

FUND INFORMATION

Investment Objective

The Metope Property Income Prescient Fund is a listed property fund with a focus on delivering a high income yield by investing in stocks in the Real Estate sector. Through active management and stock selection, the fund aims to provide an income yield higher than that of the FTSE/JSE SA REIT Index, while also delivering growth in income over a medium- to long-term investment horizon.

Investment Strategy

The fund's strategy is to identify listed property securities that offer a high income yield, derived primarily from rental income, and that is expected to grow in line with underlying rental escalations over the medium- to long-term.

The fund will offer a high level of diversification in its holdings in order to reduce the risk of the fund not reaching its income target. The fund will balance the portfolio's aggregate income yield by investing in securities that offer a high yield, but limited growth, with securities that offer a sector-related yield but stronger income growth prospects.

The fund will invest predominantly in South African listed property securities, but may include offshore listed property securities, provided that the fund is not subject to excessive currency risk that could result in a reduction of the fund's income yield.

Investment Policy

The investable universe includes listed property securities, including collective investment schemes in property, property loan stock, property debentures, REITS (real estate investment trusts), as well as money market instruments, listed property corporate debt, inflation linked bonds, fixed deposits and other interest-bearing securities. The portfolio will invest at least 80% of its market value in securities listed in the FTSE/JSE Real Estate industry group or a similar sector of an international stock exchange. The fund may invest up to 5% of the market value in unlisted property investments.

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.

Who Should Invest

- Investors seeking a high income yield, who wish to live off the income of their portfolio and avoid drawing down capital
- Investors with an investment horizon of between 3-5 years who can withstand some capital volatility
- Investors who wish to maximise the effect of compounding income by reinvesting their income yield

KEY FACTS

ASISA Classification	SA Real Estate General
Benchmark	FTSE/JSE SA REIT Index
Regulation 28 Compliant	No
Portfolio Manager	Liliane Barnard
ISIN Number	ZAE000279089
JSE Code	MPIPFA
Portfolio Size	R33.8m
Portfolio Inception	30 October 2019
Minimum Lumpsum	R1,000
Minimum Monthly	R250
Management Fee (Class A)	1.15% 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 June 2022	Total Expense Ratio: 1.60% Transaction Costs Ratio: 0.12% Total Investment Charge: 1.72%
Distribution Declaration	Quarterly: 31 Mar; 30 Jun; 30 Sept; 31 Dec
Rolling Historic Income Yield	9.5% (Class A, net of all costs)
NAV (Class A)	66.86 cpu
Risk Indicator	● Moderate-High
Issue Date	16 August 2022

Income Distributions Declaration Date	Total Distribution (cents per unit)	NAV (Clean)	Trailing Income Yield
30 September 2021	0.68	70.10	7.1%
31 December 2021	2.88	74.01	9.0%
31 March 2022	0.36	72.43	8.6%
30 June 2022	2.44	63.33	10.0%

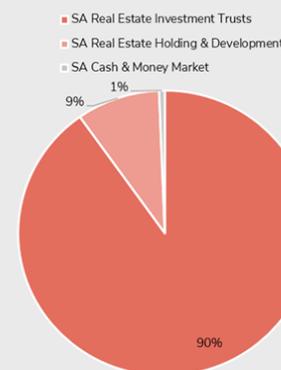
Total Returns (Cumulative)	Fund	Benchmark	Alpha
1 Month	5.4%	10.0%	-4.6%
3 Months	-3.5%	-0.6%	-2.9%
6 Months	-2.9%	0.7%	-3.6%
1 Year	10.1%	15.7%	-5.7%
2 Years	44.5%	55.9%	-11.4%
Launch	-15.4%	-15.1%	-0.3%

Highest & Lowest Return	Rolling 12-month Return	Period
Highest Annual Return	63.2%	Nov 2020 - Oct 2021
Lowest Annual Return	-51.5%	Nov 2019 - Oct 2020

TOP 10 HOLDINGS

Dipula Income Fund Ltd
Emira Property Fund
Equites Property Fund Ltd
Fairvest B
Growthpoint Properties Ltd
Investec Property Fund Ltd
Octodec Investments Ltd
Redefine Properties Ltd
Resilient Property Income Fund Ltd
SA Corporate Real Estate Fund

ASSET ALLOCATION



Fund Commentary

July saw the end of a 3-month losing streak for the listed property sector, with the SAPY and ALSI gaining 8.8% and 9.1% respectively after a sell-off in June. July's performance was in line with strong rallies in both global and local equities in July following large declines in the first half of the year. This was despite global growth being downgraded by the IMF, citing Russia-Ukraine war, higher global inflation and tighter financial conditions as key reasons for the revision. July's inflation figures in the US came in slightly ahead of expectations, however excluding food and energy, the core inflation numbers appear to be moderating, though still at uncomfortable high levels. The strong USD is adding further inflationary pressure to other economies, particularly net importers. Despite the still high inflation numbers, concerns about global growth and the dampening effect on demand has seen oil retreat from highs providing some relief in the outlook to inflation.

The possibility of a slowing economy saw the US 10yr bond yields ended the month 35bps lower, while the higher 2-year rates resulted in an inverted yield curve, indicative of the market's expectation of a recession. Local bond yields rose sharply during the month, with the 10yr yield reaching a 2-year high of 11.4% before strengthening to end the month at 10.76% from 10.98% at the start of the month.

The Fed raised rates by 75bps in July, citing rising inflation and a strong labour market. The European Central Bank surprised markets with a 50bps hike, it's first in 11 years, while the SARB raised by a further 75bps, bringing the total increases to 200bps.

In the listed property sector, we saw strong gains made by SA counters including Attacq, Emira and Dipula as these counters recouped some of the losses in the preceding 3 months. Hammerson was the top performer during the month, gaining 33% after it released its interim results to June 2022 in which the company saw an improvement in a number of metrics, including an increase in occupancy, an increase in like-for-like gross rental income of 16%, and a 25% reduction in finance costs. The company declared an interim cash dividend of 0.2p per share.

Fortress management appointed EY to provide an opinion on the proposed scheme to merge the A and B structure. The independent expert is of the opinion that such terms and conditions are fair and reasonable to Fortress Shareholders, and as such the scheme will be voted on in August in a bid to collapse the share structure and maintain REIT status.

Emira has offered to increase its stake in residential fund Transcend from 40.1% to 100% in order to increase its exposure to the lower LSM residential market. The offer was made at a 12% premium to the closing price before the announcement and will be funded by available resources.

The sector is currently trading at a forward yield of 9.7% and a discount to NAV of 27%.

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.
Risk Indicator	The portfolio is primarily exposed to listed property instruments, which are by nature more volatile than low-risk securities. These instruments are subject to moderate to high levels of volatility and can suffer capital losses over the short to medium term.

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.

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.

For any additional information such as fund prices, brochures and application forms please go to www.metopegroup.com

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Trustee:

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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:

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.

Prescient
MANAGEMENT COMPANY

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