PRESCIENT IJG BALANCED FUND A1

MINIMUM DISCLOSURE DOCUMENT

INVESTMENT AND RETURN OBJECTIVE

The Fund aims to return CPI + 5% per annum over a full market cycle . The Fund is Regulation 13 compliant and at least 45% is invested in Namibian assets.

INVESTMENT PROCESS

The Fund invests across a range of assets including equities and interest bearing instruments, both domestically and offshore. The asset allocation is anchored at the long-term strategic allocation, but can be varied tactically to target outperformance of the benchmark by capitalising on signals of significant market mispricing. Where possible, a process of enhanced indexation is utilised within asset classes to deliver stable incremental alpha.

WHO SHOULD INVEST

The Fund is suited to investors with a medium to long term investment horizon, who are seeking capital growth.

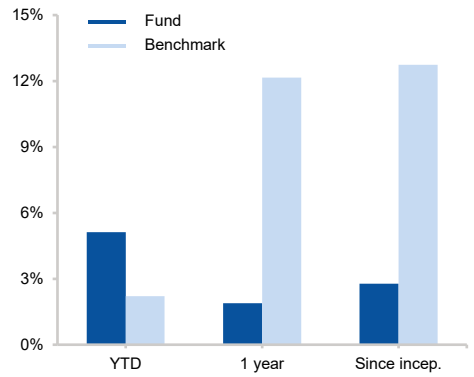
RISK INDICATOR DEFINITION

These portfolios typically have moderate equity exposure and exposure to offshore markets which may result in capital volatility over the shorter term. They are managed in such a manner that the probability of double digit capital losses over one year periods is unlikely. These portfolios typically target returns in the region of 4% - 5% above inflation over the long term.

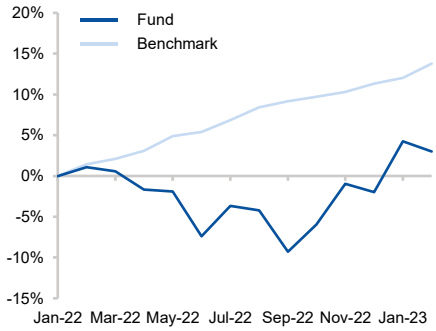
RISK INDICATOR

MODERATELY AGGRESSIVE

PERFORMANCE (%)



CUMULATIVE PERFORMANCE



PERFORMANCE (%)

	Fund	Benchmark
1 year	1.90	12.15
Since incep.	2.78	12.74
Highest rolling 1 year	4.25	12.15
Lowest rolling 1 year	1.90	12.02

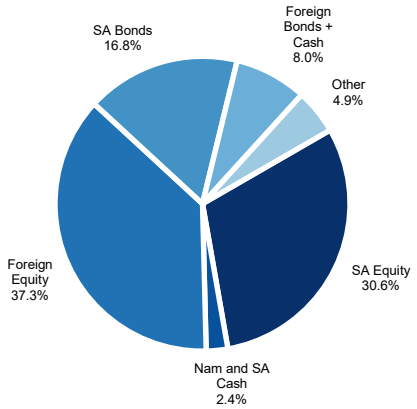
All performance fees are net of fees.

RISK AND FUND STATS

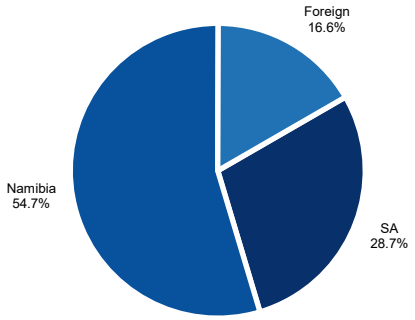
Since inception (p.a.)

	Fund	Benchmark
Alpha	-9.96%	
Sharpe Ratio	-0.20	4.78
Standard Deviation	12.39%	1.54%
Max Drawdown	-10.28%	

EFFECTIVE ASSET ALLOCATION



REGIONAL ALLOCATION



Prescient IJG

28 FEBRUARY 2023

ABOUT THE FUND

Fund manager:
Prescient Balanced Team

Fund classification:
Domestic - Asset Allocation - Prudential Variable Equity

Benchmark:
Namibia Headline CPI + 5%

JSE Code:
IGBFA1

ISIN:
ZAE000307187

Fund Size:
NAD34.1 m

Inception date:
31 January 2022

Minimum Investment:
N$10 000
N$1000 per month

Income Distribution (annually):
31 March 2022 - 0.29 cpu

Initial Fee:
0.00%

Annual management fee:
1.00%

Fact sheet fee class:
A1

Fee breakdown:

Please note the Total Expense Ratio and Transaction Costs cannot be determined accurately because of the short life span of the Financial Product and the funds TER will be available after one year.

Tel: +264 61 383 529
Web: www.ijg.net

PRESCIENT IJG BALANCED FUND A1

FUND MONTHLY RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2022		1.10%	-0.50%	-2.25%	-0.21%	-5.61%	4.03%	-0.57%	-5.30%	3.69%	5.28%	-1.03%	-2.00%
2023	6.38%	-1.18%											5.12%

FUND COMMENTARY

Volatility in global markets continues as the inflation rhetoric remains at the epicentre of global risk sentiment. In the US, across-the-board increases in shelter, food and energy saw inflation rise 0.5% in January and 6.4% from a year ago. The readings came in higher than expected, after inflation had shown signs of abating in recent months. Core CPI, which excludes volatile components such as food and energy, increased 0.4% in January and 5.6% from a year ago, against respective estimates of 0.3% and 5.5%. Shelter costs remain sticky, accounting for roughly half the monthly increase.

The record-breaking rally in global bonds since the start of this year has faded out as central banks around the world have stood firm in their intention to fight inflation. The Bloomberg Global Aggregate Index, which tracks global investment grade debt from a multitude of local currency markets, gained as much as 4.6% at the beginning of February, a very strong start to the year. However, that gain has since disappeared after the latest Federal Reserve (Fed) meeting, the release of better than expected economic data on both sides of the Atlantic, and hotter than expected inflation in the US reversing expectations that the Fed and the European Central Bank were close to winning their battle with inflation.

The headline reading for the composite PMI survey in the Eurozone rose to 52.3 in February from 50.3 in the month prior, suggesting the economy is holding up well thus far under the weight of higher interest rates. In the UK, February's composite PMI surprised to the upside, printing at 53.0 verses 48.5 in January. The reading is encouraging for the UK economy and points to modest growth in the first quarter. In Asia, China's economy too showed signs of a stronger rebound after Covid restrictions were abandoned, with manufacturing posting its biggest improvement in more than a decade, services activity climbing and the housing market stabilizing.

In South Africa, the Minister of Finance presented the annual budget at the end of February. Some of the budgetary highlights include that GDP Growth estimates are likely to deteriorate due to Eskom's electricity constraints. The minister has also revealed a sizable debt reduction plan for the troubled SOE, primarily by taking on R254 billion onto the state balance sheet from Eskom. As a result there will be a higher funding requirement arising in the form of shorted dated floating rate notes. Surprisingly there was an expected budget surplus this year due to higher tax collection from corporates and PAYE receipts as well as stricter revenue collection enforcement.

South Africa was also notified that it has been placed on the list of jurisdictions under enhanced monitoring (i.e. the "Greylist") by the Financial Action Task Force (FATF). This classification system is an intergovernmental effort aimed at limiting money laundering and terrorist financing through increased monitoring of higher-risk jurisdictions. The list currently consists of 23 jurisdictions, with the addition of South Africa and Nigeria, while Cambodia and Morocco were removed.

Looking ahead, this month may prove to be another volatile one with central bank meetings and interest rate announcements from all major regions.

Most equity markets pared gains for the year in February. The MSCI World lost 2.5%, while its emerging market counterpart plummeted 6.5%. Locally, the JSE Top40 Index dropped 2.4%, Nominal Bonds lost 0.9% while Inflation Linked Bonds gained 0.5%. On the currency front, the Bloomberg Dollar Spot Index, a measure of the US dollar performance against a basket of peers, gained 2.6%.

Contributors to performance:

The major contributor to performance this month was the depreciation of the Rand.

Detractors from performance:

The Funds Local and Global Equity exposure was the major detractor to performance this month. Local equity lost 2.4%, while developed market equity was down 2.5% (in USD) and emerging market equity was down 6.5% (in USD). This was partially mitigated through a weak Rand.