



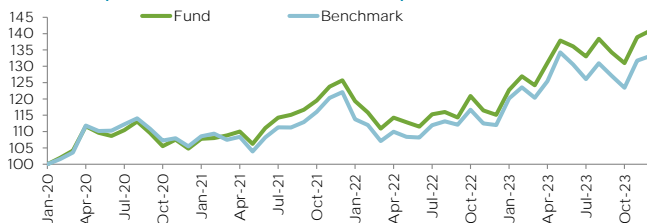
**FUND OBJECTIVE & STRATEGY**

The ClucasGray Global Flexible Prescient Fund aims to provide medium to long-term capital and income growth over time by investing in a flexible portfolio of global asset classes and currencies. The Fund will invest in a diversified mix of global assets, including equities, bonds, property, preference shares, debentures, fixed interest securities and money market instruments. The Fund will employ asset and geographical allocations to reflect changing economic and market conditions to maximise returns over the long term.

**FUND INFORMATION**

Portfolio Managers:	Guy MacRobert & JP Maritz
Inception Date:	31 January 2020
Fund Size (ZAR millions):	R 247.7 million
Unit Price:	140.89
ASISA Category:	Global Multi-Asset Flexible
Benchmark:	Market value-weighted average return of Global Multi Asset High Equity (50%) and Low Equity (50%)
Min Lump Sum:	R10 000
Min monthly investment:	R 1 000
Issue Date:	17 January 2024

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



Source: Prescient Fund Services 31 December 2023  
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.

**ROLLING 12 MONTH RETURN\*\***

	Highest	Average	Lowest
Fund Class B1	22.3%	7.4%	-8.4%

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

**PERFORMANCE (NET OF FEES) AT 31 DECEMBER 2023**

	1 month	6 months	YTD	1 year	2 years	Since Inception (Ann)
Fund*	1.4%	3.5%	22.4%	22.4%	5.9%	9.1%
Class B1	1.4%	3.5%	22.3%	22.3%	5.8%	9.1%
Benchmark	1.1%	2.0%	18.8%	18.8%	4.4%	7.6%

**RISK & FUND STATS (ANNUALISED SINCE INCEPTION)**

Alpha	0.2%
Sharpe Ratio	3.1
Standard Deviation	11.1%
Max Drawdown	-11.7%
% Positive Months	59.6%

**WHO SHOULD INVEST**

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

**RISK INDICATOR**

These portfolios generally hold more equity exposure than low risk portfolios but less than high risk portfolios. In turn, the expected volatility is higher than low risk portfolios but less than high risk portfolios. The probability of losses is higher than low risk portfolios, but less than high risk

LOW	LOW - MED	<b>MED</b>	MED - HIGH	HIGH
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**QUARTERLY COMMENTARY | DECEMBER 2023**

Following a global sell-off across equity and bond markets during the third quarter, on the back of ongoing hawkish commentary from the major central banks, global markets rallied strongly to end the year on a high. The primary driver for the strong returns were the markets expectation that central banks will cut interest rates sooner in 2024 than previously expected. This resulted in the MSCI All Country World Index (ACWI), the best proxy for global equity markets, to add 11.0% during the fourth quarter. Growth was broad-based as developed markets (+11.5%) and emerging markets (+7.9%) moved higher. Growth stocks (+13.4%) outperformed value stocks (+9.5%) in this risk on environment. The World Government Bond Index added +8.1% as global fixed income markets already started to price in several rate cuts. Commodities were the outlier losing -4.6% led by a -16.4% decline in the oil price as weak demand expectations pushed prices lower. Global Property, which lagged during the first nine months of the year, had an exceptional three months as the Global REIT Index added +15.6% to close out the year.

US markets continued to outperform driven by the "Magnificent Seven", which contributed almost 80% of the return during the fourth quarter. Inflation continued to moderate with the November reading at a five month low of 3.1%. A decline in energy prices helped push the CPI closer to the 2.0% target. The Federal Reserve held rates steady for a third consecutive meeting in December and indicated up to 75 basis points of cuts for 2024. The S&P 500 (+11.7%), Nasdaq (+13.6%) and Dow Jones Industrial Average (+12.5%) all moved higher. Across Europe, equities also moved higher on the back of expectations that interest rates will be cut in 2024. The European Central Bank (ECB) maintained interest rates at multi-year highs for a second consecutive meeting and signalled an early conclusion to its last remaining bond purchase scheme. Rates across the Euro area remain at a 22-year high of 4.5%. During the press conference, President Lagarde told reporters that policymakers did not discuss any rate cuts, reiterating that future decisions would be data-dependent. Inflation in the UK slowed to 3.9% in November, the lowest since September 2021 and well below forecasts of 4.4%. The Bank of England (BoE) held its benchmark interest rate at a 15-year high of 5.25% for the third consecutive time during its December policy meeting. The Eurostoxx 50 (+8.6%), German DAX (+8.9%) and FTSE 100 (+2.3%) all moved higher during the quarter. Japanese and Chinese markets underperformed their global peers during the quarter as no monetary policy easing is expected by the market. The Nikkei still managed to add +5.3% for the quarter and +31.0% for the year. Chinese stocks continued its downward trend amid ongoing concerns around its property sector and a lack of certainty around economic growth out of the world's second largest economy. The Shanghai Shenzhen lost -4.4% during the final quarter of 2023. The IMF expect the Chinese economy to grow +4.6% in 2024, below its own target of 5.0%

During the quarter, we introduced two new positions to the fund, Nvidia and Autodesk, and exited our position in Lockheed Martin and Deere & Co. Autodesk is a leading provider of drafting and design software for the building, and infrastructure industry. The company has over 7 million users of its software products, including their popular AutoCAD program which has become the industry standard computer aided design (CAD) program. The company has diversified their product offerings to now include digital asset management, media & entertainment visual effects creation and wireless data services. Autodesk has recently moved to a predominantly subscription based model resulting in more predictable income streams and client retention. The business generates very high levels of cash flow with a robust balance sheet and we expect double digit earnings growth over the next couple of years. Nvidia was introduced towards the end of the quarter and is a leader in graphic processing units (GPUs), which the company predominantly sells into the data centre and gaming segments. Of late, the demand for GPUs in data centres has increased rapidly with the emergence of artificial intelligence (AI). Nvidia GPUs have the ability to handle parallel processing workloads, which makes them highly efficient at processing large amounts of data at the same time, making them ideal for AI applications. The business is expected to enjoy numerous years of exceptional growth and is very well positioned to benefit from the structural demand in the semiconductor industry.



QUARTERLY COMMENTARY | DECEMBER 2023 CONTINUED

We decided to exit our position in Lockheed Martin (LMT), a position we have held since the inception of the fund. LMT operates four main business segments: Aeronautics, Missiles and Fire Control, Rotary and Mission Systems, and Space. Although the business has enjoyed good growth for a number of years, production issues, lower demand for its main products and increased competition in the space industry is expected to result in little to no earnings growth over the next couple of years and we believe there is more attractive opportunities available. Deere & Co, famous for its green John Deere tractors is a business with a very strong market position backed by a robust balance sheet and produces a good levels of free cash flow, but ultimately is exposed to the cyclical agricultural industry. We believe we are very close to the top of the current cycle and that Deere will endure a difficult 12-18 months ahead. The business was always added to the portfolio as a tactical idea and one we will consider adding again in the future but for now the current earnings expectations is below our minimal requirement and we decided to exit the position.

The top-performing shares during the fourth quarter were Deckers Outdoor, ASML and TSMC with the biggest detractors being British American Tobacco, Alibaba and BP.

The stated objective of the fund is to provide long-term capital growth while maintaining a prudent risk-adjusted approach in allocating capital. The Fund has adhered to its policy objective.

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

Fund Asset Allocation	Q3 2023	Q4 2023
Foreign Equity	70%	70%
Foreign Cash	4%	5%
Foreign Fixed Income	20%	19%
Foreign Property	2%	2%
Local Cash	4%	4%

The number of participatory units as at 31 December 2023 was 178 345 126.

FEE STRUCTURE

TER	Class B1
Annual Management Fee (excl. VAT)	0.90%
Other Cost	0.25%
VAT	0.12%
Total Expense Ratio (incl. VAT)	1.27%
Transaction Costs (incl. VAT)	0.08%
Total Investment Charge (incl. VAT)	1.35%

DISTRIBUTIONS

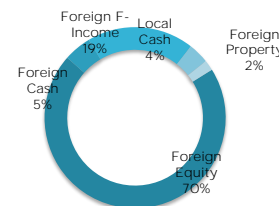
Distribution Frequency	Annually
Distribution Date	01 April
Last Distribution	1.02 cents per unit

TOP 10 HOLDINGS

Alphabet	3.9%	Elevance	2.4%
TotalEnergies	2.9%	Berskshire	2.4%
Microsoft	2.6%	ASML	2.3%
Amazon	2.5%	Deutsche Borsa	2.3%
Visa	2.5%	LVMH	2.2%

FUND ASSET ALLOCATIONS

Asset Class	%
Foreign Equity	70.4%
Foreign Cash	5.0%
Foreign F-Income	19.1%
Local Cash	3.7%
Foreign Property	1.9%




**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.

Alpha: Denoted the outperformance of the fund over the benchmark.

Sharpe Ratio: The Sharpe ratio is used to indicate the excess return the portfolio delivers over the risk free rate per unit of risk adopted by the fund.

Standard Deviation: The deviation of the return stream relative to its own average.

Max Drawdown: The maximum peak to trough loss suffered by the Fund since inception.

% Positive Months: The percentage of months since inception where the Fund has delivered positive returns.

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.clucasgray.co.za](http://www.clucasgray.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 FSP 2117 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.clucasgray.co.za](http://www.clucasgray.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.