METOPE

METOPE PROPERTY PRESCIENT FUND

Minimum Disclosure Document (MDD)

28 February 2019

FUND INFORMATION

Investment Objective

The Metope Property Prescient Fund is an actively managed listed real estate portfolio that seeks to maximise income returns and long-term capital growth by investing in stocks in the Real Estate sector. Through active management and stock selection, the fund aims to provide superior returns to the FTSE/JSE SA Listed Property Index.

Investment Strategy

Metope's in-depth fundamental research underpins the funds objective to invest in real estate stocks with good quality assets, strong management teams and sustainable, cash-based distributions.

Investment Policy

In order to achieve the fund's objective, the fund will invest in property securities, property collective investment schemes, property loan stock, real estate equity shares, money market instruments, bonds, fixed deposits and other interest bearing securities, derivatives and assets in liquid form. The portfolio will invest at least 80% of the market value of the portfolio in securities listed in the FTSE/JSE Real Estate sector or similar sector of an international stock exchange. Up to 10% may be invested in securities outside the defined sectors in companies that conduct similar business activities as those in the defined sector.

Risks to Consider

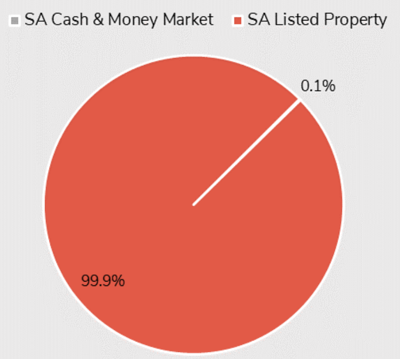
Investments in real estate securities can carry the same risks as investing directly in real estate itself. Real estate prices move in response to a variety of factors, including local, regional and national economic and political conditions, interest rates and tax considerations. As a result of these risks, the fund is classified as a moderate-high risk investment and the recommended investment term is 3-5 years.

ASISA Classification	SA Real Estate General
Benchmark	FTSE/JSE SA Listed Property Total Return Index
Portfolio Manager	Liliane Barnard
ISIN Number	ZAE000200879
JSE Code	MMPCA
Portfolio Size	R 99.4 m
Portfolio Inception	2 February 2015
Minimum Lumpsum	R1,000
Minimum Monthly	R250
Management Fee (Class A)	1.25% p.a. (excl VAT)
Performance Fee	15% p.a. above the benchmark over a 2-year rolling period
Cost ratios (see glossary for definitions) at 31 Dec 2018	Total Expense Ratio: 1.71% Transaction Costs Ratio: 0.07% Total Investment Charge: 1.78%
Distribution Declaration	Quarterly: 31 Mar; 30 Jun; 30 Sept; 31 Dec
Rolling Historic Income Yield	6.3% (Class A, net of all costs)
NAV at 31 January 2019	84.33 cents per unit (Class A)
Risk Indicator	Moderate-High
Issue Date	6 March 2019

TOP 10 HOLDINGS

Echo Poslka Properties
Equites Property Fund
Fortress REIT A
Fortress REIT B
Growthpoint Properties Ltd
MAS Real Estate
Nepi Rockcastle
Redefine Properties
Resilient REIT
Vukile Property Fund

ASSET ALLOCATION



Income Distributions Declaration Date:	Total Distribution	NAV at Declaration	Trailing Income Yield
31 March 2018	1.267	82.86	5.7%
30 June 2018	1.190	83.64	6.2%
30 September 2018	1.570	87.14	6.2%
31 December 2018	1.300	82.73	6.4%

Total Returns *	Fund	Benchmark	Alpha
1 Month	-4.7%	-5.7%	1.0%
Year to Date	1.8%	3.0%	-1.1%
3 Months	2.7%	1.9%	0.8%
6 Months	-0.9%	-3.7%	2.8%
1 Year	2.1%	-5.2%	7.3%
2 Years	-12.4%	-11.0%	-1.4%
3 Years	-3.7%	-1.2%	-2.5%
Launch	0.5%	-0.1%	0.6%

Annualized Returns *	Fund	Benchmark	Alpha
1 Year	2.1%	-5.2%	7.3%
2 Years	-6.4%	-5.6%	-0.7%
3 Years	-1.2%	-0.4%	-0.8%
Launch	0.1%	0.0%	0.1%

Highest & Lowest Return *	Rolling 12-month Return	Period
Highest Annual Return	28.4%	Dec 2016 - Nov 2017
Lowest Annual Return	-29.4%	Dec 2017 - Nov 2018

** Class A returns net of fees*

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Fund Commentary

February marked a busy month in the listed property calendar, with several companies reporting results. Following a challenging 2018 period of extreme market volatility, rumours and outstanding investigations, Resilient reported a decline in DPS of -13.9% for the 6 months to December 2018. However this dividend is not comparable to the prior period due to the unbundling of Fortress B shares to Resilient shareholders in May 2018. Adjusting for this, distributions declined by -2.2%. The operational performance of the business was sound over the period, and the deterioration of the dividend was due largely to the changed accounting treatment of the Siyakha Trusts (Resilient's BEE vehicle) whereby the full interest on loans to the trust is no longer recognised in distributable earnings. Resilient's malls posted sales growth of 4.7%, thus managing to keep up with inflation and is a solid result given the tough trading environment. Management is guiding for distribution growth of between -2.7% and -6.2% for the full year, or between 3% and 7% after adjusting for Fortress B earnings in the base.

An asset-swap transaction has been proposed between Resilient and Fortress REIT whereby the two shopping centres co-owned by the funds (namely Arbour Crossing and Galleria Mall in KZN) will be discharged to Resilient, in exchange for a number of smaller retail properties which will complement Fortress' current portfolio. This will serve to further distance the two companies as, following the transaction, there will be no remaining co-investments or cross holdings between them.

Nepi Rockcastle produced a solid set of annual results, with growth in Euro dividend of 9.5%. Like-for-like income grew by 4.9% for the retail portfolio, with trading densities growing by 5.7%. The group has a pipeline of €1bn including extensions and redevelopment opportunities, which should see them realise their guidance of 6% growth in dividends for FY19.

MAS Real Estate reaffirmed their guidance of 15% growth in distributions for FY19, while delivering growth of 40% for the interim period. MAS's joint venture agreement with Prime Kapital, their investment vehicle into Central Eastern Europe, has been extended for a further two years, up to March 2023. MAS maintains a geographically diverse portfolio, with investments in United Kingdom, Germany, Poland, Switzerland and Romania, which delivered a 38% year-on-year increase in rental income and a 103% year-on-year increase in H1 net operating income.

Hyprop reported interim results to Dec 2018, missing their guidance of 5% - 7% for the 2019 financial year by delivering growth in distributions of 2.2% and revising guidance for the full period to 2%. This marks the first time since listing that Hyprop's dividends are expected to be below inflation. This was largely as a result of rebasing the contribution from their Sub-Saharan Africa portfolio as their preferential right to income distributions ends. The revised guidance takes into account the impact of an Edcon restructure in which Hyprop will take an equity stake in Edcon in exchange for a 41% reduction in rent for a period of 2 years. Hyprop earns c7.6% of its revenue from Edcon and the rental reduction is expected to reduce FY19 and FY20 distributable earnings by 0.8% and 2.3% respectively.

Towards the end of February, Edcon announced the long-awaited plans for their recapitalisation: a result of binding agreements between its existing lenders, the Public Investment Corporation, and participating landlords. This amounts to a reduction in rental for several of the listed property companies, as well as capital contributions in exchange for equity in the retailer. Landlords have been working over the past year to reduce their exposure to the struggling retailer, and current guidance from the sector takes this recapitalisation into account.

After a very strong start to the year, the SAPY retracted some if its gains, ending the month 5.7% down with Hyprop, Growthpoint and Redefine contributing the most to the decline. The ALPI declined by 4.75% thanks in part to the inclusion of Capco and Hammerson which saw gains of 7.5% and 7% respectively for the month.

GLOSSARY OF TERMS

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.
NAV	The net asset value represents the assets of a Fund less its liabilities.
Highest & Lowest Return	The highest and lowest returns for any 1 year over the period since inception have been shown
Total Expense Ratio (TER)	Total Expense Ratio (TER) is the percentage of the average NAV of the fund that was incurred as charges, levies and fees related to the management of the portfolio
Transaction Costs (TC)	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
Total Investment Charge (TIC)	The Total Investment Charge (TER + TC) is the percentage of the NAV of the fund incurred as costs relating to the investment of the portfolio.
Performance fee	The Fund charges a base and performance fee. Performance fees are payable on outperformance of the benchmark using a participation rate of 15%. A permanent high watermark is applied, which ensure that performance fees will only be charged on new performance. There is no cap on the performance fee.

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. 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 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.metopegroup.com

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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:
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Prescient Management Company (RF) (Pty) Ltd. This portfolio operates as a white label fund under the Prescient Unit Trust Scheme, which is governed by the Collective Investment Schemes Control Act.

PRESCIENT
MANAGEMENT COMPANY