PMK Stable Prescient Fund of Funds

Minimum Disclosure Document & Quarterly General Investor Report - Class A1

30 September 2021

Investor Profile

The PMK Stable Prescient Fund of Funds is suitable for investors seeking returns that are in excess of inflation over the short term and is suitable for conservative investors requiring a high level of capital protection, with the potential for some capital growth. The Fund is suitable for investors who have an investment horizon of three years and longer and aim to protect capital by investing in a portfolio that diversifies the risk over the various asset classes.

Investment Objective

The Fund will aim to achieve performance returns in line with the South African Consumer Price Index plus 2% over a rolling three-year period, while aiming to achieve capital appreciation with low volatility and a low correlation to equity markets through all market cycles.

Investment Policy

In order to achieve the investment objective, the Fund will, apart from assets in liquid form, consist solely of participatory interest in collective schemes or similar schemes in equity, bond, money market and property markets which will be constructed within a conservative risk framework. The Fund will have a conservative risk profile with a maximum effective equity exposure, including offshore equity, up to 40% and a maximum effective property exposure, including offshore property, up to 25%. The underlying collective investment schemes are permitted to invest in listed and unlisted financial instruments in line with conditions as determined by the Registrar from time to time. The Fund will predominantly invest in South African markets but is however permitted to include investments in offshore jurisdictions subject to the investment conditions determined by legislation from time to time. The Fund will be subject to the Prudential Investment Guidelines for South African Retirement Funds, being Regulation 28 of the Pension Funds Act, or such other legislation published from time to time.

Adherence to the investment objective: The Fund adhered to the Investment policy objective for the quarter.

Fees and Minimums	A1 Class	A3 Class
Minimum Investment	R10 000.00 (lump sum) / dependant on platform minimums	
	R 500.00 (debit order) / dependant on platform minimums	
Initial Fee	0.00%	0.00%
Annual Management Fee	0.92%	0.52%
Performance Fee	N/A	N/A
Total Expense Ratio (TER) *	1.60%	1.20%
Transaction Costs (TC) *	0.09%	0.09%
Total Investment Charge (TIC) *	1.69%	1.29%
Maximum Fee	N/A	N/A

Income Distributions	
Declarations	Bi-annually on the last business day of April and October
Latest Distribution (cpu)	(A1) 31 Mar 2021 - 0.0183 cpu, 30 Sep 2021 - 0.0191 cpu (A3) 31 Mar 2021 - 0.0203 cpu, 30 Sep 2021 - 0.0212 cpu

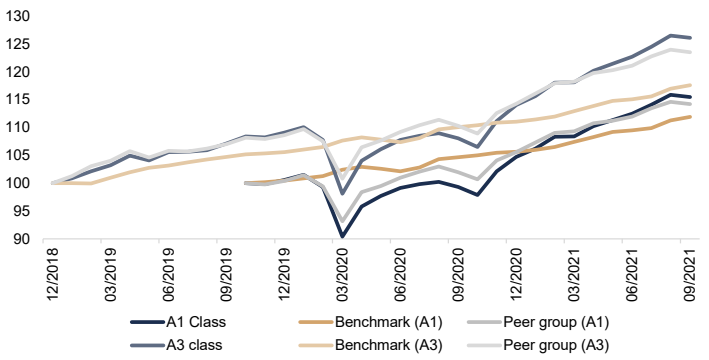
Fund Information		
Benchmark	CPI plus 2% over rolling 3-year periods	
ASISA Fund Sector	(ASISA) South African MA Low Equity	
Inception Date	9 October 2018	
Investment Term	3 years	
Regulation 28 Compliant	Yes	
Fund Size (milllions)	R271.0	
Currency	ZAR	
Unit Price cpu (A1, A3)	113.37	112.06
Number of Units (A1, A3)	1 404.48	2 372 106.64

Performance	A1 Class	A3 Class	CPI + 2%
1 Month	-0.35%	-0.31%	0.57%
3 Months	2.67%	2.79%	2.22%
6 Months	6.54%	6.76%	4.17%
1 Year	16.23%	16.72%	6.89%
3 Years	N/A	N/A	6.10%
5 Years	N/A	N/A	6.39%
7 Years	N/A	N/A	6.64%
Since Inception (annualised)	7.77%	8.98%	6.02%
Year-to-date	10.25%	10.61%	5.92%

Fund Risk Profile

Moderately Conservative	These portfolios typically have low equity exposure resulting in some capital volatility over the shorter term. They are managed in such a manner that the probability of capital losses over one year periods is unlikely.
Risk of Capital Loss	Very low ⬇ Very high
Investment horizon	Very short ⬆ Very long

Illustrative Performance



The investment performance is for illustrative purposes only. The investment performance is calculated by taking the actual initial fees and all ongoing fees into account for an investment of R100 and income is reinvested on the reinvestment date.

Return Analysis	A1 Class	A3 Class
Maximum Drawdown	-10.88%	-10.83%
Maximum Gain	5.96%	6.00%
% Positive Months	73.91%	78.79%
% Negative Months	26.09%	21.21%
Standard Deviation	9.17%	7.78%
Highest Annual Return	19.82%	20.32%
Lowest Annual Return	-2.12%	-4.92%
Average Annualised Return (since inception)	7.77%	8.98%

Fund Top 10 Holdings

Fund Name	Holding
Visio BCI Unconstrained Fixed Interest Fund (C)	15.01%
Momentum SA Flexible Fixed Interest Fund (D)	14.67%
Momentum Enhanced Yield Fund (D)	11.58%
Coronation Jibar Plus Fund (P)	11.57%
CoreShares MSCI ACWI Fund of Funds	11.03%
Catalyst SCI Flexible Property Fund (C)	6.64%
Momentum Core Equity Fund (C)	5.64%
Centaur BCI Flexible Fund (C)	5.49%
1nvest Global Government Bond Index Feeder Fund (B1)	4.51%
BlueAlpha BCI Equity Fund (B)	3.28%

Asset Allocation

Asset Class	30 June 2021	30 September 2021
Local Equity	20.67%	20.01%
Local Property	6.29%	5.81%
Local Fixed Interest	36.62%	40.42%
Local Cash	13.71%	12.24%
Local Other	0.00%	0.00%
Offshore Equity	14.39%	13.67%
Offshore Property	1.95%	2.18%
Offshore Bonds	5.97%	5.34%
Offshore Cash	0.39%	0.31%
Offshore Other	0.00%	0.00%
Africa (ex_SA)	0.00%	0.00%

Specific Risk	
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 it 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.

Glossary	
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.
Alpha	Alpha: Denoted the outperformance of the fund over the benchmark.
Sharpe Ratio	Sharpe Ratio: The Sharpe ratio is used to indicate the excess return the portfolio delivers over the risk free rate per unit of risk adopted by the fund.
Standard Deviation	Standard Deviation: The deviation of the return stream relative to its own average.
Maximum Drawdown	Max Drawdown: The maximum peak to trough loss suffered by the Fund since inception.
Maximum Gain	Max Gain: Largest increase in any single month
% Positive Month	The percentage of months since inception where the Fund has delivered positive return.
Average Duration	The weighted average duration of all the underlying interest bearing instruments in the Fund.
Average Credit Quality	The weighted average credit quality of all the underlying interest bearing instruments in the Fund (internally calculated).
Dividend Yield	The weighted average dividend yield of all the underlying equity in the Fund. The dividend yield of each company is the dividends per share divided by the price.
PE Ratio	The weighted average price earnings ratio of all the underlying equity in the Fund. . The price earnings ratio of each company is the price divided by the earnings per share.
High Water Mark	The highest level of performance achieved over a specified period.
Fund Risk Profile	Generally, high risk/aggressive portfolios hold more equity exposure than lower risk/conservative profiled portfolios. High risk portfolios therefore tend to carry more volatility and expected potential long-term returns could be higher than other risk profiles, in turn potential losses of capital could be higher. For low risk /conservative portfolios, expected potential returns could be lower but with less volatility.

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 TER's. 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 Fund's asset allocation has been calculated based on the latest available Morningstar data for the underlying Fund holdings. Morningstar data is updated either monthly or quarterly depending on the availability of data for each underlying collective investment scheme. The asset allocation may differ from time to time due to market movements and portfolio limitations.

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, the actual investment date, the date of reinvestments and dividend withholding tax. Full performance calculations are available from the manager on request. Where a current yield has been included for Funds that derive its income primarily from interest bearing income, the yield is a weighted average yield of all underlying interest bearing instruments as at the last day of the month. This yield is subject to change as market rates and underlying investments change.

A Fund of Funds is a portfolio that invests in portfolios of collective investment schemes, which levy their own charges, which could result in a higher fee structure for these portfolios. 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. 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. For any additional information such as fund prices, brochures and application forms please go to www.prescient.co.za.

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.

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: PMK Consulting Services (Pty) Ltd, Registration Number: 1999/006804/07 is an authorised Financial Services Provider (FSP46343) 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 (N0.37 of 2002). Please be advised that there may be representatives acting under supervision. Physical/postal address: Unit 4, Oaktree Corner, 9 Kruger Street, Oaklands, 2192 Telephone number: +27 10 007 1948 Website: www.pmkwealth.co.za

This document is for information purposes only and does not constitute or form part of any offer to issue or sell or any solicitation of any offer to subscribe for or purchase any particular investments. Opinions expressed in this document may be changed without notice at any time after publication. We therefore disclaim any liability for any loss, liability, damage (whether direct or consequential) or expense of any nature whatsoever which may be suffered as a result of or which may be attributable directly or indirectly to the use of or reliance upon the information.

This portfolio operates as a white label fund under the Prescient Unit Trust Scheme, which is governed by the Collective Investment Schemes Control Act.

Investment Managers: PMK Wealth Consulting Services (Pty) Ltd. Paul Kantor, CFP®, Jarred Britany and Barend Crous, CFA.

Prescient MANAGEMENT COMPANY