


CATALYST SA PROPERTY EQUITY PRESCIENT FUND

MINIMUM DISCLOSURE DOCUMENT

OCTOBER 2019

ABOUT THE FUND

| | | | |
|--|---|--|-------|
| Investment Policy | In order to achieve this investment objective the securities normally to be included in the portfolio will primarily consist of property shares, REITs, financial instruments, assets in liquid form and non-equity securities which are considered consistent with the portfolio's primary objective and that the Act or the Registrar may allow from time to time, all to be acquired at fair market value. | | |
| Benchmark | FTSE/JSE All Property Index (ALPI) J803T | | |
| ASISA classification | South African-Real Estate-General | | |
| Investment Term | 3 + years recommended | | |
| Portfolio Managers | Zayd Sulaiman CA (SA), Mvula Seroto CA (SA) CFA | | |
| Launch Date | 1st February 2005 | | |
| Min. lump sum investment | R2 000 | | |
| Min. Monthly Deposit | R300 | | |
| Initial Charges | No initial fees are charged | | |
| Annual Management Fee Class A | 1.15% (Incl. VAT) + performance fee | | |
| TER Annualised Fee Class A | Management Fee | | 1.15% |
| | Performance Fee | | 0.22% |
| | Other Fees | | 0.02% |
| | Total Expense Ratio (TER) | | 1.39% |
| | Transaction Cost (TC) | | 0.08% |
| | Total Investment Charge (TIC) | | 1.48% |
| Maximum Advisor Fee | 2.30% (Incl. VAT) | | |
| Performance Fee | 23% (Incl. VAT) of benchmark out performance | | |
| Fund Size as at 31 October 2019 | R 1 393 906 549 | | |
| Who should Invest: | Investors seeking long term returns in excess of bonds and cash. This fund is appropriate for individuals and institutions seeking a high yielding income stream plus the prospect of income growth. The Fund is ideal for investors looking for a proxy for real estate and requires a property building block for their entire diversified portfolio. | | |
| Risk Indicator |  | | |
| Risks to Consider | Changes in interest rates; Changes in property market fundamentals; South African economy | | |
| JSE Code Class A | CSPEF | | |
| Unit Price as at 31 October 2019 Class A | 319.4 Cents | | |
| Income Distribution | 30 Sep, 31 Dec, 31 Mar, 30 Jun (Quarterly) | | |
| Payment Dates | 05 Oct, 05 Jan, 05 Apr, 05 Jul | | |

MONTHLY COMMENTARY

The SA Listed Property Index (SAPY) and the All Property Index (ALPI) recorded total returns of 1.89% and 2.80% respectively for the month ended October 2019, with the historic yield of the SAPY ending the month at 9.75%. The yield-to-maturity (YTM) on the Long-Term South African government bond (RLRS) de-rated by 21 bps, ending the month at 9.11% (8.90% - 30 September 2019). On a YTD basis, SA Equities were the outperformers with returns of 10.45%, followed by SA Bonds (8.06%), SA Cash (6.07%) and SA Property (3.25%). SA Listed Property (SAPY) and the All Property Index (ALPI) continues to underperform other asset classes on a rolling 12-month period.

The theme of capital expenditure and pay-out ratios have been topical in the South African REIT sector. SA REITs have historically paid out 100% of distributable income to shareholders and concerns over the sustainability of this approach has been raised. In our view, property is a depreciating asset of which operational capital expenditure must be consistently spent to maintain the existing values of the properties. The funding of operational capex via debt in this environment has proven itself to be very risky, given the current climate of declining asset values and increasing loan to value ratios. As total return investors, we believe transitioning to the global approach of pay-out ratios would be more sustainable over the long term.

On average, SA centric companies are trading at forward yields above the long-term South African Government Bond proxy (RLRS). However, dividend growth is expected to remain below inflation over the short to medium term.

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

INVESTMENT OBJECTIVE

The CATALYST SA PROPERTY EQUITY PRESCIENT FUND is an actively managed portfolio, which has a total return objective and seeks to offer investors a return in excess of South African Domestic property equity markets. The portfolio has a medium to long-term investment horizon.

| DECLARATION DATE | DISTRIBUTION AMOUNT | EX-DISTRIBUTION PRICE (CENTS) |
|------------------|---------------------|-------------------------------|
| 30-Sep-19 | 1.53 cpu | 311.03 |
| 30-Jun-19 | 6.58 cpu | 323.87 |
| 31-Mar-19 | 3.06 cpu | 326.74 |
| 31-Dec-18 | 4.73 cpu | 326.64 |

CATALYST SA PROPERTY EQUITY PRESCIENT FUND

MINIMUM DISCLOSURE DOCUMENT

PERFORMANCE TO 31 OCTOBER 2019 (ZAR)

| | Benchmark* | Class A (Net NAV to NAV) |
|-----------------------------------|------------|-----------------------------|
| 12 Months (Annualised) | -1.42% | -1.43% |
| 3 Year Annualised Return | -3.79% | -2.77% |
| 5 Year Annualised Return | 1.81% | 3.40% |
| 10 Year Annualised Return | 10.93% | 11.28% |
| Since Inception annualised return | 14.54% | 14.36% |

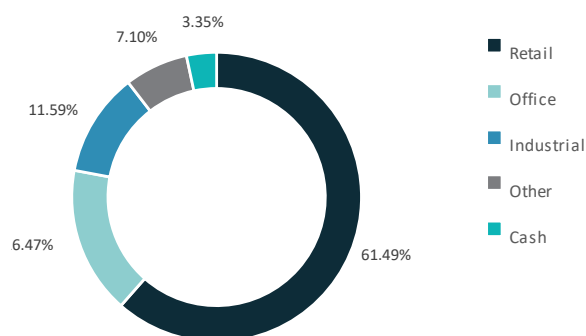
* Please note that the benchmark has been changed from the FTSE/JSE SA Listed Property Index (SAPY, J253T) to the FTSE/JSE All Property Index (ALPI, J803T), effective 1 March 2019

| | Return (net) | Period |
|-------------------------------|--------------|------------------------------------|
| Best 12 month rolling return | 72.47% | 01 April 2005 - 31 March 2006 |
| Worst 12 month rolling return | -22.68% | 01 January 2018 - 31 December 2018 |

FUND TOP TEN AS AT 30 AUGUST 2019 (ALPHABETICAL)

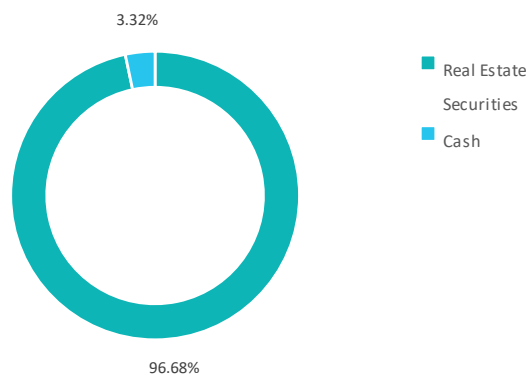
| |
|--------------------------|
| Capital & Counties Props |
| Fortress Reit Ltd - A |
| Growthpoint Props Ltd |
| Hyprop Inv Ltd |
| Mas Real Estate Inc |
| Nepi Rockcastle Plc |
| Redefine Prop Ltd |
| Resilient Reit Ltd |
| Sa Corp Real Est Fd |
| Vukile Property Fund |

FUNDS SECTORAL ALLOCATIONS AS AT 31 OCTOBER 2019



*based on JSE closing prices

ASSET ALLOCATION AS AT 31 OCTOBER 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. |

CATALYST SA PROPERTY EQUITY PRESCIENT FUND

MINIMUM DISCLOSURE DOCUMENT

| 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 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. 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.

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
 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:

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
 Email: mail@catalyst.co.za

Authorised Financial Services Provider by the Financial Services Board in South Africa (licence number 36009) 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.

Date issued 11 NOVEMBER 2019

PRESCIENT
 MANAGEMENT COMPANY

The CATALYST SA PROPERTY EQUITY PRESCIENT FUND is managed by Catalyst Fund Managers SA (Pty) Ltd and is structured as a co-branded portfolio operating under Prescient Management Company (RF) Pty Ltd.