



MULTI ASSET INCOME FUNDS A GOOD ALTERNATIVE TO MONEY MARKET TO BOOST INVESTORS BUYING POWER

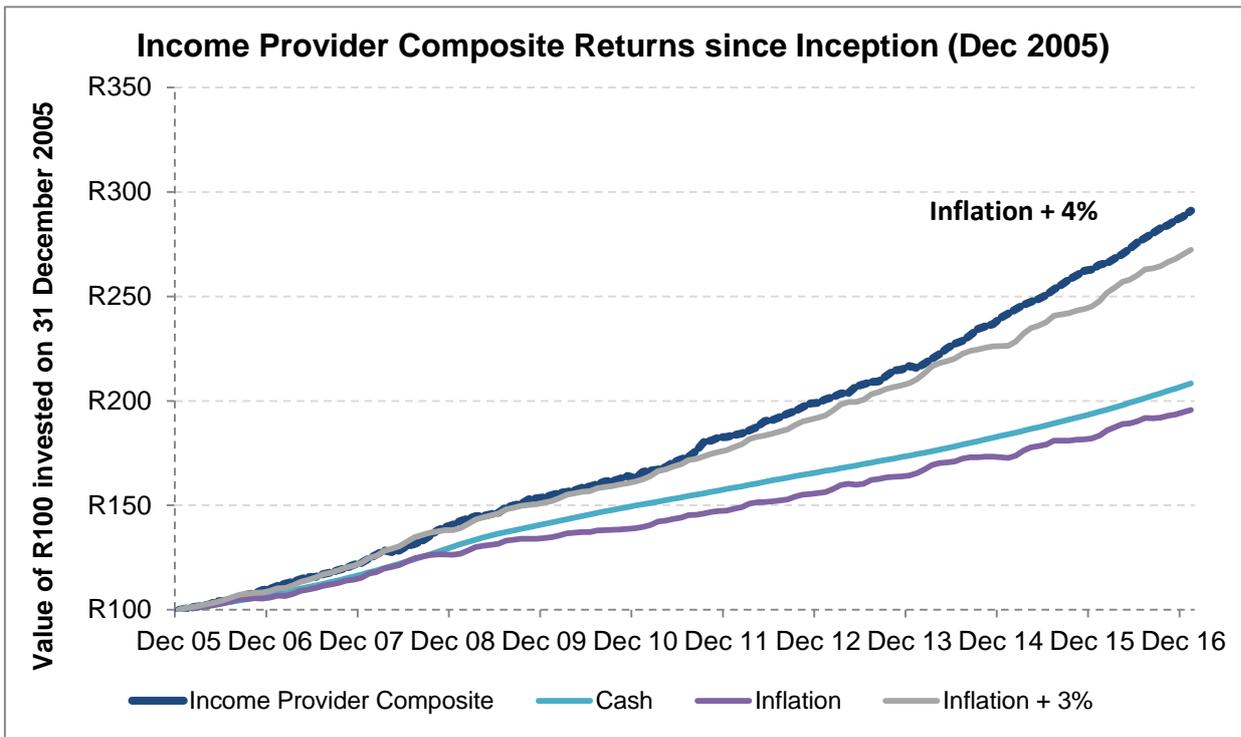
Investors in traditional money market investment vehicles have not generated returns in excess of inflation over the past 5 years and have therefore lost buying power due to inflation eroding their investment returns. Multi Asset income funds are a good alternative to money market funds as they offer low capital volatility and higher levels of income together with sufficient liquidity.

At Prescient, our Income mandates aim to outperform cash and inflation and to not deliver negative returns over a rolling 3 month period. Generating real returns and continuously compounding these returns over time is a key objective.

To achieve these objectives for our clients, our fixed interest fund managers invest in a combination of high-quality, income generating instruments including the money market, bonds, inflation-linked bonds, property, preference shares, derivatives and offshore assets - switching between the different asset classes as they offer value.

Risk management is crucial for an investment mandate that targets to outperform inflation consistently over any 12 month period. We would only invest in assets that would potentially outperform inflation, and we perform a complete risk analysis before we include any asset in the portfolio. Risk for us is defined as not meeting the client's risk and performance objectives. We aim to reduce the downside risk as much as possible but at the same time participate in as much upside as possible.

Since inception, investors in the Prescient Income type mandates have consistently delivered returns in excess of inflation - thus boosting their buying power.



The South African repo rate has gone up 200bps over the past 3 years and coupled with this bank funding spreads and credit spreads have increased. In this environment one can earn inflation beating returns on good quality assets and investors don't have to look down the credit spectrum to earn good real returns at the moment.

Currently, the Income Fund sector is a really attractive sector to invest in as you can earn yields of 9-10% (same yield as bonds) but without the duration or interest rate risk because you are largely invested in shorter dated assets. The income fund sector is delivering inflation beating returns with a risk profile not much higher than cash. Investors looking to park their cash for income should look at this sector as opposed to the traditional money market sector.

Ends

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About Prescient

- Prescient's subsidiaries include: Prescient Investment Management (SA), Prescient Securities, Prescient Management Company, Prescient Life, Prescient Fund Services, Prescient Fund Services (Ireland) Prescient Wealth Management, Prescient Profile, and EMHPrescient Investment Management.
- Prescient Investment Management is a signatory to the United Nations Principles of Responsible Investing (UN PRI) and pledged to the Codes for Responsible Investing in South Africa (CRISA).
- The Prescient Global Income Fund, now known as the Prescient Global Income Provider Fund, was ranked by Morningstar as the 7th top performing fund for 2015.
- **More recently, the Prescient Income Provider Fund won the Raging Bull Award for the Best South African Multi-Asset Income Fund, Best South African Interest-Bearing Fund as well as a certificate for the Best South African Multi-Asset Income Fund on a risk – adjusted basis over five years to December 31, 2016.**
- Morningstar data also confirmed that The Prescient China Balanced Feeder Fund has been the top performing South African domiciled fund for the second year in a row.
- Prescient Investment Management was the first institution in Africa to be granted a Qualified Foreign Institutional Investor (QFII) licence by the China Securities Regulatory Commission (CSRC).
- Prescient Investment Management was named Overall Investments/Asset Manager of the Year at the Imbasa Yegolide Awards 2011, Absolute Return Manager of the Year in 2013 and Bond Manager of the Year and Responsible Service Provider of the Year in 2015.
- The full details and basis of the award can be obtained from the fund manager.
- For any additional information such as fund prices, brochures and application forms, email info@prescient.co.za or visit www.prescient.co.za
- Prescient Investment Management Ltd, is an authorised financial services provider (FSP 612). 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. Performance has been calculated using net NAV to NAV numbers with income reinvested. There is no guarantee in respect of capital or returns in a portfolio. Prescient Management Company (RF) (Pty) Ltd is registered and approved under the Collective Investment Schemes Control Act (No.45 of 2002). For any additional information such as fund prices, fees, brochures, minimum disclosure documents and application forms please go to www.prescient.co.za