AYLETT BALANCED PRESCIENT FUND - A1

MINIMUM DISCLOSURE DOCUMENT &
GENERAL INVESTOR REPORT
31 MARCH 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	R3.99 billion
Number of Units - A1	1,265,194,766.15
Unit Price - A1	203.86 cpu
ISIN - A1	ZAE000184941
Offshore exposure	32%
Top 10 holdings	Anglo American Plc
(Alphabetical Order)	Aylett Global Equity Fund
	British American Tobacco Plc
	I2025 SA Government Bond
	Melco International Develop.
	R2030 SA Government Bond
	R2032 SA Government Bond
	Reinet Investments SCA
	Transaction Capital Ltd
	Tsogo Sun Gaming Ltd

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***	0.06%
Total Expense Ratio (TER)	**1.21%**
Transaction costs	**0.15%**
Total Investment Charge (TIC)	**1.36%**

****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.

FUND PERFORMANCE

(Figures are annualised and net of fees)	Aylett Balanced Prescient Fund - Class A1	Blended Benchmark
1 Year	5.2%	5.2%
3 Years	25.2%	17.0%
5 Years	12.1%	8.8%
7 Years	11.9%	8.4%
Inception	11.0%	9.3%
Highest 1 year return*	51.4%	37.8%
Lowest 1 year return*	-14.4%	-10.0%

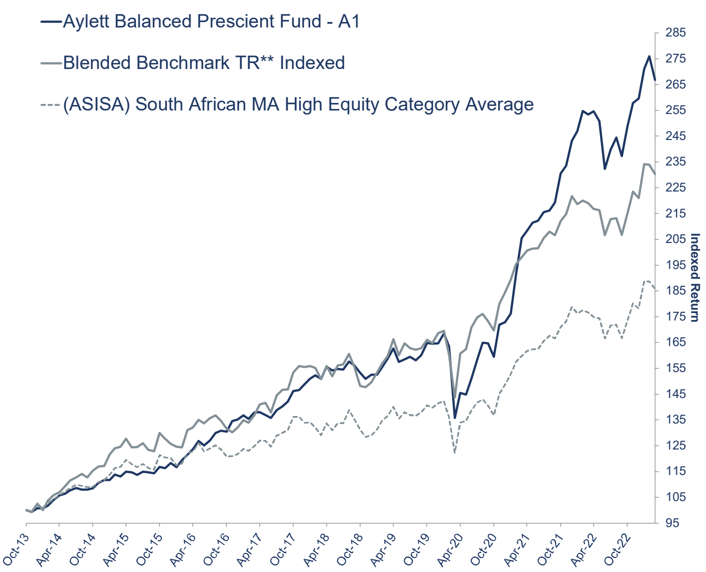
**Highest and lowest consecutive 12-month returns since inception.*

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.

Low | Low - Moderate | **Moderate** | Moderate - High | High

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

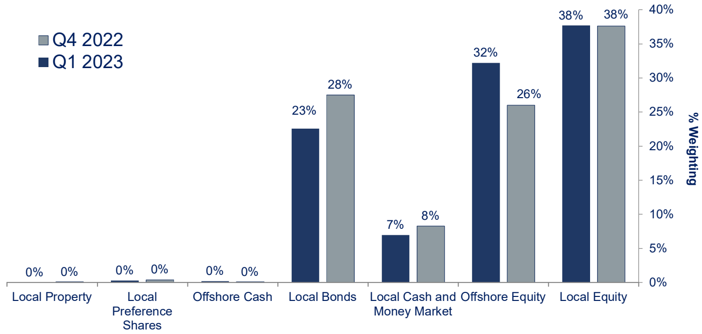


***Total Return Index is net of fees and assumes dividends and distributions are reinvested. Cumulative outperformance since inception is 36.3%.*
For illustrative purposes only: The illustrative performance is calculated by taking the actual initial fees and all ongoing fees into account for the amount shown. Income is reinvested on the reinvestment date.

Past performance is not indicative of future performance

Source: Bloomberg, inception to 31 March 2023

ASSET ALLOCATION



FUND MANAGER COMMENTARY

The first quarter of 2023 started slowly for the fund as equity markets ran, but it has since regained most of that ground. Transaction Capital Ltd (TCP), a holding that historically made outsized returns for the fund, released a disappointing trading update well below guidance. Prior to the update it was a much smaller holding in the fund than it used to be, but we thought it important to unpack this result in more detail.

TCP consists of 3 segments:

- Nutun - a debt collections and services business,
- WeBuyCars (WBC) - a growing used vehicle trader, and
- SATaxi - a financier of commuter taxis.

A major risk item for SA Taxi has always been its reliance on Toyota for new vehicles. As such, they had developed an in-house ability to refurbish repossessed taxis and resell them (as a strategy that also materially lowered the loss given a default). When the floods in KwaZulu-Natal destroyed the Toyota plant, SA Taxi had to increase the number of refurbishments (QRT's) they did per month in an attempt to fill the gap in the lack of supply of new vehicles. This combined with the ever-increasing price of new vehicles seemed like a logical and sustainable strategy.

Unfortunately, this strategy did not work and the result was that they ended up repossessing a much larger number of taxis than anticipated. Hence their decision to reverse course and go back to the original lower number of QRT's that they used to produce. However, if you are no longer refurbishing these repossessed taxis then the loss on those already repossessed is higher. Hence, TCP's need to provide R2 billion against those taxis already, or likely to be, repossessed.

WeBuyCars also experienced its first period where it did not grow. The decline in used car prices meant they moved a lot of stock out of inventory in a matter of months at low margins, in order to transition into the areas of the market that are more vibrant. This ability to turn stock fast means they are far less vulnerable to used car prices than a traditional dealer. In the very short term however, it does hamper their growth. WBC still remains a high-quality model with a long runway of growth ahead.

The market reacted very negatively to this, being concerned that SA Taxi as a whole was bankrupt and that it could bring the whole group down with it. TCP, instead of shying away, provided an immense amount of detail on multiple public webinars to dispel a lot of the misinformation out there, showing very clearly what the issues are, where the risks lie, and what the group is doing to address these challenges. The fund used the weakness in the share price to add materially to the position.

On the positive side, the holding in South African Government bonds collectively was the biggest contributor for the period. Reinet Investments performed well over the quarter as market participants have begun to appreciate the potential of its biggest holding, Pension Insurance Corporation. This was followed closely by Jumbo, a Greek retailer operating in Greece, Cyprus, Romania, and Bulgaria. It has been another long-term holding of the fund and continues to exceed our expectations.

From an asset allocation perspective, the fund continues to favour offshore equities where growth prospects are not hindered by the well-publicised issues South Africa currently faces.

31 March 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:

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