

As the age-old saying goes, 'Don't put all your eggs in one basket.' At Prescient Investment Management, we believe that having your eggs in different baskets is essential. However, if they're all in the same truck and on their way to being sold in the same market, how diversified are the risks and rewards, really?

While investors can put eggs into different baskets locally, global diversification distributes the eggs across different trucks. This reduces investors' exposure to local currency fluctuations and economic conditions by spreading risk across multiple markets and currencies. It also provides a broader spectrum of investment opportunities across various markets, considerably increasing the growth potential of these investments and reducing the risk of any one asset impacting performance adversely.

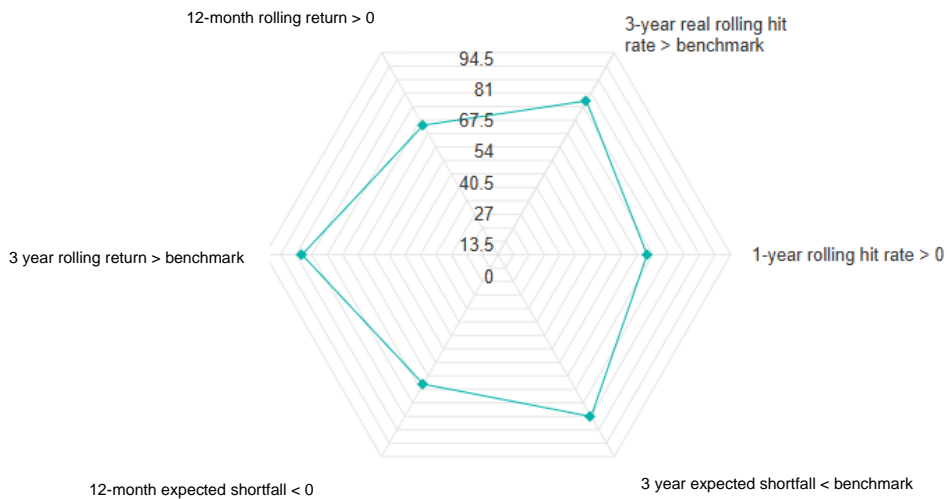
You can take advantage of the power of diversification through the Prescient Global Income Provider Fund. Launched in 2010, the Fund is a testament to Prescient Investment Management's longstanding, proven systematic investment approach - with a global flavour. The Global Income Provider Fund is designed to cater to investors seeking a stable income while hedging against rand depreciation by accessing offshore fixed-income assets that are not typically available in South Africa.

Leveraging Prescient investment management's Systematic Investment Approach

Our systematic approach enhances client portfolio performance by balancing risk management and return maximisation. The Prescient Global Income Provider Fund seeks to embody a global fixed-income portfolio that diversifies by investing in asset classes representing the entire yield curve for various countries. As such, the Fund draws from a pool of 23 global asset classes with over 15 000 investible instruments. Of these asset classes, 19 are denominated in US dollars, while the others are denominated in various other currencies. Our investment philosophy is based on quantitative analysis integrated with qualitative objectives, which are to target capital preservation and generate real long-term returns while minimising any potential capital drawdowns.

1. Targeted Real Returns and Risk Optimization

The Global Income Provider Fund's objective is clear: to outperform the US CPI's real return benchmark + 1.5% while maintaining a positive 12-month rolling return. We analyse the historical behaviour of each asset, coupled with our view on what we expect each asset return to be over the period that we hold the asset. Using this information, we construct thousands of portfolios with all possible combinations of the assets in our asset universe. We then map out the portfolio that best achieves our long-term return objective to outperform our benchmark while minimising any potential drawdowns in the portfolio. Each portfolio is percentile-ranked across the metrics below. These metrics amalgamate our investment philosophy with our systematic approach and allow us to consider every aspect by following our investment process.



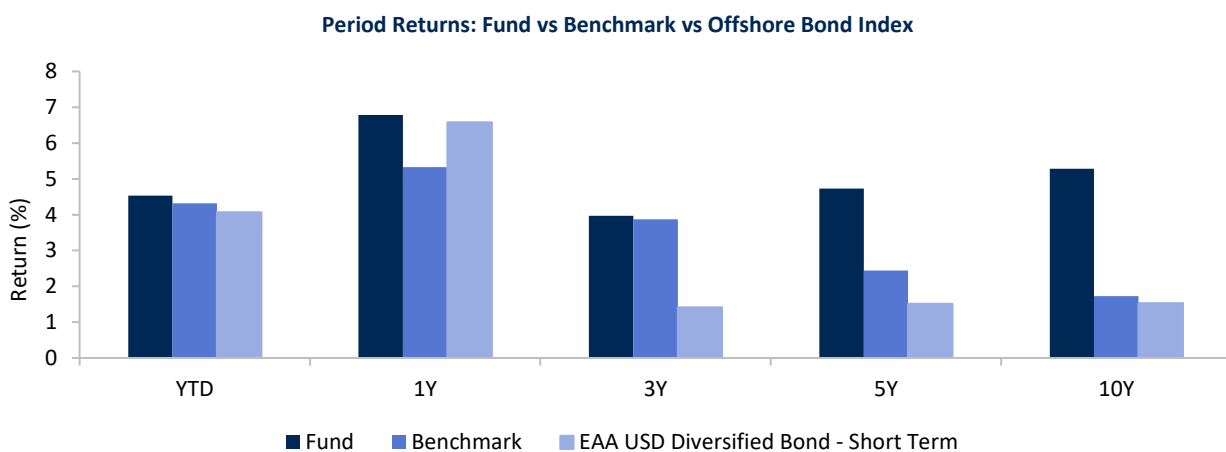
Source: Prescient Investment Management (as at 28 October 2024)

2. Systematic Currency Hedge and Yield Enhancement

The Fund's portfolio is designed to have a currency hedge and exposure overlay to mitigate the impact of exchange rate fluctuations. This systematic hedge creates opportunities to increase alpha while protecting against downside volatility, a key benefit for South African investors looking to shield their returns from rand depreciation. The allocation includes fixed, floating, real, and nominal money market and bond instruments, offering exposure to global income-producing assets across regions.

This dual approach allows us to navigate market complexities effectively and identify trends that shape global income markets. The Global Income Provider Fund is an example of how PIM applies these principles to a global setting, enabling South African investors to benefit from our extensive experience in local and international markets.

The chart below shows how this international scope, coupled with our currency-hedged structure, provides a pathway for enhancing returns without exposing investors to the typical volatility of unhedged currency movements.



Sources: Prescient Investment Management, Bloomberg (as at 28 October 2024)

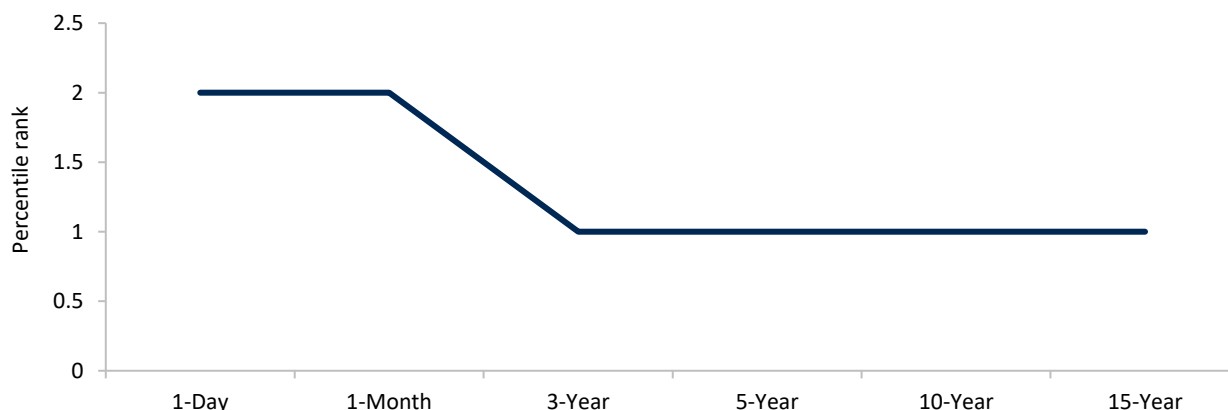
Positioned at the Forefront of Global Income Investment

The Prescient Global Income Provider Fund, though not the first South African-launched global income fund, offers investors significant value due to its distinctive investment approach.

The chart below demonstrates that PIM's robust global track record in income solutions provides a strong foundation for delivering consistent returns. Over 15 years, the Prescient Global Income Provider Fund has ranked first in the Morningstar USD Diversified Bond Short-Term category.

Leveraging extensive experience in South African markets and a deep understanding of global financial systems, PIM is exceptionally well-positioned to meet both local and international client needs. This well-established, systematic approach enables the Fund to adapt effectively to industry trends and varying market conditions. The Global Income Provider Fund is a balanced, hedged, globally diversified portfolio focused on income generation. It is ideal for medium- to long-term investors seeking capital preservation and sustainable growth.

PIM Global Income Provider Performance Relative to Peers



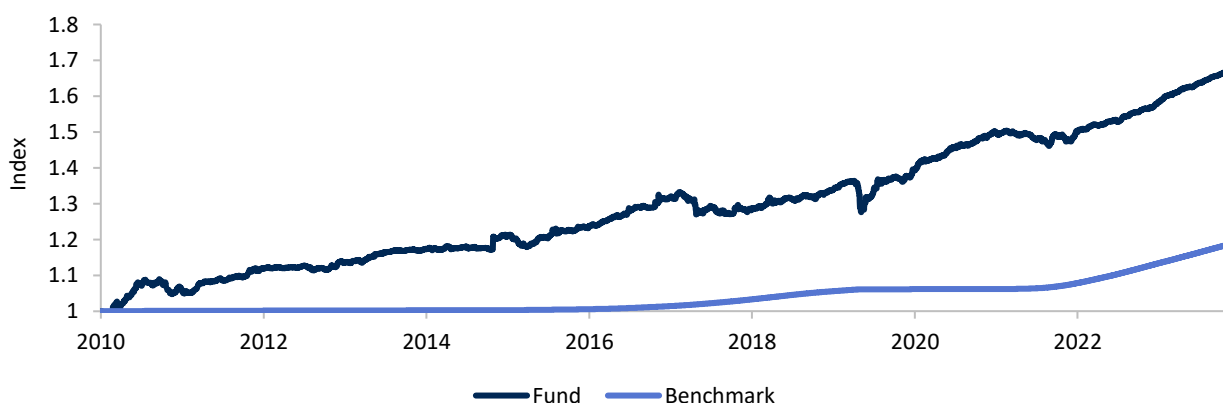
Source: Morningstar (as at 8 May 2024)

Meeting Investor Needs with Versatility and Depth

In conclusion, Prescient Investment Management (PIM) brings true diversification to investors with the Prescient Global Income Provider Fund. Much like placing eggs in separate trucks bound for distinct markets, this Fund achieves diversification beyond local constraints by mitigating exposure to currency fluctuations and economic conditions unique to South Africa.

Since its launch in 2010, the Fund has exemplified PIM's disciplined, systematic approach with a global reach, offering access to offshore fixed-income assets that support stable income generation while providing a hedge against rand depreciation. For investors focused on income stability and capital growth, with a dollar yield of 6.5% the Prescient Global Income Provider Fund stands as a robust, globally diversified solution tailored to enhance long-term investment performance.

Indexed Return: Fund vs Benchmark



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