CLUCASGRAY ASSET MANAGEMENT

CGAM SA Balanced Prescient Fund

MINIMUM DISCLOSURE DOCUMENT

31 JULY 2024

FUND OBJECTIVE & STRATEGY

The CGAM SA Balanced Prescient Fund is Regulation 28 compliant, investing in a balanced portfolio of South African asset classes. The Fund aims to provide medium to long-term capital growth ahead of inflation and its peer group. The Fund aims to achieve these objectives through an active approach to asset allocation, and via superior security selection. Fundamental analysis, a valuation discipline and a belief that inefficient markets create opportunities in mispriced assets underpin both our asset allocation and security selection process.

FUND INFORMATION

Portfolio Managers:	Andrew Vintcent & Grant Morris
Inception Date:	10 July 2023
Fund Size:	R277.7 million
Unit Price:	113.21 cents
ASISA Category:	South African Multi-Asset High Equity
Benchmark:	CPI + 2%
Min Lump Sum:	R10 000
Min Monthly Investment:	R1 000
Issue Date:	14 August 2024
ISIN:	ZAE000323598
JSE Code:	NCFCB1

WHO SHOULD INVEST

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

RISK INDICATOR

Generally, these portfolios hold more equity exposure than lower risk profiled portfolios. These portfolios therefore tend to carry more volatility. 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

NET PERFORMANCE (ANNUALISED) AT 31 JULY 2024

	3 months	6 months	1 year	Since Inception (Ann)
Fund*	12.1%	11.6%	13.6%	16.8%
Class B1**	12.0%	11.5%	13.3%	16.4%
Class A3	12.1%	11.6%	13.6%	16.7%
Benchmark	0.9%	3.6%	6.5%	6.7%

RISK & FUND STATS (ANNUALISED SINCE INCEPTION)

Max Drawdown***	-4.3%
Max Gain	7.1%
% Positive Months	61.5%

ROLLING 12 MONTH RETURN**

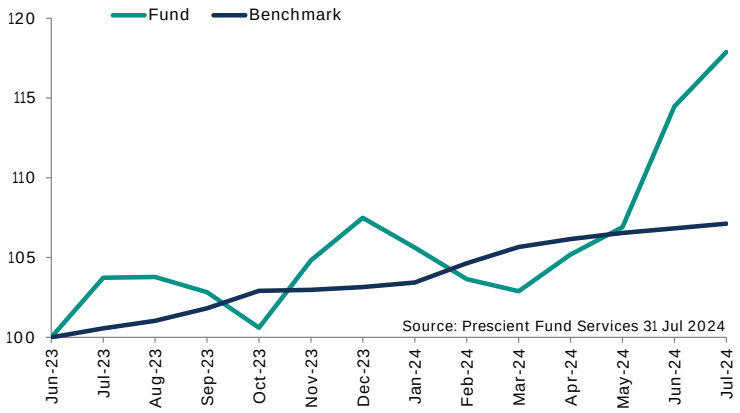
	Highest	Average	Lowest
Class B1**	14.1%	13.7%	13.3%

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

** Highest Fee Class

*** The maximum peak to trough loss suffered by the Fund since inception

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



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.

QUARTERLY COMMENTARY | JUNE 2024

Global equity markets continued to grind higher in the 2nd quarter of 2024. The MSCI World Index gained 3% in US Dollars, driven once again by another strong performance by the major US indices most notably the Nasdaq continued its seemingly gravity defying run, gaining another 8% in the quarter, and is up nearly 30% over the last year. With a supportive global backdrop, the JSE Capped Swix increased by 8% in the quarter.

The 2nd quarter of 2024 proved to be a good one for the CGAM SA Balanced Prescient Fund - the fund gained 11.2% in the quarter. A number of holdings contributed positively to performance, with the most notable being African Rainbow Minerals, Spar and Foschini all being up around 30%; Anglo American, FirstRand, The KAL Group and the JSE all rising around 20%, and a number of other holdings delivering double digit returns. In addition, as alluded to below, the All Bond Index gained 7.5% in the quarter. The fund has enjoyed a healthy exposure to South African bonds.

The key developments post the South African elections have been well documented - we have been encouraged by the maturity shown by most parties in coming together to form the Government of National Unity (GNU). The level of national anxiety in the build up to elections appeared to impact on consumer and business confidence, with negative consequences for economic activity. Allied to a more constructive political backdrop, we believe there are some important tailwinds, structural and cyclical, that could result in a more favorable environment for individuals and companies alike.

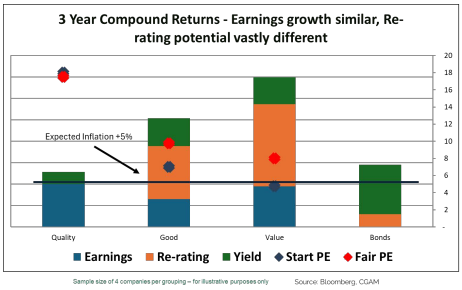
A more stable electricity backdrop, positive developments to resolve the logistical challenges, and a seeming willingness by the State to partner with private enterprise are encouraging developments. Cyclically, we remain of the view that the inflationary pressures in the economy are alleviating, and expect interest rates to decline off the current elevated levels.

A key part of our Investment Process at CGAM (ClucasGray Asset Management) is to assess prospective equity returns by analyzing 3 key components - earnings growth, dividend yield and the change of valuation multiple. We performed an exercise during June where we took a sample of companies listed on the JSE in 3 subjectively defined categories - Quality, Good and Value.

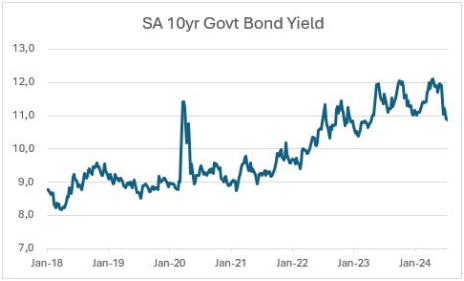
All 3 categories show an ability to deliver real, albeit modest, earnings growth over the next 3 years, the bulk of the prospective returns in the Good and Value samples are derived from an elevated Dividend Yield, and a modest re-rating, off suppressed levels. Given the exceedingly low starting valuations, the impact of a modest re-rating is potentially significant.

Prescient

QUARTERLY COMMENTARY | JUNE 2024 CONTINUED



South African fixed income yields also enjoyed a post-election rally, with the All Bond Index gaining 7.5% in the quarter. Much like the equity market, the chart below illustrates that whilst yields have fallen considerably off their 2024 highs, they remain elevated in the context of history, and continue to offer very attractive real yields.



Notwithstanding a very strong recovery in select equity prices and domestic fixed income assets towards the end of the quarter, we remain of the view that numerous opportunities exist to deliver very attractive real returns.

The CGAM SA Balanced Prescient Fund will celebrate its 1 year birthday in July 2024.

Given the opportunities in South African fixed income, select equities and properties, we believe the fund remains well placed to deliver on its objective of producing real returns to its investors.

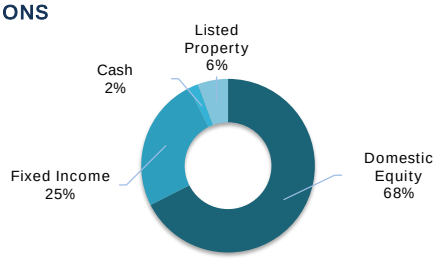
TOP 15 SA EQUITY HOLDINGS

ABSA	Naspers
AECI	Old Mutual
African Rainbow Minerals	Premier Group
Anglo American	Reunert
British American Tobacco	Sasol
Firstrand	Standard Bank
KAL Group	The Foshini Group
MTN	

The Top 15 holdings make up 48% of the total fund.

FUND ASSET ALLOCATIONS

Asset Class	%
Domestic Equity	67.5%
Fixed Income	25.0%
SA Cash	1.8%
Listed Property	5.6%



DISTRIBUTIONS

Distribution Frequency	Annually
Distribution Date	02 April
Last Distribution	3.86 cents per unit

FEE STRUCTURE

TER	Class B1	Class A3
Annual Management Fee (excl. VAT)	0.90%	0.75%
Other Cost	0.00%	0.00%
VAT	0.00%	0.00%
Total Expense Ratio (incl. VAT)	0.90%	0.75%
Transaction Costs (incl. VAT)	0.00%	0.00%
Total Investment Charge (incl. VAT)	0.90%	0.75%

CGAM SA Balanced Prescient Fund

MINIMUM DISCLOSURE DOCUMENT

31 JULY 2024

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.

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.

Max Gain: Largest increase in any single month.

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.

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 it 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

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 Website: 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

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 Asset Management (Pty) Ltd, Registration number: 2019/060149/07 is an authorised Financial Services Provider FSP50733 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 (N0.37 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

This document is for information purposes only and does not constitute or form part of any offer to issue or sell or any solicitation of any offer to subscribe for or purchase any particular investments. Opinions expressed in this document may be changed without notice at any time after publication. We therefore disclaim any liability for any loss, liability, damage (whether direct or consequential) or expense of any nature whatsoever which may be suffered as a result of or which may be attributable directly or indirectly to the use of or reliance upon the information.

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