



Prescient

SYSTEMATIC INVESTING
FOR A SECURE RETIREMENT

Bastian Teichgreeber
Chief Investment Officer

1

LONG-TERM ASSET ALLOCATION

2

HIGH EQUITY DISPERSION

3

SYSTEMATIC INVESTING

4

PORTABLE ALPHA

5

BEST OF BOTH WORLDS

1

LONG-TERM ASSET ALLOCATION

2

HIGH EQUITY DISPERSION

3

SYSTEMATIC INVESTING

4

PORTABLE ALPHA

5

BEST OF BOTH WORLDS

1

LONG-TERM ASSET ALLOCATION

2

HIGH EQUITY DISPERSION

3

SYSTEMATIC INVESTING

4

PORTABLE ALPHA

5

BEST OF BOTH WORLDS

1

LONG-TERM ASSET ALLOCATION

2

HIGH EQUITY DISPERSION

3

SYSTEMATIC INVESTING

4

PORTABLE ALPHA

5

BEST OF BOTH WORLDS

1

LONG-TERM ASSET ALLOCATION

2

HIGH EQUITY DISPERSION

3

SYSTEMATIC INVESTING

4

PORTABLE ALPHA

5

BEST OF BOTH WORLDS



**ST OF
OTH
RLDS**

**HIGH EQUITY
DISPERSION**

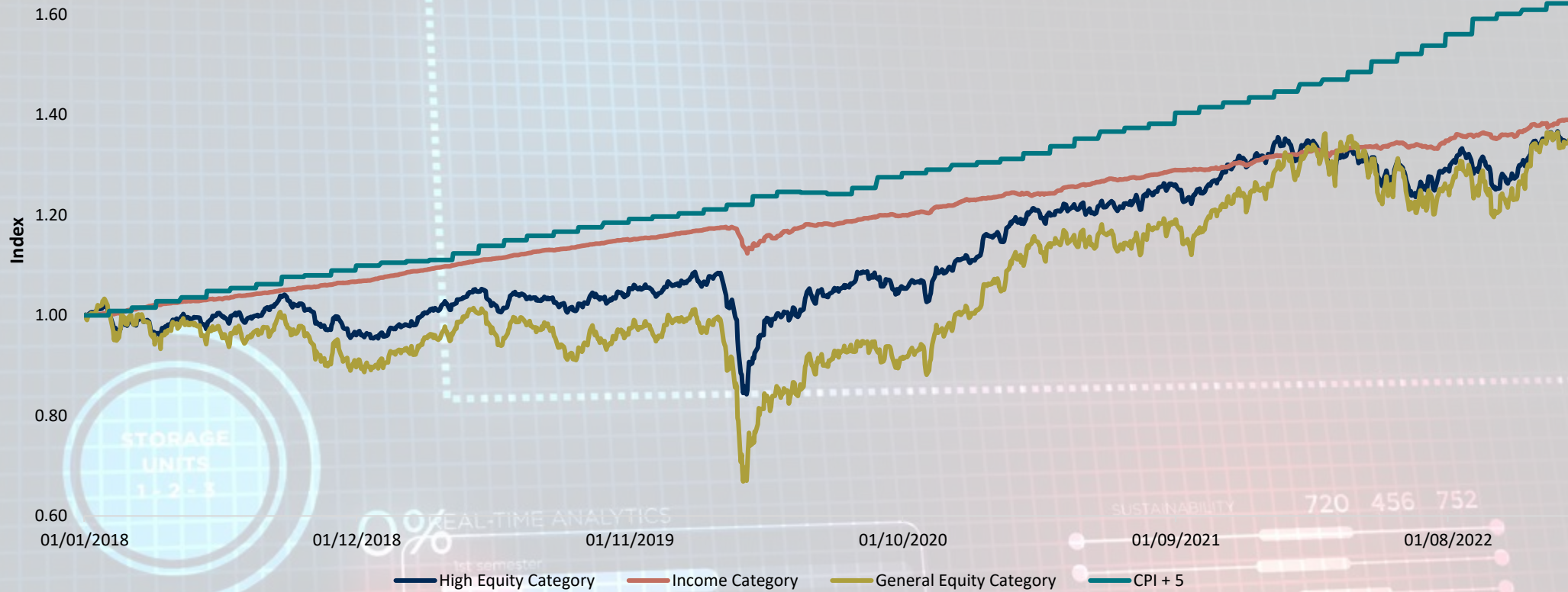
**LONG-TERM
ASSET
ALLOCATION**

**SYSTEMATIC
INVESTING**

**PORTA
ALPI**

LONG-TERM ASSET ALLOCATION

Indexed Returns: Last 5 Years



STORAGE
UNITS
1-2-3

REAL-TIME ANALYTICS

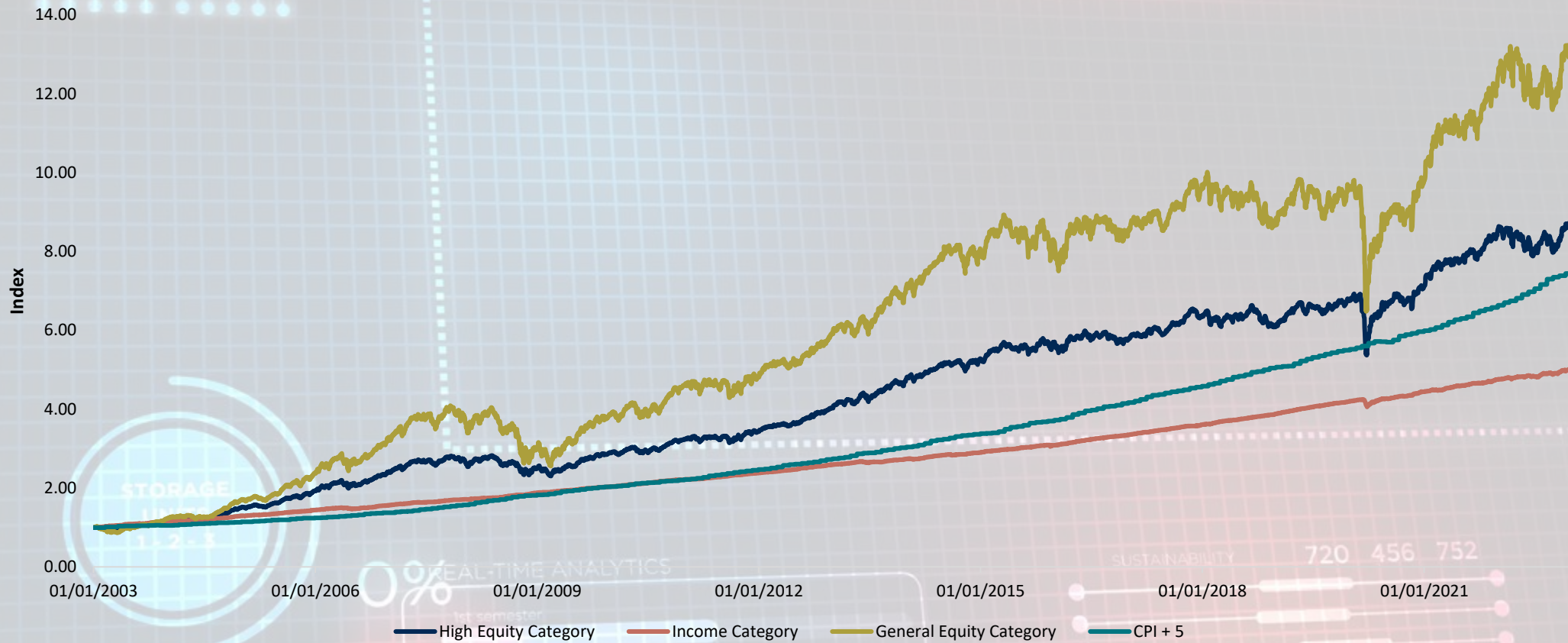
SUSTAINABILITY

720 456 752

Source: ProfileData, Bloomberg, Prescient Investment Management as at 31 December 2022

LONG-TERM ASSET ALLOCATION

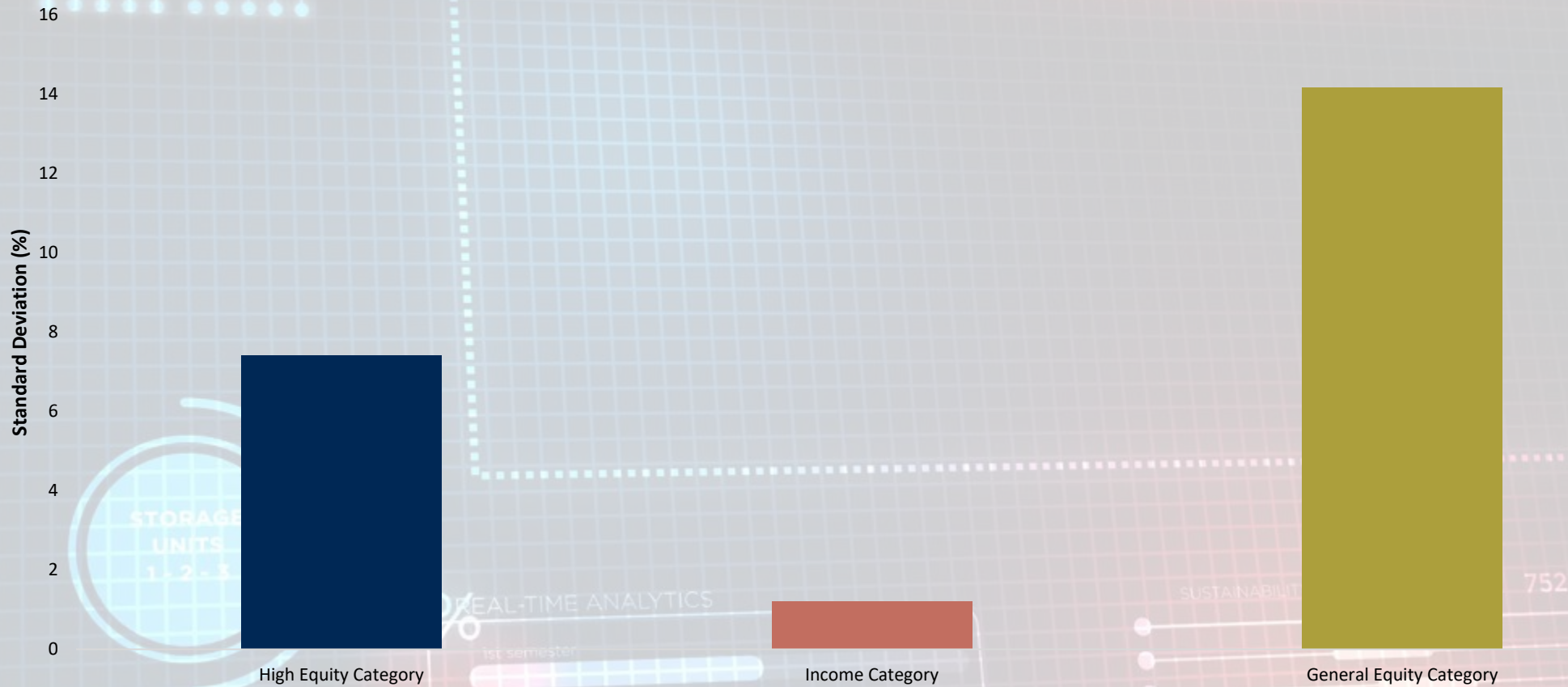
Indexed Returns: Last 20 Years



Source: ProfileData, Bloomberg, Prescient Investment Management as at 31 December 2022

LONG-TERM ASSET ALLOCATION

Standard Deviation: Last 20 Years



Source: ProfileData, Prescient Investment Management as at 31 December 2022



**ST OF
OTH
RLDS**

**HIGH EQUITY
DISPERSION**

**LONG-TERM
ASSET
ALLOCATION**

**SYSTEMATIC
INVESTING**

**PORTA
ALPI**



**TABLE
PHA**

**BEST OF
BOTH
WORLDS**

**HIGH EQUITY
DISPERSION**

**LONG-TERM
ASSET
ALLOCATION**

**SYSTEM
INVEST**

HIGH EQUITY DISPERSION

High Equity Funds Dispersion: Last 5 Years



Source: ProfileData as at 31 December 2022

HIGH EQUITY DISPERSION

Indexed Performance: Since Prescient Balanced Fund A2 Inception



Source: ProfileData as at 31 December 2022 . Performance net of fees.



**TABLE
PHA**

**BEST OF
BOTH
WORLDS**

**HIGH EQUITY
DISPERSION**

**LONG-TERM
ASSET
ALLOCATION**

**SYSTEM
INVEST**



**EQUITY
VERSION**

**LONG-TERM
ASSET
ALLOCATION**

**SYSTEMATIC
INVESTING**

**PORTABLE
ALPHA**

**BEST
BOT
WOR**

SYSTEMATIC INVESTING

Systematic investing is an investment approach that emphasizes data-driven insights, scientific testing and disciplined portfolio construction techniques to seek varied portfolio outcomes.

~ Blackrock

SYSTEMATIC INVESTING



More than
**110
MILLION**
data points
processed



**250
THOUSAND**
time series
tracked
every day



Processes
and
analytics
managed by
a dedicated
**DATA
SCIENCE**
team



100+ YEARS
of collective
quantitative
experience

SYSTEMATIC INVESTING



Strategic Asset Allocation

Long-term best view.

Informed by our LTCM assumptions and mean-variance optimiser.



Tactical Asset Allocation

Driven by data. Tilts away from our base asset allocation to capture market dislocations.



Portable Alpha

Engineered outperformance. Fixed Income alpha earned over our beta equity market exposure.



**EQUITY
VERSION**

**LONG-TERM
ASSET
ALLOCATION**

**SYSTEMATIC
INVESTING**

**PORTABLE
ALPHA**

**BEST
BOT
WOR**



**LONG-TERM
ASSET
ALLOCATION**

**SYSTEMATIC
INVESTING**

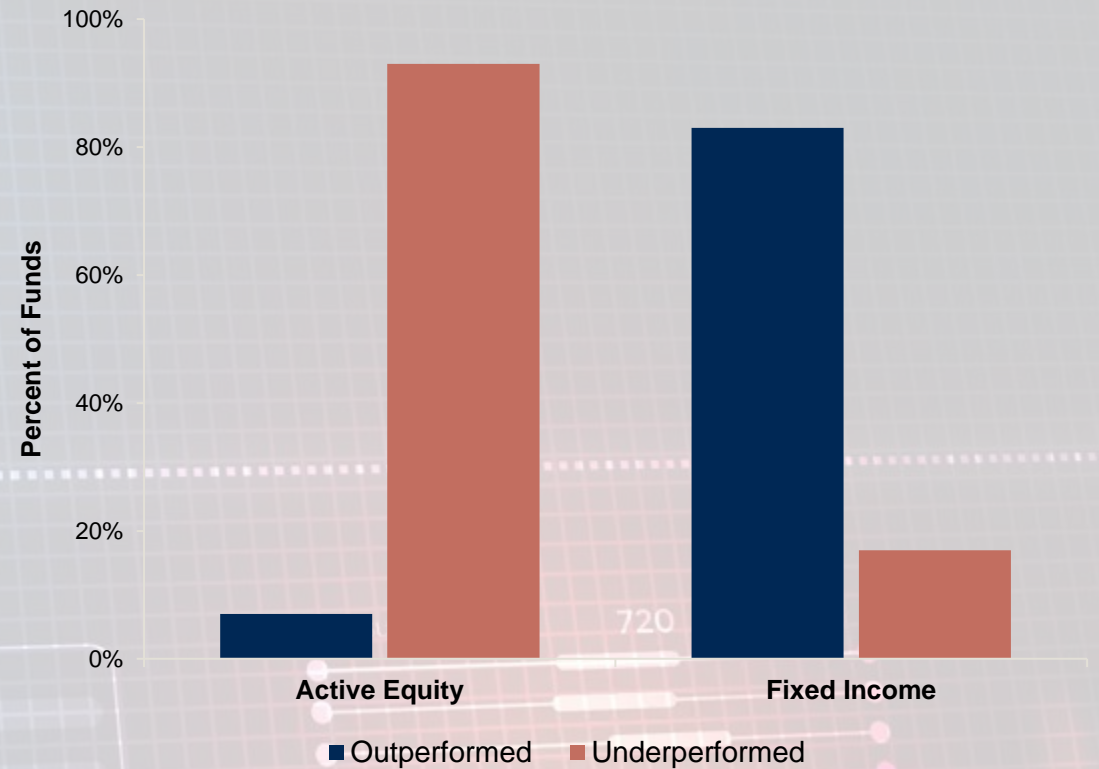
**PORTABLE
ALPHA**

**BEST OF
BOTH
WORLDS**

**HIGH EQ
DISPER**

PORTABLE ALPHA

- According to the latest S&P SPIVA report, Active Equity funds **underperformed** on average vs the S&P South Africa 50 while Fixed Income funds tended to **outperform** STeFI.
 - 90% of Active Equity funds **underperformed** over a 5-year period.
 - 86% of Fixed Income funds **outperformed** over the same period.



Source: S&P SPIVA South Africa (Mid 2022 Report)

PORTABLE ALPHA

Cash

+

Futures

=

Market Returns

Cash + α

+

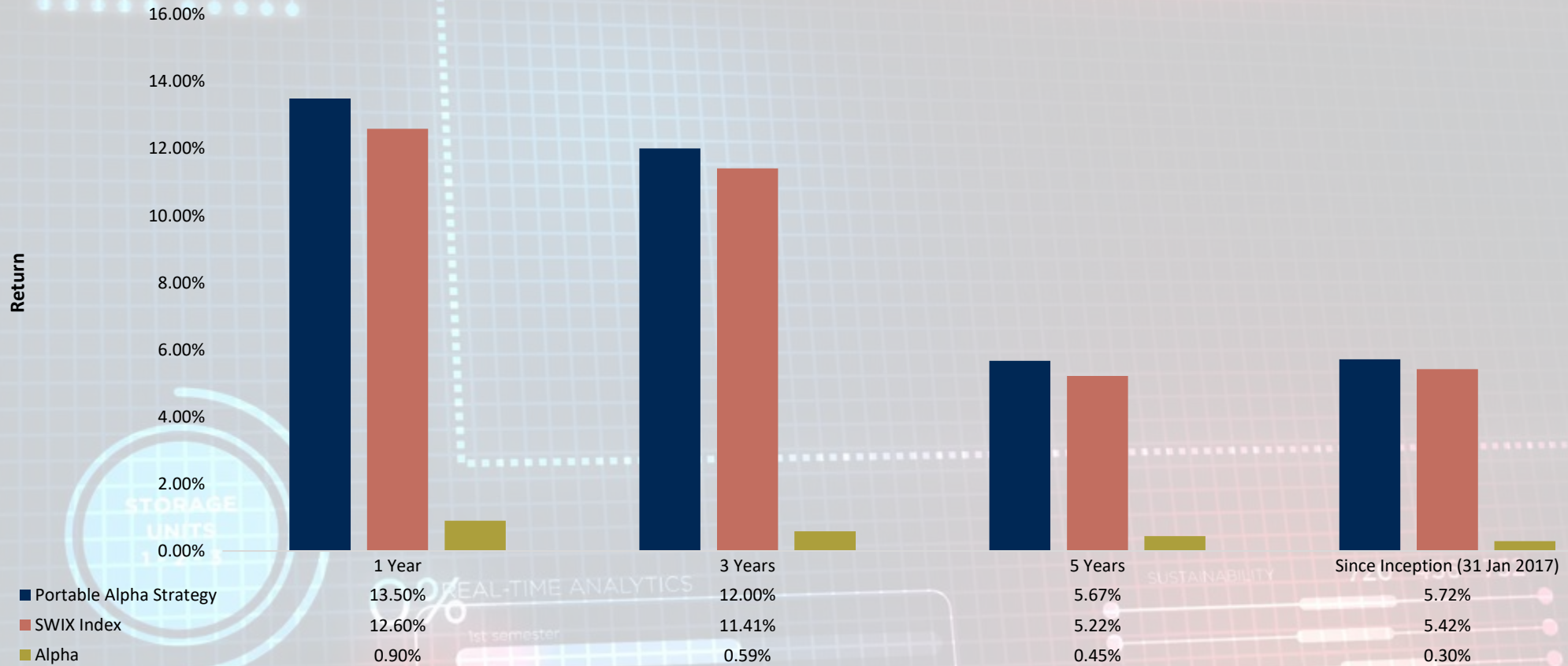
Futures

=

Market Returns + α

PORTABLE ALPHA

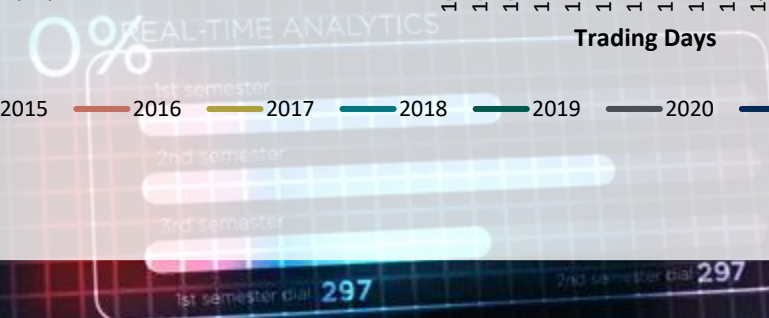
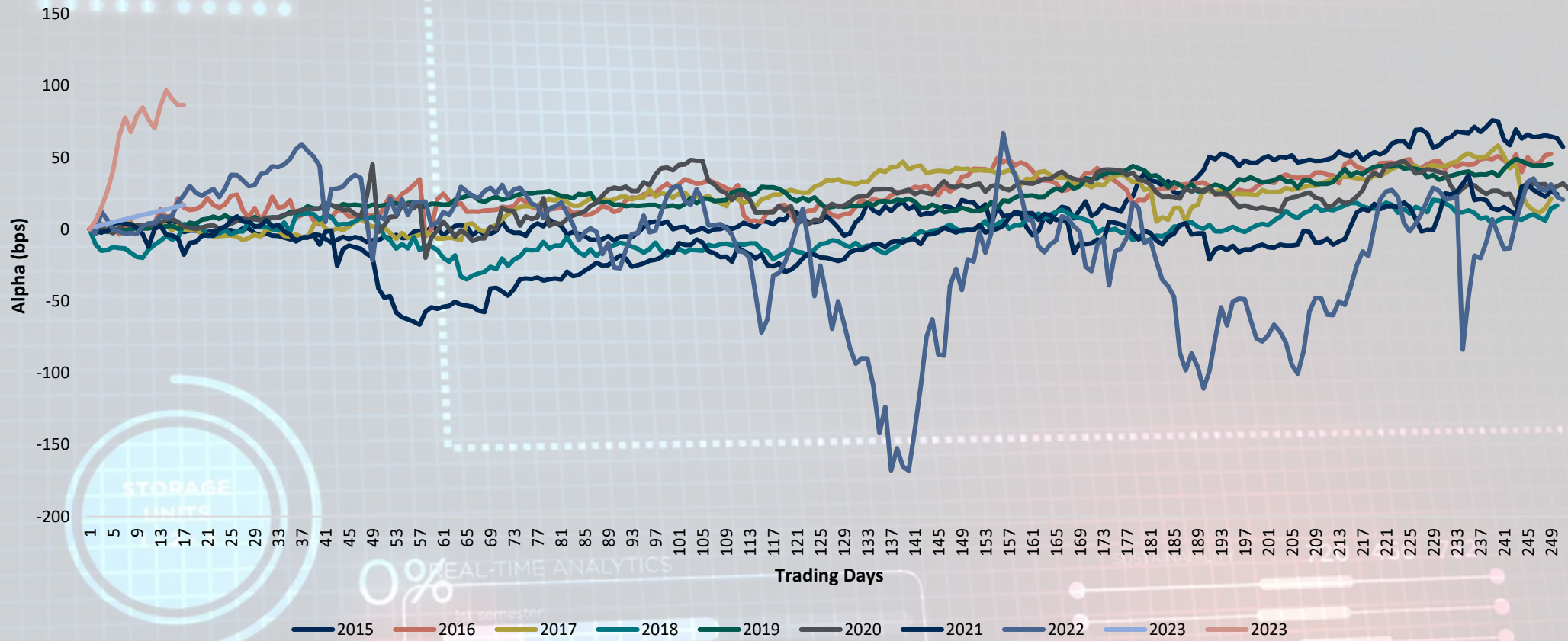
Portable Alpha Strategy vs SWIX Index



Source: Bloomberg, Prescient Investment Management as at 25 January 2023 . Performance net of fees.

PORTABLE ALPHA

Portable Alpha Contribution



Source: Bloomberg, Prescient Investment Management as at 25 January 2023



**LONG-TERM
ASSET
ALLOCATION**

**SYSTEMATIC
INVESTING**

**PORTABLE
ALPHA**

**BEST OF
BOTH
WORLDS**

**HIGH EQ
DISPER**



**LONG-TERM
ASSET
ALLOCATION**

**PORTABLE
ALPHA**

**BEST OF
BOTH
WORLDS**

**HIGH EQUITY
DISPERSION**

**LONG-TERM
ASSET
ALLOCATION**

BEST OF BOTH WORLDS

PASSIVE

Low Fees

Low Transaction
Costs

Low Tracking Error

PRESCIENT BALANCED FUND

ACTIVE

Alpha

Efficient Allocation of
Capital

Capturing Market
Dislocations



**LONG-TERM
ASSET
ALLOCATION**

**PORTABLE
ALPHA**

**BEST OF
BOTH
WORLDS**

**HIGH EQUITY
DISPERSION**

**LONG-TERM
ASSET
ALLOCATION**

**EQUITY
VERSION**

**LONG-TERM
ASSET
ALLOCATION**

**THANK
YOU**

**PORTABLE
ALPHA**

**BEST
BOT
WOR**

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.

A Money Market portfolio is not a bank deposit account, and the price is targeted at a constant value. The total return is made up of interest received and any gain or loss made on any particular instrument; and in most cases the return will have the effect of increasing or decreasing the daily yield, but in the case of abnormal losses it can have the effect of reducing the capital value of the portfolio. The yield is calculated as a weighted average yield of each underlying instrument in the portfolio. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressures and a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed.

A Fund of Funds is a portfolio that invests in portfolios of collective investment schemes, which levy their own charges, which could result in a higher fee structure for these portfolios.

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. 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.prescient.co.za

THANK YOU

BUSINESS ADDRESS

Block B, Silverwood, Silverwood Lane, Steenberg Office Park, 7945
Tel: +27 21 700 3600
Web: www.prescient.co.za

REGULATORY INFORMATION

The information contained herein is provided for general information purposes only. This information does not constitute a solicitation, recommendation, guidance or proposal, and the service provided is not intended nor does it constitute financial, tax, legal, investment or other advice. Whilst reasonable steps are taken to ensure the accuracy and integrity of information contained herein, Prescient accepts no liability or responsibility whatsoever if any information is, for whatever reason, incorrect. Prescient further accepts no responsibility for any loss or damage that may arise from reliance on information contained herein. There is no guarantee in respect of capital or returns in a portfolio and provided for illustrative purposes. Please note that there are risks involved in buying or selling any financial product, and past performance of a financial product is not necessarily indicative of the future performance. The value of financial products can increase as well as decrease over time, depending on the value of the underlying securities and market conditions.

Prescient Investment Management is a signatory to the UNPRI