

AYLETT BALANCED PRESCIENT FUND - A1

MINIMUM DISCLOSURE DOCUMENT &

GENERAL INVESTOR REPORT

30 JUNE 2023

FUND INVESTMENT SUMMARY AND OBJECTIVES

Our Investment Strategy and Philosophy

Shares are evaluated, not by a fluctuating ticker or a graph on a screen, but by what they represent, a certificate of ownership. We seek great businesses that are well run and managed, 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 will aim 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 Fund adhered 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

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

FUND DETAILS

Market value	R4.04 billion
Number of Units - A1	1 134 710 828.85
Unit Price - A1	195.1 cpu
ISIN - A1	ZAE000184941
Offshore exposure	34%
Top 10 holdings	Anglo American Plc
<i>(Alphabetical Order)</i>	Aylett Global Equity Fund
	Bath & Body Works Inc
	British American Tobacco Plc
	I2025 SA Government Bond
	Jumbo
	R2030 SA Government Bond
	R2032 SA Government Bond
	Reinet Investments
	Tsogo Sun Limited

FEES & MINIMUMS

Minimum	Lump sum: R5,000
Investments	Debit order: R500
Initial fees	None
Annual management fee - A1	1.15% (inclusive 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	1.15%
Performance fee	Not Applicable
Other cost***	0.08%
Total Expense Ratio (TER)	1.23%
Transaction costs	0.10%
Total Investment Charge (TIC)	1.33%

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

INCOME DISTRIBUTIONS

Declaration & payment	31 March 2023: 9.37 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
1 Year	15.1%	14.8%
3 Years	21.0%	11.6%
5 Years	11.6%	8.7%
7 Years	11.5%	8.5%
Inception	10.7%	9.3%
Highest 1 year return*	51.4%	37.8%
Lowest 1 year return*	-14.4%	-10.0%

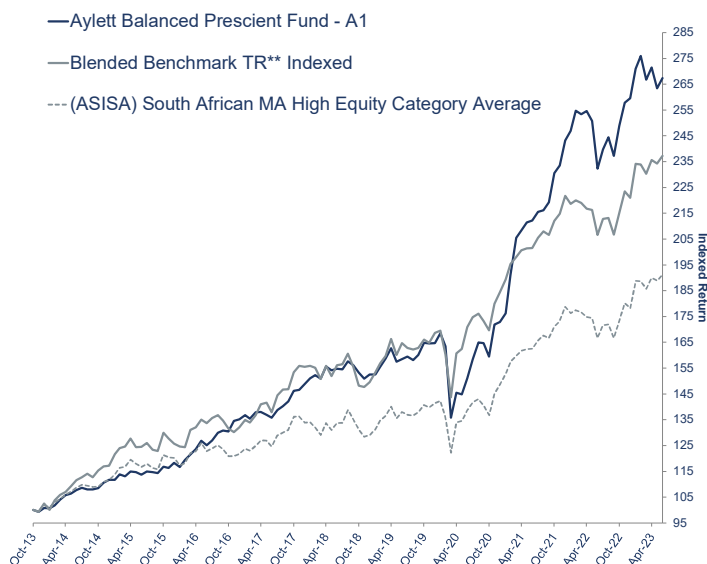
*Highest and lowest consecutive 12-month returns since inception.

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)



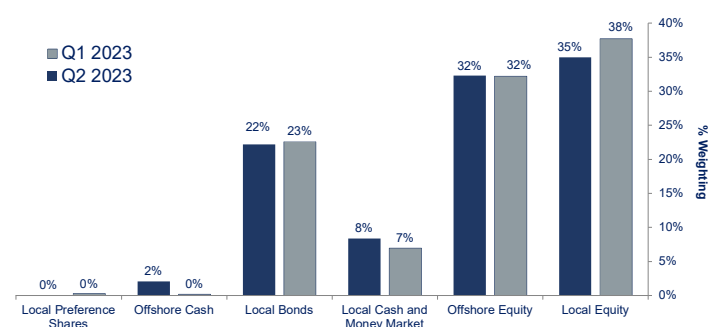
**Total Return Index is net of fees and assumes dividends and distributions are reinvested. Cumulative outperformance since inception is 30.2%.

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 2023

ASSET ALLOCATION



BACKGROUND

For the quarter ended June 2023, the JSE All Share (JALSH) returned a total of +0.7%, the All Bond Index (ALBI) -1.5% and Cash +1.9%. Against this background the fund made 0.26%, however it did lose some ground relative to its benchmark.

FUND PERFORMANCE

Holdings in Reinet Investments (RNI) and Jumbo (BELA) continued to contribute positively as did the holding in the Aylett Global Equity Fund. However, Transaction Capital Ltd (TCP) continued to be a drag on performance. Impala Platinum Holdings Ltd (IMP), although small, suffered with the decline in the PGM (Platinum Group Metals) basket price.

We discussed TCP in the last factsheet and other than the share price declining further, there have been no new developments. The market seems to ascribe a negative value to the taxi finance business (SA Taxi) and very low multiples for the rest. It will take time to see whether there is any value in the SA Taxi business and for the market to trust management again. We continue to believe the share price we see on our Bloomberg terminal is materially disconnected from even a conservative assessment of fair value.

HOW WE THINK

We are now 6 months into the year, and it is worth recapping how we think about managing your portfolio; We do not manage the fund on a quarterly basis. We think long-term, preferring to ignore short-term volatility. Our goal is to seek out and own uncorrelated, quality assets in different jurisdictions and let them compound. We prefer not to take currency or country bets (unless at extremes and in areas we understand well). Rather our odds of success and our edge lies in selecting good assets. Our focus in this area is unrelenting.

CHANGES TO THE FUND

There has been little change in our major holdings, with some entries and exits in the smaller holdings. Our top holdings remain; the Aylett Global Equity Fund, Reinet Investments (RNI), British American Tobacco (BTI) and Jumbo (BELA). As Reinet has grown, we have taken some profits by virtue of the fact that it simply got too big in the portfolio. Conversely, we have added to our holdings in BTI as its share price has weakened.

Our bond holding at 22% (local government bonds) has remained static, however we used some weakness to increase duration. This has since worked well for us post the end of June.

34% of the fund is physically offshore. However, when you consider offshore businesses that happen to be listed here, then it is closer to 56% offshore – a balance we are comfortable with at present. That said, the bar to owning assets in South Africa has gone up – those assets need a very good reason to be included in the fund.

OUTLOOK

We have cash on hand to deploy, should markets offer us assets at the right prices. There is enough going on with macro factors, geopolitics and SA-specific issues that we feel it is likely opportunities will present. We know what we want, and what we are prepared to pay.



30 June 2023

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

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

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

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