


## ABOUT THE FUND

### Fund Objective:

The CATALYST FLEXIBLE PROPERTY PRESCIENT FUND is an actively managed portfolio, which has a total return objective and seeks to offer investors a return in excess of CPI + 4% over the long term. The fund will have a flexible mandate allowing investment in both local listed property securities, global listed property securities and local and offshore cash.

Benchmark	CPI Plus 4%
Investment Universe	JSE and International listed real estate securities, participatory interest in property CIS, financial instruments, liquid assets and non-equity securities (that the act or the Registrar may allow)
ASISA Classification	South African-Real Estate-General
Investment Term	3 + years recommended
Portfolio Managers	Zayd Sulaiman CA(SA)
Launch Date	1st October 2015
Min. Lump Sum	R2000
Min. Monthly Deposit	R300
Initial Charges	No initial fees are charged
Annual Management Fee Class B	1.43% (Incl. VAT)
T.E.R Annualised Fee Class B (Estimated)	Management Fees 1.42 Other Fees 0.11 Total Expense Ratio (TER) 1.53 Transaction Costs (TC) 0.12 Total Investment Charges (TIC) 1.65
Maximum Advisor Fee	2.28% (Incl. VAT)
Performance Fee	N/A
Fund Size as at 31 January 2018	R 37 301 797
Who Should Invest?	Investors seeking exposure to both SA & Global listed property generating long term returns in excess of bonds and cash. This fund is appropriate for individuals and institutions seeking an income stream plus the prospect of income growth. The fund is ideal for investors looking for a proxy for real estate and provides a property building block for the investor's diversified investment portfolio.
Risk Indicator	
Risks to Consider	Changes in interest rates; Changes in property market fundamentals & the Macro-economic Environment
JSE Code	CFPPB
Unit price as at 31 January 2018	112.86 Cents
Income Distributions	31 March
Payment Dates	05 April

Performance		
	Return (net)	Period
Best 12 month rolling return	18.80%	1 December 2016 - 30 November 2017
Worst 12 month rolling return	1.82%	1 December 2015 - 30 November 2016

Declaration Date	Distribution Amount	Ex-Distribution Price (cents)
31 March 2017	3.91 cpu	109.83

\*CPI +2 month lag is utilised

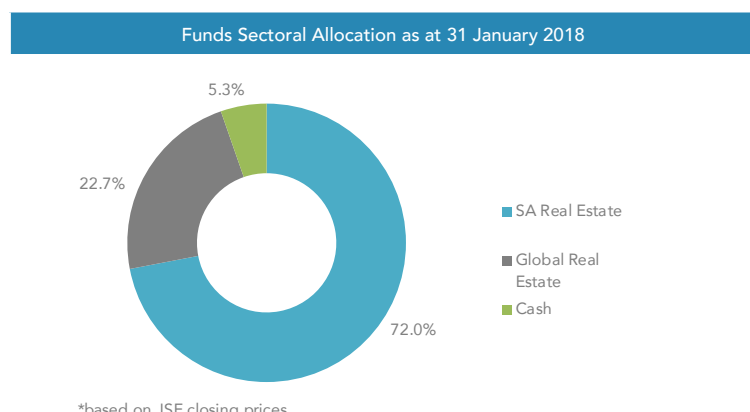
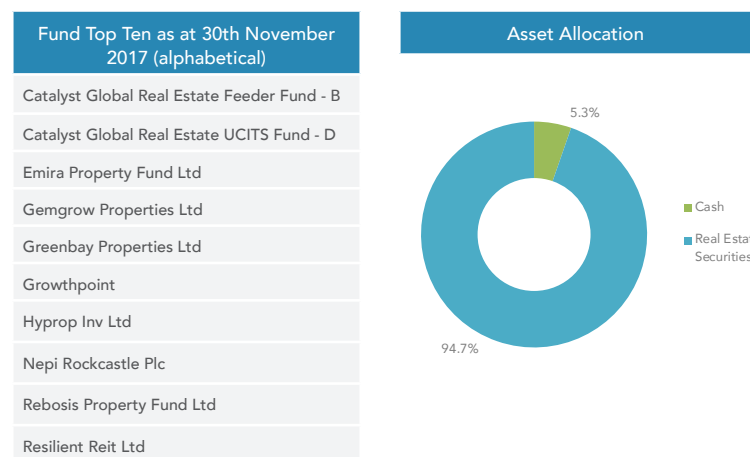
Performance to 31 January 2018	CPI +4%*	Fund (Gross of Fees)
3 Months	1.83%	-6.40%
6 months	3.44%	-1.73%
12 months	8.77%	5.38%
2 year annualised return	9.83%	7.93%
Since inception annualised return	9.11%	8.52%

## MONTHLY COMMENTARY

Locally, The SA Listed Property Index (SAPY) recorded a total return of -9.91% for the month of January, with the historic yield of the SAPY ending the month at 7%. The yield-to-maturity (YTM) on the South African 10 yr government bond (R186) strengthened by 13bps, ending the month at 8.46% (8.59% -31 December 2017). Globally, the FTSE EPRA/NAREIT Developed Rental Index recorded a net total USD return of -1.38% in January. The best performing listed real estate market was Japan, which recorded a total USD return of 8.98%. The U.S. recorded the lowest total USD return for January of -4.18%.

The Fund delivered 5.38% gross of fees ZAR total return for the 12 months ended 31 January 2018, whilst the fund's benchmark achieved a 8.77% ZAR total return. The fund's offshore allocation is approximately 54% on a see-through basis. The current forward yield of the SAPY is 7.6% with an expected distribution growth of 8.4% in 2018, driven largely by high growth offshore counters. In the long term, we expect the SA listed sector to deliver circa 14% ZAR total return driven by its core drivers being income yield and capital return from distribution growth. Medium-term earnings growth prospects for global real estate stocks remain relatively robust due to the lag effect of long-term leases and solid operating fundamentals. Listed real estate currently trades at an estimated forward FAD (Funds Available for Distribution) yield of 4.88%. Considering current global real estate market fundamentals, pricing appears fair to slightly attractive on a long-term risk-adjusted basis.

Source of data: INet, Bloomberg, Company Information, Catalyst Fund Managers.



Term	Meaning
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.
Co-named Collective Investment Scheme	A portfolio approved and branded in the name of both the manager (Prescient Management Company) and the financial services provider (Catalyst Fund Managers) and where the financial services provider undertakes the function of discretionary financial services in relation to the assets of the portfolio.
Income Distribution	The interest and/or dividend income that is generated by the underlying investments in the Fund and that is declared and distributed to investors in the Fund periodically.

### 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. 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 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. Money market Funds are priced at 1pm all other 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. For any additional information such as fund prices, brochures and application forms please go to [www.catalyst.co.za](http://www.catalyst.co.za).

### CONTACT DETAILS

#### Trustee:

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Website: [www.nedbank.co.za](http://www.nedbank.co.za)

#### Management Company:

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E-mail address: [info@prescient.co.za](mailto:info@prescient.co.za) Website: [www.prescient.co.za](http://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:

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