CLUCASGRAY ASSET MANAGEMENT

CGAM SA Balanced Prescient Fund

MINIMUM DISCLOSURE DOCUMENT — *29 FEBRUARY 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:	R238.3 million
Unit Price:	103.43 cents
ASISA Category:	South African Multi-Asset High Equity
Benchmark:	CPI + 2%
Min Lump Sum:	R10 000
Min Monthly Investment:	R1 000
Issue Date:	11 March 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 29 FEBRUARY 2024

Performance will be available after one year.

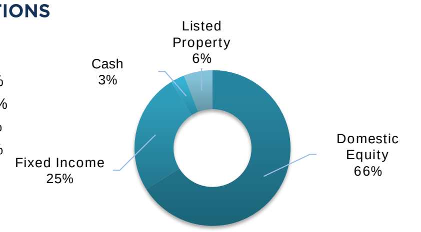
TOP 15 SA EQUITY HOLDINGS

ABSA	MTN
Adcock Ingram	Naspers
AECI	Old Mutual
African Rainbow Minerals	Reunert
Anglo American	Sasol
British American Tobacco	Standard Bank
Firstrand	Foschini Group
Kaap Agri	

The Top 15 holdings make up 46% of the total fund.

FUND ASSET ALLOCATIONS

Asset Class	%
Domestic Equity	66.1%
Fixed Income	25.0%
SA Cash	2.9%
Listed Property	6.0%



DISTRIBUTIONS

Distribution Frequency	Annually
Distribution Date	01 April
Last Distribution	n/a - new fund

FEE STRUCTURE

The TER, TC and TIC figures shown below are estimates because this is a new fund. Accurate figures will be available a year after inception.

TER	Class B1	Class B2
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%

QUARTERLY COMMENTARY | DECEMBER 2023

The CGAM SA Balanced Prescient Fund was launched in July 2023. Since inception it has delivered returns of 7.5%, helped by a strong final quarter where the fund gained 4.5%.

2023 has brought with it a slew of issues, including, but sadly not limited to the unwelcome return of Stage 6 loadshedding, Transnet inefficiencies at our Ports and Rail network, a sluggish economy, a very weak currency and elevated interest rates. The sustained and elevated levels of loadshedding has been an economic standout. Statistics show that by the middle of December, the country had endured 332 days of loadshedding – power filled days a rarity. The adverse consequences of loadshedding have been well document by many, suffice to say that it presented a very difficult backdrop for households and businesses.

None of us know for certain when South Africa will have resolved its power issues, if ever. We do know that most large businesses, and a growing number of households, have invested in alternative energy sources, hence reducing the impact of loadshedding. Coupled with the forecast for a significant amount of power being imminently added to the grid, we believe the operating environment will become a little easier into 2024.

Given the significance of the impact on near term earnings, we believe investors are better served focusing on a more normalized earnings base to value companies. Less dramatic, but similar to the Covid crisis where 2020 earnings were of academic interest only, we believe the loadshedding impacted earnings of 2023/24 reporting season will be artificially suppressed for many companies. As the power crisis alleviate, we expect many of our companies to see an improvement in earnings over the next 2 years.

Guided by our investment process, we have endeavoured to buy good companies at what we think are very attractive prices. Our estimate is the weighted forward PE multiple of the South African equity carve out of the CGAM SA Balanced Prescient Fund is currently 8x, with the weighted Dividend Yield being 5.5%. In addition, more than half of the South African equity portfolio, by weighting, are busy with either share buy backs or special dividends. Our assessment of the potential prospective 3 year compound returns the carve out could deliver are well in excess of the equity risk premium. As written extensively over the last while, we believe catalysts will emerge to unlock what is, in our view, extraordinary value in select sectors and companies.

The All Bond Index enjoyed a strong finish to the year, gaining 8.1% in the final quarter. The fund has been well exposed to South African bonds, so has benefited from some of the much anticipated reduction in yields.

Central banks globally remain very watchful of inflation trends, which encouragingly continue to show signs of easing in most economies. Whilst the Federal Reserve kept rates on hold at their December meeting, clearer indications of rate cuts into 2024 were provided. Our sense is that the specific timing of rates cuts is less important than the trajectory - we are now entering a phase of policy easing. Similarly, we are optimistic that South Africa will continue to see more modest inflation trends – these will ultimately result in lower funding costs for the South African economy by the end of 2024.

Our view is that the CGAM SA Balanced Prescient Fund remains well positioned to benefit from the lower domestic interest rate environment. Our assessment of the prospective returns in South African equities and bonds, lead us to conclude that the portfolio is well placed to deliver attractive real returns for investors.

The Fund has adhered to its policy objective.

The number of participatory units as at 31 December 2023 was 231 201 821.

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

Fund Asset Allocation	Q4 2023	Q3 2023
Domestic Equity	66%	67%
Fixed Income	25%	23%
SA Cash	4%	5%
Listed Property	5%	5%

Prescient

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.

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