



Prescient Africa Sustainable Equity Fund

In collaboration with and supported by the WWF

ABOUT THE FUND

Fund Managers:
Fairtree Asset Management

Fund Classification:
Regional - Equity – General

Benchmark:
MSCI Emerging Frontier Markets
ex South Africa

Fund Size:
R25,7m

Inception Date:
03 August 2015

**Income Distribution
(annually):**
31 March

Risk Indicator:

High

FEES

Initial Fee:
0,00%

Annual Management Fee:
Class A1 1,50% (excl. VAT)

Total Expense Ratio:
3,13% (incl. VAT)

Minimum Investment:
Lump sum: R100 000
Debit order: R10 000

Custodian:
Nedbank

Fund Administrator:
Prescient Management
Company (RF) (Pty) Ltd

CONTACT

0800 111 899
info@prescient.co.za
www.prescient.co.za

PERFORMANCE % RETURN

	3 months	Year to date	1 year	2 years (ann)	3 years (ann)	Since inception (ann)	Highest rolling 1 year return	Lowest rolling 1 year return
Share Class A1	7.04	7.04	- 0.65	9.62	1.33	0.26	26.73	-19.64
Benchmark (USD)	5.41	5.41	-13.22	10.41	4.81	1.05	40.47	-13.45
Benchmark (ZAR)	6.13	6.13	5.82	14.97	5.58	4.85	32.94	-18.05

TOP 10 SHARE HOLDINGS

Company	% of portfolio
Safaricom Ltd	9.8%
Commercial International Bank	7.9%
Maroc Telecom	7.4%
Attijariwafa	6.8%
Guaranty Trust Bank Plc	5.7%
Sonatel	5.0%
Zenith Bank Plc	4.7%
Dangote Cement	4.3%
Equity Group Holdings Ltd	4.2%
Nestle Nigeria	3.5%

TOP 5 COUNTRY EXPOSURES

	% of portfolio
Egypt	24.7%
Morocco	22.8%
Nigeria	22.1%
Kenya	18.4%
Senegal	5.2%

Fund Overview

The Prescient Africa Sustainable Equity Fund invests in the listed equity of companies that conduct the majority of their business on the African continent and the portfolio is well diversified across African geographies, sectors and companies. The aim of the Fund is to provide investors with sustainable long-term capital growth within a framework that integrates sustainability principles in the investment portfolio, including environmental, social and governance aspects. The Fund is actively managed in a prudent manner and high quality considerations are applied throughout the structure. The Fund is managed by utilising the combined capacity, expertise and experience of Fairtree Asset Management (Pty) Ltd, a specialist investment manager, and the WWF, a leading international environmental organisation.

Fund Objective

The objective of the Fund is to provide sustainable long-term capital growth and investment returns that exceed that of the MSCI Emerging Frontier Markets benchmark index over rolling five-year periods while also ensuring a high level of sustainability and environmental credibility in the investment portfolio.

Investment Universe

The Fund invests in the listed equity of companies that conduct the majority of their business on the African continent and which is listed on African and non-African equity exchanges. The portfolio is well diversified across African geographies, sectors and companies and primarily invest in the constituents of the MSCI Emerging Frontier Markets Index which includes the biggest and most liquid markets in Africa including Kenya, Nigeria, Egypt, Mauritius and others. South Africa does not form part of this index but suitable investment opportunities are considered. The strong sustainability and environmental integrity requirements imply certain investment constraints, exclusions and preferred practices especially around climate change, water resources and biodiversity impact areas.

Suitable for investors who:

This Fund is suitable for investors who seek long-term capital growth through diversified exposure to Africa equities while at the same time require strong sustainability, in particular environmental integrity credentials. It is also suitable for pension funds seeking to make use of their 10% African allowance.

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 **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: Fairtree Capital (Pty) Ltd, Registration number: 2004/033269/07 is an authorised Financial Services Provider (FSP 25917) 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:** Willowbridge Place, Cnr Carl Cronje Dr & Old Oak Road, Bellville, 7530 **Postal address:** P.O. Box 4124, Tygervalley, 7536 **Telephone number:** +27 21 943 3760 **E-mail address:** info@fairtree.com **Website:** www.fairtree.com

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ASSET ALLOCATION

Equities	97%
Cash	3%

FEE BREAKDOWN

Management Fee	1,50%
Performance Fee	0,00%
Other Fees	1,63%
Total Expense Ratio (TER)	3,13%
Transaction Costs (TC)	0.82%
Total Investment Charge (TIC)	3,95%

Environmental Parameter Examples

Non investable / Constraints

- Production/trade in radioactive materials or nuclear energy
- Pure fossil companies (coal, oil, gas production and extraction)
- Illegal species trade
- Tobacco trade or production
- Activities involving harmful child labour.
- Commercial logging in tropical moist forests
- Drift-net fishing in excess of 2,5km net length

Investment Process

The investment process follows a combination of active quantitative selection techniques, liquidity screening, and fundamental research and analysis processes to determine portfolio exposure to companies, sectors and countries. On a company level, liquidity, valuation metrics, business and management factors are taken into account, while on country level, macro aspects such as economic growth, debt, demographics and political risk can

be considered. A responsible and sustainable investment focus is integrated throughout the investment process and investments with a relatively strong long-term sustainability profile will be perceived as favorable during the portfolio construction process. As a first step, a quantitative filter screen is applied that determines the starting base selected investment universe. The second step in the process is to apply the active quantitative filter to the selected universe in order to determine the fundamental research list. The third step includes the fundamental research and analysis process as conducted by the specialist team of investment professionals. This includes industry, financial statement, company and ESG analysis followed by the investment valuation processes in order to determine investment return expectations. Shareholder advocacy and management engagement around matters of sustainability are attended to as far as Fund investments are concerned. The portfolio construction optimisation process is continued, taking into account mandated parameters and risk management procedures.

Specialist services utilised by the Prescient Africa Sustainable Equity Fund:

Fairtree Asset Management (Pty) Ltd

Fairtree Asset Management (Pty) Ltd is an authorised and licensed Financial Services Provider FSP 25917. Firmly rooted as a leading African fund manager headquartered in the Western Cape, South Africa, Fairtree has developed a diverse product portfolio including a variety of equity, fixed income, credit, commodity, volatility arbitrage, balanced and multi-strategy mandates. Three integral values define Fairtree Asset Management (Pty) Ltd: Integrity, Excellence and Growth. As a diversified fund manager, we offer retail and institutional investments in hedge funds and long only funds across multiple asset classes and geographies, with a focus on South Africa and Africa. At Fairtree Asset Management (Pty) Ltd we are committed to delivering superior risk adjusted returns by applying our skills, our process and our integrity. Our investment process is based on meticulous top-down and bottom-up analysis to ensure a diversified selection of investments in each fund.



WWF

WWF (the World Wide Fund for Nature) is one of the world’s largest conservation organisations, with offices in more than 80 countries around the world, employing around 6 200 full-time staff and has the support of more than 5 million people globally. It has deep research and analytical competency covering various natural environments and industries. WWF’s mission is to stop the degradation of the planet’s natural environment and to build a future in which humans live in harmony with nature, by conserving the world’s biological diversity; ensuring that the use of renewable natural resources is sustainable; and promoting the reduction of pollution and wasteful consumption. In carrying out its work, WWF cooperates with many partners nationally and internationally, including development agencies, various business and industry partners.



Prescient Investment Management

Prescient Management Company (RF) (Pty) Ltd offers collective investment schemes (unit trusts) to retail and institutional clients who wish to access Prescient Investment Management’s distinctive investment style and philosophy through an efficient vehicle. We cover all asset classes: cash, bonds, property, equity and multi-asset class portfolios. These portfolios have mandates that allow for the investment in SA, Africa, China and developed countries.



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 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. Money market Funds are priced at 1pm all other 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 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, and 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, brochures and application forms please go to www.prescient.co.za

GLOSSARY SUMMARY: Annualised performance: Annualised performance show 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.

DISCLAIMER FOR FUND SPECIFIC RISK: 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 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. **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.

HIGH RISK INDICATOR: Generally, these portfolios hold riskier assets such as equity and offshore exposure than a Low Risk portfolio and less than a High Risk portfolio. Medium Risk portfolios therefore tend to exhibit lower variability in returns (volatility) when compared to a High Risk portfolio and more so when compared to Low Risk portfolios. The anticipated future returns and potential loss of capital of such a portfolio is expected to be lower than for High Risk portfolios and higher than for Low Risk portfolios.

	<p>Why we are here</p> <p>To stop the degradation of the planet’s natural environment and to build a future in which humans live in harmony with nature.</p>
	<p>www.wwf.org.za</p>

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