

# PRESCIENT PORTABLE ALPHA BOND FUND (A1)

## MINIMUM DISCLOSURE DOCUMENT & GENERAL INVESTOR REPORT

### INVESTMENT AND RETURN OBJECTIVE

The Fund aims to deliver attractive, risk-managed returns through exposure to the South African bond market, while outperforming the All-Bond Index (ALBI).

### INVESTMENT PROCESS

The Fund invests in South African bonds, inflation-linked bonds, money market instruments, credit instruments, interest-bearing securities and financial instruments. Apart from assets in liquid form, the Fund may also invest in portfolios of collective investment schemes or other similar schemes. The Fund achieves the investment objective by seeking enhancement opportunities by focusing on cost-effective and financially sound quantitative techniques through a portable alpha process.

### WHO SHOULD INVEST

Investors looking for systematic exposure to the bond market, where alpha is generated from uncorrelated sources. This Fund is Reg. 28 complaint.

### RISK INDICATOR DEFINITION

These portfolios aim to minimise benchmark relative risk. While there may be occasional capital volatility, it is expected to align with the fluctuations experienced by the benchmark. These portfolios are managed in such a manner that the probability of capital losses over one year periods is unlikely. These portfolios typically target returns in the region of 3% - 4% above inflation over the long term.

### RISK INDICATOR



ANNUALISED PERFORMANCE (%)	CUMULATIVE PERFORMANCE																		
Not available - New Fund, data will be available 12 months after launch.	Not available - New Fund, data will be available 12 months after launch.																		
ANNUALISED PERFORMANCE (%)	RISK AND FUND STATS																		
Not available - New Fund, data will be available 12 months after launch.	Not available - New Fund, data will be available 12 months after launch.																		
FUND COMPOSITION	MATURITY EXPOSURE																		
<p>A pie chart showing the fund's composition. A very thin slice at the top is labeled 'Cash 0.54%'. The rest of the chart is a large teal slice labeled 'Fixed Rate Bond - RSA 99.46%'.</p>	<p>A horizontal bar chart comparing the maturity exposure of the Fund (dark blue) and the Benchmark (teal) across five maturity ranges. The x-axis represents Market Value from 0% to 100%.</p> <table><tr><th>Maturity Range</th><th>Fund (%)</th><th>Benchmark (%)</th></tr><tr><td>12 + Years</td><td>~35%</td><td>~35%</td></tr><tr><td>7 - 12 Years</td><td>~35%</td><td>~25%</td></tr><tr><td>3 - 7 Years</td><td>~30%</td><td>~30%</td></tr><tr><td>1 - 3 Years</td><td>~10%</td><td>~10%</td></tr><tr><td>0 - 1 Years</td><td>~5%</td><td>~5%</td></tr></table>	Maturity Range	Fund (%)	Benchmark (%)	12 + Years	~35%	~35%	7 - 12 Years	~35%	~25%	3 - 7 Years	~30%	~30%	1 - 3 Years	~10%	~10%	0 - 1 Years	~5%	~5%
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12 + Years	~35%	~35%																	
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1 - 3 Years	~10%	~10%																	
0 - 1 Years	~5%	~5%																	

30 JUNE 2025

## ABOUT THE FUND

**Fund Manager:**  
Prescient Bond Team

**Fund Classification:**  
South African-Interest Bearing-Variable Term

**Benchmark:**  
JSE All Bond Index

**JSE Code:**  
PPAFA1

**ISIN:**  
ZAE000339156

**Fund Size:**  
R555.2 m

**No of Units:**  
1,109,659

**Unit Price (cpu):**  
108.78

**Inception Date:**  
04 September 2024

**Minimum Investment:**  
R10 000 lump-sum  
R1 000 per month

**Initial Fee:**  
0.00%

**Annual Management Fee:**  
0.40% (excl VAT)

**Fee Class:**  
A1  
(All performance figures are net of TIC)

**Fee Breakdown:**  
New fund – data will be available 12 months after fund launch.

**Income Distribution:**  
31 March 2025 - 3.59 cpu

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## FUND MONTHLY RETURNS

Not available - New Fund, data will be available 12 months after launch.

## FUND COMMENTARY

In June, the Federal Open Market Committee (FOMC) opted to keep the federal funds rate unchanged. This decision reflects the solid underlying economic growth in the US, balanced against ongoing uncertainty about the future impact of trade policies on the economy and inflation. Geopolitical tensions in the Middle East had been rising; however, a ceasefire has now been agreed upon, and markets have responded positively to this development.

Locally, headline CPI inflation remained steady at 2.8% year-over-year in May, while core CPI inflation came in slightly below expectations at 3.0%, versus a consensus forecast of 3.1%. Food inflation rose notably to a 14-month high, though this was offset by a further decline in fuel inflation. Looking ahead, uncertainty remains, with expectations that CPI may start to rise.

South African bond yields continue to react to pricing impulses driven by geopolitical developments, central bank actions, and their effects on global financial conditions.

For some emerging economies, high risk-free policy rates, combined with a strong dollar and weaker demand from advanced economies, could increase capital outflows—particularly for commodity importers facing higher commodity prices and weaker exchange rates.

These pressures could pose significant challenges, especially for borrowers with currency mismatches between their assets and liabilities, leading to a heightened "risk-off" environment.

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## 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.

**Current Yield:** Annual income (interest or dividends) divided by the current price of the security.

**CPU:** Cents Per Unit to the Glossary

**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.

**Average Duration:** The weighted average duration of all the underlying interest bearing instruments in the Fund.

## 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.

**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.

**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.

## Information Disclosure

The portfolio has adhered to its policy objective and there were no material changes to the composition of the portfolio during the quarter.

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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. CISs 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 TERs. During the phase in period TERs 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 cost is 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 11:00 (SA) for money market funds and the Prescient Optimised Income Fund and by or before 13:00 for all other funds, 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.

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

## 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:** [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:

Prescient Investment Management (Pty) Ltd, Registration number: 1998/023640/07 is an authorised Financial Services Provider (FSP 612) 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:** Block B, Silverwood, Silverwood Lane, Steenberg Office Park, Tokai, 7945 **Postal address:** PO Box 31142, Tokai 7966 **Telephone number:** +27 21 700 3600 **Website:** [www.prescient.co.za](http://www.prescient.co.za)

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