LONGBEACH

MINIMUM DISCLOSURE DOCUMENT
31 August 2020

LONG BEACH MANAGED PRESCIENT FUND

INVESTMENT AND RETURN OBJECTIVE

The Long Beach Managed Prescient Fund is an actively managed portfolio which aims to provide real long-term growth in capital. The Fund invests in shares, bonds, cash, ETF's, listed real estate and derivatives, with up to 30% of the portfolio in foreign assets. The Fund is managed in accordance with Regulation 28.

PERFORMANCE AND RISK	Fund	Benchmark
Since Inception (07/03/13)	**111,67%**	**59,34%**
Since Inception Annualised	**10,54%**	**6,42%**
2020 year to 31 August	**17,96%**	**1,02%**
Latest 1 year	**20,06%**	**4,52%**
Latest 2 years	**9,44%**	**1,47%**
Latest 3 years	**10,83%**	**3,25%**
Latest 5 years	**10,88%**	**4,21%**
Latest 7 years	**10,81%**	**6,13%**
Annualised Standard Deviation	13,57%	8,41%
Maximum drawdown	-25,03%	-22,38%
Highest rolling 12 month return	25,61%	21,28%
Lowest rolling 12 month return	-9,10%	-10,05%

Source: IRESS
Please note: All performance data is NET of fees
Maximum drawdown is based on daily NAV

ASSET ALLOCATION

EQUITY	**74,5%**
SA EQUITY	**30,8%**
Resources	0,0%
Financials	10,3%
Industrials	20,5%
OFFSHORE EQUITY	**43,7%**
PROPERTY	**17,2%**
CIS FUNDS	**5,7%**
COMMODITY ETFs	**2,2%**
CASH & EQUIVALENTS	**0,4%**
TOTAL	**100,0%**

TOP TEN HOLDINGS

PayPal Holdings Inc	12,2%
Capital and Counties Properties Plc	10,2%
Naspers Ltd - N Shares	10,0%
Compagnie Financiere Richemont SA	8,4%
Discovery Holdings Ltd	8,4%
Spotify Technology SA	5,9%
Adyen NV	5,2%
Alphabet Inc	4,1%
Amadeus IT Group SA	3,2%
Microsoft Corp	2,8%

FUND COMMENT

The Long Beach Managed Prescient Fund returned 2.58% for August and the fund's benchmark returned 0.91%.

South Africa's GDP collapsed by -51% QoQ in June and -17.1% measured against the same period a year ago. This is catastrophic, and while there is likely to be a partial recovery after the easing of lockdown restrictions, a full recovery will require decisive policy actions and structural reforms. This level of economic contraction, without any meaningful government support, will have destroyed accumulated capital, and forced many small and medium sized businesses to close permanently. Additional monetary easing can be expected from the SARB, and banks are likely to come under pressure to reduce the current spread of 350bp between the repo rate and prime lending rate.

In a roundtable discussion at the Economic Club of New York in Jan 2019, Bernanke made it clear economic expansions do not end by themselves, and he made the point every post-war expansion in the US has ended because the Fed raised interest rates. The lockdowns and movement restrictions enacted globally to prevent the spread of COVID (an exogenous event) have resulted in severe economic contractions. The US Fed has recently been engaged in an economic policy review, and Powell announced the Fed will move towards a 'symmetrical inflation target' i.e. allowing inflation to run above the stated target of 2% for a period in order to make up for any previous undershoot. In simple terms, the Fed is not going to raise rates anytime soon, even after the US economy recovers and signs of inflation return.

The Long Beach Managed Prescient Fund's offshore holdings continue to be invested in global equities with strong secular growth prospects and sound balance sheets. The fund's local holdings are largely invested in global and SA companies with strong growth prospects and sound balance sheets, Capital & Counties Properties in the UK, as well as SA and Australian property.

Fund manager:
David Hansford CFA

Fund classification:
South African - Multi Asset - High Equity

Benchmark:
ASISA SA Multi-Asset High Equity Sector Average

Fund size:
R 86,988 m

Inception date:
7 March 2013

Minimum investment:
R10 000 lump-sum
R500 per month

Income distribution:
0,00 cents per unit for the 12 month period to 31 March 2020.

Annual management fee:
1.25% (excl VAT)

Performance fee:
No. Long Beach Capital believes all investment performance should accrue to our clients.

Domicile:
South Africa

Fee breakdown:
Management fee (incl VAT) 1.44%
Other costs 0.32%
Total TER 1.76%
Transaction costs 0.64%
Total costs 2.40%

The annualised TER and cost shown above are for the 12 months ended 30 June 2020. This percentage of the Net Asset Value of the portfolio was incurred as charged, levies and fees related to the management of the portfolio. A higher TER does not necessarily imply a poor return. The current TER cannot be regarded as an indication of future TERs. Since Fund returns are quoted after deduction of the above expenses, the TER and transaction costs should not be deducted from the published returns. Other cost included VAT, audit and custody fees.

Trustee:
Nedbank
Auditors:
Ernst & Young Incorporated

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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.

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 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.

The portfolio risk classification is Medium to Medium - High, these portfolios generally hold more equity exposure than low risk portfolios but less than high risk portfolios. In turn the expected volatility is higher than low risk portfolios, but less than high risk portfolios. Expected potential long term investment returns could therefore be lower than high risk portfolios due to lower equity exposure, but higher than low risk portfolios.

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

DISCLAIMER FOR FUND SPECIFIC RISK

Default risk: The risk that the issuers of fixed income instruments (e.g. bonds) may not be able to meet interest payments nor repay the money they have borrowed. The issuers credit quality it 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.

GLOSSARY

Annualised performance: Annualised performance shows longer term performance rescaled to a 1 year period. It is the average return per year over the period. Actual annual figures are available to the investor on request.

Highest & Lowest return: The highest and lowest returns for any 12 month period since inception have been show, based on monthly return data.

NAV: The net asset value represents the assets of a Fund less its liabilities.

Standard Deviation: The deviation of the return stream relative to its own average, based on monthly return data.

Maximum Drawdown: The maximum percentage decline over any period.

INVESTMENT MANAGER

Long Beach Capital (Pty) Ltd, Registration number: 2004/032569/07 is an authorised Financial Services Provider (FSP 22265) 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: Block B, Silverwood Silverwood Lane, Steenberg Office Park, Tokai 7945. Postal address: PO Box 30067, Tokai 7966 Telephone number: 021 700 3600 Website: www.longbeachcapital.co.za.

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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