



## FUND OBJECTIVE

The aim is to maximise investor total return over the long term through a focused portfolio of high quality JSE listed equity securities.

## FUND FEATURES

- A concentrated equity-only portfolio that may invest across all sectors of the JSE
- The portfolio will hold between 20 – 30 companies

## SUITABLE INVESTORS

The portfolio is suitable for investors who:

- Have a time horizon that exceeds five years
- Seek JSE listed equity exposure
- Have discretionary wealth and require little short-term income
- Can tolerate short-term market fluctuations in pursuit of maximising long-term total return
- Are comfortable to grant the portfolio manager a large degree of investment discretion

## ANNUALISED PERFORMANCE (%)<sup>1</sup>

	CLASS A1	CLASS A2	BENCHMARK <sup>2</sup>
1 Year	15.74%	16.20%	1.89%
3 Years	11.10%	11.55%	13.62%
5 Years	10.98%	11.42%	8.91%
Inception	4.59%	4.96%	5.56%

<sup>1</sup> Annualised performance is the weighted average annual compound growth rate over the period measured. Performance is stated net of fees.

<sup>2</sup> Benchmark is the JSE Capped SWIX Index. (Since 09/10/2023)

Source: Bloomberg

## RISK STATISTICS<sup>3</sup>

	CLASS A1	CLASS A2
Highest Annualised Return (%)	28.18	28.70
Lowest Annualised Return (%)	-14.70	-14.36

<sup>3</sup> The lowest and highest annualised performance numbers are based on 10 non-overlapping one year periods, or the number of non-overlapping one year periods from inception where performance history does not exist for 10 years. Performance is stated net of fees.

\*A special distribution was made 6 October 2023 due to the amalgamation that took place at that time.

\*\* Investors can register to the secure portal to have access to pricing history and investor statements

## HOW WE INVEST

- Seek to identify exceptional businesses with sustainable long-term growth prospects and durable competitive advantages
- Fundamental, bottom-up research process
- Focus on quality of management, return on invested capital, free cash flow generation and balance sheet strength
- Predominantly larger capitalisation businesses; will consider exceptional smaller businesses that meet liquidity limits
- A concentrated, high-conviction portfolio
- Buy to hold orientation alongside disciplined selling process
- Benchmark agnostic, no active trading, no leverage, no hedging

## FUND INFORMATION

Portfolio Manager	Jean-Pierre du Plessis
ASISA Classification	South African – Equity – General
Portfolio Launch Date	1 June 2016
Fee Class Launch Date	1 June 2016
Minimum Investment	Class A1: R10,000 ; Class A2: R30 million
ISIN	Class A1: ZAE000218004; Class A2: ZAE000218012
JSE	Class A1: SFFA1; Class A2: SFFA2
Portfolio Size	R598 million
Benchmark	JSE Capped Swix Index
Risk Profile	Aggressive
Income Declaration	March and September (Previous: June and December)
Last Two Distributions*	6 Oct 2023: A1: 14.59 cpu; A2: 15.93 cpu 30 Jun 2023: A1: 11.92 cpu; A2: 14.32cpu
Income Payment Dates	1 <sup>st</sup> working day in April and October (Previous: 1 <sup>st</sup> working day in July and January)
Portfolio Valuation Time	17:00
Transaction Cut-off	13:00
Repurchase Period	Three business days
Daily Pricing Information**	stonehagefleming.secureportal.co.za
Trustee	Nedbank Investor Services Tel: +27 11 534 6557 <a href="http://www.nedbank.co.za">www.nedbank.co.za</a>
Management Company	Prescient Management Company (RF) (Pty) Ltd Prescient House, Westlake Business Park Otto Close, Westlake 7945 P.O Box 31142, Tokai 7966 Tel: +27 80 011 1899 <a href="mailto:info@prescient.co.za">info@prescient.co.za</a> <a href="http://www.prescient.co.za">www.prescient.co.za</a>

## TOP 10 HOLDINGS

## % OF FUND

Naspers Limited Class N	8.6
Compagnie Financiere Richemont SA	7.9
FirstRand Limited	6.9
BHP Group Ltd	6.2
Capitec Bank Holdings Limited	6.1
Prosus N.V. Class N	5.7
Bidvest Group Limited	5.5
Standard Bank Group Limited	5.3
Santam Limited	4.8
Shoprite Holdings Limited	4.6

## SECTOR BREAKDOWN

## % OF FUND

Financials	30.1
Consumer Staples	27.0
Technology	14.3
Consumer Discretionary	12.0
Industrials	9.2
Basic Materials	6.2
Cash	1.2

Values may not add up to 100% due to rounding.

Source: Stonehage Fleming Investment Management Limited

## ASSET ALLOCATION

## % OF FUND

SA Equity	98.8
SA Cash	1.2

Values may not add up to 100% due to rounding.

Source: Stonehage Fleming Investment Management Limited

### Jean-Pierre du Plessis

The fund is managed by Jean-Pierre du Plessis, a director of Stonehage Fleming Global Equity Management (South Africa). Jean-Pierre has almost 20 years experience in equity markets and joined the Group in 2011 to help establish the Group's onshore direct equity offering.



## FUND COMMENTARY

We summarise reported results from Richemont, Prosus and Pepkor in this month's commentary:

Richemont reported half year results to September 2023, showing strong growth in jewellery sales (+18% in constant currency and 12% reported). Jewellery Maisons maintained operating margins at 35.5%. The strongest growth was reported from the Asia-Pacific region, supported by travel out of mainland China, although this presented as a stronger first quarter, with moderating growth in the second quarter (1Q24 +19% vs 2Q24 +5% in constant currency). Asia-Pacific accounts for 42% of group sales. Operating as a global business, Richemont is impacted by foreign exchange fluctuations, and the half-year period saw gross margin declines as a result of adverse currency movements (68.2% gross margin reported vs 69.9% constant currency). The group remains in a strong financial position with €5.7bn net cash.

Prosus interim results to September 2023 showed an improvement in profitability, with trading losses at a consolidated level (from continuing operations) narrowing from \$365m to \$124m. Prosus now expects its consolidated ecommerce portfolio to break even six months earlier than expected, in H2 24, having delivered a reduction in trading losses of \$232m in the period. During the period the group simplified its structure by removing the crossholding between Naspers and Prosus, continued its open-ended share buyback programme, as well as announcing management changes in the form of new CEO Ervin Tu.

Pepkor's full year results to September 2023 highlight the challenging trading environment South African retailers are in, with revenue growth up 7.7% to R87.4bn, and retail like-for-like revenue growing at just 0.7%. Pepkor delivered a 13% reduction in dividend per share to 48.1cps, with stock writedowns at Ackermans putting pressure on operating profit. Pepkor is reporting pleasing performance out of Brazil, as their Avenida acquisition boosted revenue growth in the clothing segment.

Source: Company Financials, FactSet

## INVESTMENT MANAGER INFORMATION

Manager	Stonehage Fleming Investment Management (South Africa) (Pty) Ltd
FSP Number	42847
Address	First Floor North Block, Waterway House 3 Dock Road, Victoria & Alfred Waterfront Cape Town, South Africa
Website	<a href="http://www.stonehagefleminginvestments.com">www.stonehagefleminginvestments.com</a>
Contact number	+27 21 301 0868
Email address	<a href="mailto:jp.duplessis@stonehagefleming.com">jp.duplessis@stonehagefleming.com</a>

**FEES (INCL. VAT) CLASS A1 CLASS A2**

Advice Initial Fee (max.)	N/A	N/A
Advice Annual Fee	0% - 1.15%	0% - 1.15%
Investment Manager Initial Fee	N/A	N/A
Annual Management Fee	1.15%	0.74%
Performance Fee	None	None
Total Expense Ratio (TER)	1.29%	0.89%
Transaction Costs (TC)	0.17%	0.17%
Total Investment Charges (TIC)	1.46%	1.06%

Advice fees are negotiable between the client and their advisor. Annual advice fees are paid through a repurchase of units from the investor. The fund is available through certain LSPs which levy their own fees. Total Expense Ratio (TER) PERIOD: 1 October 2020 to 30 September 2023. **Total Expense Ratio (TER)** | 1.29% (A1 class) and 0.89% (A2 class) of the value of the Financial Product was incurred as expenses relating to the administration of the Financial Product. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. **Transaction Cost (TC)** | 0.17% of the value of the Financial Product was incurred as costs relating to the buying and selling of the assets underlying the Financial Product. Transaction Costs are a necessary cost in administering the Financial Product and impacts Financial Product 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 Financial Product, the investment decisions of the investment manager and the TER. **Total Investment Charges (TIC = TER + TC)** | 1.46% (A1 class) and 1.06% (A2 class) of the value of the Financial Product was incurred as costs relating to the investment of the Financial Product. Disclosed performance information is calculated after all fees and costs deducted.

**ADDITIONAL INFORMATION**

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. 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. 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. For any additional information such as fund prices, brochures and application forms please go to [www.prescient.co.za](http://www.prescient.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.

Management Company: Prescient Management Company (RF) (Pty) Ltd. This portfolio operates as a white label fund under the Prescient Unit Trust Scheme, which is governed by the Collective Investment Schemes Control Act.

Management Company: **PRESCIENT MANAGEMENT COMPANY (RF) (PTY) LTD**

Prescient House, Westlake Business Park, Otto Close, Westlake, 7945 t: 0800 111 899 e: [info@prescient.co.za](mailto:info@prescient.co.za) [www.prescient.co.za](http://www.prescient.co.za)

Registration number: 2002/022560/07

Trustee: **NEDBANK INVESTOR SERVICES**

2nd Floor, 16 Constantia Boulevard, Constantia Kloof, Roodepoort, 1709 t: 011 534 6557 [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 South Africa.

Investment Manager: **STONEHAGE FLEMING INVESTMENT MANAGEMENT (SOUTH AFRICA) (PTY) LTD**

First Floor North Block, Waterway House, 3 Dock Road, VA Waterfront, Cape Town, 8001

t: 021 301 0868 e: [equitymanagementsa@stonehagefleming.com](mailto:equitymanagementsa@stonehagefleming.com) [www.stonehagefleminginvestments.com](http://www.stonehagefleminginvestments.com)

Registration number: 2007/023139/07 is an authorised Financial Services Provider (FSP 42847) 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.