

## LONG BEACH WORLDWIDE FLEXIBLE PRESCIENT FUND



### INVESTMENT AND RETURN OBJECTIVE

The Long Beach Worldwide Flexible Prescient Fund is an actively managed portfolio which aims to provide investors with long-term (3-5yrs) growth in capital. The fund aims to be substantially invested in global equities and ETFs, and may also invest in depository receipts, listed property, bonds, commodity ETFs and cash. The portfolio will invest on a worldwide basis.

### RISK INDICATOR



PERFORMANCE			CUMULATIVE PERFORMANCE	
	Fund	Benchmark		
Since Incep.	643.7%	395.4%		
Since Incep. Annualised	13.6%	10.8%		
1 year	7.8%	7.4%		
2 years	28.8%	12.2%		
3 years	19.6%	10.7%		
5 years	15.7%	11.7%		
7 years	12.2%	9.9%		
10 years	11.7%	7.8%		
Highest rolling 1 year	74.3%	32.6%		
Lowest rolling 1 year	-43.9%	-8.0%		
*All performance figures are net of fees.				
RISK AND FUND STATS			EQUITY REGIONAL ALLOCATION	
Since inception (p.a.)	Fund	Benchmark		
Alpha	2.76%			
Sharpe Ratio	0.38	0.51		
Standard Deviation	19.97%	9.28%		
Max Drawdown	-45.33%	-12.92%		
% Positive Months	60.53%	63.68%		
TOP 10 HOLDINGS			SECTOR EXPOSURE	
Adyen Nv	8.7%			
Cloudflare Inc	7.1%			
Mercadolibre Inc	5.6%			
Shopify Inc	5.5%			
Alibaba Group Holding Ltd	5.3%			
Grab Holdings Ltd	5.2%			
Airbnb Inc	5.2%			
Pdd Holdings Inc	5.1%			
Naspers Ltd - N Shares	5.1%			
Cie Financiere Richemont Sa	5.1%			
Total	57.9%			

**Fund Manager:**  
David Hansford CFA

**Fund Classification:**  
Worldwide Multi Asset Flexible

**Benchmark:**  
ASISA Worldwide Multi Asset Flexible Sector Average

**JSE Code:**  
LFCA1

**ISIN Number:**  
ZAE000137535

**Fund Size:**  
R319.8 m

**No of Units:**  
42,193,640

**Unit Price:**  
707.65

**Inception Date:**  
24 June 2009

**Minimum Investment:**  
R3 000 lump-sum  
R500 per month

**Domicile:**  
South Africa

**Initial Fee:**  
0.00%

**Annual Management Fee:**  
1.25% (excl. VAT)

**Performance Fee:**  
No. Long Beach Capital believes all investment performance should accrue to our clients.

**Fee Class:**  
A1

**Fee Breakdown:**  
Management Fee 1.25%  
Other Fees\* 0.27%

**Total Expense Ratio (TER) 1.52%**

**Transaction Costs (TC) 0.24%**

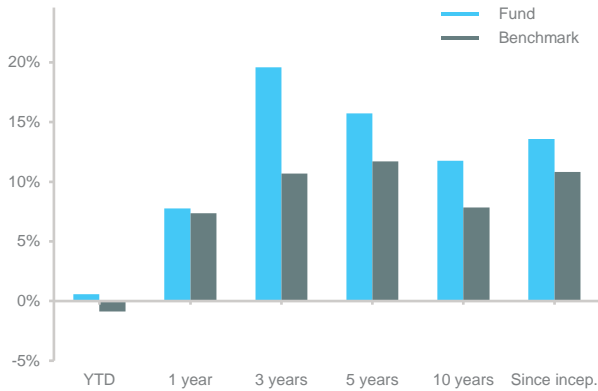
**Total Investment Charge (TIC) 1.76%**

\*Other fees includes underlying fee (where applicable): Audit Fees, Custody Fees, Trustee Fees and VAT

**Income Distribution:**  
The fund had no distribution for the year to 31 March 2024.

# LONG BEACH WORLDWIDE FLEXIBLE PRESCIENT FUND

## ANNUALISED PERFORMANCE (%)



## ASSET ALLOCATION

	S.A	Foreign	Total
Equity	10.13	88.25	98.38
Property	0.65	0.00	0.65
Cash	0.40	0.08	0.48
Bonds	0.25	0.00	0.25
Commodity	0.22	0.00	0.22
Total	11.65	88.33	100.00

## FUND MONTHLY RETURNS

[illegible]

Source: Performance calculated by Prescient Fund Services verified by the FSP  
Date: 31 March 2025

# LONG BEACH WORLDWIDE FLEXIBLE PRESCIENT FUND

## QUARTERLY INVESTMENT REPORT - Q1 2025

*"Thou hast pared thy wit o' both sides and left nothing i' th' middle." Shakespeare, King Lear*

Act 1: Written after the introduction of Trump's 'reciprocal' tariffs on 2 April.

Trump's first two months in office have certainly been eventful, with Trump embracing a belligerent and combative stance towards friends and allies, together with an offer of reproachment towards Russia. Prior to 'liberation day,' Trump threatened, applied, and suspended tariffs on Canada and Mexico before re-applying, and suspending the tariffs again, with limited articulated goals or outcomes.

Trump's so called 'liberation day' 'reciprocal' tariffs are ignorant, economically illiterate, based on incorrect data and a flawed made-up formula. It is highly unlikely Trump will be able to follow through on his proposed tariffs for very long. Americans get riled up and passionately disagree with one another on any number of personal issues and moral topics, however there is one topic which Americans passionately agree on: a strong economy reflected in a strong stock market.

Tariffs will achieve the exact opposite of Trump's goals and lead to higher inflation, reduced economic growth, and increased unemployment. This will be unsustainable for Trump politically. Markets have given Trump a resounding vote of no-confidence, and despite his initial bravado and belligerence, it is likely he will fold on the bulk of his tariff plans.

Trump takes a 19th century mercantilist zero-sum approach to global trade and international relations, with a victimhood mentality, and an instinctive desire to restructure global trade toward the perceived advantage of the US. This view is false. The US has been a significant beneficiary of the 80yr post war architecture it helped to create. The US benefits significantly from its position as the world's security guarantor, with the ability to project military power across the world, and through the dollar's position as the world's reserve currency, both intricately linked. Trade is not zero-sum, with the specialisation of global trade and 'comparative advantage' helping to create significant growth and prosperity for both the US and in the rest of the world in the post-war period.

Tariffs are an economic friction cost, or a tax on consumption, but who pays for them is far less clear than Trump claims. Consumers in the US could pay the tariffs through higher prices, or the exporting country could pay them through currency depreciation, or US businesses through lower margins. While businesses have recently announced plans to establish manufacturing facilities in the US (TSMC in semiconductors and motor vehicle manufacturers), this is likely due to an increased requirement for supply chain resilience post COVID and tax incentives rather than acquiescing to tariff threats. The idea businesses will rapidly expand manufacturing in the US in a climate of significant policy uncertainty is highly unlikely.

It is likely Trump's addition of self-induced uncertainty to the US economy will cause slower growth, lower investment spending, higher unemployment and at the margin, a weaker dollar. A weaker dollar allows Europe, China, and other Emerging Markets to provide fiscal and monetary stimulus to ameliorate the impact of Trump's tariff policies, without the risk of causing inflationary effects from currency depreciation.

Germany's recent removal of its debt brake and pledge to significantly increase infrastructure and defence spending will be positive for both German and EU growth, while the potential of greater EU fiscal integration and defence spending will provide a stimulus to Europe's economy. As Europe further integrates economically and restores its military power, the Euro may gradually become a strategic competitor to the US dollar as a reserve currency.

Perversely, Trump may well achieve the opposite of his stated aims with the tariffs, as America first becomes America alone. Canada, México, and the EU are all likely to normalise trade relations with China. South-East Asian countries are likely to move closer to China, both from a regional imperative for geopolitical relations, and as China takes advantage of the current opportunity to be a dependable trading partner.

The current negative market sentiment on Trump's tariff announcement provides an opportunity for long-term growth and returns, with a balanced portfolio between US and non-US holdings. The fund's US holdings are benefitting from secular growth in trends digital commerce and payments, on-demand mobility, travel and remote work, cloud computing and AI, cyber security, and digital advertising. The fund's non-US holdings are benefitting from secular growth in luxury goods, digital commerce and payments, on-demand mobility, travel and remote work, cloud computing and AI, digital advertising, financial innovation, and semiconductor manufacturing.

*"Old fools are babes again." Shakespeare, King Lear*

Act 2: Written after Trump folds and pauses his 'reciprocal' tariffs for 90 days on 9 April.

Financial markets gave Trump a resounding vote of no-confidence on his imposition of 'reciprocal' tariffs on every country in world, including an island inhabited only by penguins. Trump has announced a 90 day pause in his 'reciprocal' tariffs, while leaving a 124% tariff on China. The pause is as good as a climb down for Trump, and the 'reciprocal' tariffs are dead and buried. The remaining tariff of 10% on all goods imports is not far off the average US tariff level from before Trump's debacle.

In Chris Voss's book "Never Split the Difference," one of the principles is to not question the integrity of the person one is negotiating with, and to avoid directly accusing someone of dishonesty or untrustworthiness. A successful approach is to focus on understanding someone's perspective and building rapport through empathy and active listening.

*"I am but mad north-north-west. When the wind is southerly, I know a hawk from a handsaw." Shakespeare, Hamlet*

Trump's new idea to build a coalition of allies to renegotiate trade with China as a block is deeply flawed, and unlikely to be successful. Threatening, imposing, and then removing tariffs, while constantly berating, insulting, and questioning the integrity of allies is unlikely to create the necessary trust required for shared approach. It is far more likely countries will see China as a dependable trading partner and will continue their rapprochement, while remaining wary of an impetuous and bullying US. Japan, South Korea, and China recently held high-level discussions and pledged to work towards a trilateral free trade agreement. While Trump will be reluctant to back off on his trade war with China, the current excessively high tariffs are unlikely to be sustainable.

Notes on Portfolio Holdings: Cloudflare

Cloudflare is a global cloud services provider, with products which include an edge network, content management and cyber security. Cloudflare provides a critical layer of modern internet infrastructure, enhancing speed, reliability, and security for millions of websites and applications globally. Cloudflare's scale, network intelligence, and constant innovation are indispensable in the digital-first economy, as businesses accelerate digital transformation, and the cost of downtime or breaches increases. Over 20% of internet traffic flows through Cloudflare's network, and as AI applications grow, the importance for the network itself to become intelligent increases. Cloudflare's edge network will become increasingly more valuable as inference, AI calculations, need to take place as close as possible to end users vs. in a remote large-scale data centre.

Cloudflare reported good Q4 and FY2024 results with revenue growing 27% year-on-year for Q4 and 29% to \$1,669.6 million for FY2024. Recent improvements in Cloudflare's go-to-market strategy are showing results, with large customers spending more than \$1m growing 47% year-over-year. Cloudflare report a gross margin of 78% and strong dollar based net retention rate of 111%. Cloudflare is a technology leader, continues to invest in innovation, and has a substantial opportunity for growth, with a stated goal of growing revenue to \$5bn in 5 years.

The fund has adhered to its policy objective, and the fund's asset allocation is broadly similar to 31 December 2024.

## AWARDS

2020 Raging Bull Award for the Best South African Multi-Asset Flexible Fund for the 5 years to 31 December 2020 on a risk adjusted basis. The full details and basis of the award are available from the manager.

2020 Raging Bull Certificate for the Best South African Multi-Asset Flexible Fund for the 3 years to 31 December 2020. The full details and basis of the award are available from the manager.

2019 Raging Bull Award for the Best South African Multi-Asset Flexible Fund for the 5 years to 31 December 2019 on a risk adjusted basis. The full details and basis of the award are available from the manager.

2019 Raging Bull Certificate for the Best South African Multi-Asset Flexible Fund for the 3 years to 31 December 2019. The full details and basis of the award are available from the manager.

2018 Raging Bull Award for the Best South African Multi-Asset Flexible Fund for the 5 years to 31 December 2018 on a risk adjusted basis. The full details and basis of the award are available from the manager.

2017 Raging Bull Certificate for the Best South African Multi-Asset Flexible Fund for the 3 years to 31 December 2017. The full details and basis of the award are available from the manager.

## 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. Where foreign securities are included in a portfolio there may be potential constraints on liquidity and the repatriation of funds, macroeconomic risks, political risks, foreign exchange risks, tax risks, settlement risks; and potential limitations on the availability of market information. The investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees. 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.

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

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.

The portfolio risk classification is Medium to Medium - High, 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. Expected potential long term investment returns could therefore be lower than high risk portfolios due to lower equity exposure, but higher than low risk portfolios.

For any additional information such as fund prices, brochures and application forms please go to

[www.longbeachcapital.co.za](http://www.longbeachcapital.co.za).

## DISCLAIMER FOR FUND SPECIFIC RISK

**Default Risk:** The risk that the issuers of fixed income instruments 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.

**Derivatives Risk:** The use of derivatives could increase overall risk by magnifying the effect of both gains and losses in a Fund. As such, large changes in value and potentially large financial losses could result.

**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.

**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.

**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.

**Derivative Counterparty Risk:** A counterparty to a derivative transaction may experience a breakdown in meeting its obligations thereby leading to financial loss.

**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.

**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.

## GLOSSARY

**Annualised Performance:** Annualised performance shows 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 Performance:** The highest and lowest performance 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.

**Alpha:** Denotes 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 Month:** The percentage of months since inception where the Fund has delivered positive return.

## INVESTMENT MANAGER

**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:** [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:** Long Beach Capital (Pty) Ltd, **Registration number:** 2004/032569/07 is an authorised Financial Services Provider (FSP no: 22265) 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:** Block B, Silverwood, Silverwood Lane, Steenberg Office Park, Tokai 7945 **Postal address:** Block B, Silverwood, Silverwood Lane, Steenberg Office Park, PO Box 30067 **Telephone number:** 0800 111 899 **Website:** [www.longbeachcapital.co.za](http://www.longbeachcapital.co.za)

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