

Abax Diversified Income Prescient Fund Class B1



Minimum Disclosure Document & General Investor Report, 30 June 2022

Prescient
MANAGEMENT COMPANY

Fund objective

Abax Diversified Income Prescient Fund is a domestic fund with a flexible mandate to invest across a wide range of local and offshore fixed income asset classes.

The Fund's primary objective is to outperform cash, as represented by 110% of the STeFI Call Index, with a high degree of capital stability. The Fund is suitable for retirement savings.

The Fund has a low risk profile, and is suitable for investors seeking high levels of income with limited associated capital volatility.

About the Fund

The Fund is actively managed and draws upon Abax's valuation - based fixed income security selection, asset allocation and hedging capabilities.

The Fund is managed by Philip Liebenberg, Lara Dalmeyer and Linda Smith.

Fund details

Inception Date	01/07/2010
Unit Price	1.237
Number of Participatory Interests	84,690,149
Fund Size (Rm)	1,070
Minimum Investment (R)	1,000,000
Benchmark	110% STeFI Call Index*
ASISA Sector	(ASISA) South African MA Income

Fees (% p.a.)

Service Charge (excl. VAT)	0.35
Total Expense Ratio (incl.VAT)	0.45
Transaction Costs (incl.VAT)	0.01
Total Investment Charges (incl.VAT)	0.46
Entry/Exit Fees	None

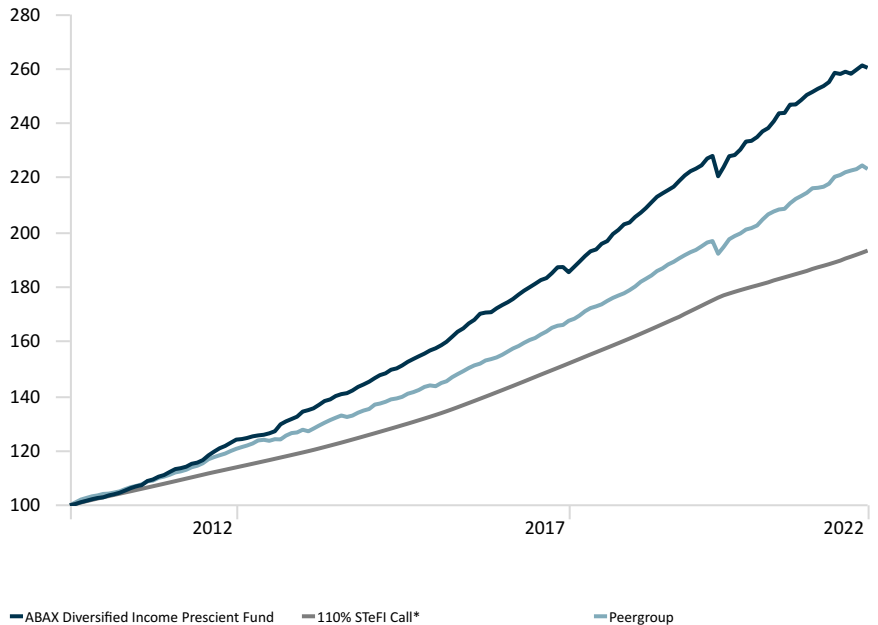
Distributions and Yield

Distribution Frequency	Quarterly
Distribution Dates	31 Mar, 30 June, 30 Sep, 31 Dec
Latest Distribution (cents per unit)	1.38;1.45;1.43;1.51
Weighted Fund Credit Quality	AA
Gross Income Yield (%)	7.00

Top holdings (%)

R2030 Bond	12.2
Abax Global Income Fund	8.2
I2025 31/01/25 2% Bond	6.0
Standard Bank 25/01/23 9% FRN	3.4
R2032 31/03/32 8.25% Bond	2.3
Industrial Development Corp 12/03/24 6.567% FRN	2.2
Investec Bank 07/12/23 5.5% Bond	2.0
Absa Bank 07/12/23 5.5% Bond	2.0
R186 Bond	1.9
Standard Bank 20/06/23 5.463430% FRN	1.5

Investment growth of a R100 investment (Figures are in Rands)**



Returns (% annualised)

	1-m	3-m	1 yr	3 yrs	5 yrs	7 Yrs	10 Yrs	Incep.
ABAX Diversified Income Prescient Fund	-0.3	0.8	4.8	6.5	7.5	8.1	8.4	8.3
110% STeFI Call*	0.4	1.2	4.3	4.9	5.6	5.9	5.7	5.7
Peergroup	-0.6	0.3	4.6	5.9	6.7	6.9	6.8	6.9

Risk (annualised since inception)

	Std Dev	Sharpe Ratio	Max Drawdown
ABAX Diversified Income Prescient Fund	1.8	1.5	-3.3
110% STeFI Call*	0.3	1.6	—
Peergroup	1.4	0.9	-2.4

Asset and Sector Allocation (%)

	Current Quarter 30 June 2022	Previous Quarter 31 March 2022
SA Floating Rate Notes	34.7	35.4
SA Bonds	23.6	22.9
SA Property	2.3	3.0
SA Preference Shares	1.0	1.2
SA Convertible Bonds	0.2	0.4
SA Cash	2.7	1.6
SA Inflation Linked Bonds	13.1	14.1
Foreign Bonds	9.6	7.8
Foreign Cash	12.8	13.6
Foreign Property	-	-
Total	100.0	100.0

Monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2022	-0.2	0.3	-0.3	0.6	0.6	-0.3							0.7
2021	1.1	1.2	0.1	1.2	0.0	0.7	0.8	0.4	0.5	0.4	0.6	1.3	8.5
2020	1.1	0.4	-3.3	1.5	1.8	0.2	0.9	1.3	0.1	0.6	0.9	0.5	6.1
2019	0.8	0.8	1.0	1.0	0.6	0.6	0.6	1.0	0.9	0.7	0.4	0.5	9.2
2018	1.1	1.0	1.1	0.9	0.4	1.1	0.5	1.3	0.8	1.0	0.3	1.0	10.9
2017	0.6	0.7	0.9	0.8	0.7	0.7	0.8	0.4	1.0	1.2	0.0	-1.0	6.9
2016	0.7	0.8	1.2	1.1	0.7	1.1	0.8	1.3	0.3	0.1	0.8	0.7	10.1
2015	0.9	0.7	0.5	0.9	0.3	0.7	0.9	0.7	0.6	0.6	0.7	0.5	8.4
2014	0.4	0.5	1.0	1.0	0.4	0.9	0.5	0.3	0.7	0.9	0.6	0.7	8.2
2013	0.2	0.3	0.5	0.3	0.2	0.4	0.6	2.0	0.8	0.7	0.7	1.4	8.3
2012	1.0	0.3	0.5	0.9	0.4	0.8	1.5	1.2	1.0	0.7	0.9	1.0	10.6
2011	0.7	0.4	0.6	0.8	0.8	0.6	0.4	1.4	0.5	0.9	0.5	1.0	9.0
2010	—	—	—	—	—	—	0.5	0.7	0.5	0.5	0.4	0.2	—

Best and worst periods (%)

Best 12-months

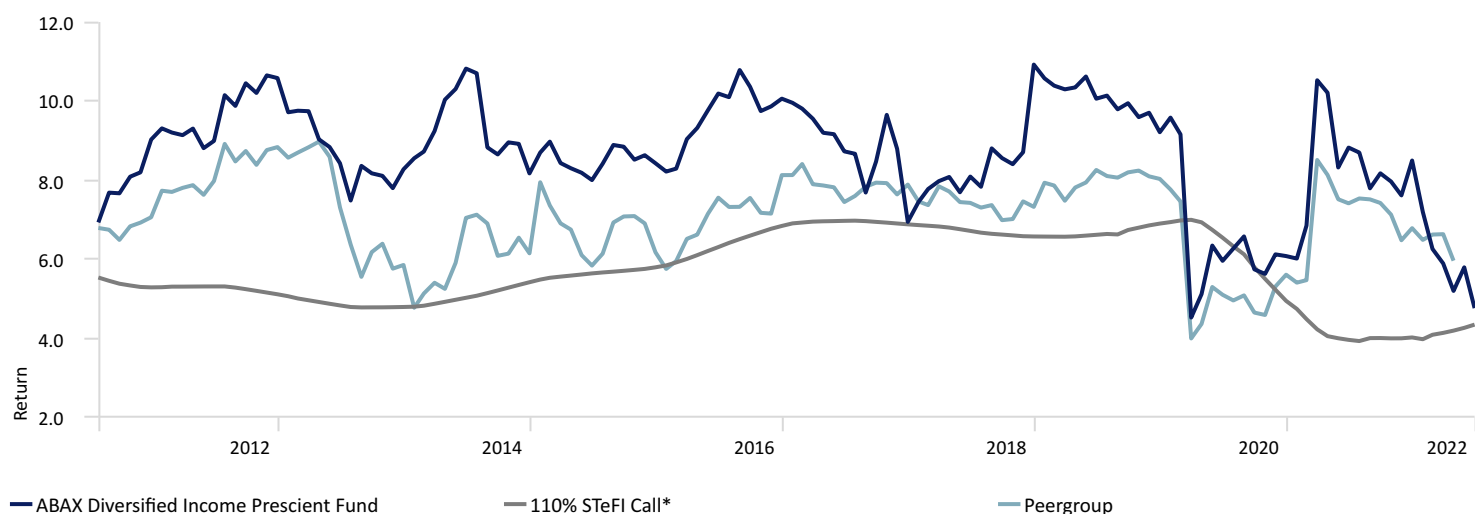
10.9

Best and worst periods (%)

Worst 12-months

4.5

1-year Rolling returns



Investment manager

Investment Manager: Abax Investments Proprietary Limited, Registration number: 2000/008606/07 is an authorised Financial Services Provider (FSP856) 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 (No.37 of 2002). Please be advised that there may be representatives acting under supervision.

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Telephone number: 021 670 8960. Website: www.abax.co.za

Management company and Trustee

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

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.

Definitions

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.

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.

Weighted Average Credit Quality - The Weighted average credit quality of all the underlying interest bearing instruments in the Fund (internally calculated).

Important information

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.

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. Fund 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.

*The Fund's benchmark was changed from Stefi call index to 110% Stefi call index with effect from 1 September 2019.

**The illustrative investment performance which is shown is for illustrative purposes only and 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.

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. This Portfolio operates as a white label fund under the Prescient unit trust Scheme. The portfolio has adhered to its policy objective. For any additional information such as fund prices, brochures and application forms please go to www.abax.co.za.

Source: Abax, Bloomberg and Morningstar. Peergroup is the Morningstar South African Multi-Asset Income Category Average.

Risk Disclosure

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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.

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 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.