

# PRESCIENT IJG INCOME PROVIDER FUND A1

## MINIMUM DISCLOSURE DOCUMENT

### INVESTMENT AND RETURN OBJECTIVE

The Fund aims to return CPI + 3% per annum through a full interest rate cycle while providing stability by aiming never to lose capital over any rolling 3 month period. The Fund is Regulation 13 compliant and at least 45% is invested in Namibian assets.

### INVESTMENT PROCESS

This Fund invests in local and offshore money market, bonds, property, preference shares, inflation-linked bonds and derivatives to meet the investment objectives. Fund performance can be generated from taking interest rate views or duration, yield enhancement via credit instruments, asset allocation between income producing asset classes, offshore exposure and also via the use of derivatives.

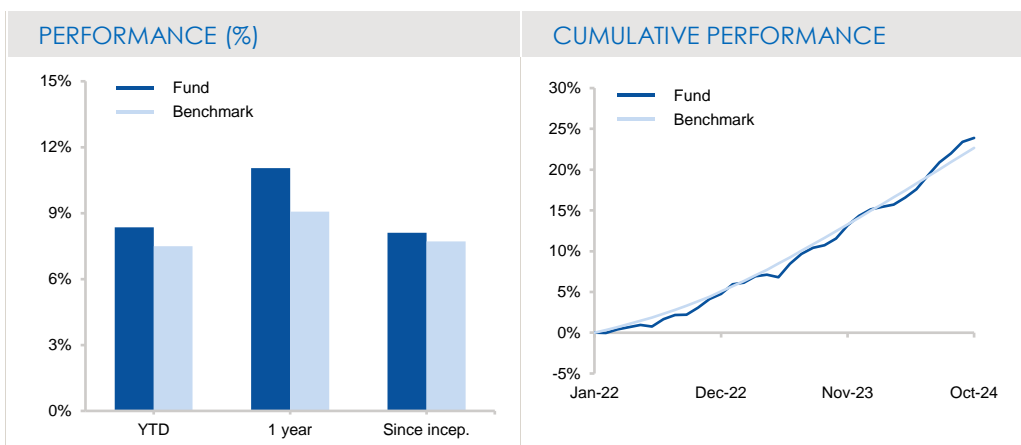
### WHO SHOULD INVEST

The Fund is suitable for investors with a short to medium term investment horizon seeking a conservative risk offering that aims to maximise income via primarily investing in Namibian and South African money and bond markets.

### RISK INDICATOR DEFINITION

These portfolios typically have no or low equity exposure, resulting in higher interest yields and stable capital values with the probability of capital losses over the shorter term (3 months) highly unlikely. These portfolios typically target returns in the region of 2% – 3% above inflation before tax over the long term.

### RISK INDICATOR



PERFORMANCE (%)			RISK AND FUND STATS	
	Fund	Benchmark	Current	Fund
1 year	11.05	9.07	Yield (gross)	9.75%
Since incep.	8.10	7.71	Average Duration	1.21yrs
Highest rolling 1 year	11.45	9.08		
Lowest rolling 1 year	5.76	5.72		

*All performance fees are net of fees.*

ASSET ALLOCATION		KEY HOLDINGS	
Asset Class	% of Fund	Instrument	% of Fund
SA Bonds	36.1%	RSA R2032 8.25% 310332	12.7
Namibia Bonds	13.8%	Namibia Dollar	5.6
Property (ZAR)	0.8%	INVESTEC Namibia CLN IVC289 JB3+240 181225	5.4
Preference shares	2.6%	Nedbank Namibia FRN JB3+43 230725	4.3
Offshore (ZAR)	11.4%	FirstRand Namibia FRN Jb3+65 190325	2.9
SA Money Market	3.5%	NAM TB 0% 210225	2.8
Namibian Money Market	31.8%	SATRIX NAMIBIA BOND ETF	2.7
		NAM TB 0% 241025	2.6
		Nedbank Namibia FRN JB3+55 260225	2.5
		SOAF 5.875% 16/09/25	2.2
		<b>Total</b>	<b>43.7</b>



31 OCTOBER 2024

### ABOUT THE FUND

**Fund manager:**  
Prescient Interest Bearing Team

**Fund classification:**  
Namibian Domestic Fixed Interest Varied Specialist

**Benchmark:**  
STeFi Call 110%

**JSE Code:**  
IIPFA1

**ISIN:**  
ZAE000307112

**Fund Size:**  
NAD2.8 bn

**Inception date:**  
31 January 2022

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

**Income Distribution (annually):**  
31 March 2024 - 7.71 cpu

**Initial Fee:**  
0.00%

**Annual management fee:**  
0.75%

**Fact sheet fee class:**  
A1

Fee breakdown:	
Management Fees	0.75%
Performance Fees	0.00%
Other Fees*	0.09%
Total Expense Ratio (TER)	0.84%
Transaction Costs (TC)	0.00%
Total Investment Charge (TIC)	0.84%

\*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 30 June 2024

**Tel:** +264 61 383 529

**Web:** www.ijg.net

# PRESCIENT IJG INCOME PROVIDER FUND A1

## FUND MONTHLY RETURNS

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
<b>2022</b>		-0.03%	0.44%	0.26%	0.30%	-0.20%	0.89%	0.50%	0.05%	0.82%	1.05%	0.60%	4.77%
<b>2023</b>	1.12%	0.17%	0.73%	0.20%	-0.31%	1.57%	1.13%	0.65%	0.31%	0.74%	1.42%	1.05%	9.14%
<b>2024</b>	0.67%	0.30%	0.22%	0.74%	0.91%	1.41%	1.37%	0.90%	1.17%	0.38%			8.35%

Source: Performance calculated by Prescient Fund Services verified by the FSP  
Date: 31 October 2024

## FUND COMMENTARY

October saw the recent strong momentum experienced in the global fixed income markets take a breather with yields moving higher. Key was the less dovish expectations of market participants for rate cuts in the US. Going into October markets were expecting around 8 more 25pt cuts by the Federal Open Market Committee (FOMC) by the end of 2025, this is currently below 5 cuts. Locally this was also the case as the Forward Rate Agreements (FRAs) priced out expectations of a deeper cutting cycle. The All-Bond Index (ALBI) closed the month down over 2% on the back of these yield movements.

Given the movement in the SA yield curve, we continue to favour floating rate exposure in the 3-year segment, while concentrating our fixed rate exposure in the 10-year segment where we see the greatest value relative to the associated risk. With credit spreads continuing to tighten, latest Bank AT1 credit clearing at 284pts, we have favoured floating rate assets with government exposure underlying, reducing the overall credit risk in the Fund.

The Fund's forward yield remains attractive at 9.75%. The Fund has an interest rate duration of 1.21 years. The current risk in the portfolio aligns with the Fund's risk objective and we see the Fund well positioned to achieve its return objectives.

The Fund had a softer performance month on the back of the movement higher in yields. The Fund remains well ahead of its benchmark on a year-to-date basis. The key detractor for the month was our duration position. We saw continued good contributions from the high-quality yielding asset in the Fund.

### 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.