

**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 All Property Index (ALPI).

**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.

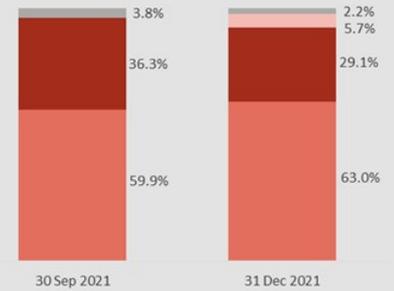
ASISA Classification	SA Real Estate General
Benchmark	FTSE/JSE All Property Total Return Index
Portfolio Manager	Liliane Barnard
ISIN Number	ZAE000200879
JSE Code	MMPCA
Portfolio Size	R 99.4 m
Portfolio Inception	2 February 2015
Minimum Lumpsum	R1,000
Minimum Monthly	R250
Management Fee (Class A)	1.25% 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 30 Sept 2021	Total Expense Ratio: 1.56% Transaction Costs Ratio: 0.06% Total Investment Charge: 1.62%
Distribution Declaration	Quarterly: 31 Mar; 30 Jun; 30 Sept; 31 Dec
Rolling Historic Income Yield	5.0% (Class A, net of all costs)
NAV at 30 September 2021	66.18 cents per unit (Class A)
Participatory Interests	150,220,519 units
Risk Indicator	<span style="color: red;">●</span> Moderate-High
Issue Date	13 January 2022

**TOP 10 HOLDINGS**

Equites Property Fund Ltd
Fortress Income Fund Ltd
Metope Property Income Prescient Fund (G)
MAS Real Estate Inc
NEPI Rockcastle PLC
Redefine Properties Ltd
Resilient Property Income Fund Ltd
Spear REIT Ltd
Sirius Real Estate Ltd
Stor-age Property REIT Ltd

**ASSET ALLOCATION**

■ Cash  
■ Participatory Interest in Real Estate CIS  
■ SA Real Estate Holding & Development  
■ SA Real Estate Investment Trust (REIT)



Income Distributions Declaration Date:	Total Distribution (cents per unit)	NAV at Declaration Date (Clean)	Trailing Income Yield
31 Mar 2021	0.170	54.02	2.4%
30 Jun 2021	0.790	58.54	3.0%
30 Sept 2021	1.120	61.52	4.4%
31 Dec 2021	1.200	64.94	5.0%

Total Returns *	Fund	Benchmark	Alpha
1 Month	6.8%	7.6%	-0.8%
3 Months	7.6%	8.4%	-0.8%
6 Months	15.1%	15.4%	-0.3%
1 Year	33.4%	38.6%	-5.2%
2 Years	-6.8%	-9.5%	2.7%
3 Years	-5.2%	-7.7%	2.5%
5 Years	-16.8%	-19.2%	2.4%
Launch	-6.5%	-10.5%	4.0%

Annualized Returns *	Fund	Benchmark	Alpha
1 Year	33.4%	38.6%	-5.2%
2 Years	-3.5%	-4.9%	1.4%
3 Years	-1.8%	-2.6%	0.9%
5 Years	-3.6%	-4.2%	0.6%
Launch	-1.0%	-1.6%	0.6%

Highest & Lowest Return *	Rolling 12-month Return	Period
Highest Annual Return	58.8%	Nov 2020 - Oct 2021
Lowest Annual Return	-47.7%	Nov 2019 - Oct 2020

\* Class A returns net of fees

**Metope Investment Managers (Pty) Ltd**

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Registration No: 2004/035077/07

Directors: Liliane Barnard | Aimee Glisson | Zovuyo Magxala



## Fund Commentary

December saw the Omicron variant, first detected in South Africa in November, sweep across the world. Travel restrictions placed against Southern Africa were, in some cases, lifted or eased in some cases, even as cases soared to new records. This may present a change in strategy by many governments as harsh lock-downs and strict travel bans are no longer seen as effective, and societies must learn to live with the virus.

Globally, inflation remains a topic of concern for investors. Although not unexpected, due to loose fiscal and monetary policies adopted during the pandemic, inflation appears to be less transitory than originally anticipated. Sustained high inflation numbers has prompted a more hawkish FED, talks of US bond tapering and interest rate hiking, with many other countries following suit.

The listed property sector performed well in December with the SAPY and ALPI posting a total return of 7.9% and 3.76% respectively. With respect to company results, Industrials REIT Limited, formerly Stenprop Limited, reported its half year results which showed continued rental and asset value growth. MLI, which owns a portfolio of multi-let industrial properties in the UK, has acquired seven new multi-let industrial properties and with the disposals agreed to date, MLI will become a fully focused industrial REIT. The fund reported strong operational metrics with 5.0% growth in like-for-like annual rent, occupancy levels remained robust at 93.9% and rent collections were strong. The portfolio was valued at £574.0 million and exhibited like-for-like valuation growth of 7.5%. The company declared an interim dividend of 3.375 pence per share.

## Adherence to Policy Objective

The portfolio adhered to its policy objective during the quarter ended 31 December 2021

MAS PLC's trading update was positive, reflecting the strength of the CEE market. Collection rates were strong and approaching pre-pandemic levels. In respect to leasing, new tenants and extensions were generally signed at similar, or above, pre-pandemic rental levels, resulting in occupancy of Central and Eastern European assets increasing to 94.4%.

In its pre-close statement, Fortress REIT Limited's highlighted the strong demand for logistics space due to consolidation of space, supply chain efficiencies and growth in e-commerce. Fortress completed and let 93 239sqm of GLA post 30 June 2021. In the retail portfolio, tenant turnover figures have increased 7.6% year-on-year on a like-for-like basis. Four of the six buildings affected by the July unrest have commenced trading with the remaining two scheduled to resume operating in mid-2022. Vacancies across the retail portfolio have decreased to 3.4%. Although the core portfolio is expected to perform well over 2022, no dividend is expected to be paid at interim reporting period.

December's strong performance saw the sector gain 37% for the year, with an income return of 11.3% and capital gains of 25.6%. Listed property was the best performing local asset class after lagging for the three years prior. Despite a strong rally in 2021, the sector remains c.23% below its pre-covid level and 50% below its highest peak in 2017. The discount to NAV has narrowed from c50% in mid-2020 to currently 15%. We expect a dividend yield from the sector of around 7% for the year as some companies return to normal dividends, while others maintain payout ratios in order to conservatively manage balance sheets.

## GLOSSARY OF TERMS

<b>Annualised performance</b>	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.
<b>NAV</b>	The net asset value represents the assets of a Fund less its liabilities.
<b>Highest &amp; Lowest Return</b>	The highest and lowest returns for any 1 year over the period since inception have been shown
<b>Total Expense Ratio (TER)</b>	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
<b>Transaction Costs (TC)</b>	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
<b>Total Investment Charge (TIC)</b>	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.
<b>Performance fee</b>	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](http://www.metopegroup.com)

## CONTACT DETAILS

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Tel: 0800 111 899

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Tel: 011 534 6557

Website: [www.nedbank.co.za](http://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:

**Metope Investment Managers (Pty) Ltd**, Registration number: 2004/035077/07, is an

authorised Financial Services Provider (License no: 21999) 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 (No.37 of 2002). Please be advised that there may be representatives acting

under supervision.

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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.



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