

# PRESCIENT GLOBAL BALANCED FUND (B)

## MINIMUM DISCLOSURE DOCUMENT

### INVESTMENT AND RETURN OBJECTIVE

The Fund aims to achieve long term capital growth appreciation over a full market cycle by maintaining meaningful exposure to growth assets like equities.

### INVESTMENT PROCESS

The Fund invests in a diversified portfolio of global equity securities, debt and debt-related securities, money market instruments and global currencies. The Fund can invest directly or indirectly (through the use of Regulated Funds or derivatives) in these asset classes.

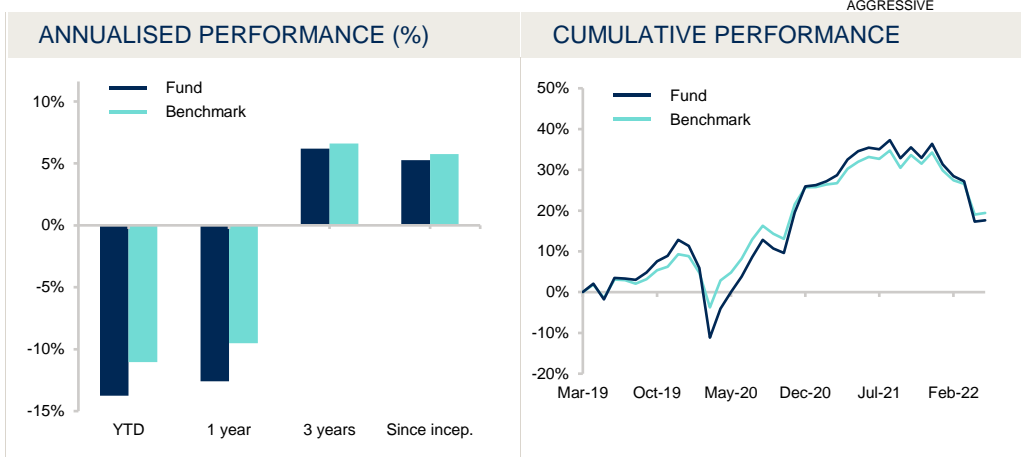
### WHO SHOULD INVEST

Investors seeking capital growth and a hedge against Rand depreciation by having exposure to a diversified mix of offshore assets. The Fund is suitable for investors with a medium to long-term investment horizon.

### RISK INDICATOR DEFINITION

These portfolios typically exhibit more volatility and potential for capital losses due to higher exposure to equities and exposure to offshore markets where currency fluctuations may result in capital losses. These portfolios typically target returns in the region of 5% - 6% above inflation over the long term.

## RISK INDICATOR



ANNUALISED PERFORMANCE (%)			RISK AND FUND STATS		
	Fund	Benchmark	Since inception (p.a.)		
1 year	-12.60	-9.52	Alpha	-0.51%	
3 years	6.19	6.61	Sharpe Ratio	-	-
Since incep.	5.25	5.76	Standard Deviation	15.04%	10.77%
Highest rolling 1 year	44.86	31.65	Max Drawdown	-21.28%	-11.93%
Lowest rolling 1 year	-12.60	-9.52	Max Gain	9.07%	7.51%
			% Positive Months	60.53%	60.53%

## FUND COMMENTARY

U.S. CPI jumped 8.3% in April from a year ago, surpassing the 8.1% estimate to remain near the 40-year highs. Shelter costs, which comprise about one-third of the CPI, accelerated at its fastest pace since 1991. The U.S. Federal Reserve will begin the first phase of its balance sheet reduction program this month. The central bank will no longer reinvest proceeds of up to \$30 billion in maturing Treasury securities and up to \$17.5 billion in maturing agency mortgage-backed securities per month. Thus, allowing a potential monthly amount of \$47.5 billion to roll-off the balance sheet. From September, these caps will increase to \$60 billion and \$35 billion, respectively, for a potential monthly reduction amount of \$95 billion.

Across the Atlantic, the European Central Bank President Christine Lagarde said officials won't rush into withdrawing stimulus. Lagarde published a blog post essentially laying out a path for the ECB's next three scheduled decisions that will put the institution on course to finally exit 'sub-zero' monetary policy and align more with developed market peers who have already taken policy action against rising inflation. The ECB will likely hike once in July and September, bringing its deposit rate from -0.5% up to zero.

Global equity markets ended the month of May mixed, with most indices clawing back intramonth losses. Of the major indices, the S&P500 and MSCI World index ended higher, while the MSCI Emerging Market index struggled to keep up the pace. Global bonds seemed to have stabilized after a tough start to the year. The Bloomberg Global Aggregate Index gained 1.0%. After a strong start to the year, the rally on the U.S. dollar cooled. The Bloomberg Dollar Spot Index, which tracks the performance of the U.S. Dollar against a basket of 10 leading global currencies, lost 1.5% during May. On the oil front, Brent crude climbed above \$120/bbl on news that EU leaders had imposed a partial ban on Russian oil to deny Russia of further revenue to fund its war in Ukraine.

After a volatile May, the S&P500 index closed flat (+0.2%), as did the MSCI Developed Market index (+0.1%), and the MSCI Emerging Market index (0.1%). Both the HSCEI (+1.7%) and the Nikkei (+1.6%) have bounced off the lows.

Contributors to performance:  
Fixed interest exposure was the major driver of performance.

Detractors from performance:  
No detractors to performance

# Prescient

31 MAY 2022

## ABOUT THE FUND

**Fund manager:**  
Prescient Balanced Team

**Fund classification:**  
EAA USD Moderate Allocation

**Legal Structure:**  
UCITS

**Benchmark:**  
40% MSCI World Index  
30% US Treasuries  
25% MSCI Emerging Market Index  
5% US Cash

**Bloomberg Code:**  
PR30BUSD

**ISIN:**  
IE00BK0T9P40

**Fund Size:**  
\$51.1 m

**No of units:**  
905,145

**Unit price (cpu):**  
1,110.20

**Inception date:**  
31 March 2019

**Minimum Investment:**  
\$1 000  
\*(this is a restricted class, prior approval from directors required.)

**Initial Fee:**  
0.00%

**Annual management fee:**  
0.50% (no VAT)

**Fee class:**  
B

Fee breakdown:	
Management Fee	0.50%
Performance Fees	0.00%
Other Fees*	0.36%

**Total Expense Ratio (TER)** 0.86%

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

**Income distribution:**  
Does not distribute



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## GLOSSARY

**Annualised performance:** Annualised performance shows 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 performance:** The highest and lowest performance 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.

**Current Yield:** Annual income (interest or dividends) divided by the current price of the security.

**CPU:** Cents Per Unit to the Glossary

**Alpha:** Denotes the outperformance of the fund over the benchmark.

**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:** The deviation of the return stream relative to its own average.

**Max Drawdown:** The maximum peak to trough loss suffered by the Fund since inception.

**Max Gain:** Largest increase in any single month.

**% Positive Month:** The percentage of months since inception where the Fund has delivered positive return.

## Fund Specific Risks

**Default Risk:** The risk that the issuers of fixed income instruments may not be able to meet interest payments nor repay the money they have borrowed. The issuers credit quality is 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.

## Information Disclosure

The portfolio has adhered to its policy objective and there were no material changes to the composition of the Fund portfolio during the quarter.

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## 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 cost 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. A Feeder Fund is a portfolio that invests in a single portfolio of a collective investment scheme which levies its own charges and which could result in a higher fee structure for the feeder fund.

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.

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 Global Funds ICAV 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.

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.

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

Please refer to <https://www.prescient.co.za/data-and-price-information-service-provider-disclaimer> for all Data and Price Information Source Disclaimers.

For any additional information such as fund prices, brochures and application forms please go to [www.prescient.co.za](http://www.prescient.co.za)

## CONTACT DETAILS

### Management Company:

Prescient Global Funds ICAV, **Registration number:** **Physical address:** 49 Upper Mount Street, Dublin 2, Ireland **Postal address:** 33 Sir John Rogerson's Quay, Dublin 2, Ireland **Telephone number:** 00 353 1 676 6959 **E-mail:** info@prescient.ie **Website:** www.prescient.ie

### Trustee:

NORTHERN TRUST FIDUCIARY SERVICES (IRELAND) LIMITED, **Physical address:** Georges Court, 54 - 62 Townsend Street, Dublin 2, Ireland **Telephone number:** +353 1 542 2000 **Website:** www.northerntrust.com

### Investment Manager:

Prescient Investment Management (Pty) Ltd, Registration number: 1998/023640/07 is an authorised Financial Services Provider (FSP 612) 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 address:** Block B, Silverwood, Silverwood Lane, Steenberg Office Park, Tokai, 7945 **Postal address:** PO Box 31142, Tokai 7966 **Telephone number:** +27 21 700 3600 **Website:**www.prescient.co.za

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