

INVESTMENT OBJECTIVE

The Fund will aim to deliver a high real income stream over the target period and to wind-up or be re-purposed at the end of the target period.

INVESTMENT POLICY

The Fund will aim to deliver real income for investors with an investment time horizon until 2040. In order to achieve this objective, the fund will apart from assets in liquid form, invest primarily in inflation-linked bonds with target maturity dates between 2035-2040, money market instruments and NCDs.

RISK INDICATOR



ANNUALIZED PERFORMANCE (%)

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

CUMMULATIVE PERFORMANCE

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

ANNUALIZED PERFORMANCE (%)

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

BOND EXPOSURE MATURITY PROFILE

	Fixed Rate
Pre 2030	11%
2030-2035	16%
2036-2040	69%
2041-2045	0%
Post 2045	4%
TOTAL	100%

ASSET ALLOCATION (%)

	Total
Cash	1%
Bonds	99%
Equity	0%
Total	100%

BOND CREDIT EXPOSURE



FUND COMMENTARY

Risk sentiment towards SA has improved somewhat. Bond prices have gradually strengthened again since April, as the angst over America's anti-SA rhetoric and tariff threats has subsided and the GNU is somehow keeping it together. After breaking 11% post Liberation Day, the 10-year yield is back below 10%. It eased a further 20bp in June.

Inflation appears to have settled near the bottom end of the target range while the rise in precious metal prices should benefit the fiscus by way of higher tax revenues and help stabilise our debt-to-GDP ratio (which, compared to the US, suddenly looks quite reasonable). The yield spread to US 10-year Treasuries has narrowed by 60bp over the past two months.

Fund Information

Investment Manager:

David Shochot

Fund Classification:

South Africa – Interest Bearing - Variable Term

Benchmark:

Total Return for the I2038 Government Bond

Base Currency: ZAR

Fund Size: R81.0 Million

No of Units: 113 944.52

Unit Price (cpu): 101.14

Fee Class: A1

ISIN: ZAE000337473

JSE: SILCA1

Inception Date: 29 July 2024

Minimum Investment:

R10 000 lump-sum
R 500 per month

Annual Management Fee:

0.5% (excl VAT)

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.

Income Distribution:

March Annually

Fund Auditors:

Ernst & Young Incorporated

Fund Administrator:

Prescient Fund Services (Pty) Ltd

TFSA:

Tax Free Savings Account Compliant

Reg-28:

Regulation 28 Compliant

General 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.

Total Expense Ratio (TER)

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)

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.

Total Investment Charge (TIC)

The sum of the TER and TC. The accurate figures will be available a year after the fund's inception date.

Glossary Summary

Performance: Performance has been calculated using NAV to NAV with income reinvested.

Moderately Conservative: This portfolio can invest across the duration spectrum from money market to long bonds, which can result in capital volatility over the shorter term and deviation from the benchmark.

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.

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.

Policy Objectives

The Fund adhered to its investment policy objectives as stated in the Supplemental Deed.

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. Email address: info@prescient.co.za Website: 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
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: Stylo Investments (Pty) Ltd, **Registration number:** 2012/141578/07 is an authorised Financial Services Provider (FSP44599) 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:** Stylo Investments (Pty) Ltd, Office 14, 14th Floor, The Terraces, Cnr of Bree and Waterkant Streets **Telephone number:** (021) 412 1010 **Website:** www.styloinvestments.com

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 brochures and application forms please go to www.styloinvestments.com.

The Manager retains full legal responsibility for any third-party-named portfolio. 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.

Disclaimer

Independent financial advice should be sought as not all investments are suitable for all investors. Trail commission and incentives may be paid and are for the account of the manager.

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.