



# INVESTMENT FORUM

Balancing act: Beating inflation targets, while navigating interest rate cycles



OUR

PHILOSOPHY

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# OUR PHILOSOPHY

## The strategy is systematic and risk focused



# OUR PHILOSOPHY



Rational

Rules & evidence based

Data driven



Unbiased decisions

Clear strategies  
and processes



Consistent long-term  
outperformance

# OUR PHILOSOPHY



Rational  
Rules & evidence based  
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Consistent long-term outperformance

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## It's the evidence that counts



**GUIDED BY  
NUMBERS**

Not expert  
narratives



**POWER OF  
TIME**

Not timing of the  
right calls



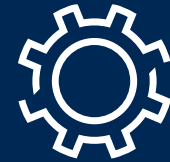
**PROVEN  
INVESTMENT  
PROCESS**

Not based on  
predictions



**TEAM  
HUMILITY**

Not "hero" fund  
managers



**PEACE OF  
MIND**

Not stressful  
uncertainty





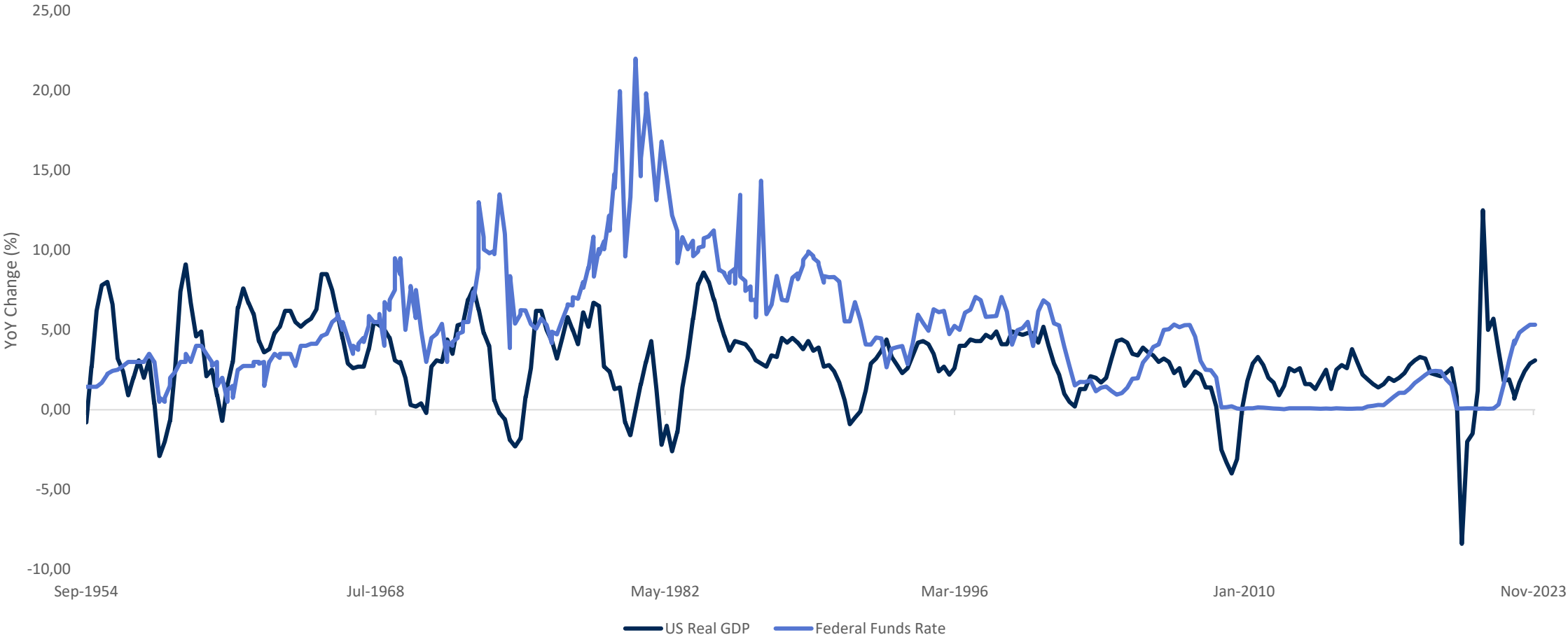
# GDP, INFLATION AND INTEREST RATES

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# GDP, INFLATION AND INTEREST RATES

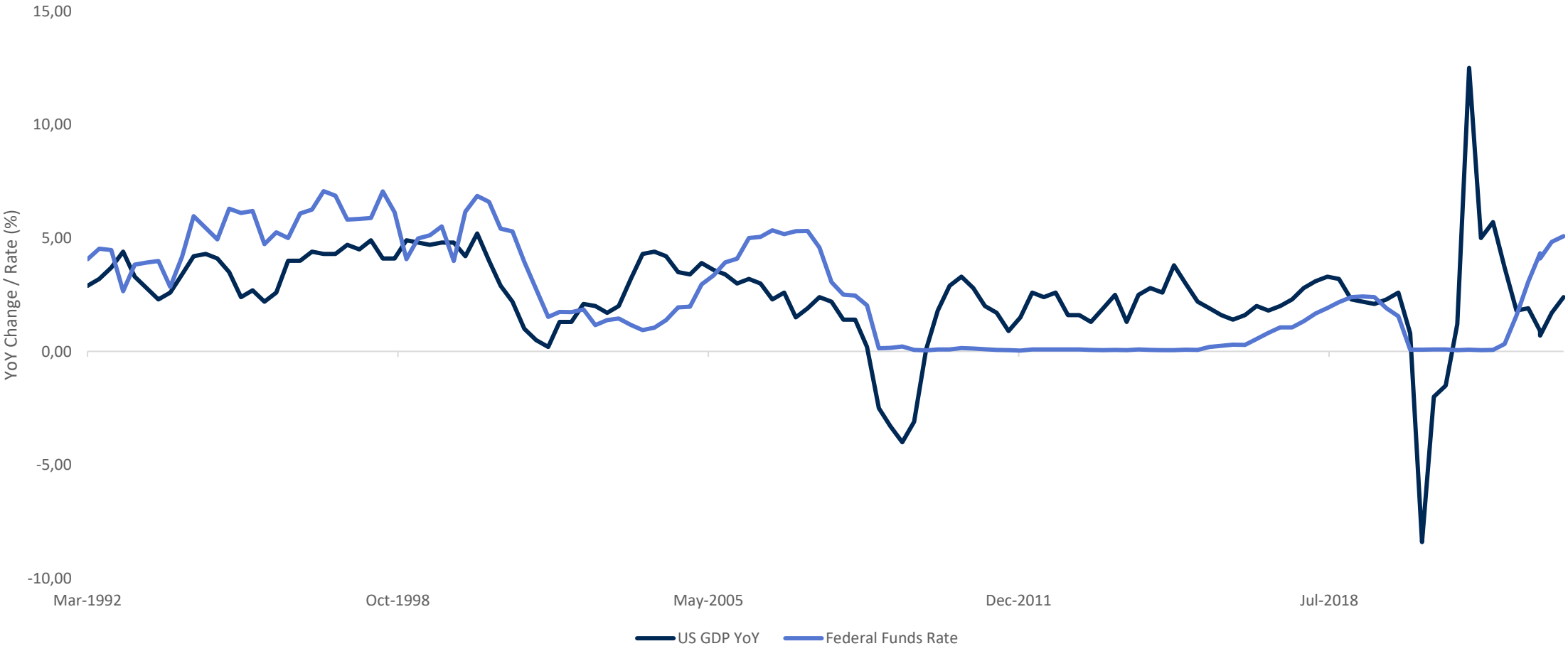
## Real GDP and Interest Rates: Whole History



Source: Prescient Investment Management, Bloomberg as at 29 Feb 2024

# GDP, INFLATION AND INTEREST RATES

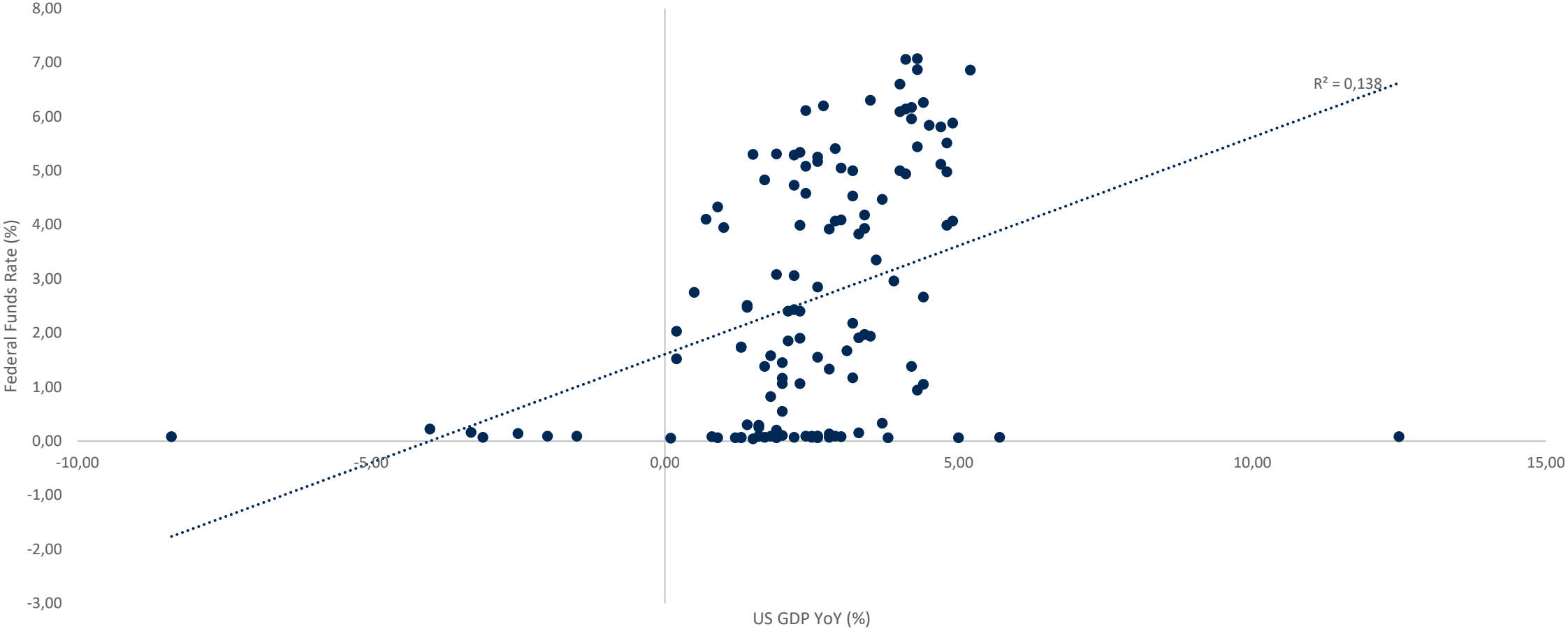
## Real GDP and Interest Rates: Post Volcker



Source: Prescient Investment Management, Bloomberg as at 29 Feb 2024

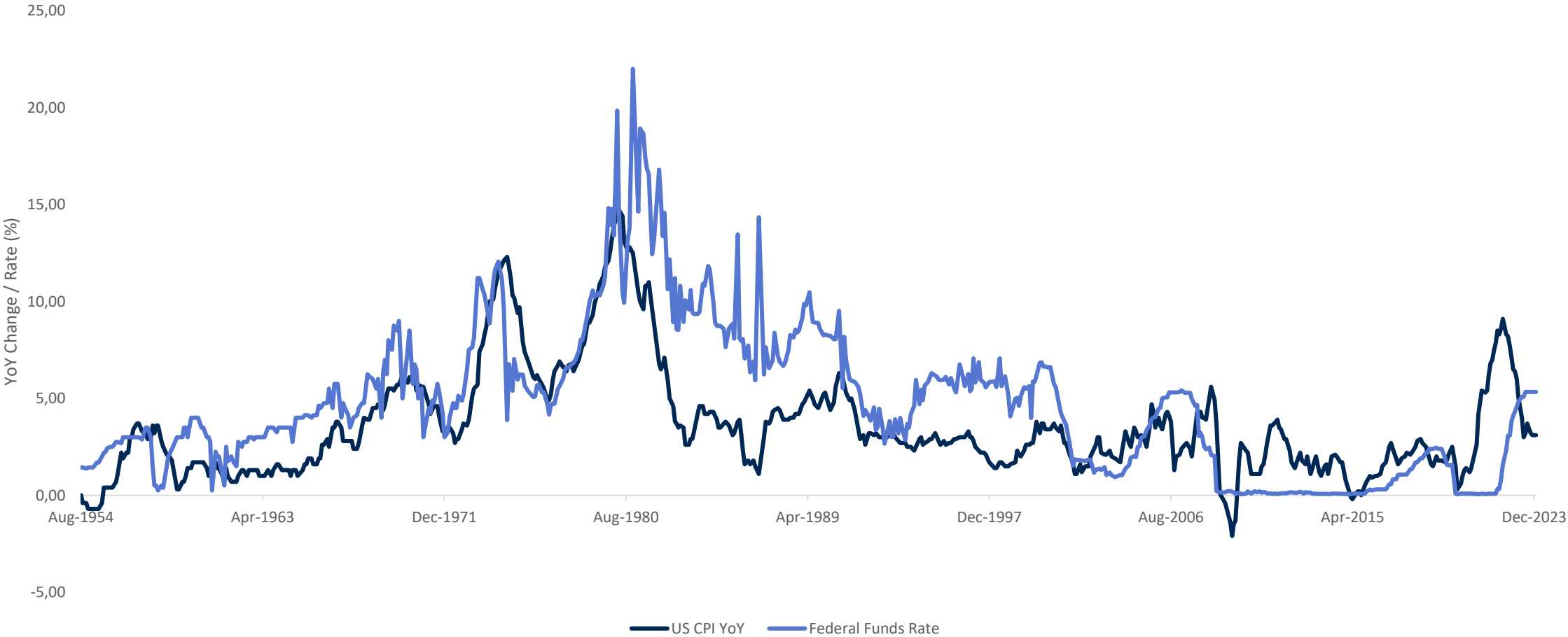
# GDP, INFLATION AND INTEREST RATES

## Real GDP and Interest Rates: Post Volcker



# GDP, INFLATION AND INTEREST RATES

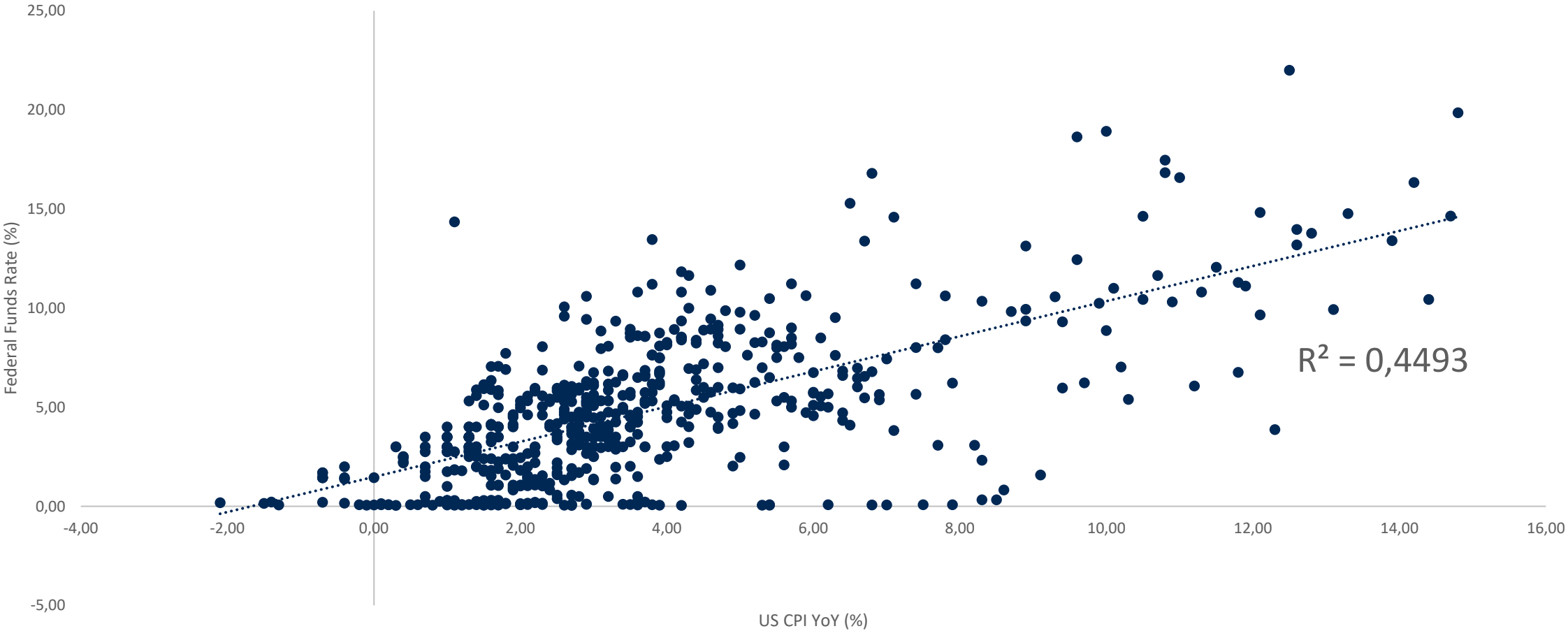
## Inflation and Interest Rates: Whole History



Source: Prescient Investment Management, Bloomberg as at 29 Feb 2024

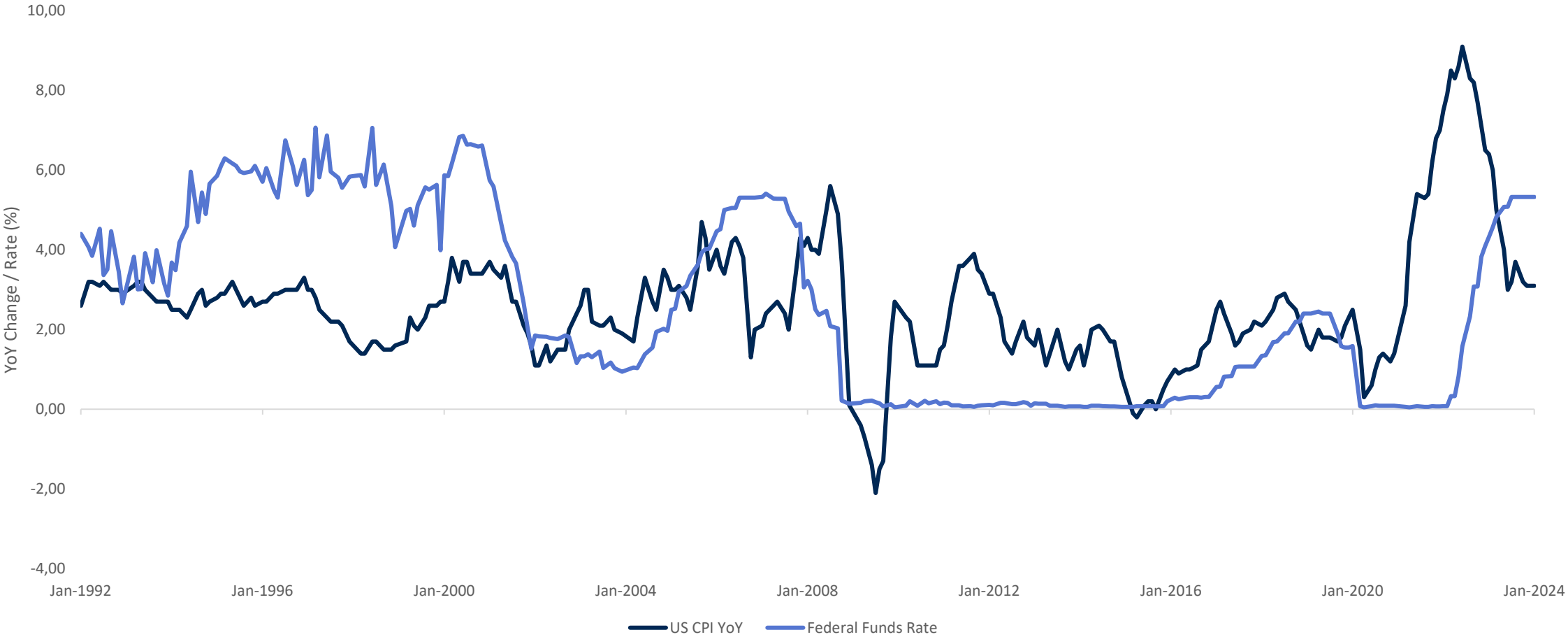
# GDP, INFLATION AND INTEREST RATES

## Inflation and Interest Rates: Whole History



# GDP, INFLATION AND INTEREST RATES

## Inflation and Interest Rates: Post Volcker



# GDP, INFLATION AND INTEREST RATES

## Deflationary Forces

### Debt

- Aging Population
  - Larger social welfare spend
  - Larger health care costs
  - Smaller tax base

### Demographics

- Lower birth rates
- Increasing old age dependency
- Large student debt profiles reduce ability to make capital purchases
- Lower consumption expenditure

### Disruption

- Artificial Intelligence
- Machine Learning
- Robotics
- Productivity enhancements

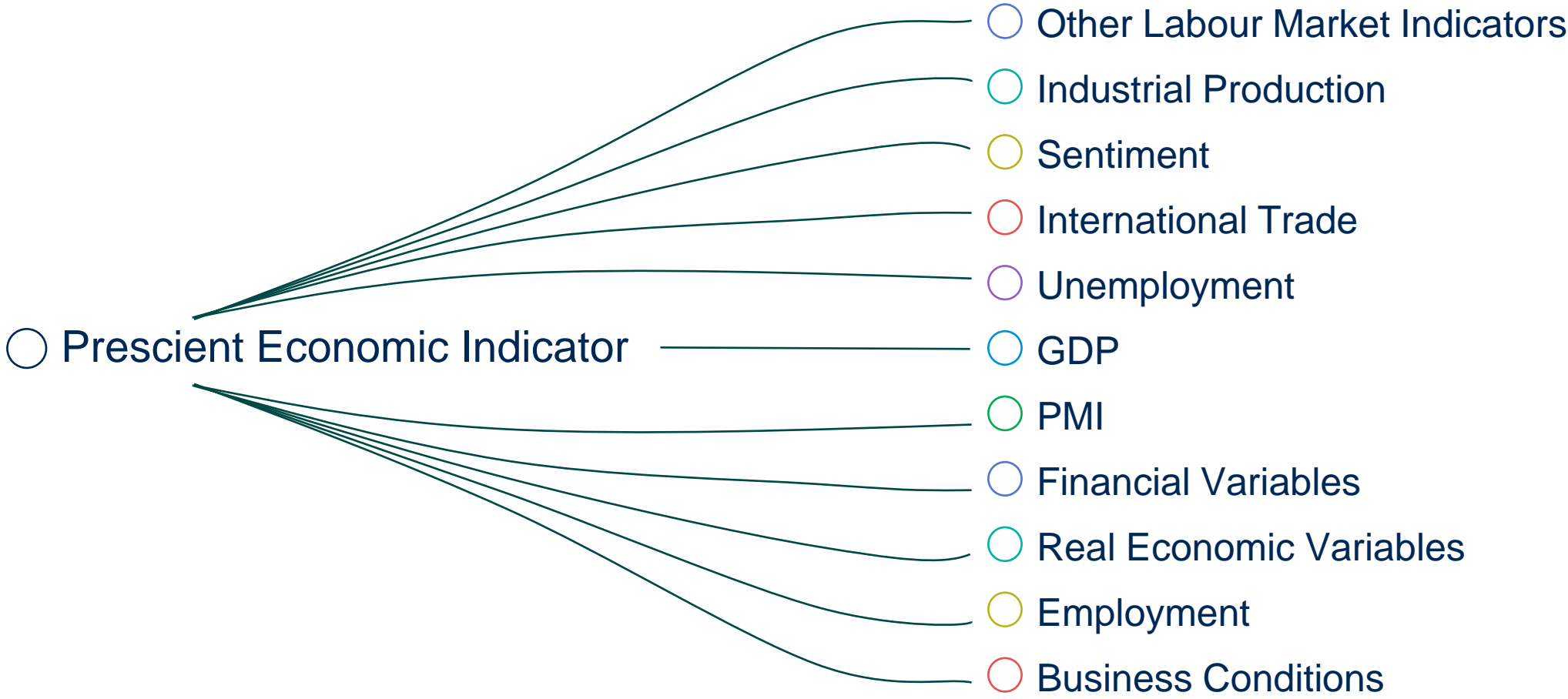




# PRESCIENT ECONOMIC INDICATOR

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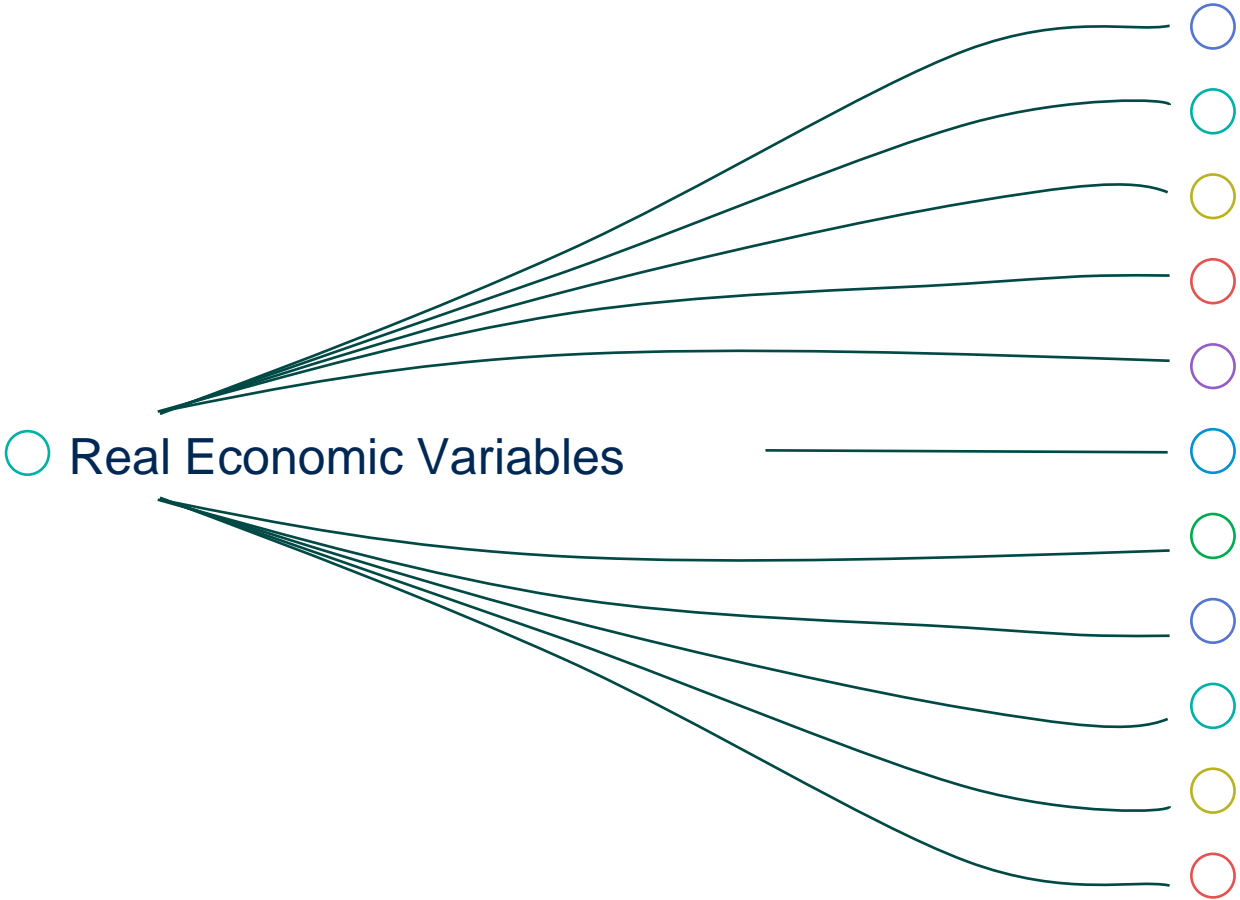
# PRESCIENT ECONOMIC INDICATOR US PEI



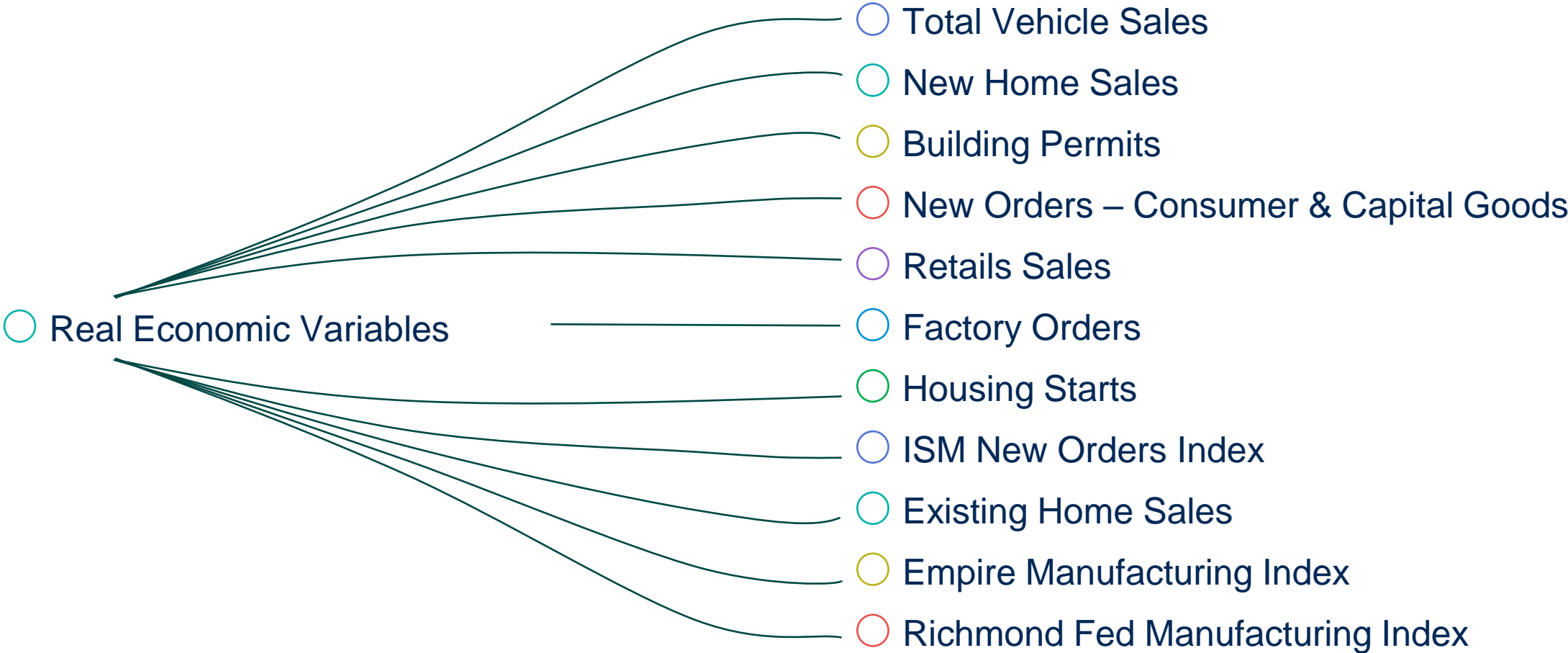
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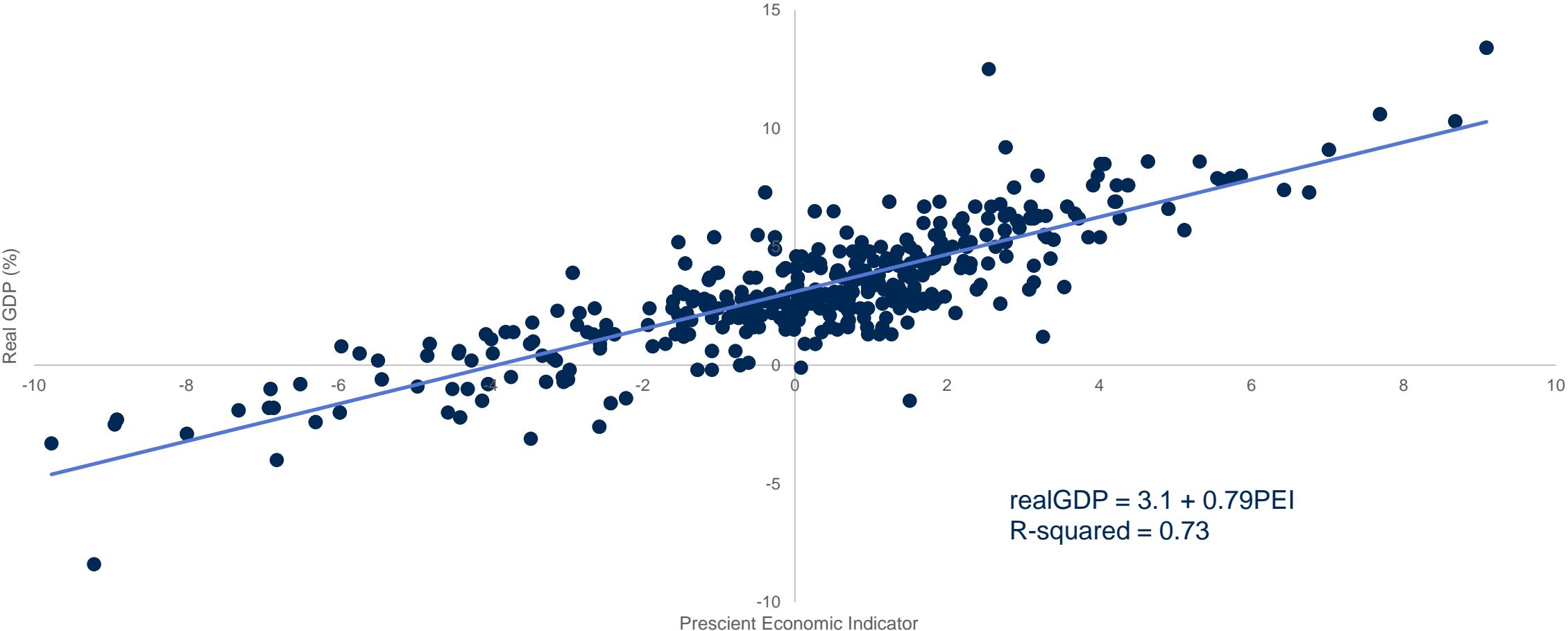
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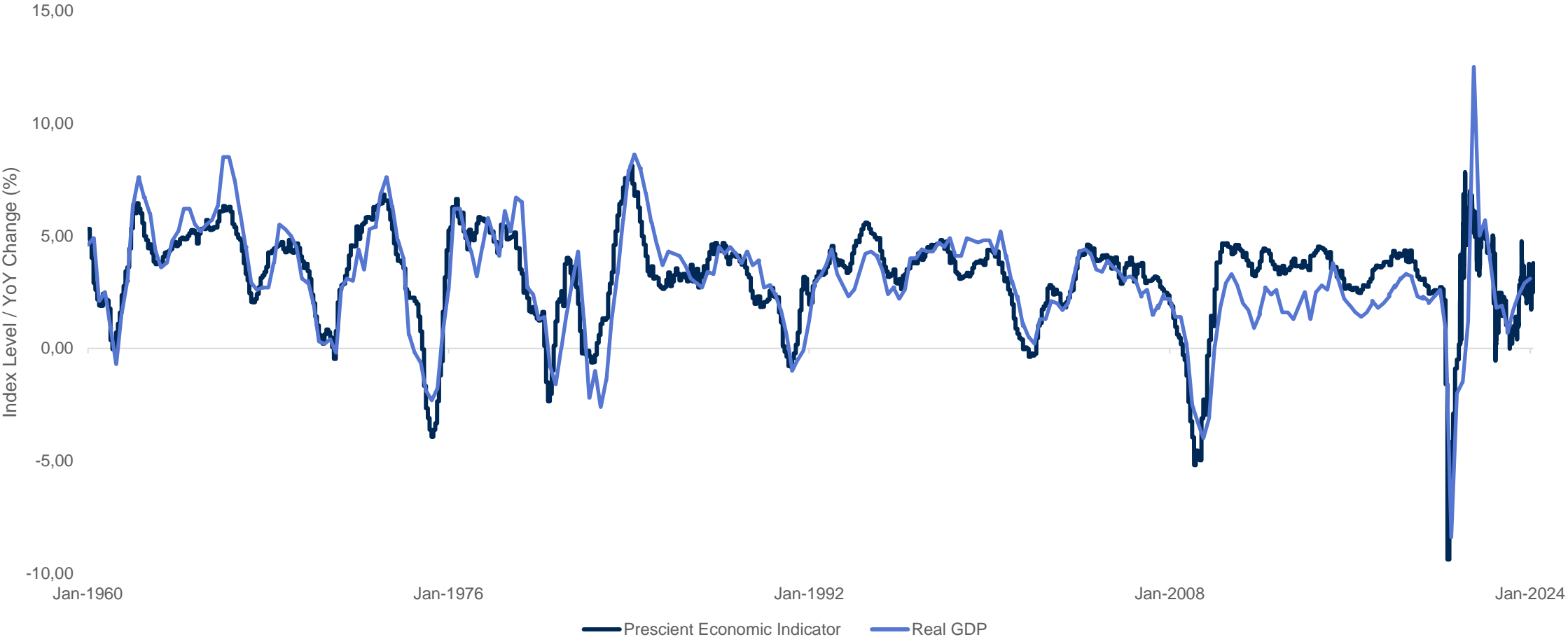
# PRESCIENT ECONOMIC INDICATOR US PEI



# PRESCIENT ECONOMIC INDICATOR US PEI vs US Real GDP



# PRESCIENT ECONOMIC INDICATOR US PEI and US Real GDP

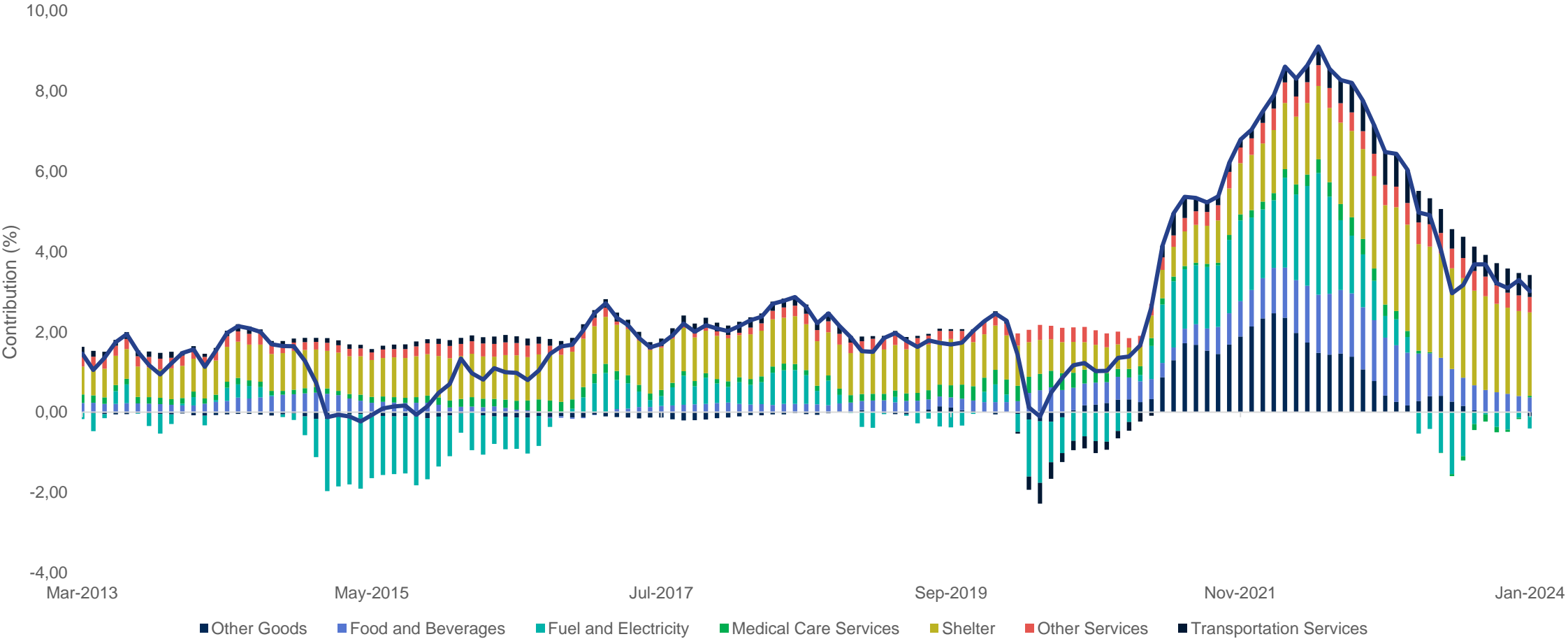






# — INFLATION

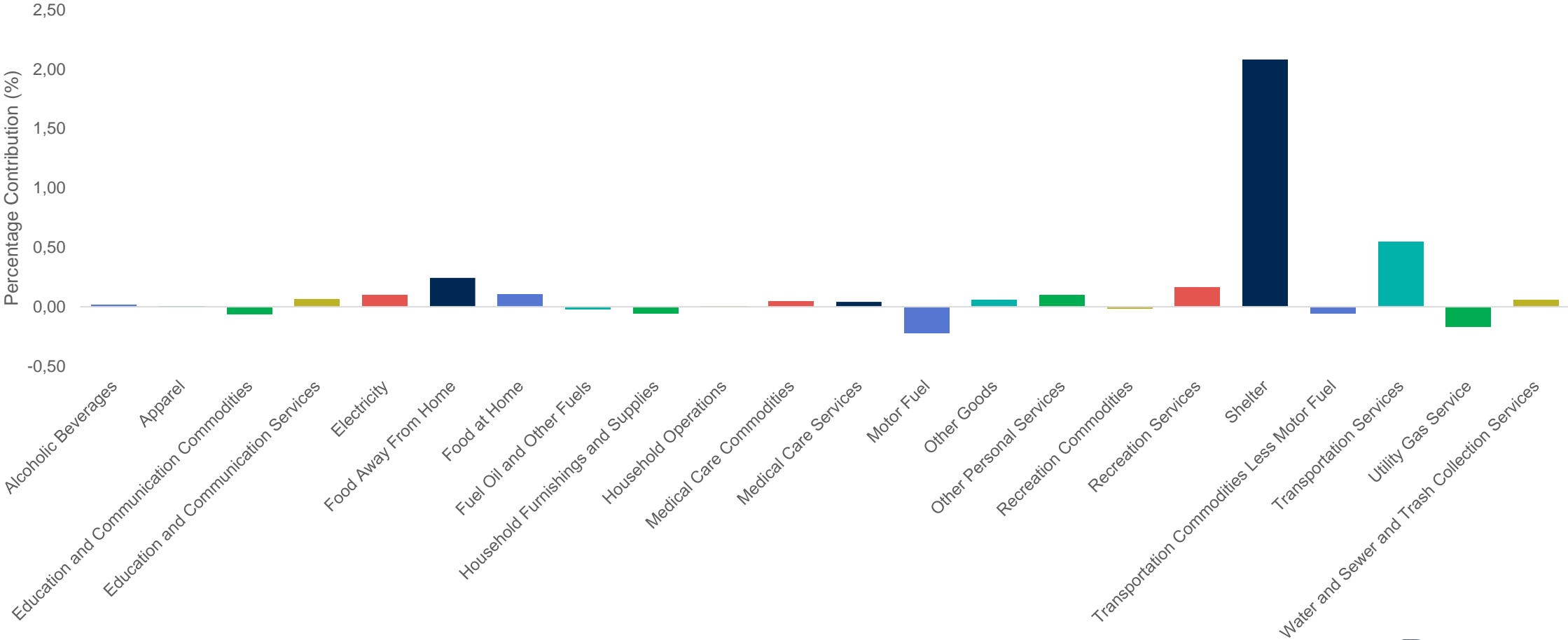
# INFLATION US CPI Decomposition



Source: Prescient Investment Management, Bloomberg as at 29 Feb 2024

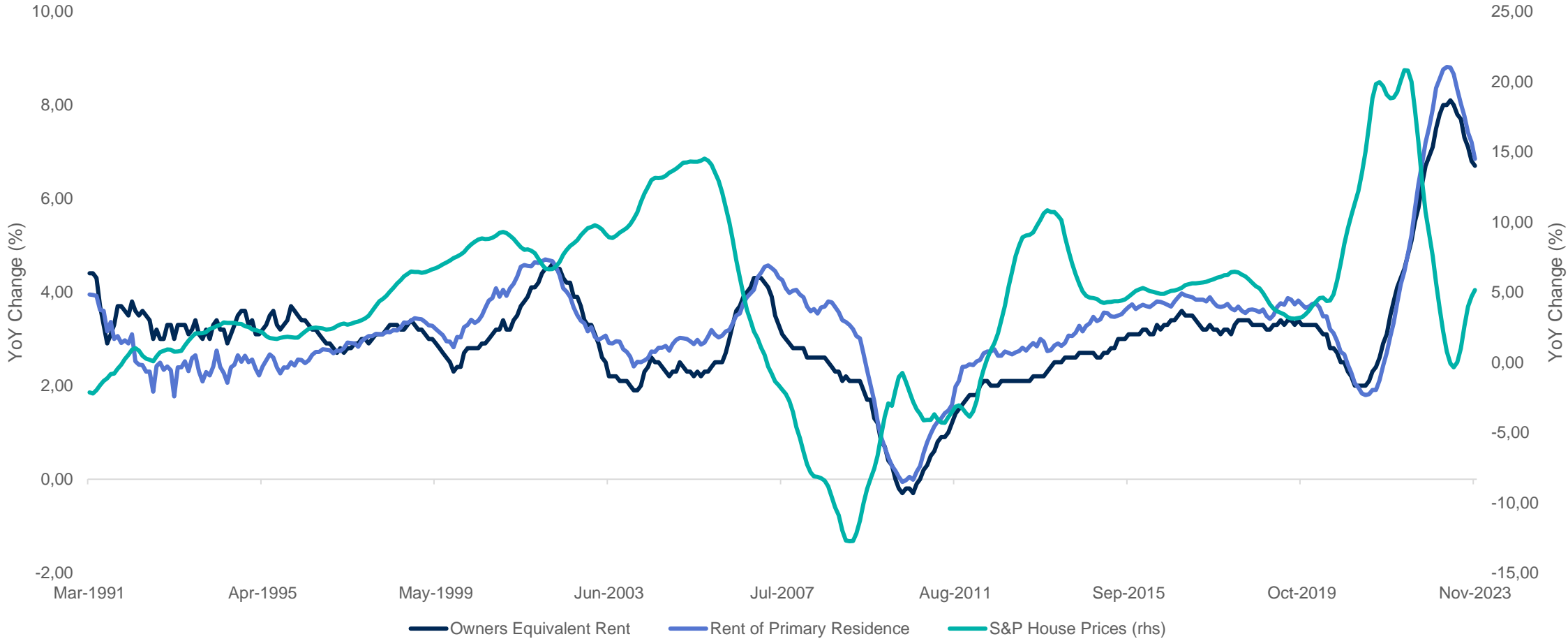
# INFLATION

## US CPI Latest Decomposition



# INFLATION

## OER, RPR vs House Prices



# INFLATION

## OER, RPR vs House Prices Shifted





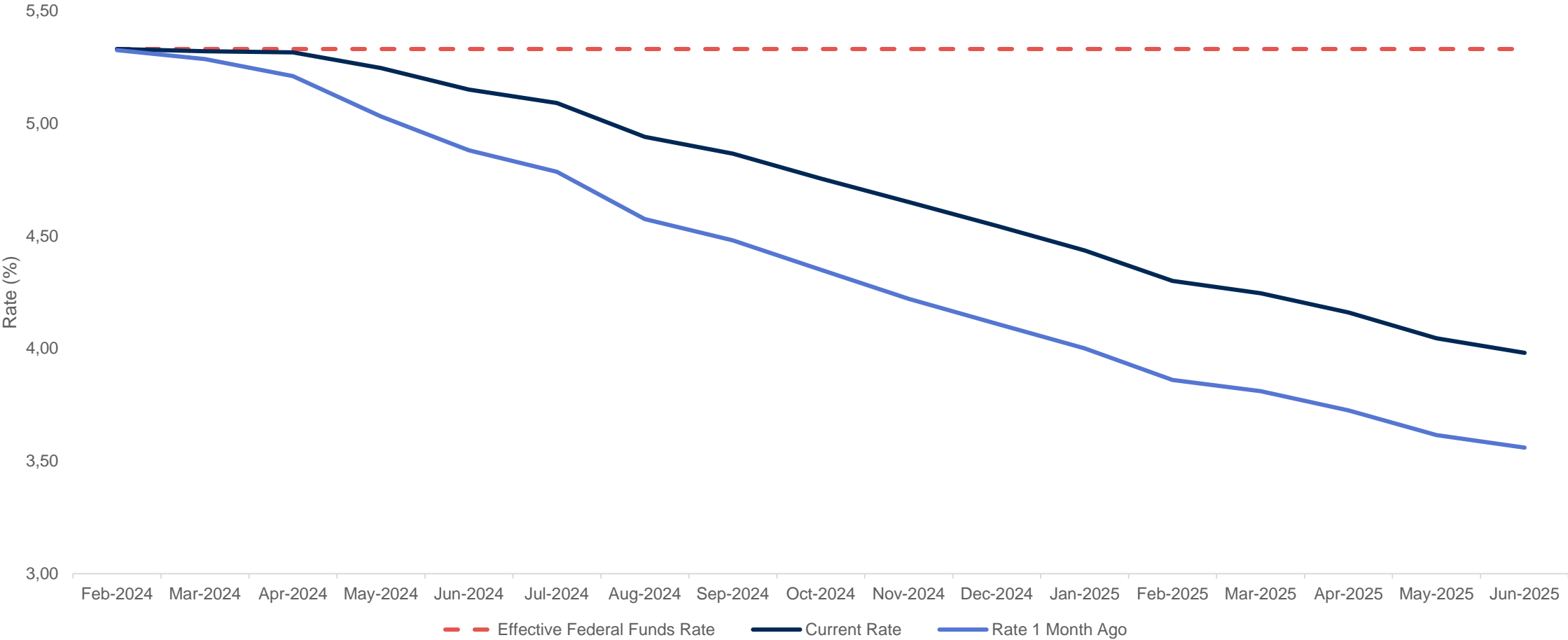
# INTEREST RATES

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# INTEREST RATES

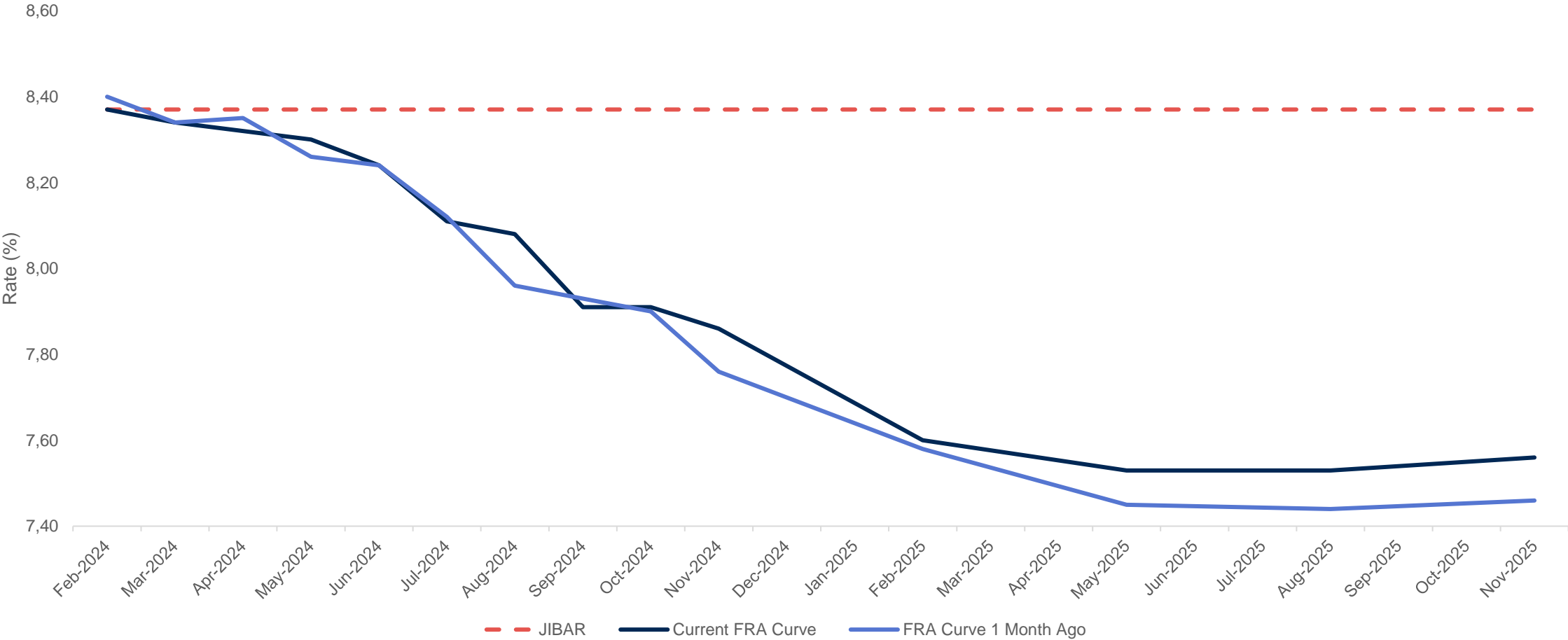
## US Fed Fund Futures





# INTEREST RATES

## SA FRA Curve



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# FRONT END / PRESCIENT INCOME PROVIDER FUND

FRONT END

# Prescient Income Provider Fund Positioning

AUM (Rmil)	Yield (%)	Spread (bp)	TTM (years)	Duration (years)
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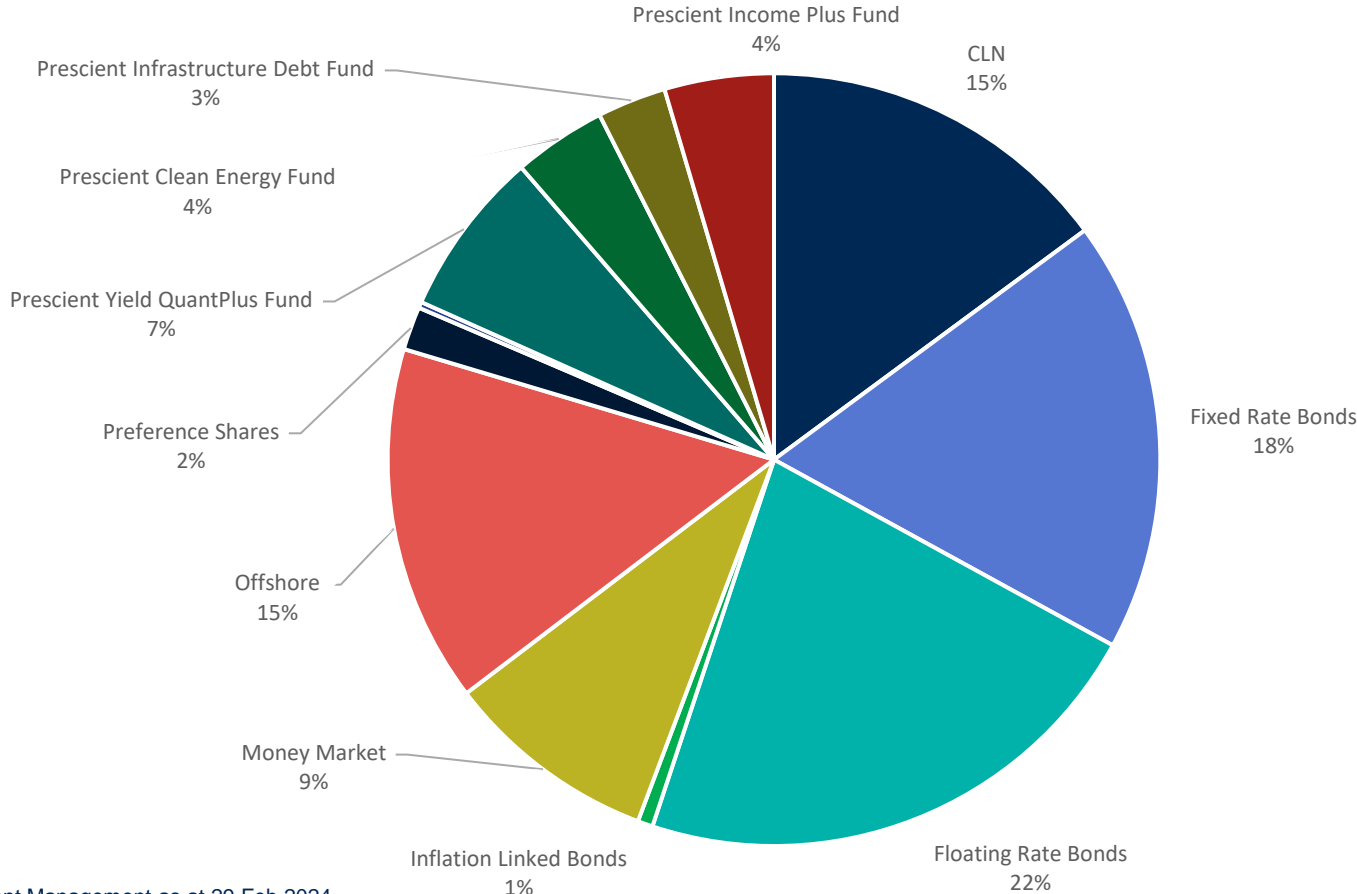
38,384

10,88

224

4,10

1,62



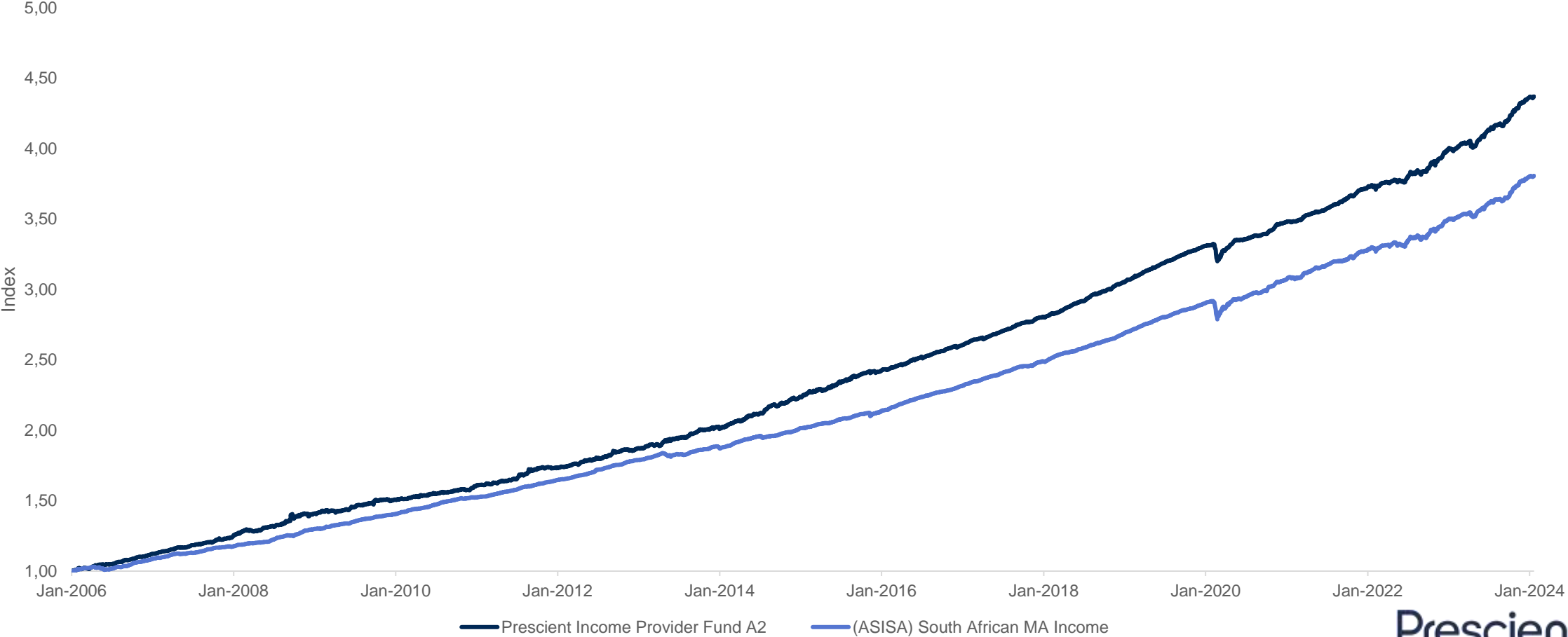
FRONT END

# Prescient Income Provider Fund A2 Performance vs Benchmark, Peers



FRONT END

# Prescient Income Provider Fund A2 Illustrative Performance vs Peers



Source: Prescient Investment Management, ProfileData as at 31 Jan 2024

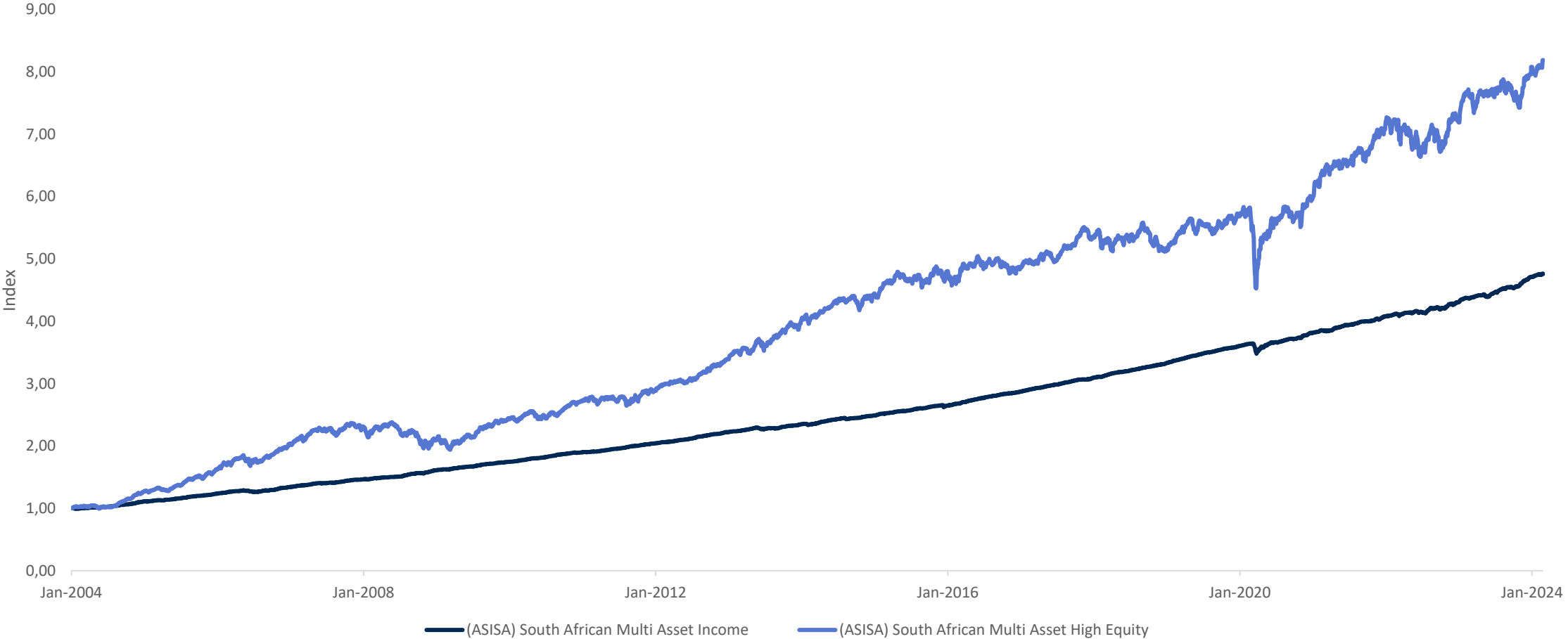
# LONG-TERM / PRESCIENT BALANCED FUND

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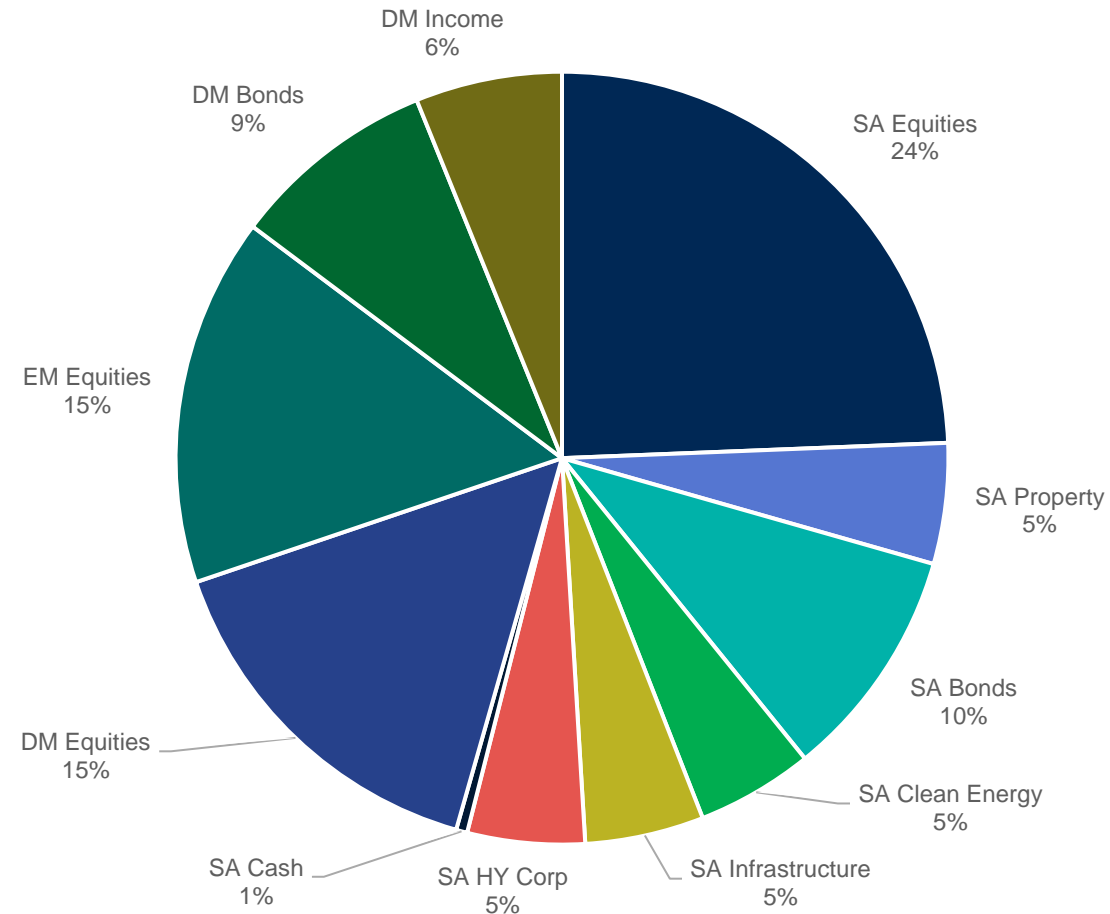


# LONG-TERM

# Short-term Consistency vs Long-Term Returns



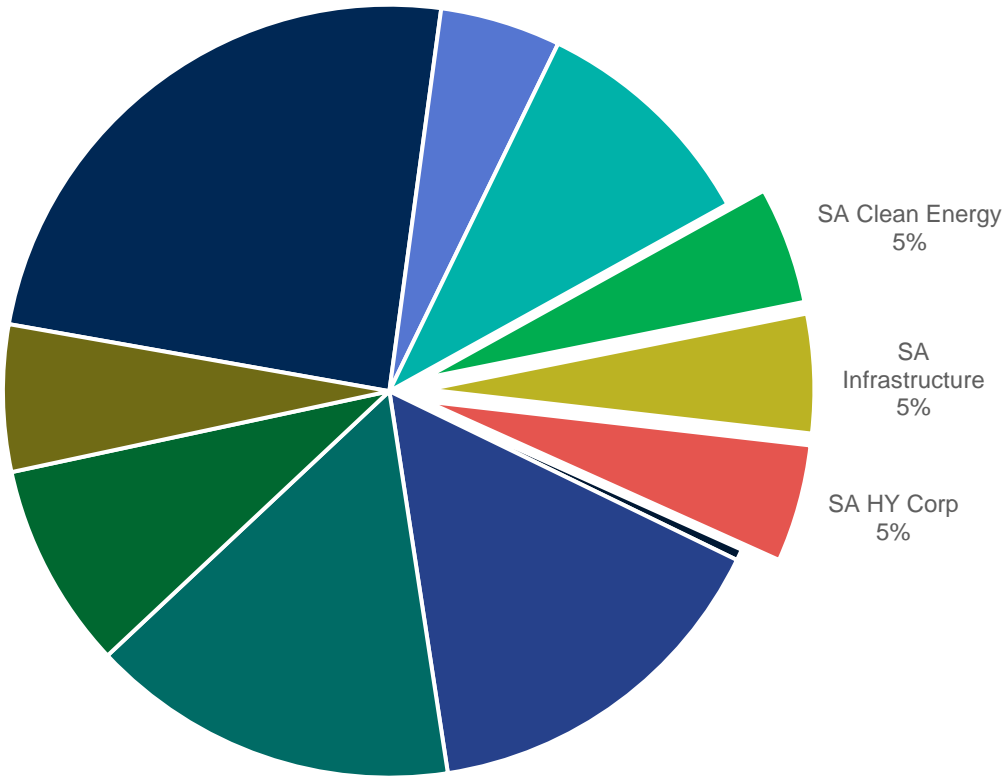
# LONG-TERM Prescient Balanced Fund Positioning





LONG-TERM

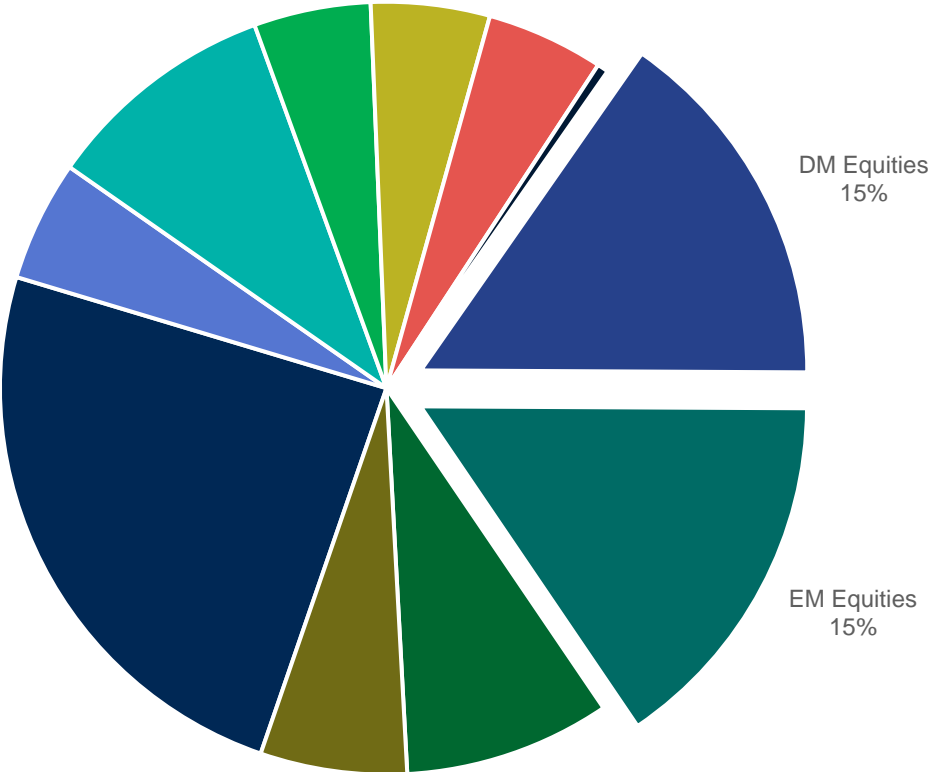
# Prescient Balanced Fund Positioning



	Clean Energy	Infrastructure	High Yield Credit
Yield	11.20%	12.45%	12.07%
Holdings	42	46	109

LONG-TERM

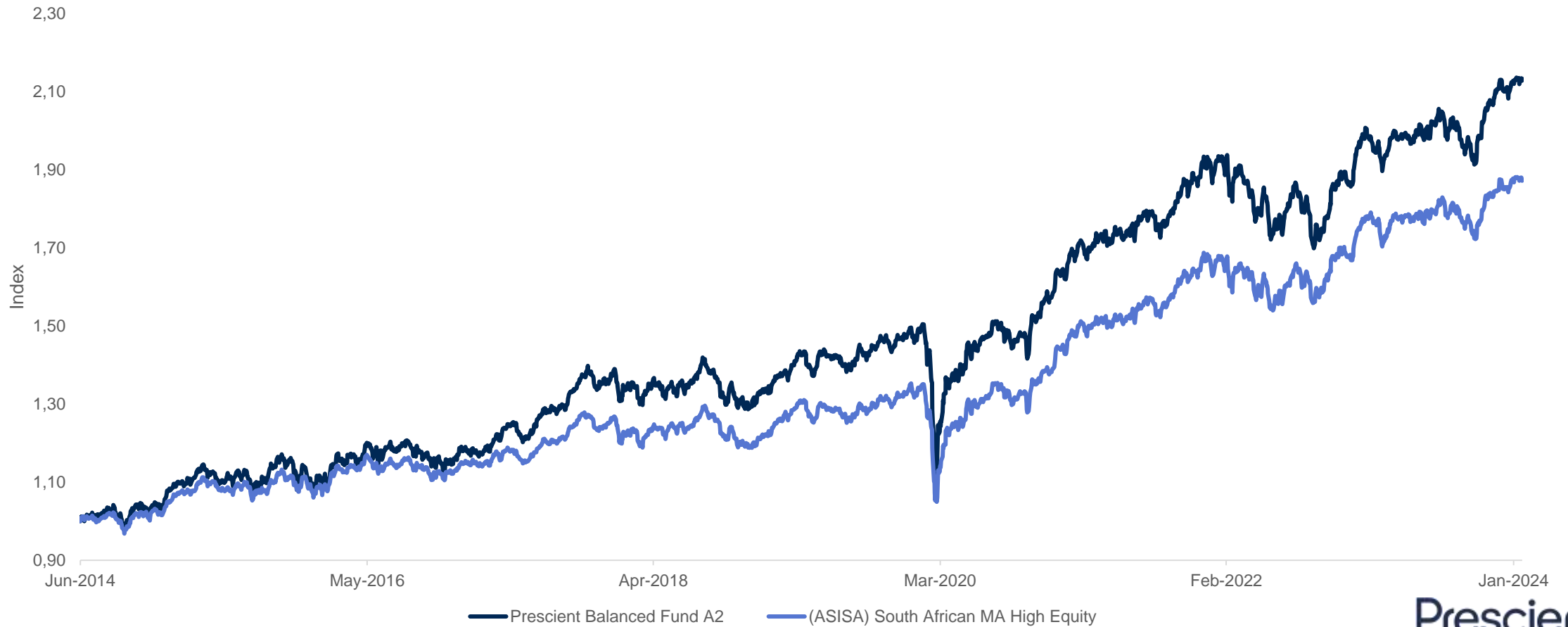
# Prescient Balanced Fund Positioning



	Top 40	DM EQ	EM EQ
Constituents	40	1480	1440
Standard Deviation (since 2000)	21%	17%	19%

LONG-TERM

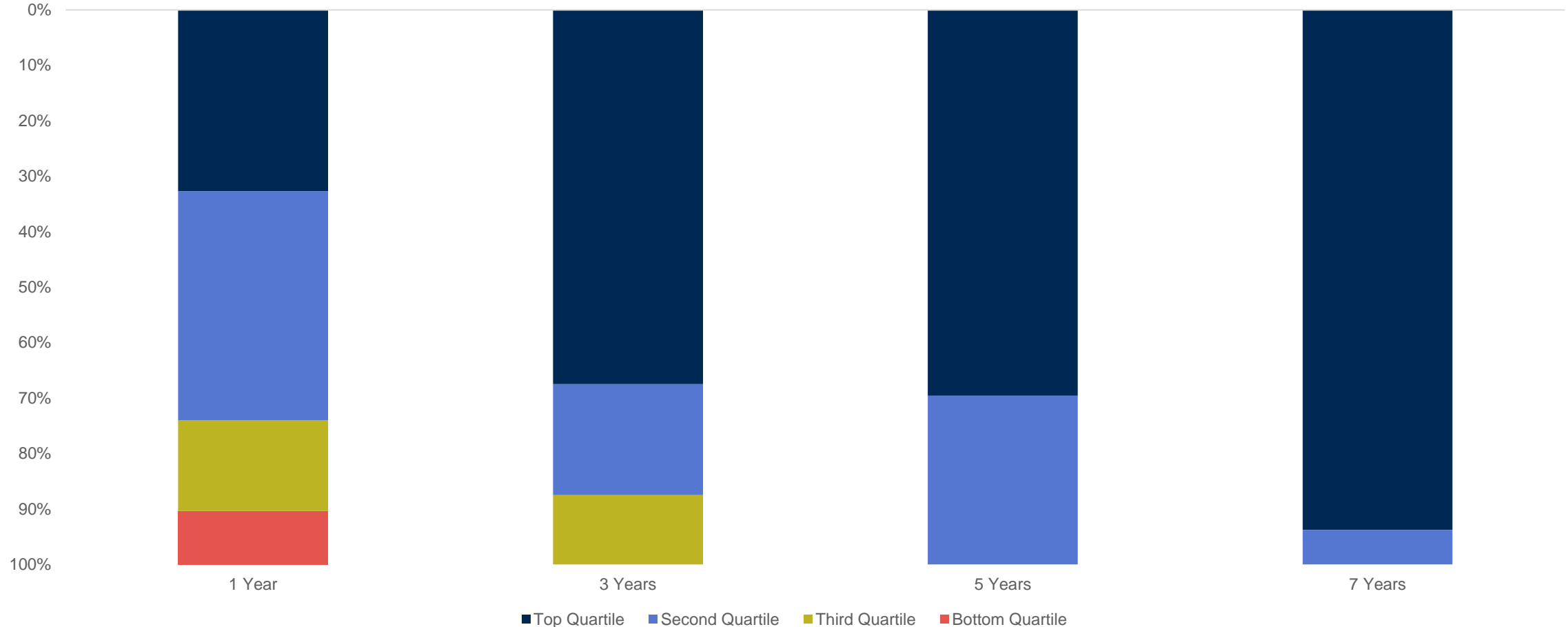
# Prescient Balanced Fund Illustrative Performance vs Peers



Source: Prescient Investment Management, ProfileData as at 31 Jan 2024

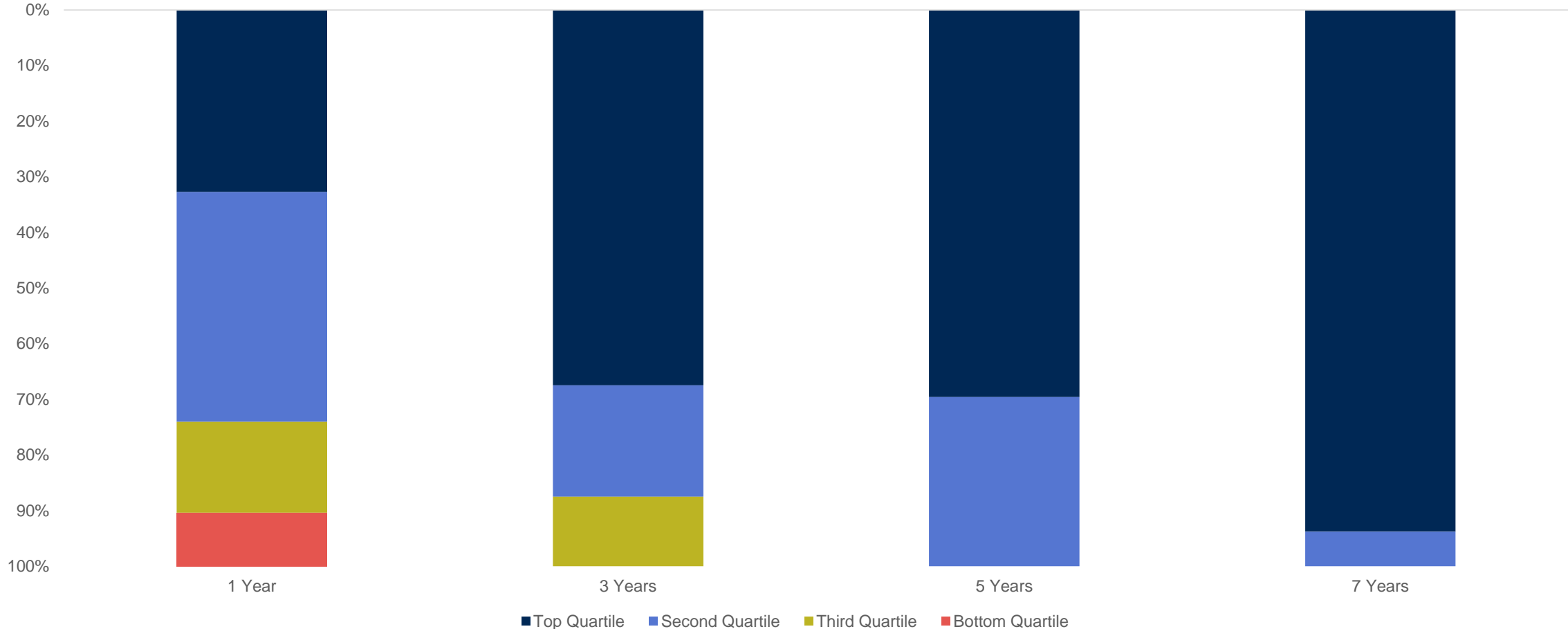
# LONG-TERM

# Prescient Balanced Fund Quartile Rankings



# LONG-TERM

# Prescient Balanced Fund Quartile Rankings



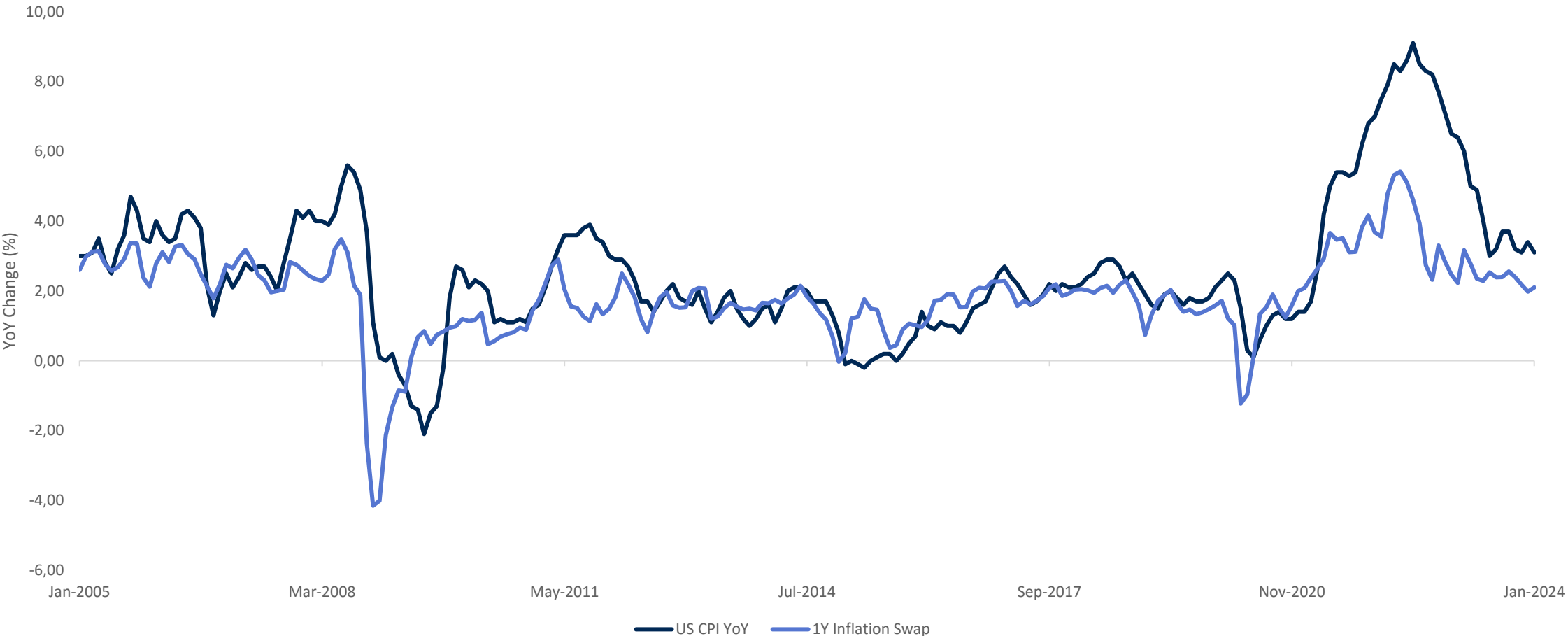
# CONCLUSION

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# CONCLUSION

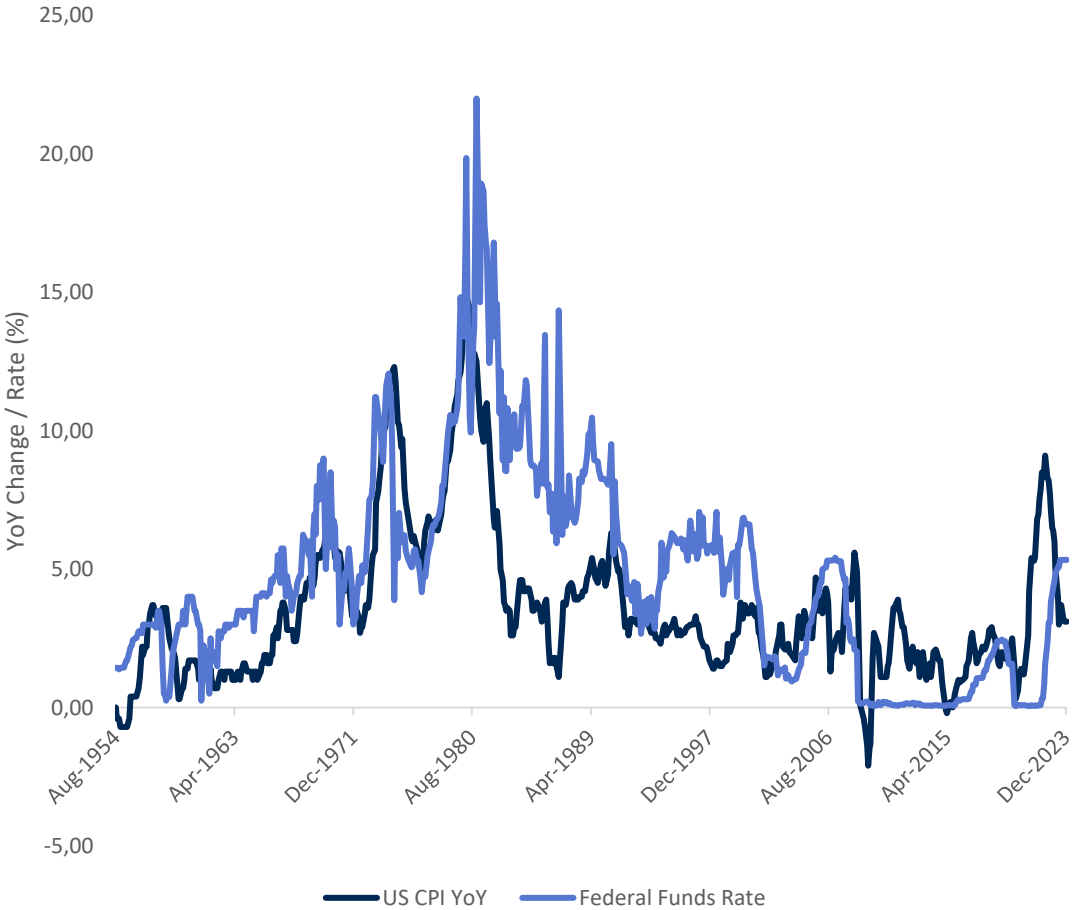
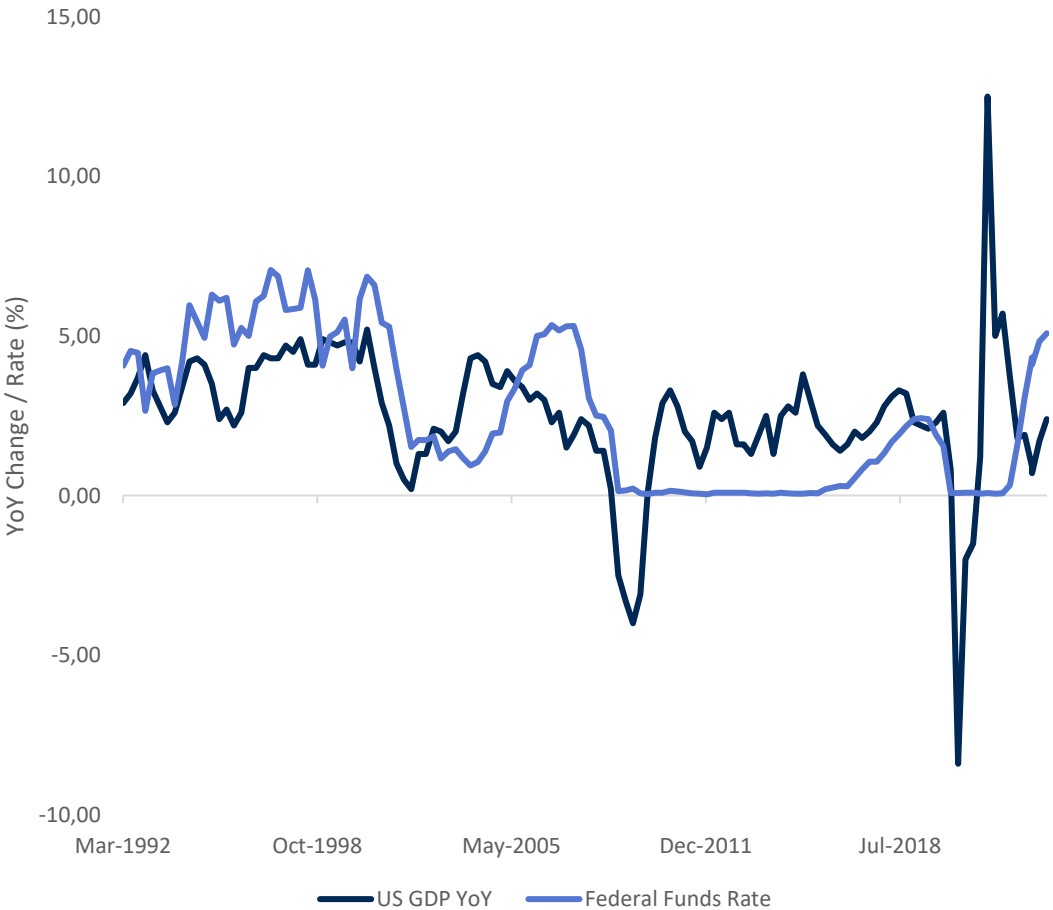
## Inflation Will Come Down





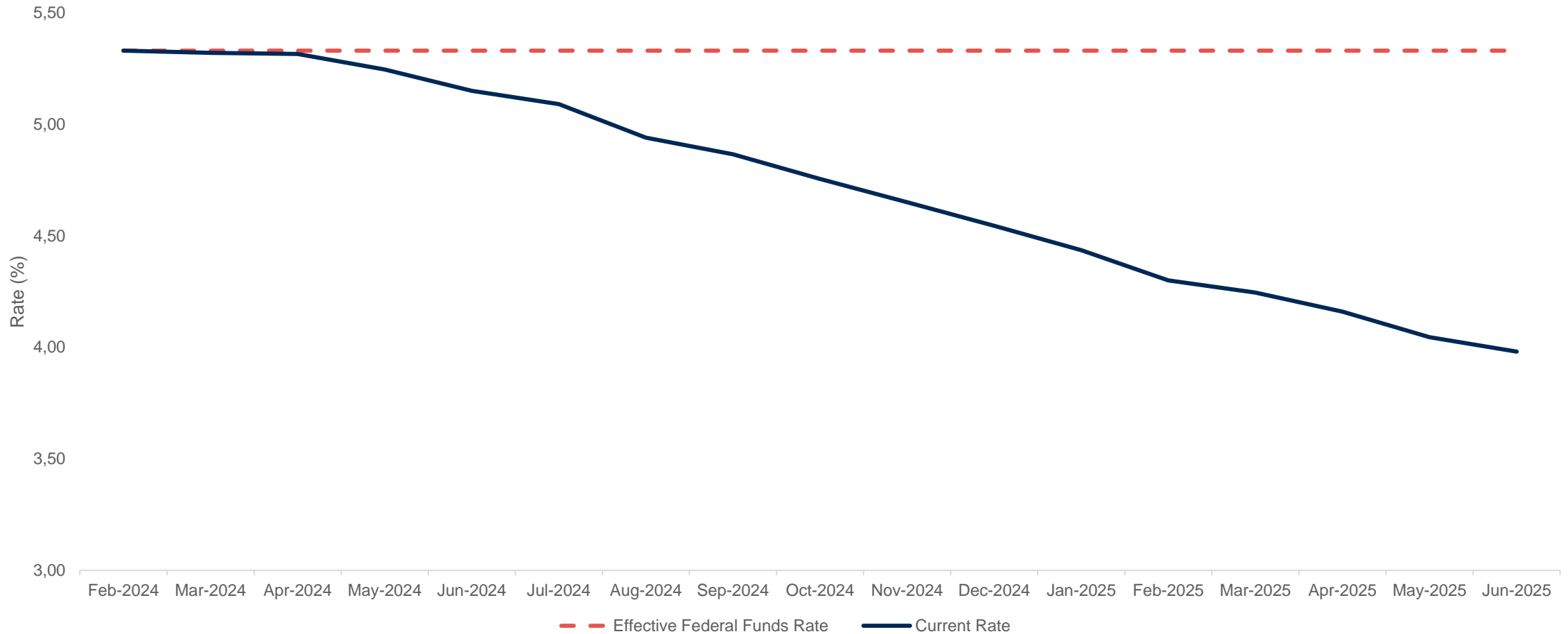
# GDP, INFLATION AND INTEREST RATES

## GDP, Inflation and Interest Rates



# CONCLUSION

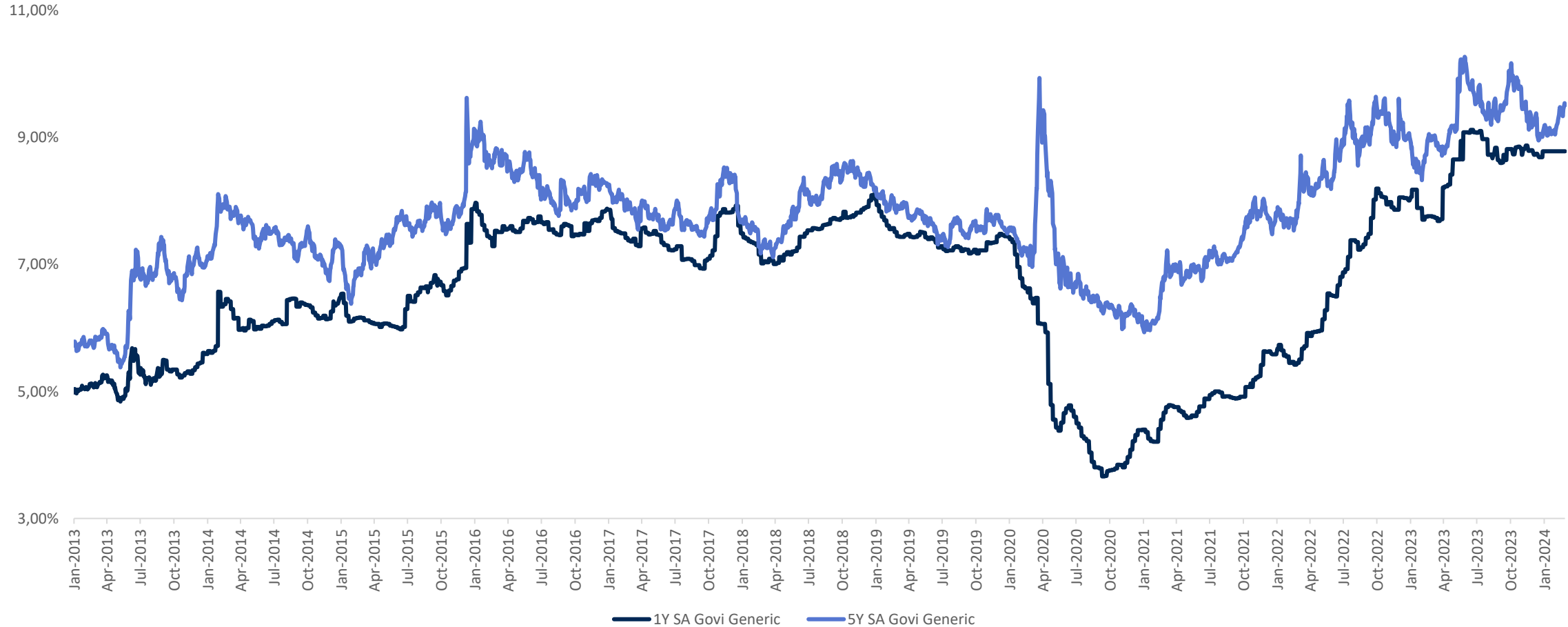
## And Interest Rates Will Follow



Source: Prescient Investment Management, Bloomberg as at 29 Feb 2024

# CONCLUSION

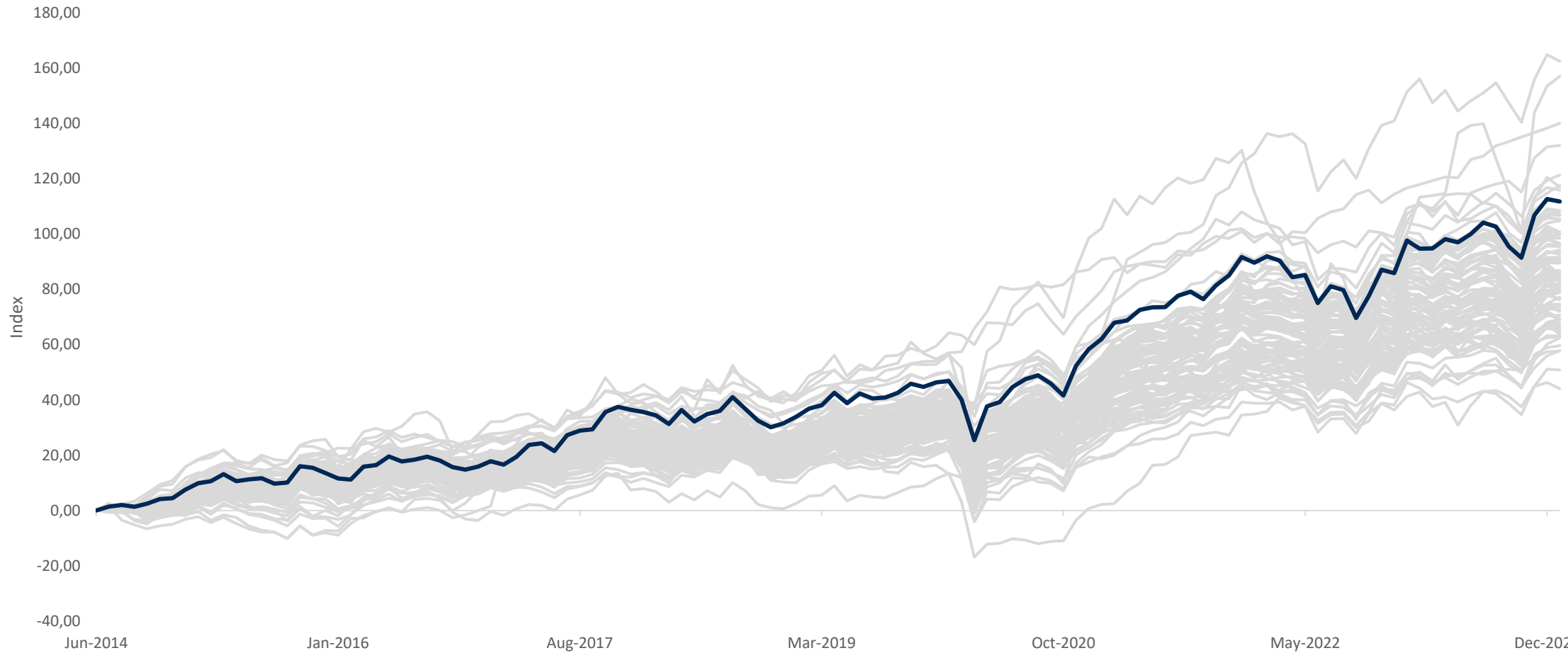
# Take Advantage of High Rates Now



Source: Prescient Investment Management, Prescient Securities as at 29 Feb 2024

# CONCLUSION

# While Aiming For a Long-Term Diversified Portfolio



Source: Prescient Investment Management, PprofileData as at 29 Feb 2024

# THANK YOU

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# Prescient

INVESTMENT MANAGEMENT

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