

PRESCIENT RECM GLOBAL FEEDER FUND (Class D)

Minimum Disclosure Document - Period ended 31 January 2019

RECM

| FUND FACTS | | INVESTMENT POLICY SUMMARY | | | | | | | | | | | | | |
|--------------------------------|----------------------------------|--|----------------------|------|--------------|----------|----------------------|------|------|-------------------|------|------|--------------------------------|-------------|-------------|
| Portfolio Manager | Piet Viljoen | The Prescient RECM Global Feeder Fund is a Rand denominated unit trust fund that provides local investors with access to the RECM Global Fund (Master Fund). The Master Fund is a US dollar denominated global fund that may invest in a wide array of assets without restrictions. The Master Fund's aim is to generate returns greater than US inflation and commensurate with equities over the long term. The Fund invests mainly in global companies at a discount to intrinsic value, while using the flexibility of the mandate to protect capital and enhance returns by investing in other mispriced global assets. | | | | | | | | | | | | | |
| ASISA Sector | Global Multi Asset Flexible | FUND RISK PROFILE | | | | | | | | | | | | | |
| Fund Launch Date | 16 July 2014 | <table border="1"> <tr> <td>LOW</td> <td>LOW-MODERATE</td> <td>MODERATE</td> <td>MODERATE-HIGH</td> <td>HIGH</td> </tr> </table> | | LOW | LOW-MODERATE | MODERATE | MODERATE-HIGH | HIGH | | | | | | | |
| LOW | LOW-MODERATE | MODERATE | MODERATE-HIGH | HIGH | | | | | | | | | | | |
| Inception Date (Class D) | 24 July 2014 | The Fund invests in the RECM Global Fund which has a moderate to high risk profile as its portfolio is actively managed across global equities, bonds, cash and listed property assets. The Fund is less risky than a pure equity strategy while subject to the volatility of equity and currency markets. | | | | | | | | | | | | | |
| Total Fund Size | R313.9 million | TER AND TRANSACTION COSTS* (31 December 2018) | | | | | | | | | | | | | |
| Fund Size (Class D) | R193.7 million | <table border="1"> <thead> <tr> <th></th> <th>1 Year</th> <th>3 Years</th> </tr> </thead> <tbody> <tr> <td>TER</td> <td>1.4%</td> <td>1.3%</td> </tr> <tr> <td>Transaction Costs</td> <td>0.2%</td> <td>0.2%</td> </tr> <tr> <td>Total Investment Charge</td> <td>1.6%</td> <td>1.5%</td> </tr> </tbody> </table> | | | 1 Year | 3 Years | TER | 1.4% | 1.3% | Transaction Costs | 0.2% | 0.2% | Total Investment Charge | 1.6% | 1.5% |
| | 1 Year | 3 Years | | | | | | | | | | | | | |
| TER | 1.4% | 1.3% | | | | | | | | | | | | | |
| Transaction Costs | 0.2% | 0.2% | | | | | | | | | | | | | |
| Total Investment Charge | 1.6% | 1.5% | | | | | | | | | | | | | |
| Master Fund Size (RECM Global) | US \$98.6 million | | | | | | | | | | | | | | |
| Min. Investment (Lump Sum) | R10,000 | | | | | | | | | | | | | | |
| Min. Investment (Monthly) | R500 | | | | | | | | | | | | | | |
| Initial Fee | No initial fee | | | | | | | | | | | | | | |
| Annual Fee | 0.15% (excl. VAT) | | | | | | | | | | | | | | |
| Intermediary Fee | 0.0% (excl. VAT) | | | | | | | | | | | | | | |
| Performance Fee | Not Applicable | | | | | | | | | | | | | | |
| Benchmark (Bmk) | US CPI + 6% p.a. measured in ZAR | | | | | | | | | | | | | | |
| Distribution Date (Annually) | 31 March | | | | | | | | | | | | | | |
| Latest Distribution | 0.0 cpu (31 Mar '18) | | | | | | | | | | | | | | |

| TOP TEN HOLDINGS (%) | | REGIONAL EXPOSURE (%) | | ASSET EXPOSURE (%) | |
|------------------------|-------------|-----------------------|--------------|--------------------|--|
| January 2019 | | January 2019 | | | |
| Tesco PLC | 6.2 | United Kingdom | 40.6 | | |
| Cie Financi-br A | 3.0 | Japan | 29.1 | | |
| Inpex Corp | 2.8 | United States | 19.0 | | |
| Swatch Group | 2.8 | Switzerland | 5.8 | | |
| Sberbank Of Russia Adr | 2.3 | Euro Area | 2.7 | | |
| Berkshire Hathaway | 2.2 | Brazil | 1.4 | | |
| Liberty Global PLC | 2.2 | South Africa | 0.9 | | |
| BHP Group PLC | 1.7 | Hong Kong | 0.3 | | |
| Admiral Group | 1.5 | Sweden | 0.2 | | |
| Barrick Gold Crp | 1.3 | Total | 100.0 | | |
| Total | 26.0 | | | | |

| ANNUALISED RETURNS % NET OF FEES | | RETURNS NET OF FEES (ZAR) | | | | | | | | | | | | | | | | | | | | | |
|--|--------|--|-------|--|------|------------|-----------------------|--------------|---------------------|----------------------|--------|---------------------|-------|------|-------|--------------|------|------|------|-----------------|------|-------|-------|
| ILLUSTRATIVE RETURNS OF FUND VS MSCI ACWI (ZAR) | | <table border="1"> <thead> <tr> <th></th> <th>Fund</th> <th>MSCI ACWI</th> <th>Bmk</th> </tr> </thead> <tbody> <tr> <td>Year to Date</td> <td>-1.0%</td> <td>-0.1%</td> <td>-7.1%</td> </tr> <tr> <td>1 Year</td> <td>-1.4%</td> <td>3.6%</td> <td>21.2%</td> </tr> <tr> <td>3 Years p.a.</td> <td>4.4%</td> <td>5.2%</td> <td>1.8%</td> </tr> <tr> <td>Since Inception</td> <td>1.4%</td> <td>10.4%</td> <td>12.8%</td> </tr> </tbody> </table> | | | Fund | MSCI ACWI | Bmk | Year to Date | -1.0% | -0.1% | -7.1% | 1 Year | -1.4% | 3.6% | 21.2% | 3 Years p.a. | 4.4% | 5.2% | 1.8% | Since Inception | 1.4% | 10.4% | 12.8% |
| | Fund | MSCI ACWI | Bmk | | | | | | | | | | | | | | | | | | | | |
| Year to Date | -1.0% | -0.1% | -7.1% | | | | | | | | | | | | | | | | | | | | |
| 1 Year | -1.4% | 3.6% | 21.2% | | | | | | | | | | | | | | | | | | | | |
| 3 Years p.a. | 4.4% | 5.2% | 1.8% | | | | | | | | | | | | | | | | | | | | |
| Since Inception | 1.4% | 10.4% | 12.8% | | | | | | | | | | | | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th></th> <th>Fund</th> <th>Date Range</th> </tr> </thead> <tbody> <tr> <td>Highest Annual Return</td> <td>27.1%</td> <td>Nov 2016 - Oct 2017</td> </tr> <tr> <td>Lowest Annual Return</td> <td>-12.8%</td> <td>Oct 2014 - Sep 2015</td> </tr> </tbody> </table> | | | Fund | Date Range | Highest Annual Return | 27.1% | Nov 2016 - Oct 2017 | Lowest Annual Return | -12.8% | Oct 2014 - Sep 2015 | | | | | | | | | | | |
| | Fund | Date Range | | | | | | | | | | | | | | | | | | | | | |
| Highest Annual Return | 27.1% | Nov 2016 - Oct 2017 | | | | | | | | | | | | | | | | | | | | | |
| Lowest Annual Return | -12.8% | Oct 2014 - Sep 2015 | | | | | | | | | | | | | | | | | | | | | |
| <p>Source: RECM, Profile Data</p> <p>The MSCI All Countries World Index (ACWI) is an index designed to provide a broad measure of equity-market performance throughout the world. This chart thus illustrates how the RECM Global Fund has performed in comparison to a relevant global equity index</p> | | <p>All periods longer than a year are annualised</p> <p>Highest/Lowest – reflects the Fund's highest and lowest 12 month performance reported during the given period.</p> | | | | | | | | | | | | | | | | | | | | | |

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Disclosures: Collective Investment Schemes in Securities (CIS) should be considered as medium-to long-term investments. The Manager does not provide any guarantee either with respect to the capital or the return of the Fund. The value of participatory interests (units) may go up as well as down and past performance is not necessarily a guide to future performance. CIS are traded at ruling prices and can engage in borrowing and scrip lending. The manager may borrow up to 10% of the market value of the portfolio where insufficient liquidity exists. Forward pricing is used. Fluctuations or movements in exchange rates may cause the value of any underlying international investments to go up and down. 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. A schedule of fees, charges and maximum commissions is available on request from the management company. Commission and incentives may be paid and if so, would be included in the overall costs. These portfolios may be closed. Different classes of units may apply in a portfolio and are subject to different fees and charges. Investment performance is calculated by taking the actual initial fees and all ongoing fees into account for the amount shown. Income is reinvested on the reinvestment date.

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*Total Expense Ratio (TER) and Transaction Costs

The TER reflects the percentage of this Fund's Net Asset Value that was incurred as expenses relating to the administration of this Fund, including the annual fee and the performance fee and intermediary fee if applicable. A Higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. Transaction costs are a necessary cost in administering this Fund and impacts this Fund's 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 financial product, the investment decisions of the investment manager and the TER. The TER and Transaction costs are a measure of the actual expenses incurred by this Fund over a 3 year period (annualised). If this Fund is between 1 and 3 years old, the TER and Transaction Costs are calculated using the actual expenses incurred since the inception of this Fund. The sum of the TER and Transactions Costs is shown as the Total Investment Charge overleaf; these costs all being VAT inclusive.

Returns are in ZAR, on a lump sum investment, NAV-NAV, net of fees with net distributions reinvested. Annualised returns are the weighted average compound growth rate earned each year over the given time period. Individual Investor's performances may differ due to fees, actual investment date, dates of reinvestments and dividend withholding taxes.

Risks associated with investing in the Fund

All investments carry risk. Different investment strategies may carry different levels and kinds of risks depending on the assets held. You should consider the risks listed below in the context of your risk profile, which includes factors such as your investment timeframe, objectives and tolerance for performance volatility, income and age. We do not offer advice, nor does the Fund's investment strategy consider your individual circumstances and we cannot advise that the Fund is suitable for your circumstance.

The Manager does not guarantee the Fund's returns, its liquidity, and repayment of capital, interest nor a rate of return. Assets that are expected to provide the highest long-term returns often have the highest short-term risk. The Fund's investment strategy and the assets it invests in, will determine the Fund's sensitivity to these risk factors.

You should obtain financial advice to determine whether the Fund is suitable for your circumstances before investing in the Fund.

Investment and Business Risk

The Fund may experience losses due to factors that affect the overall performance of the financial markets. The Fund holds securities issued by individual companies and are subject to the business risks specific to them, including sales volumes, profit margins, input costs, competition, economic climate and government regulations. The companies may also have exposure to specific financial risk, liquidity risk, market risk, exchange-rate risk and country-specific risks.

Interest Rate Risk

This is the possibility that fixed-rate debt instruments may decline in value as a result of a rise in interest rates.

Credit Risk

Refers to the possibility that a bond issuer may not be able to make expected interest payments and/or principal repayment.

Liquidity Risk

Refers to the possibility that an investor may not be able to invest or disinvest when they want to. This may occur during a period of adverse market trading conditions where the manager may not be able to buy or sell the Fund's investments because opportunities to do so are limited.

Social/Political/Legislative Risk

Risks associated with the possibility of nationalisation, unfavourable government action or social changes resulting in a loss of value is called social or political risk which may affect the Fund.

Currency/Exchange Rate Risk

Currency or exchange rate risk is a form of risk that arises from the change in price of one currency against another. The constant fluctuations in the foreign currency in which an investment is denominated relative to the currency in which the Fund is denominated may add risk to the value of a security.

International Risks

International investments or investments in foreign securities could be accompanied by additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information.

Inflation Risk

The Fund may hold investments that do not generate sufficient income and capital gains to outperform inflation.

Key Person Risk

The Fund depends on the expertise of RECM and its investment team. The Fund could be negatively impacted if RECM does not retain key staff.

Third Party Operational Risk

The Fund's operations depend on third parties. Investors in the Fund may suffer financial loss or disruption in the event of third party operational failure.

Fees

An annual management fee (determined by the investor's selected unit class above) is levied monthly on the market value of the Prescient RECM Global Feeder Fund. The Fund invests in the Guernsey-domiciled RECM Global Fund which is an associated collective investment scheme. The RECM Global Fund levies its own charges which are charged separately and in addition to the Prescient RECM Global Feeder Fund.

Manager

Prescient Management Company (RF) (Pty) Ltd
P O Box 31142, Tokai, 7966
Company Reg 2002/022560/07
Registered under the Collective Investment
Schemes Control Act, 2002

Investment Manager

Regarding Capital Management (Pty) Ltd (FSP No 18834)
Authorised under the Financial Advisory and
Intermediary Services Act, 2002 to act in such capacity

Additional Documentation

Investors can access, free of charge, daily fund prices, quarterly reports, brochures, minimum disclosure documents, annual fund reports, application forms and investment insights on our website at www.recm.co.za.

Trustee

Nedbank Investor Services
2nd Floor, 16 Constantia Boulevard,
Constantia Kloof, Roodepoort, 1709

ISIN

ZAE000193199

Transaction Cut Off Time
13h00 Daily

Fund Valuation Time
15h00 Daily

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08 February 2019