

# AYLETT BALANCED PRESCIENT FUND - A1

MINIMUM DISCLOSURE DOCUMENT &  
GENERAL INVESTOR REPORT  
30 JUNE 2024



## FUND INVESTMENT SUMMARY AND OBJECTIVES

### Our Investment Strategy and Philosophy

Shares are evaluated by what they represent: a certificate of ownership in a company. We seek great businesses that are well run and are trading at a discount to their intrinsic value. We follow the adage that the return of an investment is determined not by the exit price but by the price one pays.

### Fund Objective

The Aylett Balanced Prescient Fund aims to deliver a reasonable level of income and moderate capital growth over time for investors through investing in a broad range of asset classes in a balanced manner. The portfolio will predominately invest in South African markets but is permitted to include investments in offshore jurisdictions subject to the investment conditions determined by legislation from time to time. The Fund adheres to the investment policy objectives as stated in the Supplemental Deed.

### Fund Universe

The maximum net equity exposure of the Aylett Balanced Prescient Fund is 75%, with offshore asset exposure being limited to 45%. This fund is managed to comply with Regulation 28 of the Pension Funds Act.

## FUND FACTS

<b>Fund target</b>	To provide long term growth in both capital and income over time.
<b>Fund category</b>	South African - Multi Asset - High Equity
<b>Inception</b>	1 November 2013
<b>Benchmark</b>	ASISA South African - Multi Asset - High Equity Category Average
<b>Recommended term</b>	Medium to long term
<b>Portfolio Manager</b>	Dagon Sachs
<b>Management company</b>	Prescient Management Company (RF) (Pty) Ltd
<b>Fund auditors</b>	Ernst & Young Incorporated
<b>Fund trustees</b>	Nedbank Investor Services
<b>TFSA</b>	Qualifying Tax Free Savings Account Investment
<b>Regulation 28 Compliant</b>	Yes

## FUND DETAILS

<b>Market value</b>	R5.01 billion
<b>Number of Units - A1</b>	1,275,714,592.51
<b>Unit Price - A1</b>	205.47 cpu
<b>ISIN - A1</b>	ZAE000184941
<b>Offshore exposure</b>	29%
<b>Top 10 holdings</b> (Alphabetical Order)	AECI Ltd Aylett Global Equity Fund British American Tobacco Plc Firstrand Ltd Netcare Ltd Reinet Investments Remgro Ltd SA Government Bond R2030 SA Government Bond R2032 We Buy Cars

## FEES & MINIMUMS

<b>Minimum</b>	Lump sum: R5,000
<b>Investments</b>	Debit order: R500
<b>Initial fees</b>	None
<b>Annual management fee - A1</b>	1% (exclusive of VAT)

*Fees are class dependent: Calculated on the market value of the fund's assets, accrued daily and paid monthly.*

### Fee Breakdown - A1

Management fee	1.00%
Performance fee	Not Applicable
Other fees***	0.20%
Total Expense Ratio (TER)	1.20%
Transaction costs	0.08%
Total Investment Charge (TIC)	1.28%

\*\*\*Other fees includes underlying fee (where applicable): Audit Fees, Custody Fees, Trustee Fees and VAT

## INCOME DISTRIBUTIONS

<b>Declaration &amp; payment</b>	31 March 2024: 8.01 cpu Declared: Last business day of March annually. Distributed: By the 2nd working day after declaration date.
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## FUND PERFORMANCE

(Figures are annualised and net of fees)	Aylett Balanced Prescient Fund - Class A1	Blended Benchmark
<b>1 Year</b>	9.6%	8.4%
<b>3 Years</b>	11.3%	8.4%
<b>5 Years</b>	13.1%	9.3%
<b>7 Years</b>	11.6%	9.3%
<b>10 Years</b>	10.5%	8.7%
<b>Inception</b>	10.6%	9.3%
<b>Highest 1 year return*</b>	51.4%	37.8%
<b>Lowest 1 year return*</b>	-14.4%	-10.0%

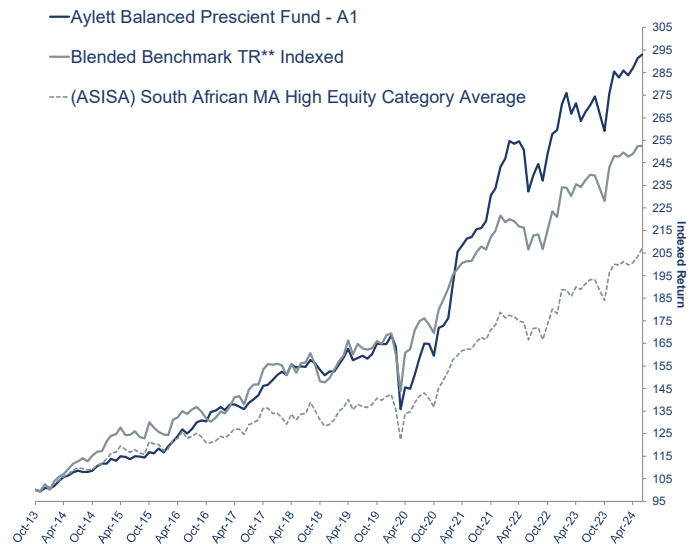
\*Highest and lowest consecutive 12-month returns since inception.

## FUND RISK PROFILE

The Fund has a moderate risk profile as it is actively managed across equities, bonds, cash and other listed assets both domestically and in foreign markets.



## AYLETT BALANCED PRESCIENT FUND vs BENCHMARK PERFORMANCE (Net of fees)



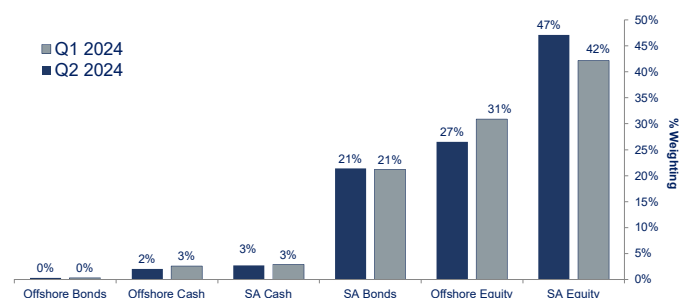
\*\*Total Return Index is net of fees and assumes dividends and distributions are reinvested. Cumulative outperformance since inception is 36%.

For illustrative purposes only: The illustrative performance is calculated by taking the actual initial fees and all ongoing fees into account for the amount shown. Income is reinvested on the reinvestment date.

Past performance is not indicative of future performance

Source: Bloomberg, inception to 30 June 2024

## ASSET ALLOCATION



## 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 return:** The highest and lowest returns 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.

**CPU:** Cents per unit

**Composite Index:** 60% SWIX Total Return Index, 20% All Bond Total Return Index, 15% World MSCI, 5% Cash STeFI

## RISK PROFILE:

### **Moderate:**

- These portfolios generally hold more equity exposure than low risk portfolios but less than high risk portfolios
- In turn the expected volatility is higher than low risk portfolios, but less than high risk portfolios
- The probability of losses are higher than that of the low risk portfolios but less than high risk portfolios
- Expected potential long term investment returns could therefore be lower than high risk portfolios due to lower equity exposure, but higher than low risk portfolios

## FUND SPECIFIC RISKS:

**Default risk:** The risk that the issuers of fixed income instruments (e.g. bonds) 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.

## 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 CIS 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 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 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 15:00 (SA). 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.

Performance has been calculated using net NAV to NAV numbers with income reinvested. The performance for each period shown reflects the return for investors who have been fully invested for that period. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestments and dividend withholding tax. Full performance calculations are available from the Manager on request.

For any additional information such as fund prices and application forms, please visit [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 address: [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:** Aylett & Co. Fund Managers, Registration number: 2004/034008/07 is an authorised Financial Services Provider (20513) 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: 5th Floor Mariendahl House, Newlands on Main, Main Road, Newlands, 7708, Cape Town, South Africa, Postal address: PO Box 44414, Claremont, South Africa, 7735, Telephone number: +27 21 673 1460, Website: [www.aylett.co.za](http://www.aylett.co.za)

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