AFENA CAPITAL

AFENA EQUITY PRESCIENT FUND

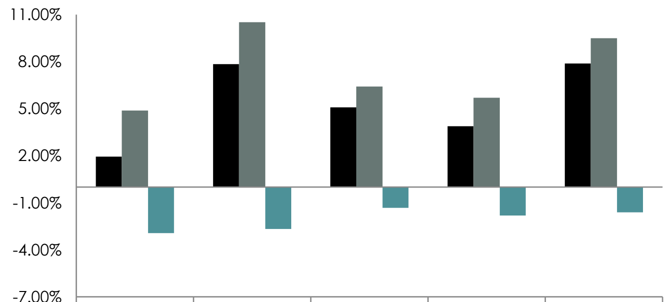
Minimum Disclosure Document | 31 December 2019

INVESTMENT OBJECTIVE

The Afena Equity Prescient Fund (the fund) is a general equity product that aims to provide investors with long-term growth in capital and income. The product is designed to be a stock picking fund that is sector constrained. The fund's performance relative to the benchmark is expected to be primarily driven by a value-biased share selection process. The sector constraints limit the fund's exposure to unintended macroeconomic risks. The fund is actively managed relative to its benchmark. This benchmark cognisance is maintained in order to provide the fund with moderate beta to equity market returns. Investments in the fund are made with a 3 to 5 year investment horizon. We aim to be as fully invested in equities as possible at all times.

INVESTMENT PERFORMANCE

Highest rolling 1 year return since inception : Fund 47.99%; Benchmark 48.14%
Lowest rolling 1 year return since inception : Fund -12.82%; Benchmark -21.94%



	3 Months	12 Months	3 Years (Annualised)	5 Years (Annualised)	Since Inception (Annualised)
Portfolio	1.94%	7.85%	5.08%	3.87%	7.88%
Benchmark*	4.88%	10.52%	6.41%	5.69%	9.49%
Active Return	-2.94%	-2.67%	-1.33%	-1.82%	-1.61%

Performance calculated on NAV with income reinvested Source: Afena Capital & Bloomberg
*Benchmark: FTSE/JSE CAPI, FTSE/JSE SWIX prior to 1 November 2016
Date: 31 December 2019

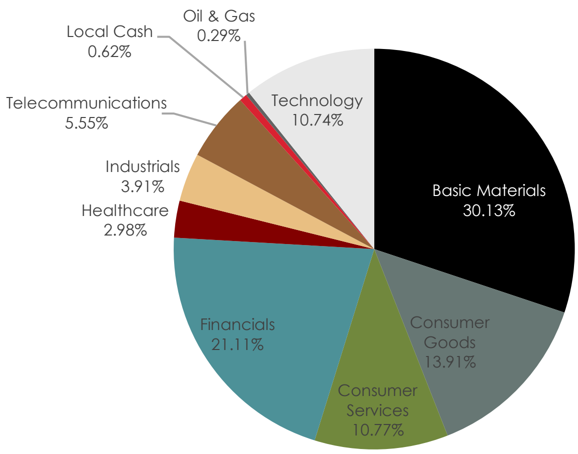
FUND CHARACTERISTICS

Fund Manager(s)	Mila Mafanya; Shoaib Vayej (alternate)
ASISA Fund Classification	South African Equity General
Benchmark	FTSE/JSE CAPI
Fund Size	R 19 million
Fund Launch	22 May 2008
Income Distribution	Annually. Last distribution as at 1 April 2019 of 6.33 cents per unit.
Initial Fee	0%
Annual Management Fee*	0.45% (incl. VAT)
Risk Profile**	High
Minimum Investment	R1 000 lump sum or R100 monthly
Total Investment Charge***	% 1.23(1 January 2019 to 31 December 2019)

*Different classes of units apply to this portfolio and are subject to different fees and charges.
**Risk comes from the uncertainty about whether an investment will yield the promised return. The greater the risk, the higher the potential rate of return or potential loss. A high risk investment is characterised by high price swings, high income growth potential and high probability of capital loss.
***A Total Investment Charge (TIC) comprises two cost components; transaction costs and a Total Expense Ratio (TER). TER is a measure of a portfolio's assets that are forgone as operating expenses. The current TER disclosed is expressed as a percentage of the average Net Asset Value of the portfolio for the period from 1 October 2018 to 30 September 2019. Included in the TER is the proportion of costs incurred as charges, levies and fees in the management of the portfolio. A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current disclosed TER cannot be regarded as an indication of future TERs. The current disclosed TER is applicable to the institutional class (B3 units). The TER for the retail class (A1 units) is available on request. The breakdown of TIC for the period is as follows:

Management Fee	Other Fees	Total Expense Ratio (TER)	Transaction Costs (TC)	Total Investment Charge (TIC)
0.45%	0.39%	0.84%	0.39%	1.23%

SECTOR ALLOCATION



TOP TEN SHARES

Share Name	% Of Fund	Share Name	% Of Fund
Bhp Group Plc	9.96%	Mtn Group	4.52%
Naspers	8.63%	Royal Bafokeng	3.89%
Richemont	7.92%	Standard Bank Group	3.64%
Anglo American Plc	6.00%	Sasol	3.52%
British American Tobacco	5.57%	Firstrand Limited	2.86%

ASSET ALLOCATION: 99.38% Local equity and 0.62% Cash

FUND COMMENTARY

Following an abrupt retracement in the third quarter of 2019, South African (SA) equities markets rebounded handsomely in the final quarter. The benchmark ('JSE Capped All Share Index' or 'CAPI') returned 4.88% in the fourth quarter whilst the fund lagged this performance by 294 basis points ('bps'). The extent of the performance challenges in the last quarter ultimately determined the fund's performance for the year, with the fund's return of +7.85% falling short of the benchmark by 267bps in 2019.

As was the case in the third quarter, the portfolio underperformance in the quarter was mainly attributable to the portfolio's stock picking within resources and overweight positions in selected industrial shares. These detractors were only partially negated by the fund's overweight exposures to Royal Bafokeng Platinum (RBP), Sasol (SOL), British American Tobacco (BTI) and selected hospital shares. These contributors were also complemented by an underweight position in Telkom (TKG).

The largest drag to performance was driven by stock selection within resources, although there was smaller negative contribution from our underweight position within the sector. During the quarter, platinum and gold counters continued the rally that had dominated the first three quarters of 2019. Platinum shares led the market in the quarter, soaring 47.0% on the back of the ever-improving fundamentals for the platinum group metals (PGM) as investors digested the prospects of a continuation of structural deficits in the PGM market. Despite RBP being the largest contributor to performance in the portfolio in the quarter, the fund's overweight position in RBP was ineffective in offsetting our underweight positions in platinum peers Northam (NHM), Impala Platinum (IMP) and Amplats (AMS). RBP's continued lagging of its platinum counterparts, in a strong PGM pricing environment, resulted in the platinum sub-sector being the largest detractor to performance at a sub-sector level. RBP remains our preferred platinum pick as the Styldrift mine expansion will see RBP increasing its share of the SA platinum profit pool by four-fold over the next 3 years. Gold shares also continued their rally into the fourth quarter, with the gold mining index up 26.1%. Our aversion for gold shares has resulted in the portfolio holding no weight in gold shares, which has detracted from performance as the gold shares advanced 107.7% in 2019. We remain resolute in our conviction to allocate no portfolio weight to gold shares given the downside risk in the valuations and inherent poor quality.

The portfolio performance was also negatively affected by a few industrial shares in which the portfolio holds overweight positions. Mobile telecommunications operator MTN Group (MTN) was the largest single counter detractor to performance as the share price fell a further 14.3% in the quarter. Despite delivering a decent set of 3Q19 results, the market became increasingly concerned about MTN's exposure to struggling competitor Cell C with whom they have a commercial network roaming agreement. We continue to be enthused by MTN's accelerating operational momentum, execution of its asset realization programme and the resultant reduction in the high levels of US dollar ($) denominated debt. The announcement in January 2020 of the withdrawal of the $2 billion tax dispute by the Nigerian auditor-general further de-risks the investment case in our view. Nampak (NPK), a Pan-African packaging business, saw its share price decline 32.3% and ending up being the second largest negative contributor to performance of the fund in the quarter. NPK released a disappointing set of full year results plagued by contracting profits in its Angola beverage can business, losses in its SA Divfood division and currency devaluation effects on its Zimbabwe plastic and paper businesses. The market remained skeptical of the management's insistence of no need to recapitalise the business given the asset disposals they have committed to. We remain of the view that at the current share price, which is at a deep discount to its net asset value, there is an adequate margin of safety in the valuation to compensate investors for the opaque prospects and balance sheet uncertainty. We view the appointment of new Chief Executive Officer (CEO) as positive given that he ran NPK's metals business which account for over 75% of profits of the group. Adcorp (ADR) has been one of our longer held, high conviction ideas. The business's turnaround was reaffirmed at the release of the full year results earlier in 2019 along with the surprise resumption of dividend payments. This unraveled during the latter part of the year at the release of the interim results where the company announced a substantial miss in forecasted earnings, impairments of certain underperforming divisions, lowered their earnings guidance and the sudden resignation of the CEO who was tasked with the implementation of the turnaround strategy. During the quarter, the share price regressed 36.7% on these developments. A review of the investment case has warranted a lower conviction position in the portfolios.

Oil and chemical producer SOL, which was the largest detractor to performance in the third quarter, witnessed a reversal in fortunes with the share price rebounding 19.9% in the fourth quarter. The share price reacted positively to a slew of company announcements; which included the confirmation of no financial mis-management at the Lake Charles Chemical Project (LCCP), the release of the delayed financial results, the company parting ways with both its joint CEOs and the resolution of a production issue at the LCCP ethane cracker. Our decision to remain overweight despite the negative developments at the Lake Charles Chemical Project (LCCP) in the previous quarter were somewhat vindicated as SOL was the second largest contributor to performance in the quarter.

The portfolio was the beneficiary of a number of higher conviction, industrial overweight positions. BTI's share price rose a further 9.85% in the quarter as the company released a promising 3Q19 trading update in line with guidance and the market became less pessimistic on regulation in the United States (US) with the US Food & Drug Administration seemingly abandoning the proposal to reduce nicotine levels in cigarettes. Hospital shares were the second largest contributors to performance at a sub-sector level following a period of underperformance over the last 18-24 months due to regulatory pressure and weak patient activity which were compounded by company specific issues. A long held overweight position in Netcare (NTC) began to bear fruit in the quarter, with the share price rising 10.9%. The share price reacted positively to its full year results which affirmed a more promising outlook for patient activity, a reduction in levels of capital expenditure with its 'asset lighter' strategy. We continue to be attracted to NTC's good valuation, relatively high visibility prospects in an uncertain environment and a robust balance sheet following their exit from the United Kingdom. Mediclinic International (MEI) is a stock that the fund has navigated successfully over the last few years. In 2018, the fund benefited from an underweight position as the share price fell from heady heights on regulatory pressures in Switzerland and the Middle East and integration issues in the Middle East following the Al Noor combination. Drawn in by the attractive valuation following the tumultuous fall in the share price in 2018, the fund began accumulating a position in MEI in the first half of 2019 which ultimately resulted in an overweight position. The share price rose 25.2% in the fourth quarter as the interim results indicated a trough in Switzerland profit margins, accelerating momentum in the integration of Al Noor and good execution on new hospitals in Dubai and Abu Dhabi.

The fund also continued to benefit from an underweight position in TKG which has been amongst the top contributors to performance for two consecutive quarters. Investor optimism in TKG peaked in the second quarter of 2019 when its mobile business reached profitability and talks of the potential sale of TKG's property portfolio emerged. The last two quarters have seen this investor enthusiasm dissipate, particularly in the fourth quarter where the share price plunged 50.7%. TKG delivered a disappointing 36% decline in earnings due to an acceleration in the decline in the higher margin, fixed line revenues and a management misstep in reading the data market. A failed bid for struggling competitor Cell C also weighed on the share price during the quarter. The outlook for the business is further compromised by TKG entering a heavy capital expenditure phase and the need to fund a mooted R3bn price tag for spectrum in the near term, all at a time when debt is at precarious levels. We continue to be weary of the TKG investment case as the valuation provides an inadequate margin of safety to compensate us for the poor prospects and quality concerns.

PORTFOLIO MANAGER(S)

Mila Mafanya, Interim Chief Executive Officer and Head of Equities

He serves as an Executive Director on the board at Afena Capital. He is a Chartered Financial Analyst (CFA) charter holder and holds a Bachelor of Business Science degree majoring in Actuarial Science from the University of Cape Town.

He has 15 years industry experience which includes time at OMIGSA as an assistant Portfolio Manager and Sanlam Investment Managers as an Investment Analyst.

Shoaib Vayej, Head of Research and Portfolio Manager

He serves as an Executive Director on the board at Afena Capital. He is a Chartered Financial Analyst (CFA) charter holder and holds a Bachelor of Science degree in Chemical Engineering from the University of Kwa-Zulu Natal.

He has 15 years industry experience which includes time at Sanlam Investment Managers as an Investment Analyst and later as a Portfolio Manager on the model portfolio group as well as Manager of the Resources Unit Trust.

ABOUT AFENA CAPITAL

Afena Capital is an independent investment management firm that was established in November 2005, where management and staff have majority ownership of the company. The firm was founded by a team of entrepreneurial investment professionals who shared a common long-term vision to build a trusted, professionally managed, quality investment management firm. The firm focuses on producing excellent long-term investment returns, providing quality service to its clients and offering professional management of investment portfolios on behalf of third party clients. We currently employ 12 full time staff members and manage segregated and pooled portfolios on behalf of institutional investors. On 31 December 2019, total assets managed by Afena Capital were R5.0 billion.

COLLECTIVE INVESTMENT SCHEMES

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. 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 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.afenacapital.com. Published on 23 January 2020.

DISCLAIMER FOR FUND SPECIFIC RISK

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. 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. Liquidity risk: If there are insufficient buyers or sellers of particular investments, the result may lead to delays in trading and being able to make settlements, and/or large fluctuations in value. This may lead to larger financial losses than expected. 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. Currency exchange risk: Changes in the relative values of individual currencies may adversely affect the value of investments and any related income.

GLOSSARY OF TERMS

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 (Afena Capital) 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
Liquidity	The ease with which a financial instrument can be sold and converted to cash without having much impact on its value or price.

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. E-mail 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: Afena Capital Proprietary Limited, Registration number: 2005/017613/07 is an authorised Financial Services Provider (FSP 25033) under the Financial Advisory and Intermediary Services Act (No.37 of 2002), to act in the capacity as investment manager. This information is not advice, as defined in the Financial Advisory and Intermediary Services Act (N0.37 of 2002). Please be advised that there may be representatives acting under supervision. **Physical address**: 6th Floor, Sunclare Building, 21 Dreyer Street, Claremont, 7708. **Postal address**: PO Box 23883, Claremont, 7735. **Telephone number**: 021 657 6240. **Website**: www.afenacapital.com