AYLETT EQUITY 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 Equity Prescient Fund is a general equity portfolio. The Manager in selecting securities for the portfolio will seek to follow an investment policy which will secure for investors an optimum overall return, that is to say the steady growth of income and the preservation of capital in real terms.

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

Fund Universe
The Aylett Equity Prescient Fund is required to invest a minimum of 80% of the portfolio in equities at all times, with offshore asset exposure being limited to 45%.

FUND FACTS

Fund target	To provide long term growth in both capital and income over time.
Fund category	South African Equity General
Inception	3 July 2006
Benchmark	JSE ALL Share Total Return Index
Recommended term	Long term
Portfolio Manager	Justin Ritchie
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

FUND DETAILS

Market value	R4.77 billion
Number of Units - A1	78 447 797
Unit Price - A1	4929.83 cpu
ISIN - A1	ZAE000081154
Offshore exposure	35%
Top 10 holdings	Anglo American Plc
(Alphabetical Order)	Aylett Global Equity Fund
	Bath & Body Works Inc
	Berkshire Hathaway Inc
	BHP Group Plc
	British American Tobacco Plc
	Jumbo
	Reinet Investments
	Standard Bank Group Ltd
	Tsogo Sun Limited

FEES & MINIMUMS

Minimum Investments	Lump sum: R5,000 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***	0.05%
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

Declaration & payment	March 2023: 162.19 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 Equity Prescient Fund - A1**	**JSE All Share TRI**
1 Year	16.0%	19.6%
3 Years	22.4%	16.1%
5 Years	10.8%	9.6%
7 Years	11.1%	9.2%
10 Years	11.3%	10.3%
15 Years	12.9%	9.7%
Inception	12.9%	11.1%
Highest 1 year return*	58.8%	54.0%
Lowest 1 year return*	-23.1%	-37.6%

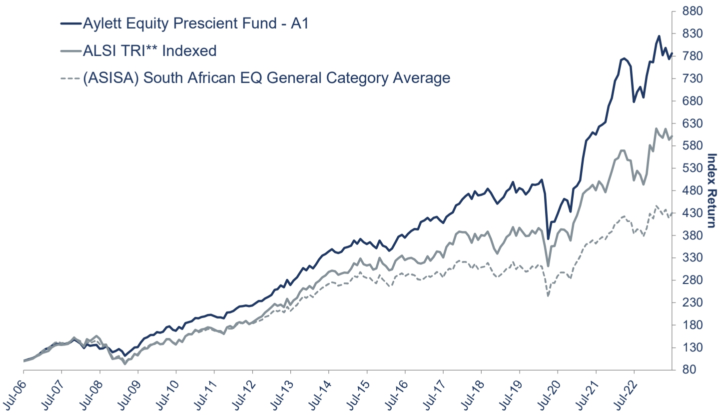
**Highest and lowest consecutive 12-month returns since inception.*

FUND RISK PROFILE

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

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

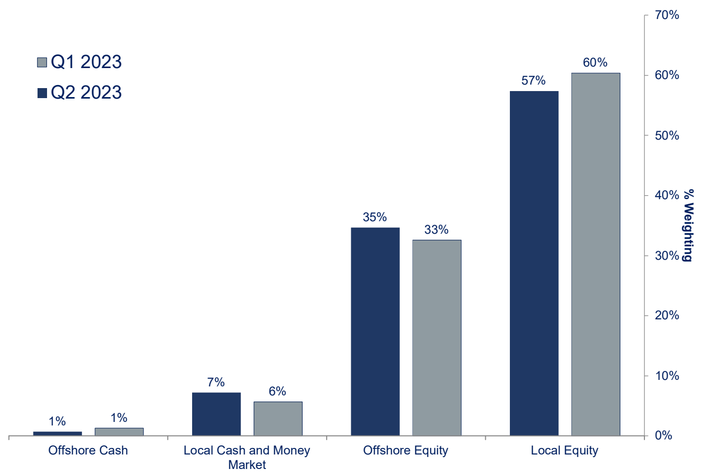
AYLETT EQUITY PRESCIENT FUND vs JSE ALL SHARE TRI PERFORMANCE (Net of fees)



***Total Return Index is net of fees and assumes dividends and distributions are reinvested. Cumulative outperformance since inception is 184.7%.*
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



FUND MANAGER COMMENTARY

MARKET REVIEW

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%. The South African equity market again underperformed the MSCI All Country World Index (MSCI ACWI), which returned 12.7% in ZAR for the quarter. The rand continued to weaken, losing 5.5% against the USD, starting the quarter at $17.79 and finishing at $18.76 (while going via $19.87).

Year to date the JALSH returned a total of +5.9%, the ALBI is up +1.8% and cash is up +3.7%. The MSCI ACWI returned 26% in ZAR.

FUND PERFORMANCE

The fund returned an index-like 0.6% for the quarter. Year to date, the fund has returned 2.6%.

Contributors to performance for the quarter again included Reinet Investments (RNI) and Jumbo (BELA). Berkshire Hathaway (BRK/B) and the Aylett Global Equity Fund also aided the result. Reinets' strong performance grew the position size above our comfort levels, requiring us to reduce the holding to a level more appropriate to our assessment of risk vs. reward.

Detractors to performance were Transaction Capital Ltd (TCP), Impala Platinum Holdings Ltd (IMP) and Victoria's Secret (VSCO).

We discussed Transaction Capital 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 SA Taxi (a taxi finance business) 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.

Commodity prices have year to date been weak - driven, we think, by the growing concerns about the Chinese economy (especially the housing market) and the seemingly perpetual threat of Fed rate hikes. The miners' share prices in the fund, mainly Anglo American and Impala Platinum, have come off in sympathy. There may well be a lull in commodity prices as the driver of demand transitions from China-driven to energy-transition-driven. Commodity prices in the short term are impossible to forecast, but 5 to 10 years out we think it highly likely that there will be robust demand for the things these companies dig out of the ground and, crucially, not enough supply. Generally, these companies own the better orebodies (there are exceptions!) and this translates into a lower cost to extract. Add to that they have strong balance sheets, ensuring that even if the current decline in commodity prices persists, our miners can survive to prosper when the cycle turns.

NOTABLE CHANGES TO THE FUND

We have added a UK-based wealth manager to the fund during the quarter, a position we're still in the process of building and not prepared to elaborate on just yet. In April we sold our investment in Grupo Aeroportuario del Centro Norte (OMAB), a Mexican airports company. OMAB reached our assessment of full value and we decided to sell. The Mexican government also started making increasingly socialist noises about some of the privately run concessions, which added to our conviction to exit.

OUTLOOK

China's recovery from the COVID-induced lockdowns has to date been weak and it seems likely that Chinese authorities will further increase stimulus in an effort to shake the economy awake. A rough rule of thumb is that China consumes about half of all commodities and any improvement in the economy should have a positive effect on the demand, and therefore the price of the commodities and therefore our miners and the country as a whole. Over the long term, China's influence on commodities will decline, but in the short term, what happens in China is still very important. The US economy continues to be strong, proving to be more resilient than expected and now seems likely to avoid a much-predicted recession.

Outside of China, global markets have been more robust year to date than we would have expected in January, partly driven by AI hype in the technology sector but also due to the simple resilience of many companies' earnings. The impending US recession seems to keep being pushed out and it currently looks like they may be able to avoid one completely. Investor enthusiasm has returned in a big way in both institutional and retail buying behaviour.

Inflation continues to dominate the headlines and has proven (especially core measures) to be sticker than central bankers and economists expected. We're not surprised. It seems, however, that we're through the worst of it, but getting back down to target levels will take time and require more pain.

Winter loadshedding has thus far proven to not be as bad as feared but South Africa is not yet out of the woods. It looks to us like loadshedding should start to get less bad over the next 18 months, with significant amounts of generating capacity coming back online at Kusile and Medupi. Rapidly growing private power generation will help too. Getting the broken capacity back online and the reliability of the rest of the coal fleet will be crucial. With the national elections in just over a year, we suspect there is a renewed focus by the government on keeping the lights on. Investor sentiment and loadshedding seem closely linked and together with our relationship (or hopefully lack thereof) with Russia will be the short-term driver of our currency and the rating of the South African market. SA Inc remains very cheap, some of it for good reason.

We continue to maintain a balance between locally-driven and offshore-driven businesses, all with attractive risk-return characteristics. The SA Inc businesses we own are generally high quality, well-run and priced at levels that compensate us for the risk assumed. The offshore part of the portfolio is less cheap but all with attractive upside. The fund has a healthy cash balance, ready to take advantage of any volatility, be it locally or offshore, in the months to come.

Justin Ritchie

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

RISK PROFILE:

Moderate - High:

- Generally, these portfolios hold more equity exposure than any other risk profiled portfolios. These portfolios therefore tend to carry more volatility.
- Expected potential long-term returns could be higher than other risk profiles, in turn potential losses of capital could be higher.

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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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