

PRESCIENT DOMESTIC BALANCED FUND (A1)

MINIMUM DISCLOSURE DOCUMENT & GENERAL INVESTOR REPORT

INVESTMENT AND RETURN OBJECTIVE

The Fund aims to deliver long term capital growth over time by offering a well-diversified portfolio investing in a broad range of domestic only asset classes in a balanced manner. The Fund will typically have high exposure to equities although some tactical asset allocation will be performed.

INVESTMENT PROCESS

The Fund invests in South African markets only across a diverse range of domestic only equities, property and interest-bearing instruments. Asset allocation is managed actively, anchored at the long-term strategic asset allocation but can be varied tactically to target outperformance of the benchmark by capitalising on signals of significant market mispricing. Where possible, a process of enhanced indexation is utilised within asset classes to deliver stable incremental alpha.

WHO SHOULD INVEST

South African investors seeking long term capital growth by investing in a typical, market related domestic balanced portfolio. The Fund is suitable for investors with a medium to long-term investment horizon and is Regulation 28 compliant.

RISK INDICATOR DEFINITION

These portfolios typically exhibit more volatility and potential for capital losses due to higher exposure to equities and exposure to offshore markets where currency fluctuations may result in capital losses. These portfolios typically target returns in the region of 5% - 6% 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.				

ASSET ALLOCATION (%)					CURRENCY EXPOSURE				
	S.A	DMs	EMs	Total					
Equity	59.59	0.00	0.00	59.59					
Property	4.89	0.00	0.00	4.89					
Gvt. Bonds	20.27	0.00	0.00	20.27					
ILB's	0.00	0.00	0.00	0.00					
Corp. Bonds	4.83	0.00	0.00	4.83					
Pref Shares	0.00	0.00	0.00	0.00					
Infrastructure & Renewables	9.51	0.00	0.00	9.51					
Cash & Income	0.91	0.00	0.00	0.91					
Total	100.00	0.00	0.00	100.00					

ZAR 100.0%

Prescient

INVESTMENT MANAGEMENT

30 JUNE 2025

ABOUT THE FUND

Fund manager:

Prescient Balanced Team

Fund classification:

South African - Multi Asset - SA High Equity

Benchmark:

32.5% Capped SWIX ALSI (TR)

32.5% JSE ALSI (TR)

25% All Bond Index

2.5% SAPY (TR)

7.5% STeFI

JSE Code:

PRDBA1

ISIN:

ZAE000341632

Fund Size:

R221.3 m

No of units:

10,171

Unit price (cpu):

110.50

Inception date:

29 November 2024

Minimum Investment:

R10 000 lump-sum

R1 000 per month

Income distribution:

31 March 2025 - 1.76 cpu

Initial Fee:

0.00%

Annual management fee:

0.45% (excl VAT)

(All performance figures are net of TIC)

Fee breakdown:

New fund – data will be available 12 months after fund launch.

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FUND MONTHLY RETURNS

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

FUND COMMENTARY

Over the course of May, the 2025 National Budget saw Treasury withdraw a previously proposed Value-Added Tax (VAT) increase, a move that has left a significant fiscal gap of approximately R75 billion to be addressed through other means. During his budget speech, Minister Godongwana expressed confidence that the South African Revenue Service (SARS) would be able to generate an additional R35 billion in revenue, sufficient to close the existing fiscal shortfall. He further highlighted that the government’s approach would focus on reprioritising spending rather than introducing new tax hikes.

Just days following the budget speech, the Monetary Policy Committee (MPC) convened to deliberate on the country’s interest rate policy. The committee’s voting was notable in that one member voted for a more aggressive 50-basis point cut, while the majority favoured a 25-basis point reduction. This voting outcome was somewhat unexpected, as most economists had anticipated a more divided or split vote prior to the meeting.

On the global stage, the minutes from the Federal Reserve’s May meeting painted a picture of heightened economic uncertainty. Fed officials expressed concerns that tariffs could exacerbate inflationary pressures while simultaneously posing downside risks to employment and broader economic activity. This reflects ongoing unease about the trajectory of fiscal and trade policies both domestically and internationally. In response to these uncertainties, the Federal Open Market Committee (FOMC) opted to maintain the federal funds rate within the target range of 4.25% to 4.5%, a level that has been in place since their last rate cut in December.

Despite these concerns, Fed officials described the current state of economic growth as “solid,” with the labour market “broadly in balance” and consumer spending continuing at a healthy pace. Shortly after the FOMC meeting, trade tensions between the United States and China eased somewhat, with both countries agreeing to suspend some tariffs for a 90-day negotiation period. This development sparked a rally in financial markets, although bond yields continued to rise. In Japan, the yield on the benchmark 10-year bond increased to 1.50% in May. In Europe, the 10-year bond yields of both Germany and the United Kingdom rose, settling at 2.50% and 4.65%, respectively. The U.S. 10-year bond yield also followed the trend and rose to 4.40%.

Reflecting improved investor sentiment and easing global uncertainties, equity markets delivered strong gains over the month. The NASDAQ Composite led with an impressive return of 9.65%, while the MSCI World Index and MSCI Emerging Markets Index posted solid gains of 5.69% and 4.00%, respectively. Locally, the JSE Top 40 Total Return Index rose by 2.86%, driven largely by strong performance in the mining sector. The local bond market performed well, with the FTSE/JSE All Bond Index Total Return rising by 2.73%, supported by double-digit basis point declines in yields on both the R2030 and R2048. In contrast, global bond markets underperformed with U.S. Treasuries posting a return of -1.03%, reflecting persistent concerns around inflation and interest rate policy despite a broader rally in equity markets.

The Fund currently holds a neutral stance on both South African bonds and a moderately negative view on local equity.

Fund performance was positive for the month due to the continuing rally in South African equity.

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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

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.

Max Drawdown: The maximum peak to trough loss suffered by the Fund since inception.

% Positive Month: The percentage of months since inception where the Fund has delivered positive return.

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: 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 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. 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 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.

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.

Performance has been calculated using net NAV to NAV numbers, including actual initial and all ongoing fees, with income reinvested on the reinvestment date.

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

CONTACT DETAILS

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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 **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:

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

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