

# CATALYST GLOBAL REAL ESTATE PRESCIENT FEEDER FUND

## MINIMUM DISCLOSURE DOCUMENT

**AUGUST 2019**

### ABOUT THE FUND

Fund Objective	The underlying fund will primarily invest in real estate securities listed on international stock exchanges and has a total return objective comprising both income return and capital appreciation. The Fund has a medium to long term investment horizon.	
Underlying Fund	Catalyst Global Real Estate UCITS Fund (Ireland)	
Investment Policy	The Catalyst Global Real Estate Prescient Feeder Fund is a Rand denominated property equity Feeder Fund, feeding solely into the Catalyst Global Real Estate UCITS Fund (Ireland), a fund under the MLC Global Strategy UCITS Funds Plc. The fund has a medium to long term investment horizon and has a total return objective comprising both income return and capital appreciation. Investors should be prepared for a minimum investment term of at least three years.	
Benchmark	FTSE EPRA/NAREIT Developed Rental Index Net Total Return. (From inception to 31 Mar 2015 the benchmark was the UBS Global Real Estate Investors Index Net Total Return. This Index has now been discontinued.)	
Who should Invest	South African Rand denominated investors seeking to enhance the diversification of their real estate investment opportunities through investing in global real estate securities.	
ASISA classification	Global – Real Estate – General	
Investment Term	Investors should be prepared for a minimum investment term of at least three years.	
Launch Date	1 July 2009	
Base Currency	ZAR	
Min. lump sum investment	ZAR 2 000	
Valuation Day	Daily	
Initial Charges	0.00%	
Performance Fee	No performance fee	
Annual Management Fee	0.00%	
Max Advisor Fee Class B	2.00% (Excl. VAT)	
TER Class B	Total Expense Ratio (underlying fund)	1.45%
	Transaction Cost	0.11%
	Total Investment Charge	1.56%
Institutional Class	Management fee and performance data available on request.	
Fund Size as at 31 August 2019	ZAR1 053 505 893	
Risk Indicator		
Risks to Consider	Currency Risk, Global Property Markets and Global Interest Rate Fluctuations	
JSE Code Class B	CGRE	
Unit Price as at 31 August 2019 Class B	ZAR 5.902	
Income Distribution	31 March (No Current Distribution)	
Investment Manager	Catalyst Fund Managers Global (Pty) Ltd	
Portfolio Manager	Jamie Boyes CA (SA)	
Investment Advisor on underlying fund	Catalyst Fund Managers Global (Pty) Ltd	
ISIN - Feeder B class	ZAE000164752	

### MONTHLY COMMENTARY

Our fund benchmark, the FTSE EPRA/NAREIT Developed Net Rental Index, recorded a net total USD return of 2.59% in August. The best performing listed real estate market was Japan, which recorded a total USD return of 5.69% for the month. Hong Kong recorded the lowest total USD return of -7.13%.

In our last monthly report, we discussed the importance of barriers to supply, which limit new construction and therefore, enable an asset to grow its earnings stream at a higher sustainable long-term growth rate. These were classified as physical, regulatory and technological barriers. A distinction from physical and regulatory barriers was made in that technological barriers to entry share a strong crossover and association with platforms that enable economies of scale and mitigate competition from new entrants by enhancing a company's operating prowess, without necessarily restricting new supply. Unlike physical and regulatory barriers that prevent construction, a competitor may still be able to bring on supply, however it may potentially not pose a direct threat or compete with a firm that enjoys a platform advantage. Additionally, the value of an asset can be greater in the hands of those who possess a platform, than those who do not.

By obtaining first-mover advantages, particularly in niche sectors, companies may create platform advantages that inhibit the ability of others to enter the market and compete effectively. Over the long-term a company that has successfully grown and leveraged its platform, should be able to extract greater value from its operations and through the integration of assets acquired, which would ultimately ensure higher long-run sustainable earnings growth.

Overall, real estate fundamentals remain healthy, mainly due to manageable supply levels relative to demand. The estimated forward FAD (Funds Available for Distribution) yield for the sector is 4.60%, and medium-term growth prospects are decent. Listed real estate has performed well this year and, on the whole, appears to be fairly priced given our USD real return requirement of approximately 5.00% and current global bond yields. Within the real estate universe, more attractively priced opportunities exist in specific real estate sectors and stocks.

Source of data: Bloomberg, Company Information and Catalyst Fund Managers

### INVESTMENT OBJECTIVE

This specialist fund offers real estate focus, with global diversification. The real estate focus is through real estate securities with a specific bias towards stocks classified as investors, as opposed to developers. The investor classification is defined as those stocks that have 70% or more of their income derived from rent. The guiding principle is the ownership of real estate assets, primarily to earn rental related income streams which provide a stable underpin to long term returns. Global diversification is across geographic regions, currencies, countries and real estate types. The intention is to provide an attractive risk-adjusted return to form part of a multi asset class portfolio. The fund benchmark is the FTSE EPRA/NAREIT Developed Rental Index, which comprises of stocks in the following regions: United States, Canada, UK, Europe, Japan, Hong Kong, Singapore, Australia and New Zealand.

**AWARD WINNER 2018**


Best risk adjusted 5 year return (SA-Domiciled) Global RE Fund 2018  
 (the full details and basis of the award are available from the manager)

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#### PERFORMANCE TO 31 AUGUST 2019 (ZAR)

	Benchmark	Fund (Net of Fees)
12 Months	11.76%	12.83%
3 Year Annualised	5.13%	6.61%
5 Year Annualised	13.27%	13.60%
Inception Annualised	19.89%	19.78%

	Return (net)	Period
Best 12 month rolling return	42.53%	30 June 2012 - 31 May 2013
Worst 12 month rolling return	-17.23%	30 June 2016 - 31 May 2017

#### REGION INDEX TOTAL RETURNS (ZAR) AS AT 31 AUGUST 2019

	North America	Europe	Asia Ex Australia	Australia
12 Months	15.53%	-1.50%	24.84%	8.99%
3 Year Annualised	6.36%	4.29%	8.76%	1.95%
5 Year Annualised	15.42%	10.75%	15.36%	11.53%

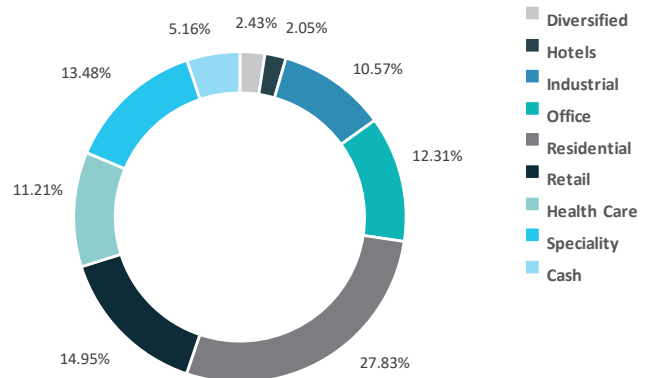
#### UNDERLYING CURRENCY EXPOSURE AS AT 31 AUGUST 2019

AUD	1.28%
CAD	5.17%
CHF	0.00%
EUR	10.02%
GBP	5.03%
HKD	3.95%
JPY	6.95%
SEK	0.50%
SGD	0.00%
USD	67.11%
ZAR	0.00%
Total	100.00%

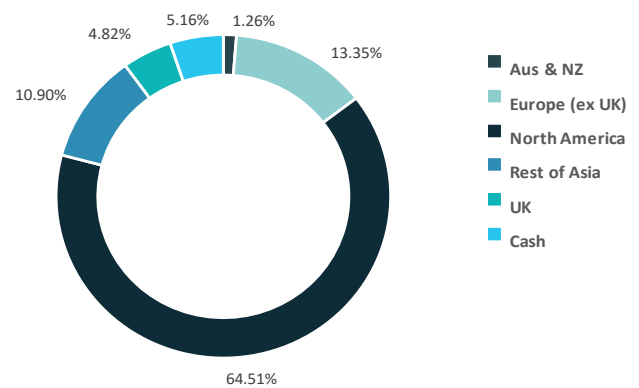
#### UNDERLYING FUNDS TOP TEN AS AT 31 AUGUST 2019

Prologis
Sun Communities
Alexandria Real Estate Equities
Invitation Homes
Simon Property Group, Inc
Cubesmart
Avalonbay Communities Inc
Equity Residential
Interxion Holding N.V.
Duke Realty Corporation

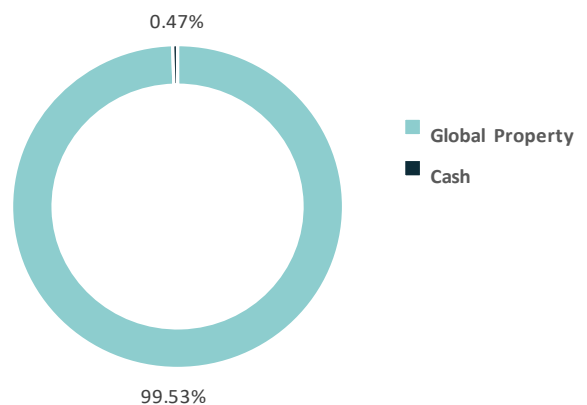
#### UNDERLYING FUNDS SECTORAL ALLOCATION AS AT 31 AUGUST 2019



#### UNDERLYING FUNDS GEOGRAPHIC ALLOCATION AS AT 31 AUGUST 2019



#### FUNDS ASSET ALLOCATION AS AT 31 AUGUST 2019



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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.

### SPECIFIC FUND RISK

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.
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.
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.

### 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. CISs 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 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 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. The Catalyst Global Real Estate RE Prescient Feeder Fund has a Total Expense Ratio of 1.45%. For the period from 1 July 2018 to 30 June 2019, 1.45% of the average Net Asset Value of the portfolio was incurred as charges, levies, fees related to the management of the portfolio. 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 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. 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

#### 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  
 Email Address: [info@prescient.co.za](mailto:info@prescient.co.za)  
 Website: [www.prescient.co.za](http://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](http://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:

Catalyst Fund Managers Global (Pty) Ltd\*  
 4th Floor Protea Place,  
 Protea Road, Claremont,  
 Cape Town, South Africa  
 Tel: +27 21 657 5500  
[mail@catalyst.co.za](mailto:mail@catalyst.co.za)

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**PRESCIENT**  
 MANAGEMENT COMPANY

The CATALYST GLOBAL REAL ESTATE PRESCIENT FEEDER FUND is managed by Catalyst Fund Managers Global (Pty) Ltd and is structured as a co-branded portfolio operating under Prescient Management Company (RF) Pty Ltd.  
 \*Managed via a sub delegation relationship with Catalyst Fund Managers SA (Pty) Ltd (Licence number 36009)