

## Investment Objective & Strategy

The **WealthStrat Moderate Prescient Fund of Funds** will aim to deliver a moderate long term total return. The manager shall have limited flexibility in terms of asset allocation and shall not be precluded from continually varying the underlying exposure to both local and offshore assets. The Fund will employ asset and limited geographical allocations to reflect changing economic and market conditions to maximise returns over the long term, the **WealthStrat Moderate Prescient Fund of Funds** will, apart from assets in liquid form, consist solely of participatory interest in Collective Investment Schemes which will invest in a diversified mix of assets, including but not limited to equities, property, preference shares, money market and fixed interest instruments. The equity allocation will be managed at a maximum effective exposure, including offshore equity, up to 60%. The underlying collective investment schemes are permitted to invest in listed and unlisted financial instruments in line with conditions as determined by legislation from time to time. The underlying portfolios will predominantly invest in South African markets but is however permitted to include investments in offshore jurisdictions subject to the investment conditions determined by legislation from time to time.

## Risk Profile



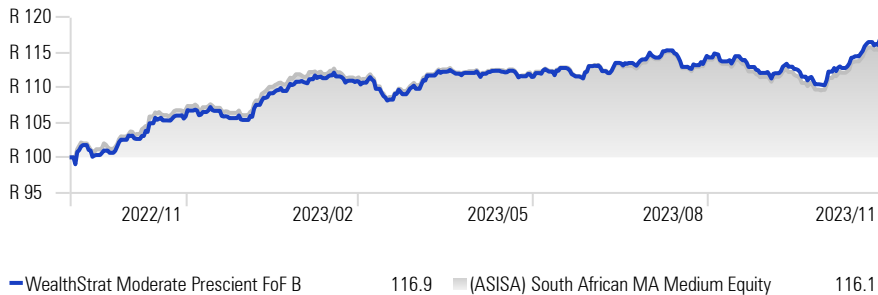
## Annualised Returns

|  | 1 Year | 2 Years | 3 Years | 4 Years | 5 Years | Since Inception |
|--|--------|---------|---------|---------|---------|-----------------|
| WealthStrat Moderate Prescient FoF B   | 10.40  | —       | —       | —       | —       | 14.29           |
| (ASISA) South African MA Medium Equity | 8.66   | 6.28    | 9.49    | 8.17    | 8.33    | 13.61           |

## Rolling 1-Year Performance

|                               |       |
|-------------------------------|-------|
| Highest rolling 1 year return | 12.10 |
| Lowest rolling 1 year return  | 7.02  |

## \*Illustrative Performance

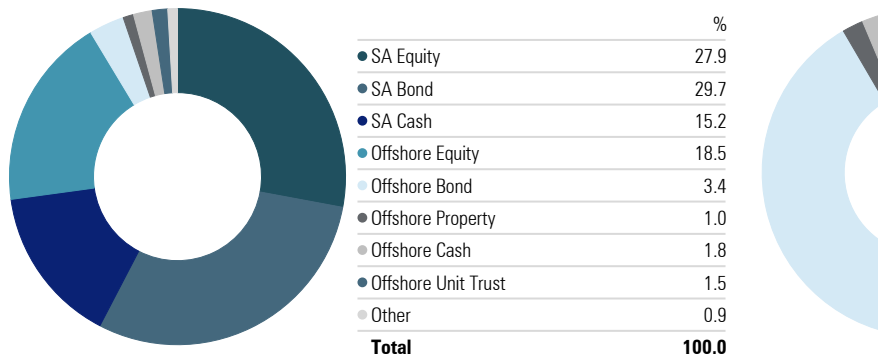


## Monthly Returns

|      | Jan  | Feb  | Mar   | Apr  | May   | Jun  | Jul  | Aug  | Sep   | Oct   | Nov  | Dec   | Year  |
|------|------|------|-------|------|-------|------|------|------|-------|-------|------|-------|-------|
| 2023 | 5.14 | 0.14 | -1.00 | 2.07 | -0.52 | 1.40 | 1.22 | 0.07 | -2.13 | -1.54 | 5.89 |       | 10.92 |
| 2022 | —    | —    | —     | —    | —     | —    | —    | —    | —     | 3.13  | 2.65 | -0.47 | —     |
| 2021 | —    | —    | —     | —    | —     | —    | —    | —    | —     | —     | —    | —     | —     |
| 2020 | —    | —    | —     | —    | —     | —    | —    | —    | —     | —     | —    | —     | —     |

## Asset Allocation

Portfolio Date: 2023/09/30



## Fund Information

|                         |  |
|-------------------------|--|
| Portfolio Manager       | WealthStrat (Pty) Ltd                  |
| Fund Classification     | (ASISA) South African MA Medium Equity |
| Benchmark               | ASISA SA MA Med Equity-Sec Avg         |
| Time Horizon            | 5 Years                                |
| Regulation 28 Compliant | Yes                                    |
| Inception Date          | 2022/09/30                             |
| Fund Size               | R 2,025,717,667.00                     |
| ISIN                    | ZAE000311940                           |
| Ticker                  | NWMPFB                                 |

## Investment Minimums

|                             |          |
|-----------------------------|----------|
| Minimum Lump Sum            | R 10 000 |
| Minimum Monthly Debit Order | R500     |

## Fee Breakdown (B Class)

|                                       |                   |
|---------------------------------------|-------------------|
| Management Fee                        | 0.46% (Excl. VAT) |
| Performance Fee                       | 0.00              |
| Total Expense Ratio (TER)             | 1.09              |
| Transaction Costs (TC)                | 0.09              |
| <b>Total Investment Charges (TIC)</b> | <b>1.18</b>       |

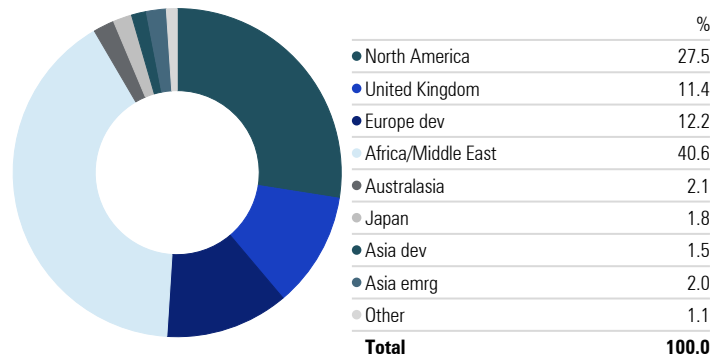
## Manager Allocation

Portfolio Date: 2023/09/30

|  | %      |
|--|--------|
| Nedgroup Inv Core Bond C                 | 16.04% |
| Nedgroup Inv Core Global FF B            | 15.73% |
| CoreShares S&P SA Top 50 D               | 11.84% |
| Ninety One Diversified Income A          | 11.17% |
| Matrix SCI Stable Income B1              | 8.10%  |
| Amplify SCI Strategic Income A1          | 6.06%  |
| Fairtree Equity Prescient B5             | 6.05%  |
| Truffle SCI General Equity D             | 6.00%  |
| Aylett Equity Prescient A5               | 4.98%  |
| PSG Equity D                             | 4.01%  |
| Ninety One Global Franchise FF A         | 3.89%  |
| Dodge & Cox Worldwide Global Stk USD Acc | 3.82%  |

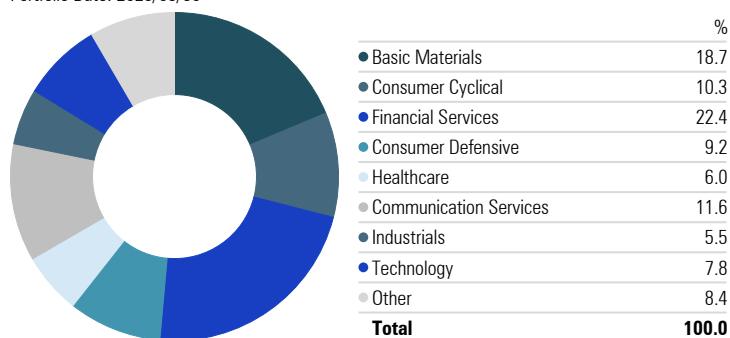
## Equity Regional Exposure

Portfolio Date: 2023/09/30



## Equity Sector Exposure

Portfolio Date: 2023/09/30



## Top 10 Equity Holdings

Portfolio Date: 2023/09/30

|                                     | %     |
|-------------------------------------|-------|
| Anglo American PLC                  | 1.98% |
| Naspers Ltd Class N                 | 1.88% |
| British American Tobacco PLC        | 1.48% |
| Firststrand Ltd                     | 1.20% |
| Standard Bank Group Ltd             | 1.20% |
| Prosus NV Ordinary Shares - Class N | 1.17% |
| Sasol Ltd                           | 1.00% |
| Gold Fields Ltd                     | 0.95% |
| Absa Group Ltd                      | 0.93% |
| Anheuser-Busch InBev SA/NV          | 0.89% |

## Risk Statistics (Since Inception)

|  | Return | Standard Deviation | Best Month | Worst Month | Max Drawdown | Drawdown # months | Recovery # months |
|--|--------|--------------------|------------|-------------|--------------|-------------------|-------------------|
| WealthStrat Moderate Prescient FoF B   | 14.29  | 8.36               | 5.89       | -2.13       | -3.63        | 2.00              | 1.00              |
| (ASISA) South African MA Medium Equity | 13.61  | 8.63               | 5.81       | -2.25       | -3.87        | 2.00              | 1.00              |

## Quarterly Fund Commentary

Moderate investors generated negative returns in the third quarter of 2023, as most risk assets recorded poor performance. Weak returns from global and local asset classes acted as a headwind to the performance of the Portfolio over the quarter. The firmer rand provided a further headwind to the performance of the Portfolio over the quarter.

The WealthStrat Moderate Prescient Fund of Funds returned -0.9% for the quarter and has generated a return of +12.1% over the past year.

The Portfolio remains diversified in terms of its exposure to various asset classes, and we remain confident in its ability to deliver inflation-beating returns over the long term, independent of the market environment.

### Asset Allocation

Local bonds make up the bulk of the asset allocation within the Portfolio. This includes allocations to corporate, government and inflation-linked bonds. Short dated nominal bonds held up well over the quarter and were one of the few asset classes to produce a positive performance. On the other hand, longer-dated instruments returned a negative performance during the quarter as yields across the curve rose, leading to lower bond prices. The negative move was largely on the back of the hawkish tone from the central bank governor coupled with concerns surrounding the South African fiscal outlook, which led to a selloff in South African bonds. All eyes will be on the upcoming Medium-Term Budget Policy Statement (MTBPS) scheduled for the 1st of November, which will provide an update on the state of government finances. Local equities ended the quarter lower, largely driven by the industrial (-6.2%) and the resources (-4.4%) sectors, which both ended the quarter in negative territory. The negative sentiment surrounding China impacted certain dual-listed industrial shares such as Richemont (-25.4%), Naspers (-11.0%) and Prosus (-11.7%), which have significant exposure to the Chinese consumer. Resources counters had a tough quarter, as platinum miners took a leg lower. Anglo American Platinum Ltd (-15.6%), Impala Platinum Holdings Ltd (-19.8%) and Northam Platinum Holdings Ltd (-3.7%) all recorded declines over the quarter. The financials (+2.2%) sector produced resilient returns this quarter, as the sector ended in positive territory, led higher by index heavyweights Capitec (+9.5%) and ABSA (+8.2%). Global equities had a tough quarter, with most equity markets ending in negative territory. Given the risk-off environment, value stocks held up better than growth stocks this quarter, however, they still ended in negative territory. Most global equity markets produced weak hard currency performance this quarter, with the rand providing a further headwind to performance. Local cash allocations managed to deliver positive returns this quarter, ahead of most other asset classes given the higher yield due to recent interest rate hikes. Offshore bond and cash allocations detracted from performance this quarter, as the firm rand acted as a headwind to the performance of offshore allocations. The fund's asset allocation is broadly similar to the previous quarter.

### Fund Selection

The contribution from fund selection was mostly negative for the quarter.

Matrix SCI Stable Income produced top quartile performance over the quarter, as the Fund's defensive nature delivered strong returns in a volatile bond market environment. The Fund's portfolio construction remains concentrated in senior money market instruments and senior floating rate notes. The Fund's duration remains low, reflecting the manager's cautious stance in the current environment which they expect to be a challenging period for global bond markets. The Fund currently has a net yield of 9.8%, with a modified duration of 0.9 years.

CoreShares S&P SA Top 50 produced bottom quartile returns, following the broad market weakness this quarter. Exposure to market heavyweights and rand hedges detracted from performance. The Fund's positions in Richemont (-25.8%), Naspers (-11.0%), and Prosus (-11.7%) all detracted from performance this quarter. However, exposure to financial counters provided a buffer to the broad market weakness as positions in Capitec (+9.5%), Standard Bank (+7.4%) and Absa Group (+8.2%) all contributed to performance.

Nedgroup Investments Core Global FF had a difficult quarter, despite performing largely in line with its peer group. The Fund delivered weak performance, as all the underlying global asset classes delivered disappointing performance over the quarter. Global equities and global bonds struggled in the third quarter, as hawkish comments from the major global central banks led to risk-off sentiment in global markets. The firmer rand also acted as a headwind to the performance of global assets in the third quarter.

There were no changes made to the underlying funds in the Portfolio in the third quarter.

### Summary

While we are disappointed with the negative absolute performance, we are pleased the Portfolio held up well given the weak global and local market returns. We remain comfortable with the positioning of the Portfolio, both from an asset allocation and a manager selection perspective. The Portfolio continues to be allocated to a diverse range of attractively priced local and global asset classes and we are confident that it will be able to deliver on its objective over the long term. The fund has adhered to its policy objective.

## Fund Details

|                           |  |
|---------------------------|--|
| Number of Units (B Class) | 1,798,549,460.60                               |
| Unit Price (B Class)      | 1.13   |
| Valuation Time            | 17:00  |
| Transaction Time          | 13:00 South Africa Subscription and Redemption |
| Currency                  | South African Rand                             |

## Income Distributions

|  |                               |
|--|-------------------------------|
| Distribution Frequency                     | Semi annually                 |
| Distribution Dates                         | 31 March & 30 September       |
| Last 12 months Distributions (cpu) B Class | 31/03/23: 1.12 30/09/23: 2.93 |

## 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 return:** 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.

**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.

**Max Gain:** Largest increase in any single month

## Fund Specific Risks

**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:** The 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.

## 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 South Africa.

**Investment Manager:** WealthStrat (Pty) Ltd, Registration number: 2013/025893/07 is an authorised Financial Services Provider (FSP 44865) 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:** 2 North Road, Dunkeld West, Johannesburg, 2196 **Postal address:** PO Box 55560, Northlands, 2116 **Telephone number:** 011 502 2800 **Website:** [www.wealthstrat.co.za](http://www.wealthstrat.co.za)

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**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.

A Fund of Funds is a portfolio that invests in portfolios of collective investment schemes, which levy their own charges, which could result in a higher fee structure for these portfolios.

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.

\*The investment performance is for illustrative purposes only. The investment performance is calculated by taking the actual initial fees and all ongoing fees into account for the amount shown and income is reinvested on the reinvestment date.

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

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**Management:**

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.