



### 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 Vincent & Grant Morris
Inception Date:	16 January 2015
Fund Size:	R1130 million
Unit Price:	137.35 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:	20 October 2022
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.

LOW	LOW - MED	MED	<b>MED - HIGH</b>	HIGH
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### NET PERFORMANCE (ANNUALISED) AT 30 SEPTEMBER 2022

	3-Months	6-Months	1-Year
Fund*	1.7%	-3.6%	4.1%
Class C**	1.5%	-3.9%	3.5%
Class B2***	1.6%	-3.7%	4.0%
Peer Group	-0.1%	-5.7%	-0.1%

	3-Year	5-Year	Since Inception
Fund*	9.0%	7.6%	8.1%
Class C**	8.3%	7.0%	7.5%
Class B2***	8.9%	7.5%	7.5%
Peer Group	6.5%	4.8%	5.2%

### 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	28.4%	27.7%	28.4%	20.0%
2022**	-2.6%	-3.0%	-2.7%	-6.6%

\* Since inception 16 January 2015

\*\* Year to date

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

### ROLLING 12 MONTH RETURN

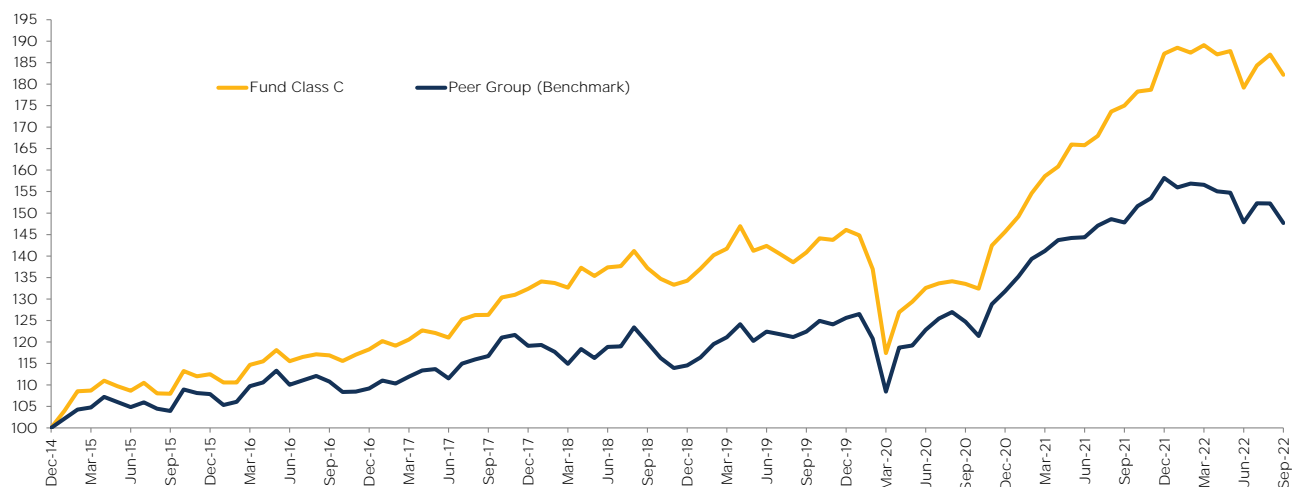
	Highest	Average	Lowest
Fund Class C	34.2%	7.9%	-17.6%

\* 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)



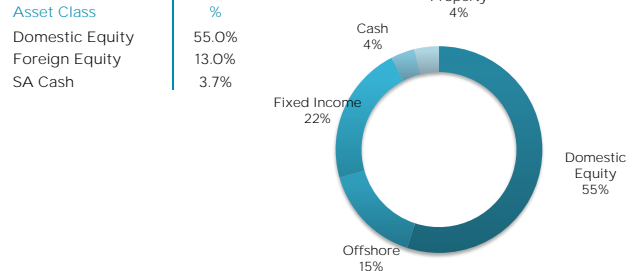
Source: Prescient Fund Services

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	Metrofile
Adcock Ingram	Momentum Metropolitan
AECI	MTN
African Rainbow Minerals	Nasper
Anglo American	Old Mutual
British American Tobacco	Reunert
EPE Capital Partners	Standard Bank
Glencore	

The Top 15 holdings make up 35% of the total fund.

**FUND ASSET ALLOCATIONS**

**DISTRIBUTIONS**

Distribution Frequency	Annually
Distribution Date	01 April
Last Distribution	4.55 cents per unit

**FEE STRUCTURE**

TER	Class C	Class B2
Annual Management Fee (excl. VAT)	1.20%	0.75%
Other Cost	0.14%	0.15%
VAT	0.20%	0.13%
Total Expense Ratio (incl. VAT)	1.52%	1.01%
Transaction Costs (incl. VAT)	0.20%	0.20%
Total Investment Charge (incl. VAT)	1.72%	1.21%

**QUARTERLY COMMENTARY| SEPTEMBER 2022**

The 3rd quarter of 2022 was a particularly volatile one in global and local financial markets. Following a prolonged period of accommodative monetary policy, the well documented global inflationary pressures have forced Central Banks to increase interest rates in a bid to rein in inflation. Developed economy equity and bond markets have been under significant pressure. The MSCI World Index fell over 6% in the quarter, with the MSCI Emerging Market Index being particularly hard hit, declining nearly 12%. The JSE Capped Swix fell over 2% in the quarter.

The ClucasGray Equilibrium Fund gained 1.7% in the quarter, and is now up 4.1% over the last year. Whilst these returns are modest relative to our longer term objectives, they compare favourably against the peer group returns, which were down 0.1% over both the quarter and the last year. We strive to deliver industry leading Real returns over time – over the last 3 years, the fund has delivered annualised returns of 9%, against the peer group of 6.5% and inflation of 5%, and since inception over 7 years ago in January 2015, the Fund has gained over 8% per annum, versus the peer group and inflation of 5.2%.

During the quarter the Fund benefited from some strong performances from a number of key holdings. Massmart gained over 70%, as their parent Walmart made an opportunistic offer to minorities to delist the company. Other material contributors include Momentum, Absa, Fortress B, African Rainbow Minerals which all gained over 10%, materially outperforming the overall market. The unexpected corporate action in Massmart resulted in us selling down the Fund's holdings in the company near the offer price, and provided us with capacity to both add to existing holdings, and introduce new positions. One such new position was Kaap Agri, whose unbundling from the PSG Group in September resulted in increased liquidity in a high quality, yet typically thinly traded business. It is a company that has delivered very steady growth in both Headline Earnings and Net Asset Value over the last 11 years. We took advantage of the opportunity to buy into this business at extremely subdued valuation multiples.

Away from the Massmart developments, it was an active quarter for the fund. Towards the of June, an announcement by Prosus and Naspers outlining steps to narrow the discount saw both share prices recover strongly. We used the strength to exit the fund's holding in the Prosus "Stub" instrument, which had performed very well, and reduced the weighting in Naspers. In addition we sold the holding in Exxaro into strength, and exited Anheuser-Busch. We used the proceeds from the above sales to increase our weightings in Momentum, Reunert, African Rainbow Minerals, Spar and MTN, all of which offer the potential for attractive prospective returns from current levels.

Global bond markets struggled as yields have moved up materially – the USA and UK 10 year Government Bonds increased by 81 and 185 basis points respectively, an unprecedented move in yields. To put these yields movements into perspective, the US Dollar performance for the World Government Bond Index (WGBI) was -5.1% for the month, -7.6% for the quarter, and it now brings the year-to-date performance to -21.2%. Against that backdrop, the performance of the South African All Bond Index (ALBI) was particularly resilient – the ALBI was down -2.1% for the month of September but up 0.6% for the quarter.

The most significant local macroeconomic event in the past quarter was the SARB increasing interest rates by 150 basis points, in 2 consecutive 75 basis point rate hikes. The rising interest rate environment has offered up attractive opportunities in the South African fixed income markets, notably medium duration NCD's, and slightly longer dated fixed coupon bonds. Given the elevated real yield environment, we view South African fixed income markets as an attractive asset class.

The Fund has held relatively modest weightings in offshore equity this year. Following the significant sell-off experienced thus far in 2022, select markets are looking increasingly interesting. We have incrementally and judiciously added to our offshore equity weightings over the last few weeks.

We have for some time expressed a constructive view on the domestic equity opportunity set that has been presented to investors. We continue to believe that numerous large, medium and smaller companies trade at valuations which in an historical context would be deemed extremely attractive, and in our estimates offer enticing prospective returns. We have positioned the portfolio to benefit from these opportunities. None of us have any foresight into when value will be unlocked in the companies in which we have invested, but history has taught us that buying good companies at great prices is a strategy that over time delivers good outcomes. We believe patience will be well rewarded.

The current asset allocation versus the previous quarter is as follows:

Fund Asset Allocation	Q2 2022	Q1 2022
SA Equity	56%	56%
Offshore	15%	16%
Fixed Income	23%	21%
Property	5%	4%
Cash	1%	3%

The Fund has adhered to its investment policy.

The number of participatory units as at 30 September 2022 was 820 969 329.



## 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.