

Interactive Balanced Prescient Fund of Funds A

INVESTMENT OBJECTIVE

The fund aims to create income and long term capital growth within the constraints governing retirement funds. The fund aims to outperform the market average of similar unit trusts without taking on more risk. The funds benchmark is the market-value weighted average returns of funds in the South African – Multi Asset – High Equity category.

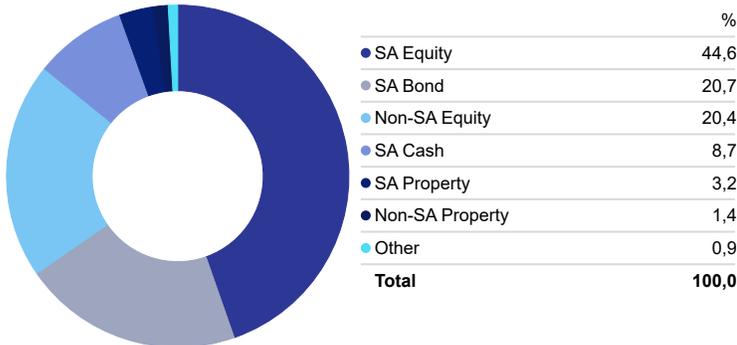
INVESTMENT POLICY

The Fund invests in a mix of shares, bonds, property, commodities and cash. The Fund can invest a maximum of 30% offshore, with an additional 10% allowed for investments in Africa outside of South Africa. The maximum net equity exposure of the Fund is 75% and we may use exchange-traded derivative contracts on stock market indices to reduce net equity exposure from time to time. The Fund is managed to comply with the investment limits governing retirement funds. Returns are likely to be less volatile than those of an equity-only fund.

HOW WE AIM TO MEET THE FUNDS OBJECTIVE

The management team track the asset allocation of reputable asset managers with large research capabilities. The research provides insight into where top professionals are allocating assets. We build portfolios in line with these allocations and select ETF's, mutual funds and shares in companies as the underlying instruments. The fund will allocate a to a diverse balance of active & passive management strategies as well as towards asset managers with a core competency. Contact info@interactiveportfolios.co.za to find out more

ASSET ALLOCATION (SA)



TOP UNDERLYING FUND HOLDINGS

	Portfolio Weighting %
Interactive Income Prescient D	23,87
Interactive Global Equity Pres FOF D	18,42
Fairtree Equity Prescient B4	13,42
Satrix Dividend Plus Index A3	13,27
Aylett Equity Prescient A1	12,71
Prescient Core All Share Equity A2	6,75
Prescient Core Top 40 Equity A2	6,73
Satrix Property Index A2	1,60
Harvard House BCI Property A	1,53
Sesfikile BCI Global Property A2	1,22

RISK MEASURES (SINCE INCEPTION)

Std Dev	8,36
Alpha	-1,33
Sharpe Ratio	0,03
Max Gain	30,39
Max Drawdown	-4,63

FUND INFORMATION

Fund manager	Interactive Portfolios (Pty) Ltd
Fund classification	(ASISA) South African MA High Equity
Fund Benchmark	(ASISA) South African MA High Equity Category Average
Regulation 28	Compliant
JSE code	NBPFFA
ISIN	ZAE000310660
Fund Size	427 999 607,91
Number of units	355 056 876,65
Price (net asset value per unit)	120,41
Inception Date	2022/05/25
Minimum lump sum investment	R 10 000
Minimum debit order	R 500

INCOME DISTRIBUTION

31 March 2024 - 4,39 cpu
30 September 2024 - 2,29 cpu

FEE STRUCTURE

Initial fee	Initial fee: 0.00% (incl VAT)
Management Fee	1,90
Performance fee	0
Other fees	0,00
Total expense ratio (TER)	1,90
Transaction costs	0,27
Total Investment Charge (TIC)	2,17

Performance fee: no performance fee charged
Other fees includes underlying fee (where applicable): Audit Fees, Custody Fees, Trustee Fees and VAT
* Performance figures are net of TIC
* Performance figures for a year or longer are annualised

All percentages include VAT

RISK PROFILE



MODERATE - HIGH RISK

- This portfolio holds more equity exposure than a medium risk portfolio but less than a high-risk portfolio. In turn the expected volatility is higher than a medium risk portfolio, but less than a high-risk portfolio. The probability of losses is higher than that of a medium risk portfolio, but less than a high-risk portfolio and the expected potential long term investment returns could therefore be higher than a medium risk portfolio.
- Where the asset allocation contained in this MDD reflects offshore exposure, the portfolio is exposed to currency risks.
- The portfolio is exposed to equity as well as default and interest rate risks.
- The portfolio is suitable for medium to long term investment horizons.

ANNUALISED RETURNS (NET OF FEES)

	YTD	1 Year	Since inception	Highest 1 year	Lowest 1 year
Interactive Balanced Prescient FoF A	10,95	17,21	9,79	17,47	2,02
(ASISA) South African MA High Equity	11,82	18,73	11,19	18,83	4,80

Source: Morningstar, Date: 30 September 2024

MONTHLY RETURNS (NET OF FEES)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2024	-1,01	0,14	1,19	0,71	1,69	1,35	3,00	1,14	2,29				10,50
2023	4,88	-1,09	-1,12	1,86	-1,73	0,99	1,85	-0,52	-1,74	-2,24	6,02	1,92	9,07
2022	—	—	—	—	—	-4,63	2,57	0,46	-2,73	3,77	4,13	-0,51	3,06

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TOP UNDERLYING SECURITIES HOLDINGS

	Portfolio Weighting %
Rsa R2032 8.25 310332	4,79
Investec Top40tr And Fund Linked Note Top40tr Index	2,01
Firststrand Ltd	1,96
Nedbank Structured Note Nn187u Top40 Index Total Return Top40tr 19DEC24 ALSI	1,91
Investec Top40tr And Fund Linked Note Top40tr Index	1,80
Standard Bank Group Ltd	1,50
Prosus NV Ordinary Shares - Class N	1,35
British American Tobacco PLC	1,29
Anglo American PLC	1,25

FUND COMMENTARY

The fund has demonstrated a strong performance across various timeframes:

- Last Quarter Return: 6.57%
- 6 Months Return: 10.60%
- Year to Date: 10.95%
- 1 Year Return: 17.21%

These figures indicate a steady upward trajectory in returns, driven by solid gains in the broader equity market. For comparison, some of the underlying fund managers, such as Prescient Core All Share Equity A2, delivered more aggressive returns over the same periods (e.g., 11.38% over the last quarter and 27.62% over the year), showing that the portfolio benefitted from this exposure.

The **global equity market**, particularly the MSCI World Index, continues to trade near all-time highs, mainly driven by large-cap US shares, which have seen significant gains. For example, the S&P 500 was up 4.3% this quarter. Locally, the FTSE/JSE All Share Index had a stellar performance, increasing by 8.2% in rands and 12.4% in US dollars, further supporting the fund's performance.

Earlier in 2024, we mentioned that this year would be marked by elevated **political risk** due to numerous global elections. Now, halfway through the year, we've already seen **key elections** in Taiwan, the European Union, India, and South Africa—each with notable market impacts:

- **Taiwan** saw the election of a pro-independence leader, which has generated tension with China and impacted regional asset prices.
- **European elections**, especially in Germany and France, led to political instability and market sell-offs, with French equities underperforming after a snap election was called.
- **India's election** results triggered a brief market sell-off but quickly recovered as Prime Minister Modi remained in power, though with reduced influence.
- **South Africa** saw the African National Congress lose its majority, forming a government of national unity, which has had a significant positive impact on domestic markets.

In **South Africa**, the market reaction has been positive, with strong rallies in SA Inc. stocks like retailers, banks, and property REITs. These sectors, which were previously underperforming due to weak economic fundamentals and political uncertainty, experienced sharp gains as a result of the new political developments. This was reflected in the performance of some of the underlying managers in the Interactive Balanced Prescient Fund, including Fairtree Equity Prescient, which posted a robust 10.01% return last quarter and 26.58% over the year.

The **future outlook remains promising** as foreign investors, who have been largely underweight in South African markets, could potentially fuel further gains as they reassess their positions in light of **political stability**. Furthermore, as uncertainty looms over markets like Mexico and Brazil, there is speculation that proceeds from those markets could flow into South African assets, which might provide additional momentum.

Nevertheless, while the recent rally is encouraging, South Africa still faces considerable **socio-economic challenges**. To sustain this positive trend and avoid the post-Ramaphoria stagnation, structural reforms and improved economic fundamentals are crucial. As investors, we have structured a well-diversified portfolio that balances risks and opportunities, including exposure to offshore assets, attractively valued domestic equities, bonds, and precious metals.

The fund's solid performance over the past year highlights the importance of maintaining a diversified strategy that can capture global opportunities while mitigating risks from political and economic uncertainties.

GLOSSARY

Fund of Funds: 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.

Annualised performance: Annualised performance shows 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 performance: The highest and lowest performance 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.

Current Yield: Annual income (interest or dividends) divided by the current price of the security.

CPU: Cents Per Unit to the Glossary

Alpha: Denotes the outperformance of the fund over the benchmark.

Sharpe Ratio: The Sharpe ratio is used to indicate the excess return the portfolio delivers over the risk free rate per unit of risk adopted by the fund.

Standard Deviation: The deviation of the return stream relative to its own average.

Max Drawdown: The maximum peak to trough loss suffered by the Fund since inception.

% Positive Month: The percentage of months since inception where the Fund has delivered positive return.

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INFORMATION & DISCLOSURES

The portfolio has adhered to its policy objective and there were no material changes in the composition of the portfolio during the quarter.

FUND SPECIFIC RISK

Default Risk: The risk that the issuers of fixed income instruments may not be able to meet interest payments nor repay the money they have borrowed. The issuers credit quality is vital. The worse the credit quality, the greater the risk of default and therefore investment loss.

Derivatives risk: The use of derivatives could increase overall risk by magnifying the effect of both gains and losses in a Fund. As such, large changes in value and potentially large financial losses could result.

Developing Market (excluding SA) risk: Some of the countries invested in may have less developed legal, political, economic and/or other systems. These markets carry a higher risk of financial loss than those in countries generally regarded as being more developed.

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.

Derivative counterparty risk: A counterparty to a derivative transaction may experience a breakdown in meeting its obligations thereby leading to financial loss.

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.

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 cost is 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, including actual initial and all ongoing fees, with income reinvested on the reinvestment date. 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.

This portfolio operates as a white label fund under the Prescient Unit Trust Scheme, which is governed by the Collective Investment Schemes Control Act.

For any additional information such as fund prices, brochures and application forms please go to www.prescient.co.za

CONTACT DETAILS

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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 - Interactive Portfolios (Pty) Ltd, Registration number: 1947/027603/07 is an authorised Financial Services Provider (FSP 44371) 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: Unit 2 - Ground Floor, 3 Melrose Boulevard, Melrose Arch, 2196 Postal address: P O Box 192 Melrose Arch, 2076, Johannesburg, South Africa Telephone number: +27 10 745 1666 Website: www.interactiveportfolios.co.za

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