

# CATALYST FLEXIBLE PROPERTY PRESCIENT FUND

## MINIMUM DISCLOSURE DOCUMENT

**SEPTEMBER 2019**

### ABOUT THE FUND

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 Manager	Zayd Sulaiman CA (SA)		
Launch Date	1st October 2015		
Min. lump sum investment	R2000		
Min. Monthly Deposit	R300		
Initial Charges	No initial fees are charged		
Annual Management Fee Class B	1.43% (Incl. VAT)		
TER Annualised Fee Class B	Management Fee		1.44%
	Other Fees		0.18%
	Total Expense Ratio (TER)		1.62%
	Transaction Cost (TC)		0.29%
	Total Investment Charge (TIC)		1.91%
Maximum Advisor Fee	2.30% (Incl. VAT)		
Performance Fee	N/A		
Fund Size as at 30 September 2019	R 541 812 649		
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 Class B	CFPPB		
Unit Price as at 30 September 2019 Class B	107.92 Cents		
Income Distribution	31 March (Annually)		
Payment Dates	05 April		

DECLARATION DATE	DISTRIBUTION AMOUNT	EX-DISTRIBUTION PRICE (CENTS)
31 March 2019	5.32 cents per unit	1.0697

### MONTHLY COMMENTARY

The SA Listed Property Index (SAPY) and the All Property Index (ALPI) recorded total returns of 0.30% and 1.47% respectively for the month ended September 2019, with the historic yield of the SAPY ending the month at 9.77%. The yield-to-maturity (YTM) on the Long-Term South African government bond (RLRS) de-rated by 9bps, ending the month at 8.90% (8.81% - 30 August 2019). On a YTD basis, SA Bonds were the outperformers with returns of 8.44%, followed by SA Equities (7.08%), SA Cash (5.45%) and SA Property (1.34%). The SA Listed Property (SAPY) and the All Property (ALPI) Indices continues to underperform other asset classes on a rolling 12-month period.

Globally, the FTSE EPRA/NAREIT Developed Net Rental Index, recorded a net total USD return of 2.48% in September. The best performing listed real estate market was the UK, which recorded a total USD return of 8.32% for the month. Australia recorded the lowest total USD return of -3.17%. Year to date, the FTSE EPRA/NAREIT Developed Net Rental Index has recorded a net total USD return of 21.20%. The best performing listed real estate market for the nine months was the US, with a net total USD return of 25.55%. Hong Kong recorded the lowest total USD return of 3.44% for the nine months.

The Fund's offshore allocation is approximately 48.6% on a see-through basis. Overall, global real estate fundamentals remain healthy, mainly due to manageable supply levels relative to demand. Locally, despite the weak outlook for local property fundamentals & downward revisions to earnings growth over the medium term, should dividends remain intact and growth return over the medium to long term, SA listed real estate remains attractively priced. On average, SA centric companies are trading at forward yields above the long-term South African Government Bond proxy (RLRS).

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

### 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.

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### PERFORMANCE TO 30 SEPTEMBER 2019 (ZAR)

	CPI + 4%*	Class B (Net NAV to NAV)
3 month	1.99%	0.91%
6 months	5.35%	0.89%
12 months (Annualised)	8.12%	0.41%
3 years annualised return	8.73%	2.92%
Since inception annualised return	9.11%	5.14%

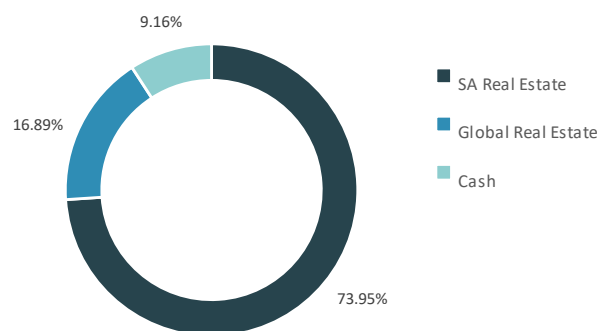
	Return (net)	Period
Best 12 month rolling return	18.80%	1 Dec. 2016 - 30 Nov. 2017
Worst 12 month rolling return	-9.76%	1 Jan. 2018 - 31 Dec. 2018

\*CPI +2 month lag is utilised

### FUND TOP TEN AS AT 31 JULY 2019 (ALPHABETICAL)

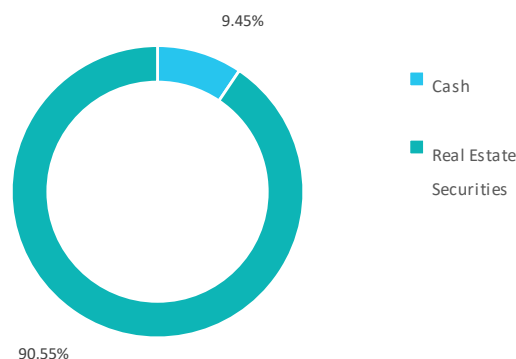
Arrowhead Prop Ltd A
Catalyst Global Real Estate Feeder Fund - B
Catalyst Global Real Estate UCITS Fund - D
Growthpoint Props Ltd
Hyprop Inv Ltd
Nepi Rockcastle Plc
Redefine Prop Ltd
Resilient Reit Ltd
Sa Corp Real Est Fd
Vukile Property Fund

### FUNDS SECTORAL ALLOCATIONS AS AT 30 SEPTEMBER 2019



\*based on JSE closing prices

### ASSET ALLOCATION AS AT 30 SEPTEMBER 2019



### 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.
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.
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.

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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.

## 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 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. 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:

Nedbank Investor Services  
 Physical address:  
 2nd Floor, 16 Constantia Boulevard,  
 Constantia Kloof, Rodepoort, 1709  
 Telephone number: +27 11 534 6557  
 Website: [www.nedbank.co.za](http://www.nedbank.co.za)

### 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](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 Col-  
 lective 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 SA (Pty) Ltd, 4th Floor Protea Place, Protea Road, Claremont,  
 7708 Cape Town, PO BOX 44845, Claremont 7735 Cape Town, South Africa, Tel +27 21 657  
 5500, Website: [www.catalyst.co.za](http://www.catalyst.co.za)  
 Email: [mail@catalyst.co.za](mailto:mail@catalyst.co.za)

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