

INVESTMENT AND RETURN OBJECTIVE

The objective of the fund is to outperform the JSE all-share index by more than 5% p.a. after fees over any 5–10 year rolling period.

INVESTMENT PHILOSOPHY

We invest in outstanding companies when, *and only when*, we can buy at a discount to a conservatively derived fair value. Our portfolio is concentrated in our 8–15 highest conviction ideas.

INVESTMENT PROCESS

The fund manager follows a fundamental and fact-based process that systematically sieves out companies that do not meet our strict quality and valuation criteria. The end result is that we invest in outstanding companies, run by competent managers, trading at attractive valuations.

WHO SHOULD INVEST

Investors who: (i) understand and share our investment philosophy, (ii) have a long-term investment horizon, (iii) enjoys owning part interests in outstanding businesses (not trading in and out of *stocks*).

RISK INDICATOR



ANNUALISED PERFORMANCE

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

CUMULATIVE PERFORMANCE

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

FUND INFORMATION

Fund Manager:

Johann Steyn

Fund Classification:

Qualified Hedge Fund – SA – Other

Benchmark:

FTSE/JSE Africa All Share Price Index

Fund Size:

R33.5 m

No of Units:

10,026

Unit Price:

9,605.18

Inception Date:

02 August 2023

Minimum Investment:

R1 000 000 lump-sum

Annual Management Fee:

1% (excl VAT)

Performance Fee:

15% (excl VAT) over benchmark

Fee Class:

A

Fee Breakdown:

Please note the Total Expense Ratio and Transaction Costs cannot be determined accurately because of the short life span of the Financial Product and the funds TER will be available after one year.

Administrator:

Prescient Fund Services (Pty) Ltd

Custodian:

Nedbank Investor Services

Prime Broker:

ABSA

Income Distribution:

New Fund

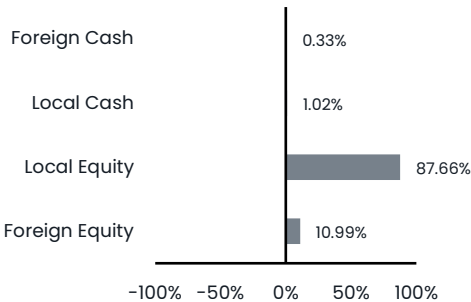
ANNUALISED PERFORMANCE

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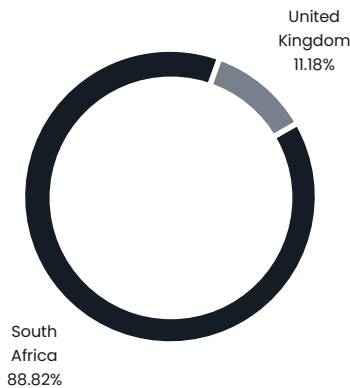
TOP HOLDINGS (ALPHABETICALLY)

- Argent Industrial Ltd
- British American Tobacco Plc
- Legal & General Group PLC
- Reinet Investments S.C.A
- Santova Ltd

ASSET ALLOCATION



COUNTRY EXPOSURE



## FUND COMMENTARY

The JSE all-share index (our benchmark) returned -8.4% over the two-month period since 2 August 2023, when the fund was launched, and 30 September 2023. You would have seen from your quarterly account statements that our fund, although down, did somewhat better than this. It is important to note the following:

1. Performance, absolute or relative, is meaningless over such a short period of time.
2. The fund is materially different from its benchmark and investors should expect material differences in returns.
3. We expect, and so should you, that there will be periods of negative returns and/or underperformance.

The objective of the fund is long term capital appreciation. We would deem ourselves successful if we outperform the JSE all-share index by a sizeable margin after fees over any 5 year period.

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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.

**Total Expense Ratio (TER%):** The Total Expense Ratio (TER) is the percentage of the net asset value of the class of the Financial Product incurred as expenses relating to the administration of the Financial Product.

**Performance fee incl. in TER (%) PF (%):** The Performance Fee is a payment made to the Fund Manager for generating positive returns and is generally calculated as percentage of investment profits, often both realized and unrealized.

**Transaction Costs (TC%):** The Transaction Costs (TC) is the percentage of the net asset value of the Financial Product incurred as costs relating to the buying and selling of the assets underlying the Financial Product.

**Total Investment Charges TIC (%) = TER (%) + TC (%):** The Total Investment Charges (TIC), the TER + the TC, is the percentage of the net asset value of the class of the Financial Product incurred as costs relating to the investment of the Financial Product. It should be noted that a TIC is the sum of two calculated ratios (TER+TC).

Qualified Hedge Funds only allow Qualified Investors to invest. A Qualified Investor, is a person who invests an initial minimum amount of R1 million and who has demonstrated knowledge and experience in financial and business matters which would enable the investor to assess the merits and risks of a hedge fund or has appointed a Financial Services Provider (FSP) who has demonstrable knowledge and experience to advise the investor regarding the merits and risks of a hedge fund investment.

## 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.

**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.

**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.

**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.

## INFORMATION DISCLOSURE

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

**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 service charge) 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 Hedge Funds are processed on a monthly basis. Your application form together with proof of payment must be submitted to Prescient before 14h00, two business days before month end.

Redemptions: Hedge Fund redemptions are processed at the end of each month and require a month's notice. In order to receive month end prices, your redemption must be submitted to Prescient before 14h00, within one business day of the preceding month end, for processing at the end of the following month. Prices are published monthly and are available on the Prescient website.

Performance has been calculated using net NAV to NAV numbers with income reinvested.

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\*Performance Fee: The Fund charges a base and performance fee. Performance fees are payable on outperformance of the benchmark using a participation rate of 10%. A permanent high water mark is applied, which ensures that performance fees will only be charged on new performance. There is no cap on the performance fee.

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 portfolio operates as a white label fund under the Prescient QI Hedge Fund Scheme, which is governed by the Collective Investment Schemes Control Act.

**CONTACT DETAILS**

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**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:** Steen Capital Partners (Pty) Ltd, **Registration number:** 2022/515942/07 is an authorised Financial Services Provider (52781) 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 and postal address:** 9th floor, Atrium on 5th Cnr. Maude and 5th Streets Sandton 2031 **Telephone number:** 010 500 1758 **Website:** [www.steencap.com](http://www.steencap.com)