2IP CAUTIOUS PRESCIENT FUND (A1)

MINIMUM DISCLOSURE DOCUMENT & GENERAL INVESTOR REPORT

31 December 2024

INVESTMENT AND RETURN OBJECTIVE

The Fund aims to achieve real returns over the long term and to outperform the ASISA category average of the South African - Multi-Asset - Low Equity funds over a full market cycle by maintaining a meaningful exposure to a broad range of asset classes.

INVESTMENT PROCESS

The Fund invests across a range of asset classes, both domestically and offshore. The asset allocation is with reference to the long-term strategic allocation, but with tactical asset allocation views overlayed in order to capitalise on market opportunities and for risk management. The portfolio comprises best-of-breed asset class specialist funds as well as asset class replication to reduce costs.

WHO SHOULD INVEST

Investors seeking real returns over the long term and who want to diversify and reduce their risk of being exposed to a single asset manager. The Fund is suitable for investors with a medium to long-term investment horizon and is Regulation 28 compliant.

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 of 3% above inflation over the long term.

RISK INDICATOR

ANNUALISED PERFORMANCE (%)

Fund performance will be available one year after fund's inception

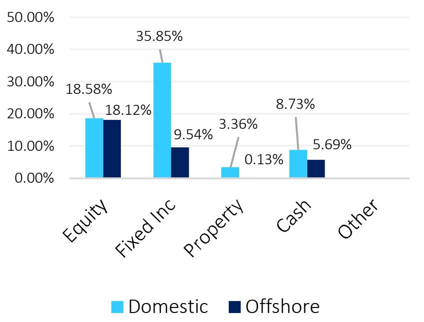
ANNUALISED PERFORMANCE (%)

	Fund	Benchmark
1 year		
3 years		
5 years	Fund performance will be available one year after fund's inception	
7 years		
1 year high		
1 year low		

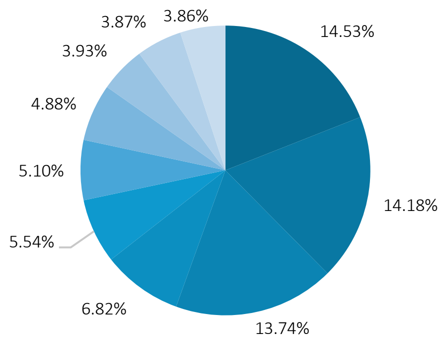
CUMULATIVE PERFORMANCE (%)

Fund performance will be available one year after fund's inception

ASSET ALLOCATION (%)



TOP 10 HOLDINGS (%)



- Ninety One Global Diversified Income Feeder Fund I
- Coronation Strategic Income Fund P
- Prescient Income Provider Fund A2
- Coronation Global Emerging Markets Flex Fund B4
- Nedgroup Core World Index Feeder Fund B
- Ninety One Global Franchise Feeder Fund I
- Ninety One Gilt Fund I
- Foord Equity Fund Class B2
- Coronation Top 20 Fund P
- Denker SCI Equity Fund B7

ABOUT THE FUND

Fund manager:
2IP

Fund Classification:
South African - Multi - Asset - Low Equity

Benchmark:
Average of South African - Multi Asset Low Equity Category

JSE Code:
2CPPA1

ISIN
ZAE000338141

Regulation 28
Compliant

Fund Size:
R679 553 887.57

No of units:
249 847 514.32

Unit price (cpu):
R101.52

Inception date
2024/11/11

Minimum Investment
R10000 lump sum
R500 monthly

Income distribution
31 March (annually) - New Fund

Initial fee:
0.00%

Annual management fee:
0,40% (excl VAT)
No performance fees

Fee Breakdown:

Management Fee	
Performance Fees	0%
Other Fees*	0%
Total expense ratio	Fees will be available one year after the fund's inception
Transaction Costs	
Total Investment Charge	

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

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

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.

% 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.

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.

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.

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 portfolio during the quarter.

QUARTERLY FUND COMMENTARY

In Q4, US shares rose following Donald Trump's presidential election victory, while other regional markets faced challenges due to concerns over trade tariffs. Donald Trump's presidential election victory and the Republican "Red Sweep" in Congress buoyed equities, driven by expectations of pro-growth policies, tax cuts and deregulation. The Federal Reserve lowered interest rates by 25 basis points in both November and December. However, a stock market sell-off followed in December as the Fed scaled back its 2025 rate-cut projections due to persistent inflation. The annual inflation rate increased to 2.7% in November, in line with expectations and up from 2.6% in October. The SARB followed suite and also cut rates by 25 bps in November. Meanwhile, Eurozone equities declined amid recession fears, political instability in France and Germany, and trade war concerns stemming from Trump's election win. Emerging market equities also struggled, as investors worried about the potential impact of US tariffs, particularly on China. Amid these developments, developed market equities outperformed their emerging market counterparts during the quarter. The MSCI World Index delivered a robust return of 9.3% in Rands, compared to the MSCI Emerging Markets Index, which posted a modest return of 0.7% in Rands. The FTSE/JSE ALSI ended the quarter slightly lower, pressured by global trade tensions and a mix of uncertain domestic economic signals. The ALSI declined by 2.1% during the quarter. The Rand depreciated by 8.5% against the US Dollar during the quarter, boosting the performance of our offshore funds in Rand terms for this period. When the fund launched during November, we added some exposure to inflation linked bonds as part of the segregated portion of the fund. This exposure was gained through a small position in the I2029 bond to add some additional inflation protection to the overall fund. While large-cap US tech has dominated market performance, its elevated valuations and concentration risk pose potential challenges, especially in the face of market corrections or changing economic conditions. The top three equity fund performers for the quarter were the Nedgroup Core World Index Fund, the Ninety-One Global Franchise Fund, and the Denker SCI Equity Fund, delivering returns of 9.6%, 9.0%, and 0.5% in Rands, respectively. As part of the ongoing management of the fund we continue to focus on driving costs lower by utilising a combination of low-cost passive strategies, whilst ensuring that this does not come at the cost of the benefits of good active managers.

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. Forwardpricing 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. During the phase in period TERs 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 is 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 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. Performance has been calculated using net NAV to NAV numbers with income reinvested. This portfolio operates as a white label fund under the Prescient Unit Trust Scheme, which is governed by the Collective Investment Schemes Control Act.

For any additional information such as fund prices, brochures and application forms please go to www.prescient.co.za

CONTACT DETAILS

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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: info@prescient.co.za Website: www.prescient.co.za

Trustee:

Nedbank Investor Services, Physical address: 2nd Floor, 16 Constantia Boulevard, Constantia Kloof, Roodepoort, 1709 Telephone number: +27 11 534 6557 Website: www.nedbank.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:

2IP Independent Investment Partners (Pty Ltd (“2IP”) has been appointed as the discretionary financial services provider for the purpose of making asset allocation and fund selection decisions. 2IP Independent Investment Partners (Pty) Ltd (Reg no:2014/157363/07) is an Authorised Financial Services Provider in terms of the Financial Advisory and Intermediary Services Act No 37 of 2002, FSP No. 45529, to act in the capacity as investment manager. This information is not advice, as defined in the Financial Advisory and Intermediary Services Act No 37 of 2002. Please be advised that there may be representatives acting under supervision.

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MDD issue date - 10 January 2025