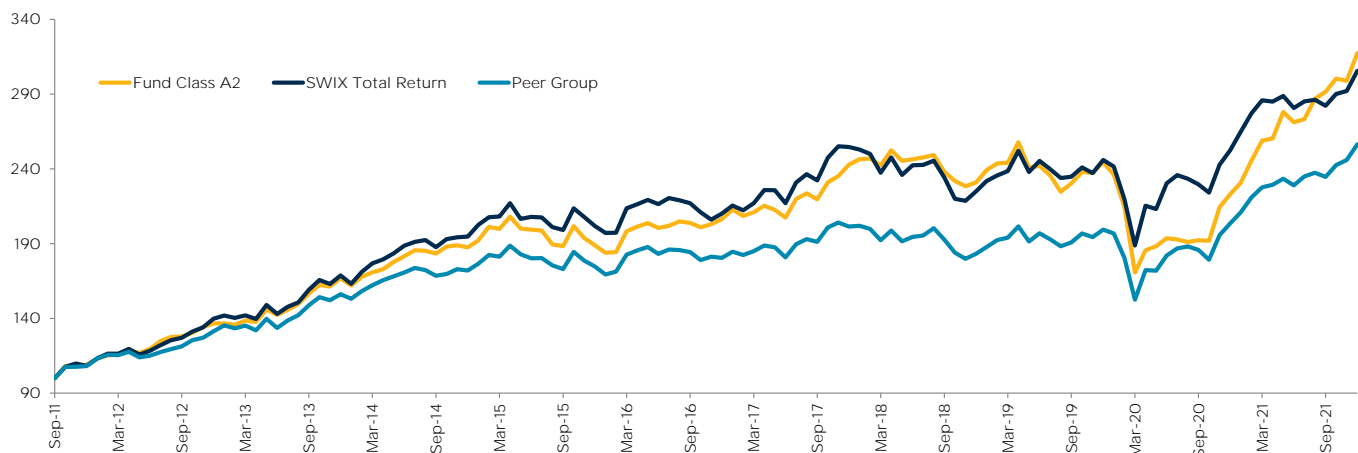
\*\* Highest Fee Class

**CALENDAR YEAR PERFORMANCE**

	Fund	Class A1	Class A2	SWIX Total Return	Peer Group
2011*	8.9%	8.6%	8.8%	8.3%	8.1%
2012	25.4%	23.4%	24.3%	29.1%	21.5%
2013	22.1%	20.3%	21.2%	20.7%	18.9%
2014	12.4%	10.8%	11.7%	15.4%	10.1%
2015	0.7%	-0.7%	0.0%	3.6%	1.6%
2016	9.3%	9.0%	8.6%	4.1%	3.3%
2017	17.6%	17.2%	16.7%	21.2%	11.6%
2018	-4.9%	-5.2%	-5.6%	-11.7%	-9.0%
2019	5.9%	5.5%	5.0%	9.3%	8.8%
2020	-8.8%	-9.1%	-9.5%	2.6%	2.1%
2021**	42.4%	41.8%	41.2%	21.1%	26.0%

\* Since inception 1 October 2011

\*\* Year to date

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

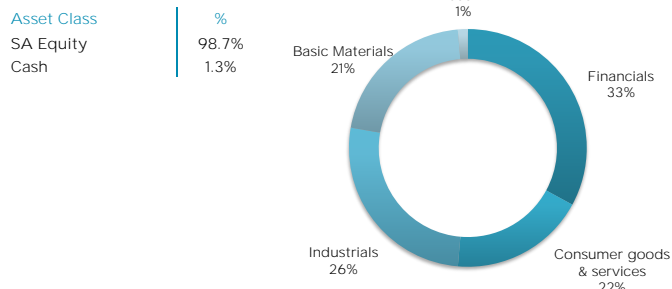
Source: Prescient Fund Services

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	AECI
Standard Bank	Life Healthcare
MTN	Massmart
Old Mutual	Long4Life
British American Tobacco	Metrofile
Anglo American	Sasol
Reunert	Glencore
Prosus	

The Top 15 holdings make up 66% of the total fund.

**FUND ASSET ALLOCATIONS**

**DISTRIBUTIONS**

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

**FEE STRUCTURE**

	Class A2	Class A1
TER		
Annual Management Fee (excl. VAT)	1.30%	0.90%
Other Cost	0.03%	0.03%
VAT	0.20%	0.14%
Total Expense Ratio (incl. VAT)	1.52%	1.06%
Transaction Costs (incl. VAT)	0.23%	0.23%
Total Investment Charge (incl. VAT)	1.75%	1.29%

**QUARTERLY COMMENTARY**

2021 was a good year for equity investors, with all global regions delivering strong returns. The ClucasGray Equity Prescient Fund had a very good year, gaining 42%, double the JSE Swix return of 21%, and significantly ahead of the average general equity fund return of 26%.

The Fund benefitted from some standout company returns in the year, most notably Motus, Distell, MTN, RB Plats and Long4Life, all of which increased by over 70% in the year. Aside from these, the Fund had a large core of holdings, including Absa, Anglos, Massmart, Sabvest, Reunert, AECI, Old Mutual to name a few, which gained more than 25% in the year.

During the quarter, the Fund has been managed in accordance with its policy objectives. Whilst the sector allocation has not changed materially, there have been a few changes within the sectors over the course of the last quarter.

Fund Asset Allocation	Q4 2021	Q3 2021
Basic Materials	21%	21%
Industrials	26%	25%
Consumer Goods	18%	21%
Financials	33%	32%
Cash	1%	1%

We believe the gyrations in the relative performance of many companies over the last year, coupled with our strategy to be active managers and construct relatively concentrated portfolios of higher conviction holdings, has resulted in us making a number of changes in the quarter. During the quarter we exited our holdings in 5 companies, namely Distell, Motus, Billiton, Pepkor and RB Plats. Both Distell and RB Plats were as a result of corporate action, where their share prices had rallied hard – this is a theme that also played out in Long4Life during the quarter, which was the subject of a buyout offer from a private equity group. We took some profits in Long4Life but do still continue to have a holding in it.

We added 3 new positions in the quarter, being Anheuser, Spar and Impala – Impala being the result of a share swap for our RB Plats holding in the corporate action referred to earlier. In our desire to express conviction in our holdings, we increased our weightings in numerous companies, using the proceeds of the above mentioned sales. These include Absa, Old Mutual, Standard Bank, British American Tobacco, Truworths, Anglos, Glencore, African Rainbow Minerals, Life Healthcare and Reunert. In each of these cases, we believe the relative prospective returns are more attractive than the companies we exited.

We find the current investment climate in South Africa particularly intriguing, as many good companies remain materially undervalued. Public companies have to contend with an ever increasing raft of regulations and costs to remain listed; management teams, ultimately only accountable for the operational and financial performance of their companies, find themselves spending time dealing with queries on why their share price continues to languish, and what they plan to do about it; institutional shareholders find themselves having to defend positions and performance to clients; frustrations develop, yet thankfully there are solutions. In our view, many management teams have levers to pull to unlock significant value for themselves and their shareholders – failing that, and unless share prices start to better reflect our estimate of the fair value of many local companies, we would expect the recent trend of an increase in corporate activity to continue.

2021 was a momentous year for the ClucasGray Equity Prescient Fund, a year in which the Fund celebrated its 10 year anniversary in October. As depicted on the fact sheet, the Fund has delivered returns over most periods in excess of both the general equity peer group, and the JSE Swix Index. Since its inception, over 10 years ago, the Fund has delivered compound annual net returns of nearly 12% pa, ahead of the Swix gross returns, and the peer group net returns of less than 10%. The Fund strives to deliver Alpha by investing with conviction in companies that our fundamental investment process has identified as having the potential to deliver attractive prospective returns. Hence it is pleasing to reflect on the last number of years and to see evidence of the investment strategy delivering on our investment objective.

Notwithstanding a very strong performance in 2021, we believe numerous locally listed companies offer very attractive prospective returns to patient investors. We have positioned the Fund to benefit from these opportunities.

The number of participatory units as at 31 December 2021 was 293 914 692.74.



## 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.