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.

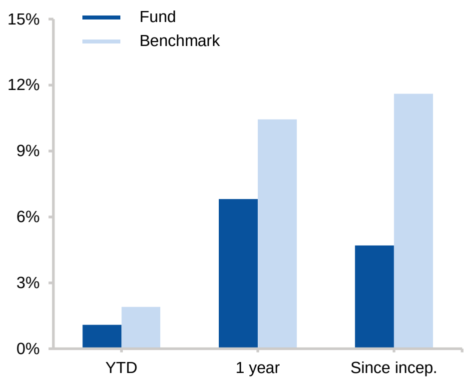
RISK INDICATOR DEFINITION

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.

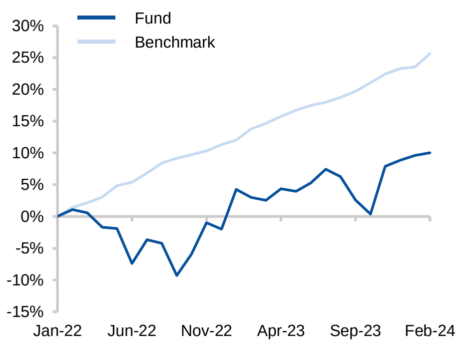
RISK INDICATOR

MODERATELY AGGRESSIVE

PERFORMANCE (%)



CUMULATIVE PERFORMANCE



PERFORMANCE (%)

	Fund	Benchmark
1 year	6.81	10.43
Since incep.	4.69	11.60
Highest rolling 1 year	13.68	12.29
Lowest rolling 1 year	1.90	9.55

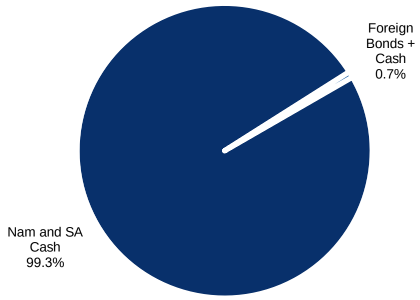
All performance fees are net of fees.

RISK AND FUND STATS

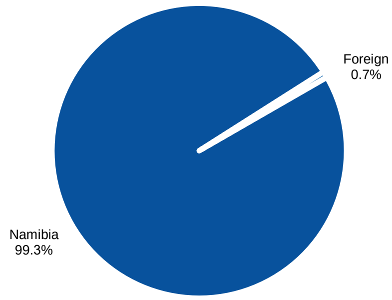
Since inception (p.a.)

	Fund	Benchmark
Alpha	-6.91%	
Sharpe Ratio	-0.17	3.48
Standard Deviation	10.89%	1.43%
Max Drawdown	-10.28%	

EFFECTIVE ASSET ALLOCATION



REGIONAL ALLOCATION



29 FEBRUARY 2024

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:
NAD1.3 m

Inception date:
31 January 2022

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

Income Distribution (annually):
31 March 2023 - 4.94 cpu

Initial Fee:
0.00%

Annual management fee:
1.00%

Fact sheet fee class:
A1

Fee breakdown:

Management Fees	1.00%
Performance Fees	0.00%
Other Fees*	0.33%
Total Expense Ratio (TER)	1.33%
Transaction Costs (TC)	**0.23%**
Total Investment Charge (TIC)	1.56%

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

***TIC Fees are calculated in respect of 12 months ending before 31 December 2023**

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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%	-0.44%	1.73%	-0.38%	1.29%	2.07%	-1.08%	-3.50%	-2.14%	7.46%	0.90%	11.07%
2024	0.69%	0.39%											1.08%

FUND COMMENTARY

Inflation in the US, prices saw a higher-than-expected increase in January, mainly due to persistently high shelter costs impacting consumers. The Consumer Price Index (CPI), a comprehensive gauge of prices for goods and services across the economy, rose by 0.3% during the month. Over a 12-month period, this amounted to a 3.1% increase, slightly lower than December's 3.4%. Market expectations are now adjusting to match the Federal Reserve's dot plot, with predictions now indicating three interest rate cuts for the year. This is a significant shift from the nearly seven cuts anticipated at the start of the year. Inflation in the 20-nation euro zone eased to 2.6% in February, but both the headline and core figures were higher than expected. In Japan, the country's core inflation rate — which excludes food and energy — fell to 2% year-on-year in January, after a third monthly increase, surprising slightly to the upside and suggesting that a sustainable return to ultra-low inflation may not be in the cards.

The Bank of Japan and the Swiss National Bank are anticipated to be the two major Central Banks likely to make significant policy shifts in the next two months, albeit in contrasting directions. Switzerland is expected to become the first G10 country to lower interest rates, with the market pricing in approximately a 60% likelihood of a 25 basis point cut happening this month. The European Central Bank is also expected to commence rate cuts in June and the US Federal Reserve in July. On the other hand, the Bank of England is now projected to be one of the last to start easing its tight monetary policy, with a slight majority of economists foreseeing the first cut happening in August.

While many major Central Banks are contemplating monetary policy loosening after more than two years of aggressive tightening to counter soaring inflation, the scenario for the Bank of Japan is quite the opposite. The bank's interest rate has been fixed at -0.1% since January 2016, as policymakers aimed to spur the economy out of a prolonged period of stagnation. A potential rate hike by the Bank of Japan would mark the country's first in 16 years.

Meanwhile, in South Africa, the focus in February was on the 2024 budget announcement. The Minister of Finance revealed that the National Treasury plans to utilize the Gold and Foreign Exchange Contingency Reserve Account (GFECRA) to alleviate debt costs, with the aim of stabilizing the debt-to-GDP ratio by 2025/26 compared to previous estimates. However, fiscal constraints persist due to reduced collections from corporate taxes and value-added taxes.

In February, developed market stocks continued their upward trend, which began towards the end of last year. The MSCI World Total Return index surged for the fourth consecutive month, rising by 4.2%. In the US, both the S&P 500 and Nasdaq Composite index saw significant gains of 5.3% and 6.1% respectively. This surge was largely attributed to the impressive earnings of tech AI giant Nvidia, reinforcing optimism on Wall Street about the potential of artificial intelligence to transform the tech industry. Nvidia's market value surpassed that of Saudi Aramco, making it the world's third-most valuable public company, following Apple Inc. and Microsoft Corp. European and Japanese indices also experienced notable increases, with Japan's Nikkei index rising by 8%, bringing its year-to-date increase to over 16%.

Emerging market equities rebounded, with the MSCI Emerging Markets Total Return index climbing by 4.8% after a decline in January. This rebound was primarily driven by a recovery in Chinese stocks, with both the Shanghai and Hang Seng Composite indices seeing gains of 8.1% and 7.2% respectively. India's Nifty 50 Total Return index also saw a modest increase of 1.3%. Chinese and Taiwanese stocks collectively account for approximately 40% of the MSCI Emerging Markets index, while Indian stocks represent about 18%. However, domestically, our All-Share Index performed poorly, declining by -2.4% as resources weighed down on the index.

Bond yields rose across all major markets globally. The Bloomberg Global Aggregate Index, which tracks global investment-grade debt across various local currency markets, experienced a -1.3% decline in price return.

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.