



# Prescient

INVESTMENT MANAGEMENT

## Markets, Machines & Money

The evolution of technology in investment management



# 01

## SECTION ONE

# Five decades of **evolution**





01 · FIVE DECADES · THE FOUNDATION

● 1970s–80s

Mainframes & the spreadsheet

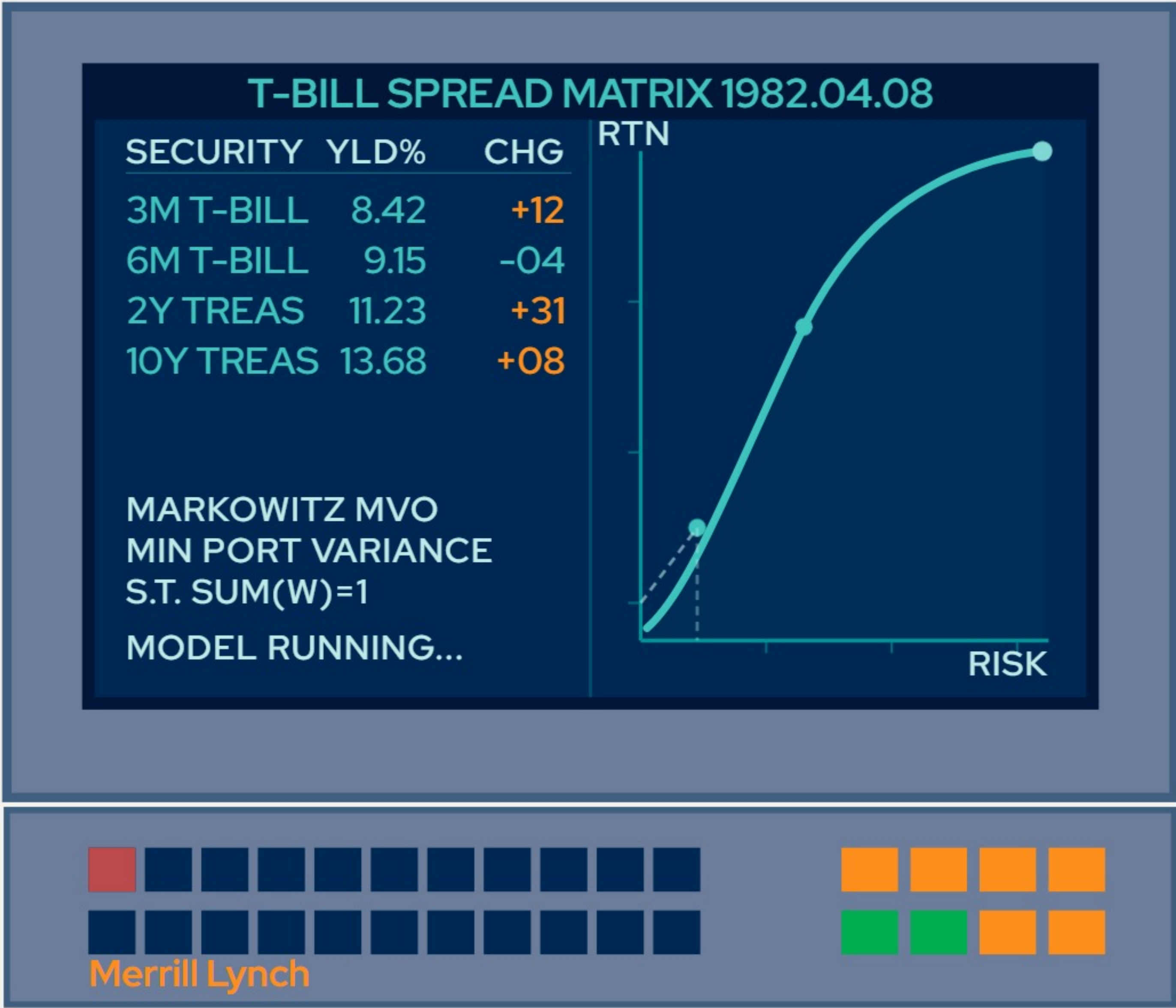
- > **Theory becomes computable.** Markowitz's mean-variance optimisation, unworkable by hand, finally runs on a machine.
- > **The spreadsheet lands.** VisiCalc (1979) then Lotus 1-2-3 put portfolio maths on every analyst's desk.
- > **The market gets wired.** The Bloomberg terminal (1982) turns scattered prices into a live data feed.

1979

VISCALC SHIPS

1982

BLOOMBERG TERMINAL





## 01 · FIVE DECADES · QUANT TAKES HOLD

# ● 1990s

Desktop quant & risk

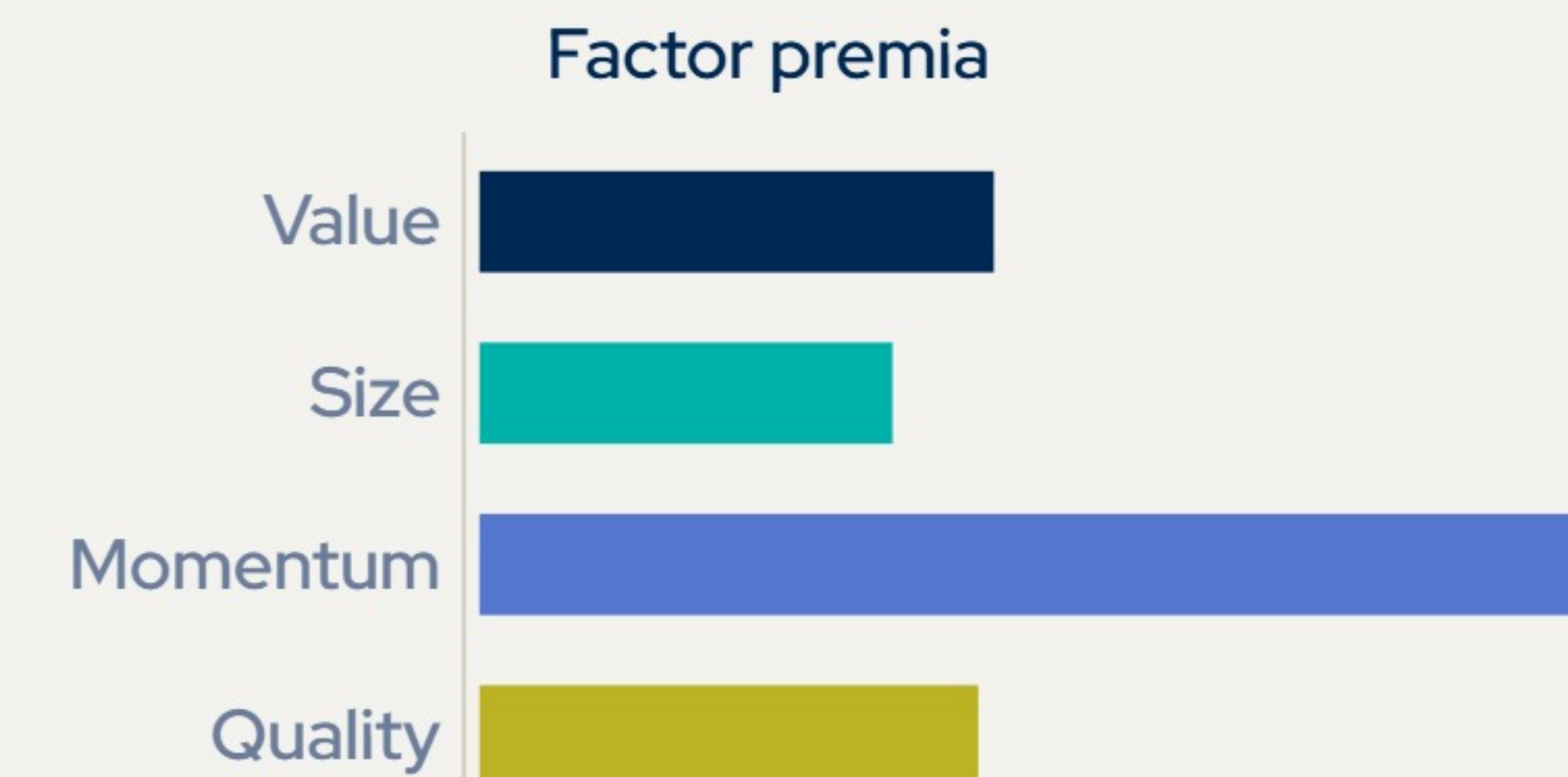
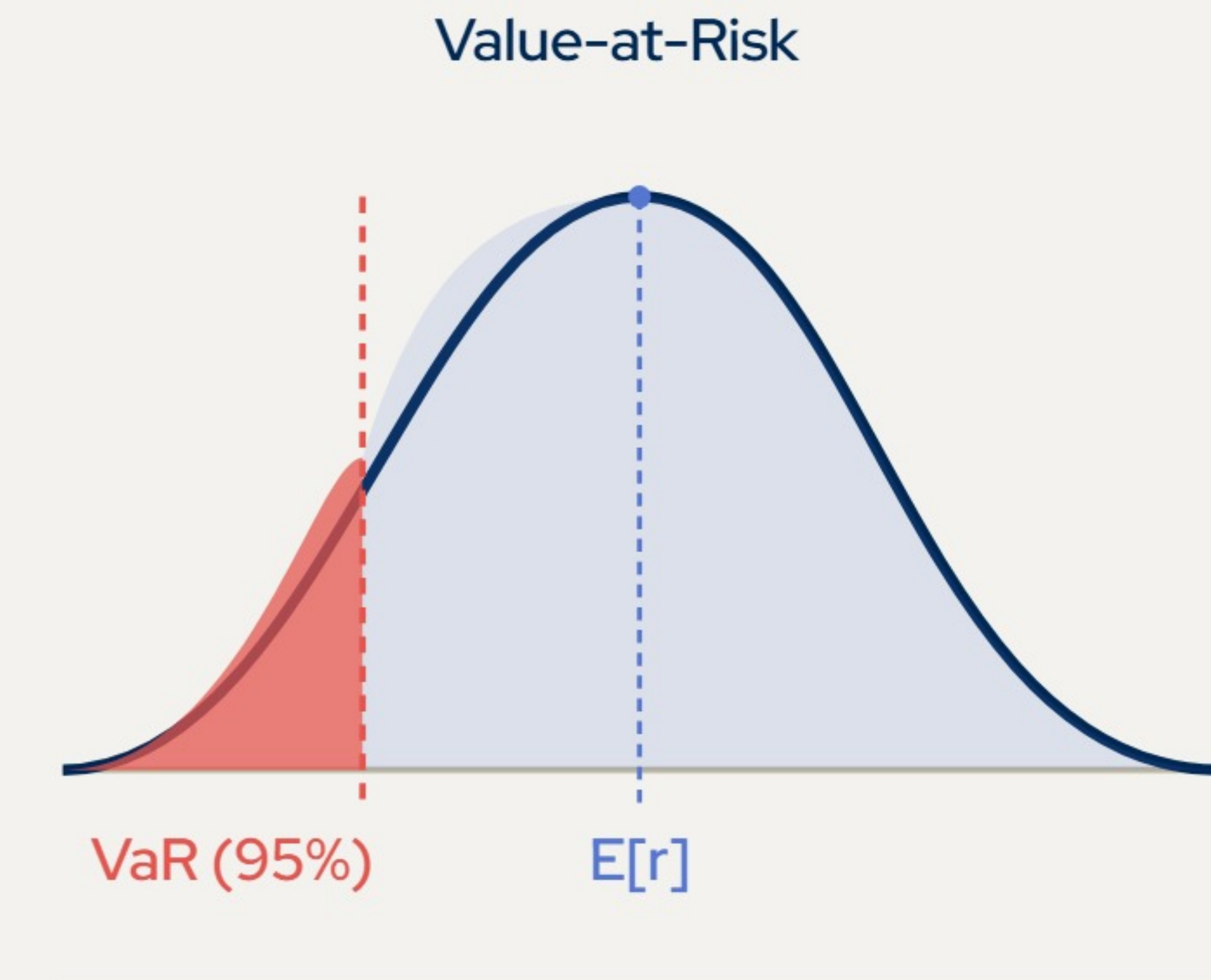
- **Risk gets a number.** J.P. Morgan's RiskMetrics (1994) makes Value-at-Risk a daily, comparable measure.
- **Factors go mainstream.** Fama-French and index funds reframe returns as systematic exposures.
- **Screens replace shouting.** Electronic quotes and early program trading take hold.

1994

RISKMETRICS / VAR

95%

CONFIDENCE, DAILY





## 01 · FIVE DECADES · MARKETS GO ELECTRONIC

# ● 2000s

Algorithmic trading

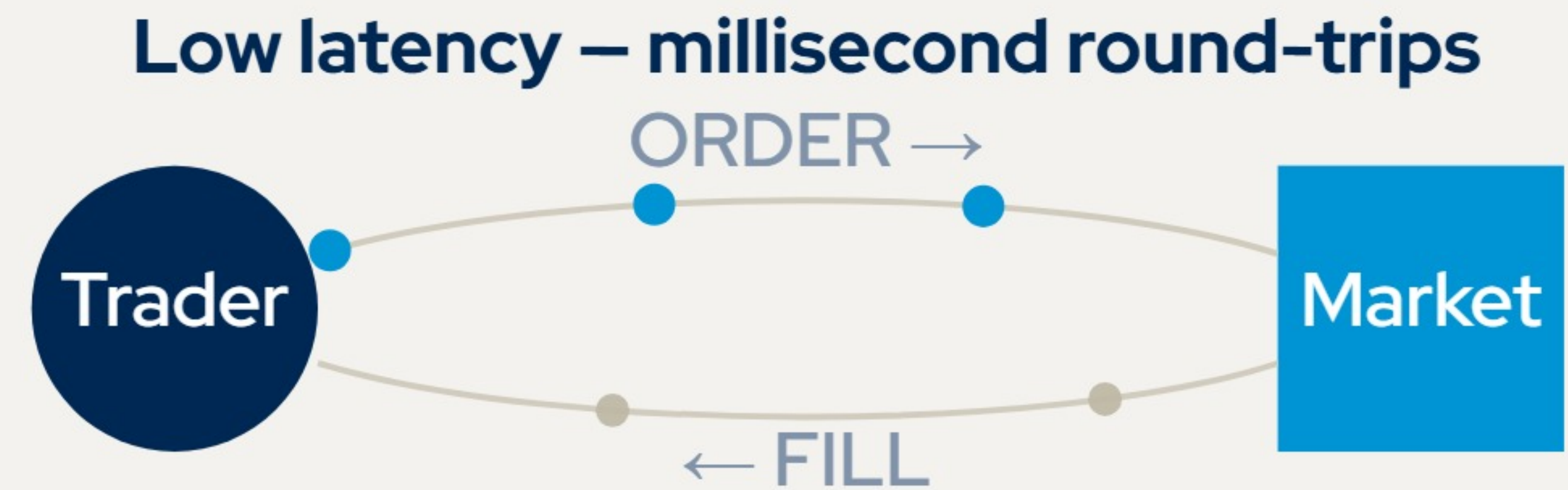
- > **Execution becomes code.** Decimalisation and direct market access let algorithms slice orders by the millisecond.
- > **ETFs scale.** Cheap, liquid exposure reshapes how portfolios are built.
- > **Data warehouses arrive.** The first quant funds run at serious size.

**ms**

EXECUTION LATENCY

**ETFs**

GO MAINSTREAM



algo fills & ETF growth





## 01 · FIVE DECADES · THE DATA EXPLOSION

### ● 2010s

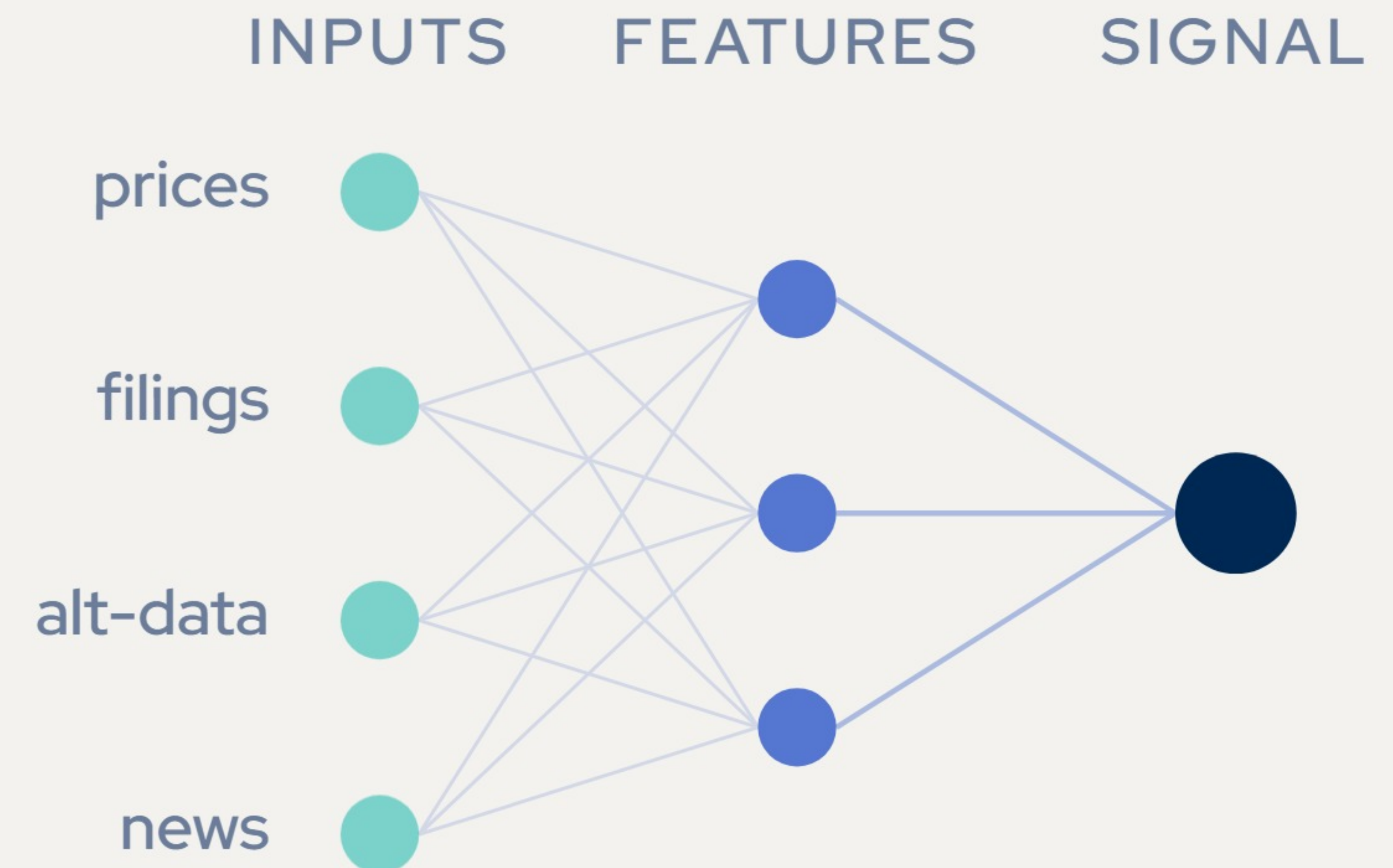
Big data & machine learning

- > **Alternative data.** Satellite imagery, card spend and web traffic become investable signals.
- > **Python & R everywhere.** Open-source ML moves from labs onto the investment floor.
- > **The cloud removes the ceiling.** Compute becomes elastic; NLP starts reading filings and news.

**Cloud** **NLP**

ELASTIC COMPUTE

READS TEXT AT SCALE





## 01 · FIVE DECADES · THE PRESENT

# ● 2020s

Generative AI & LLMs

- > **Machines reason over language.** Models like Claude read long documents, code and data, not just numbers.
- > **From copilots to agents.** Research assistants that draft, check and act, supervised by humans.
- > **Weeks compress to minutes.** Tasks that filled an analyst's week now finish over a coffee.

**LLMs**  
REASON OVER TEXT

**Agents**  
DO THE LEGWORK





# 02

## SECTION TWO

# Why the winners **prepared early**

THE PATTERN

**Data & compute, built early**

THE CULTURE

**Scientists & engineers first**

THE PAYOFF

**Ready when the wave hit**



## 02 · THE BOUNDARY-PUSHERS · 1 OF 4

# NETFLIX

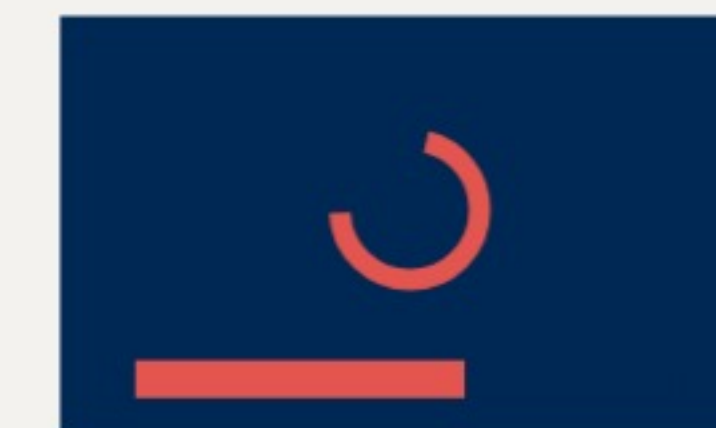
- > **Started as DVDs by mail.** A rental business while Blockbuster owned the high street.
- > **Pivoted to streaming early.** Bet on streaming in 2007, before broadband made it obvious.
- > **First-mover advantage.** Owned the category as the whole world caught up.

## 2007

STREAMING, YEARS EARLY



1997 · DVDs by mail



2007 · streaming, dial-up slow



2010s · broadband, cheaper & faster



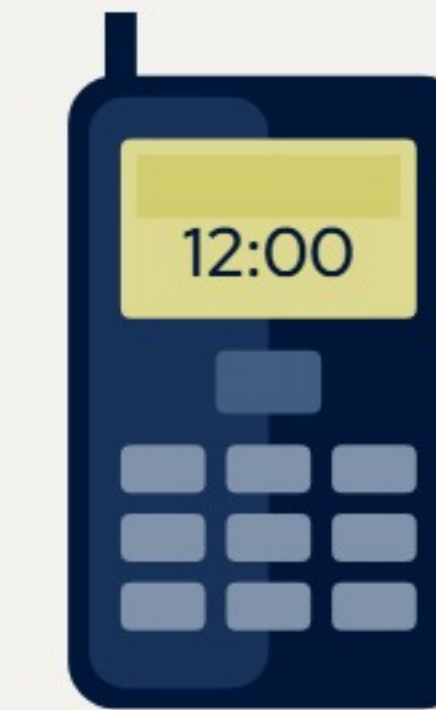
## 02 · THE BOUNDARY-PUSHERS · 2 OF 4

# iPhone

- > **Reimagined the product.** 2007: one slab of glass replaced the phone, the iPod and the browser.
- > **Then opened the platform.** The App Store (2008) let the world build on it: an app economy overnight.
- > **Rewired every market.** Nokia and BlackBerry collapsed; mobile became the default channel for everything.

## 2007

PRODUCT → PLATFORM



Before: a phone was a keypad



2007: one screen · 2008: everyone builds on it

The market flips in five years





## 02 · THE BOUNDARY-PUSHERS · 3 OF 4

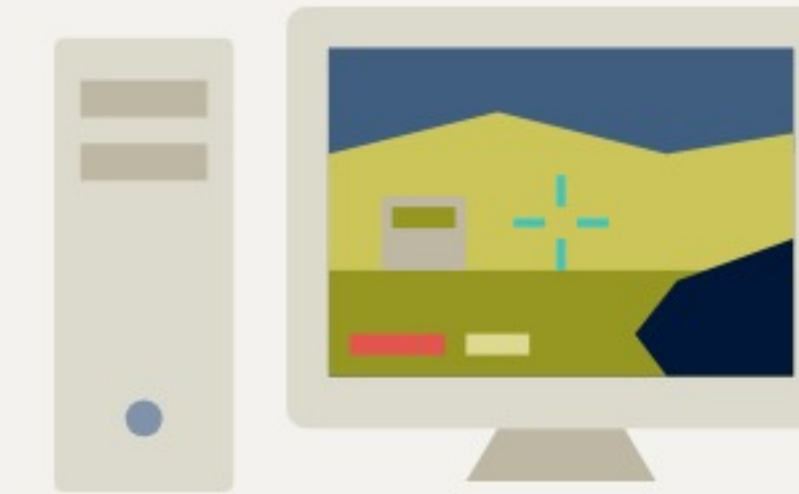


# NVIDIA®

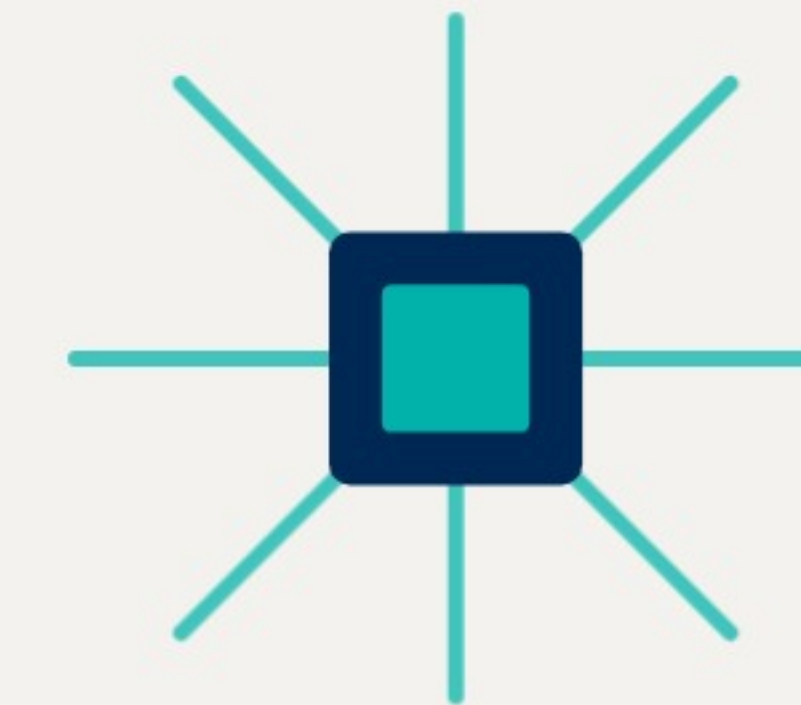
- > **Built chips for gamers.** GeForce (1999): graphics processors for a niche that wanted prettier games.
- > **Bet on parallel compute.** CUDA (2006) let researchers run anything on a GPU, years before the payoff.
- > **Became the AI powerhouse.** Every frontier model trains on its silicon; the chip shortage is the story of the decade.

## 2006

GAMING → GENERAL COMPUTE



1999: graphics cards for gamers



2006: CUDA opens the GPU to any workload

2020s: the engine of the AI build-out



every frontier model trains here



# The quant pioneers

|                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br><b>Renaissance Technologies</b><br>Scientists, not traders, extracting signal from noise on private compute since the 1980s.<br><hr/> <b>Medallion</b> · 5% / 44% | <br><b>Bridgewater</b><br>Investment logic codified into explicit, machine-readable decision rules, rules, not gut-feel.<br><hr/> <b>Pure Alpha</b> · 2% / 20% | <br><b>Two Sigma</b><br>An engineering culture: petabyte data lakes and thousands of compute cores.<br><hr/> <b>Spectrum</b> · 3% / 30% |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Flagship fund & fees (management / performance) are widely-reported, approximate figures.



02 · THE BOUNDARY-PUSHERS · WHAT IT MEANS NOW

# You no longer need to **be** them



COMPUTE

**Rent by the hour**

GARCH(1,1).fit(r)

MODELS

**Open, off-the-shelf**



DATA

**A commodity now**

The edge is no longer access: it's being **ready to use it.**



# 03

## SECTION THREE

# What **AI changes for investments**, day to day

FUNCTION 1-2

**Statements · Transcripts**

FUNCTION 3-4

**Coverage · Client profiling**

FUNCTION 5

**Cost to serve**



# Processing **financial statements**

## WITHOUT AI

| 12,847 | 8,2 |  |
|--------|-----|--|
|        |     |  |
|        |     |  |
|        |     |  |

- Figures keyed into Excel by hand, statement by statement.
- Slow, inconsistent and error-prone; coverage capped by people.

**Days per company**

vs

## WITH AI



- Every filing parsed automatically into clean, structured data.
- Consistent line items, ready for analysis the moment they publish.

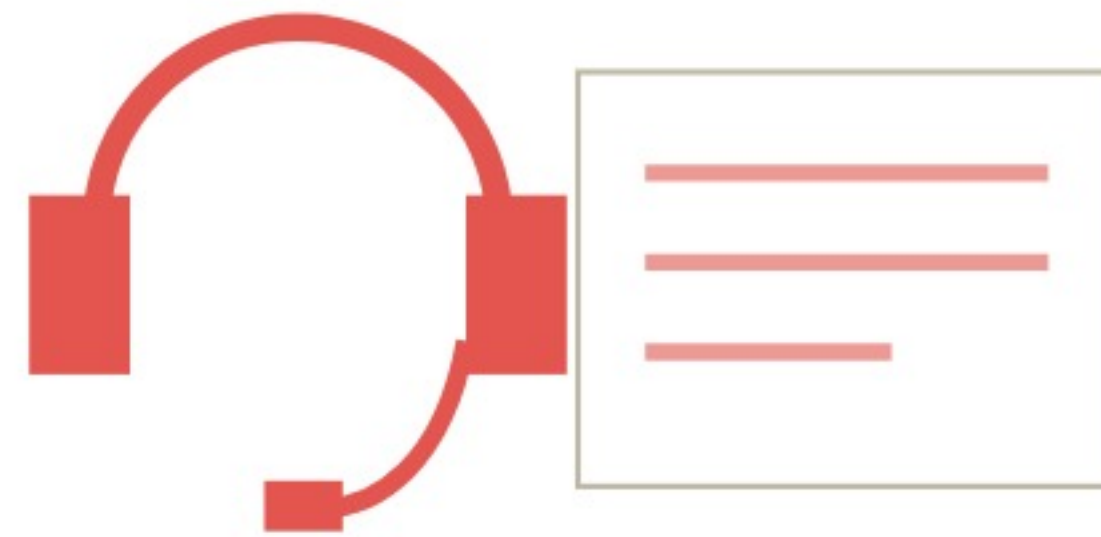
**Seconds, every filing**

The firm that wired up statement parsing early simply points a model at the queue; the one catching up still has analysts typing.



# Views on **earnings calls & transcripts**

## WITHOUT AI



- An analyst listens in real time and types notes.
- Only a handful of names get covered each quarter.

## A few names

Coverage stops being a function of analyst hours and becomes a function of compute.

vs

## WITH AI



- Instant summaries, sentiment and key-change flags.
- Across the whole market, every call, the same day.

## The whole market



# Breadth of **research coverage**

## WITHOUT AI

depth OR breadth



- Capped by analyst hours, depth or breadth, pick one.
- The long tail of securities goes uncovered.

**Tens of names**

VS

## WITH AI



depth AND breadth

- Scaled across thousands of securities at once.
- Refreshed continuously, nothing left uncovered.

**Thousands, continuously**



# Understanding clients, **profiling**

## WITHOUT AI



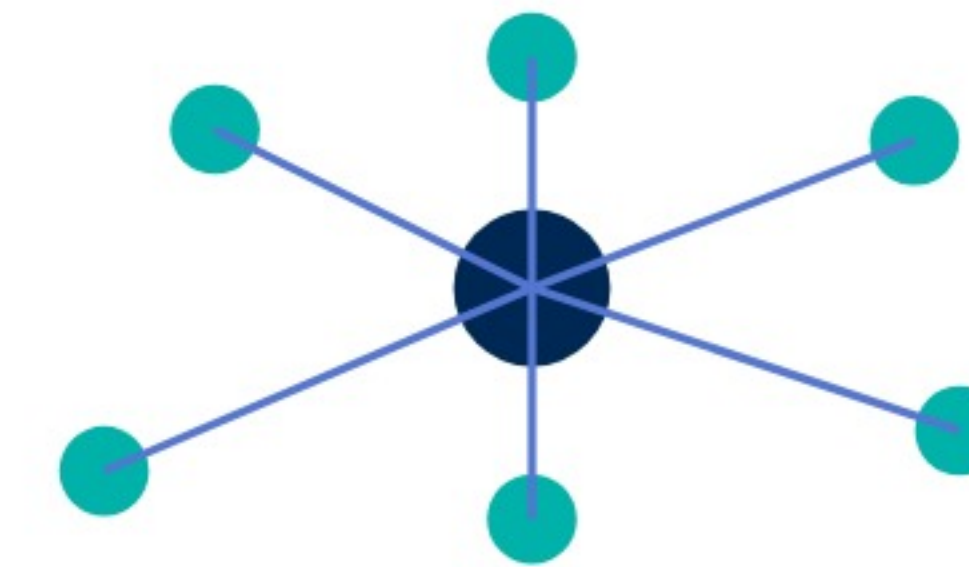
3 fixed buckets

- Periodic, manual segmentation into a few broad buckets.
- Goes stale between reviews; little personalisation.

**Static & periodic**

VS

## WITH AI



- Continuous, data-driven profiling per client.
- Personalised reporting and outreach at scale.

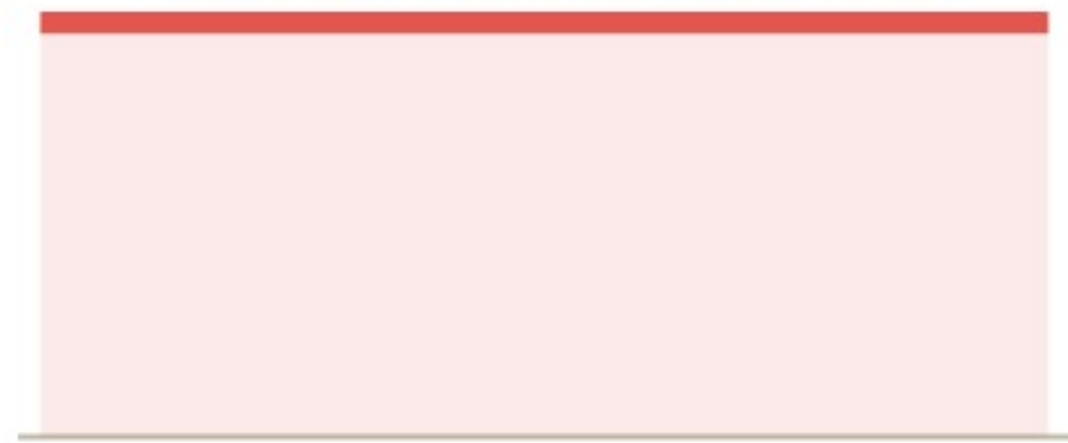
**Continuous & personal**



# The **cost to serve** a client

## WITHOUT AI

fixed headcount cost



- High fixed cost per task, it scales with headcount.
- Hard to lower fees without cutting service.

**High & fixed**

VS

## WITH AI

marginal cost falls



- Marginal cost per task falls as AI does the legwork.
- Efficiency gains can be passed straight back to clients.

**Falling, savings to clients**



#### 04 · PRESCIENT'S APPROACH

We process the world, **we don't guess at it**

|  
**1+**

**BILLION**

data points processed every day

|  
**20+**

**DATA SOURCES**

expanding into alternative &  
unstructured data

|  
**10**

**CODING LANGUAGES**

across the floor

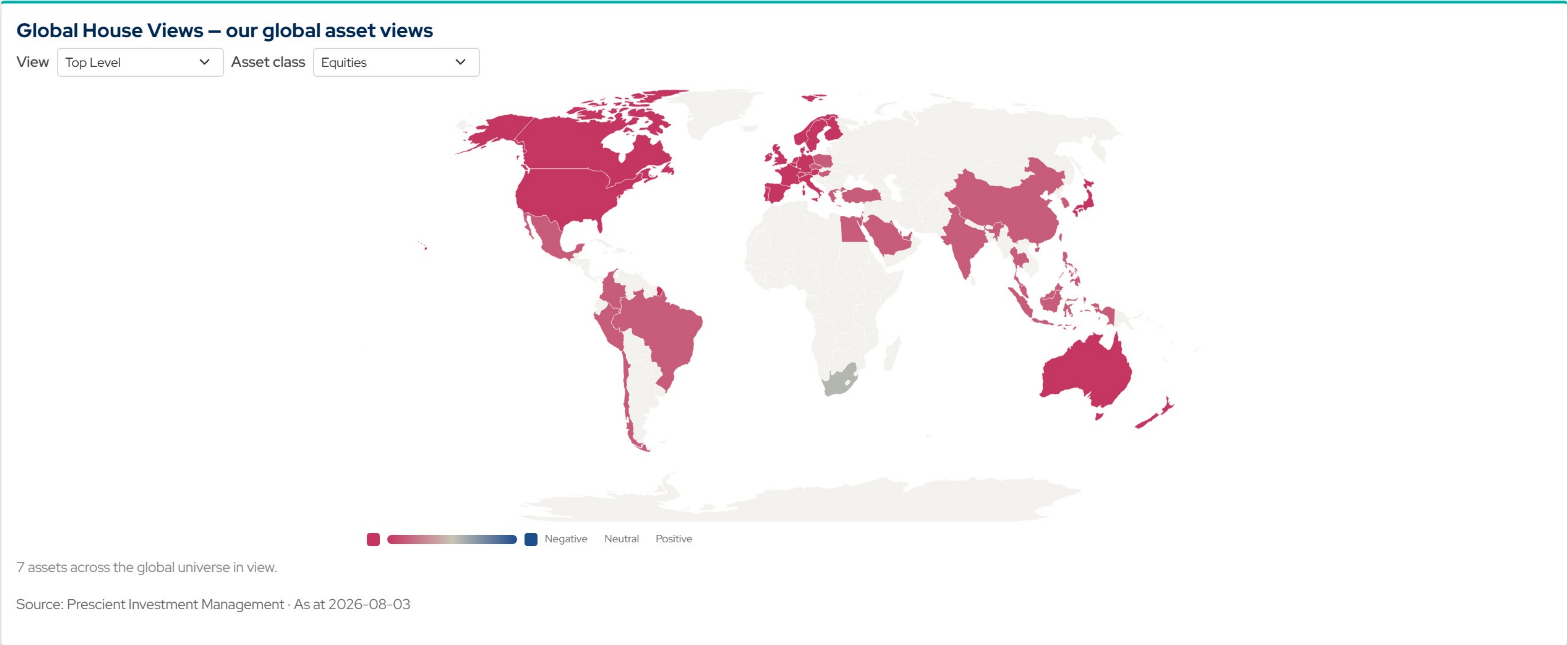
|  
**1**

**HOUSE VIEW**

distilling all of the data into a single  
view



# One **house view**, from all the data





# Thousands of positions, **one fund**



Every position the fund owns – thousands of holdings, floating free. **Press → or click to organise.**

**REPLAY**



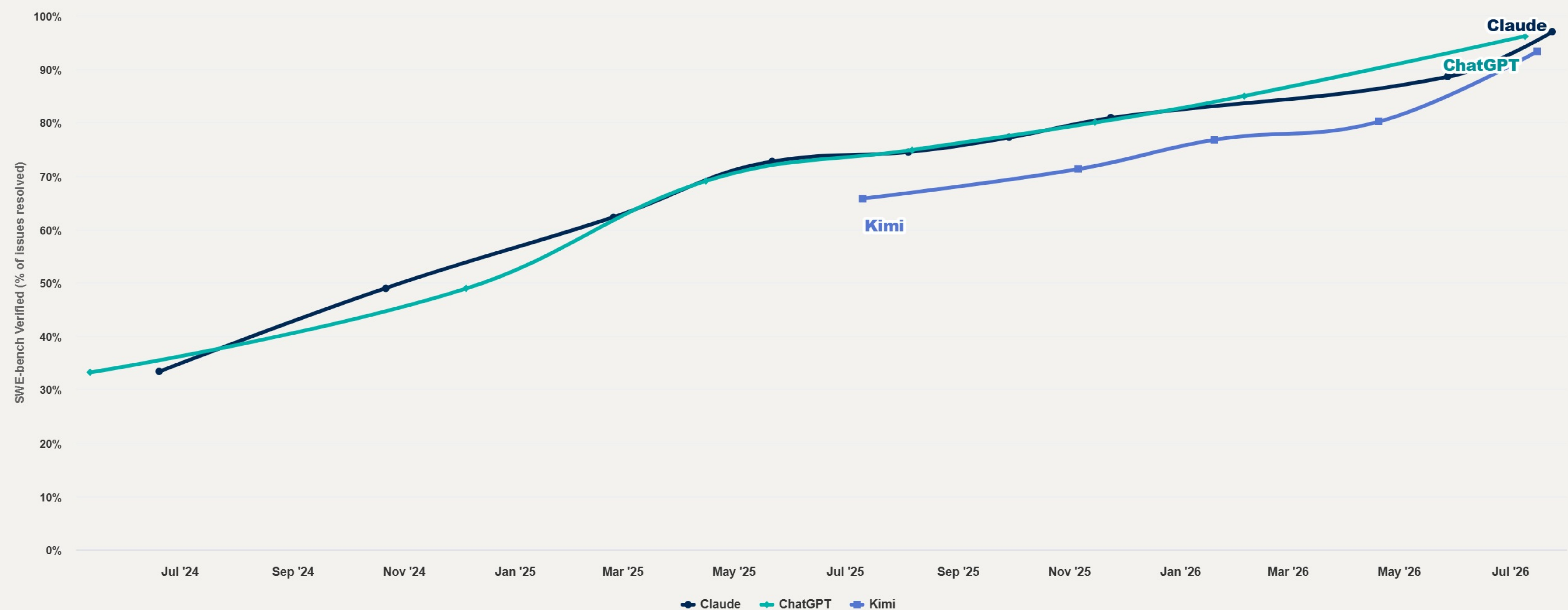
05

SECTION FIVE

Where we're **headed next**



# The **race** at the frontier



SWE-bench Verified, % of issues resolved, plotted at each model's release. Sources: official SWE-bench leaderboard and lab-published results; July 2026 flagships per Vals AI independent evaluation (22 Jul 2026).

Source: Prescient Investment Management



# What a unit of **solved work costs**



Source: Prescient Investment Management

Capability-adjusted price: blended launch list price ((3 × input + 1 × output) ÷ 4, US\$ per 1M tokens) ÷ SWE-bench Verified resolve share. Lines are log-linear trend fits through each family's flagship releases (faded dots); premium reasoning tiers (OpenAI o1, Claude Opus 4.1) excluded; Kimi shown at its latest release (K3). Sources: lab-published API list prices (July 2026 rates per BenchLM and OpenRouter); SWE-bench Verified scores as on the previous slide.



# 05

SECTION FIVE · THE INVESTMENT CASE

What this means for **asset management**



05 · THE INVESTMENT CASE

# Three **consequences**

A BIGGER WORLD

**Broader analyst coverage**

COST SAVINGS

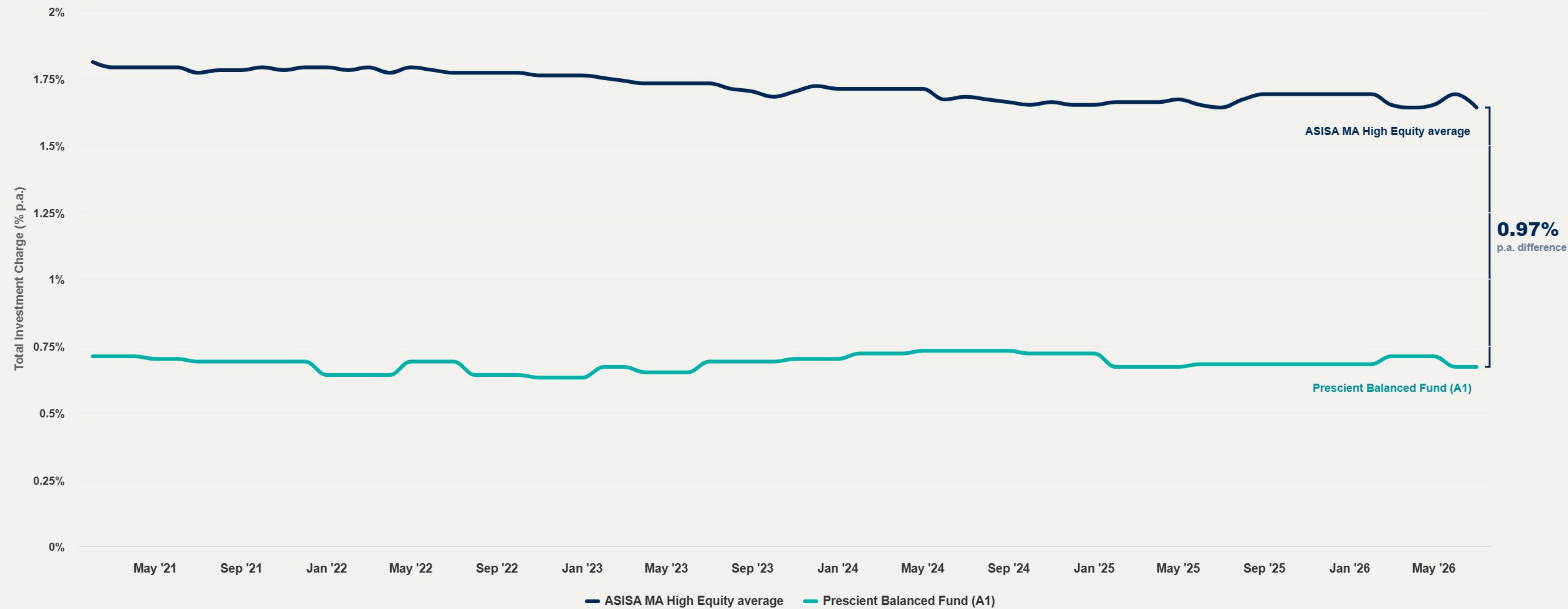
**Lower fee levels**

LEFT BEHIND

**Keep up, or fall out of the race**



# What balanced funds charge

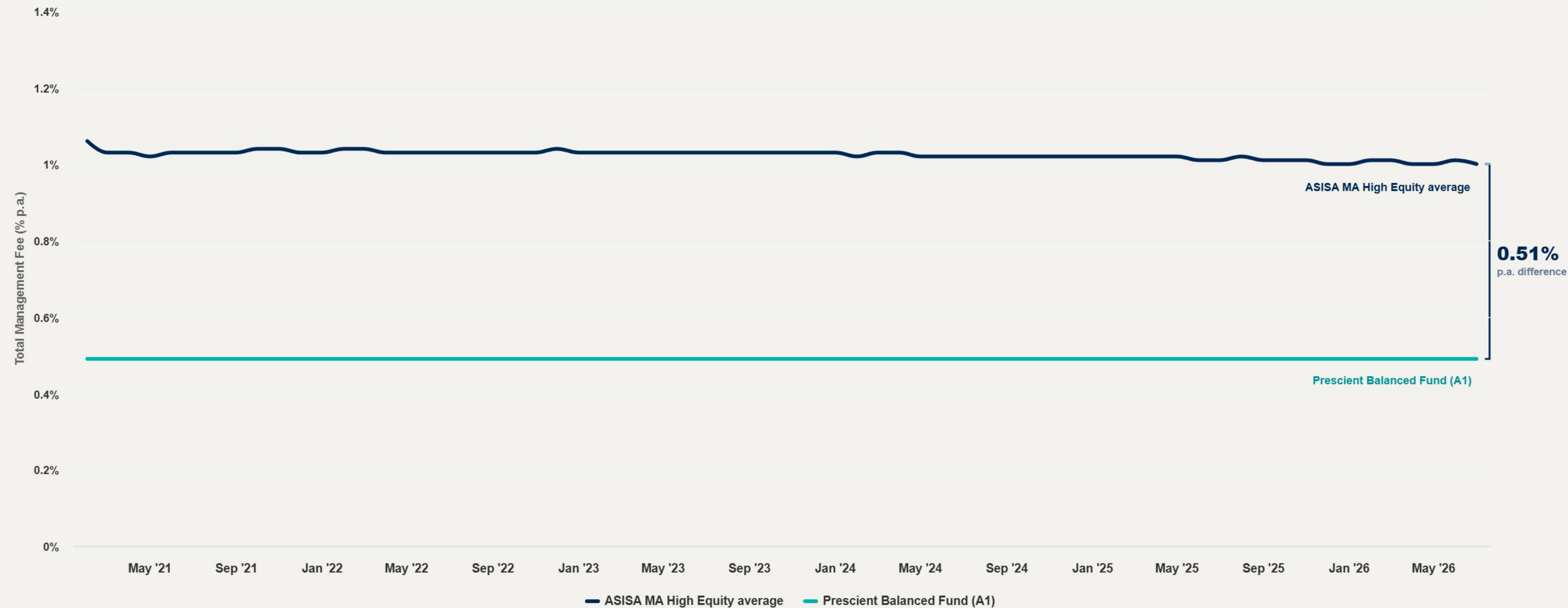


Total Investment Cost, % p.a., ProfileData fund snapshots Feb 2021 – Jul 2026. Highest-fee class per fund, latest snapshot per month; category series is the equal-weighted average of all funds in ASISA South African – Multi Asset – High Equity (205–331 funds per month). Prescient Balanced Fund shown as the A1 retail class.

Source: Prescient Investment Management



# The management fee gap



Source: Prescient Investment Management

Total Management Fee, % p.a., ProfileData fund snapshots Feb 2021 – Jul 2026. Highest-fee class per fund, latest snapshot per month; category series is the equal-weighted average of all funds in ASISA South African – Multi Asset – High Equity (174–318 funds per month). Prescient Balanced Fund shown as the A1 retail class.



# The management fee gap

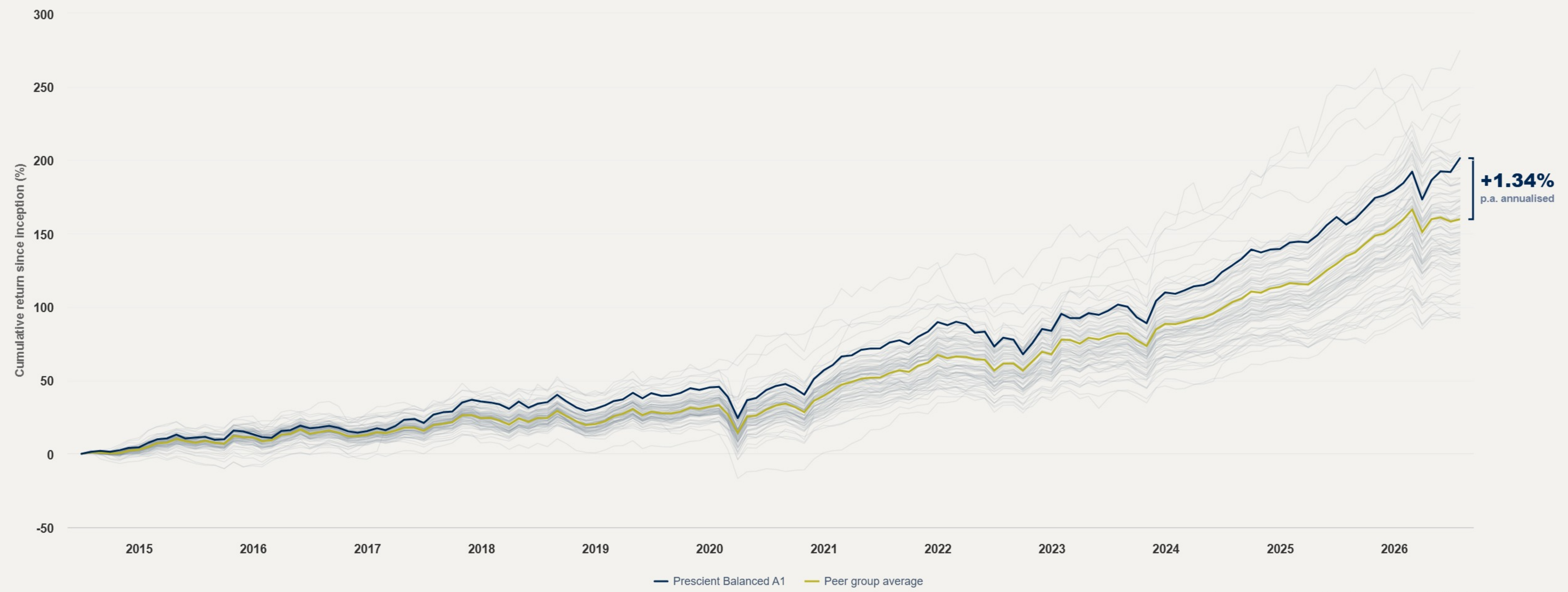


Source: Prescient Investment Management

Total Management Fee, % p.a., ProfileData fund snapshots Feb 2021 – Jul 2026. Highest-fee class per fund, latest snapshot per month; category series is the equal-weighted average of all funds in ASISA South African – Multi Asset – High Equity (174–318 funds per month). Prescient Balanced Fund shown as the A1 retail class. The forward projection is illustrative only and is not a forecast of fees or returns.



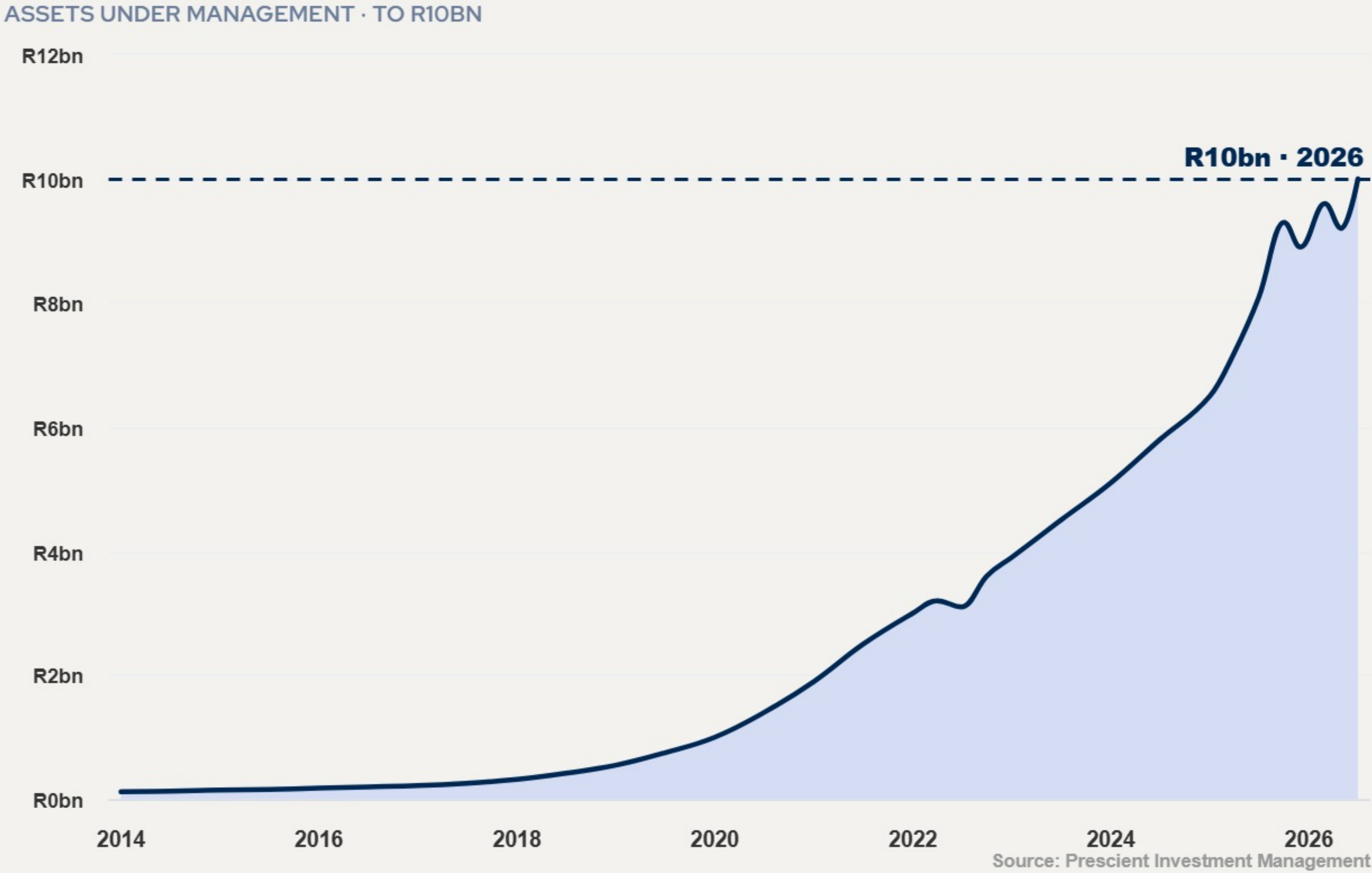
# Prescient Balanced Fund, **against every peer**



Cumulative returns net of fees, calculated on a NAV-to-NAV basis with income reinvested, indexed at each fund's inception. The bracket is the compound annualised difference between the fund and the peer-group average over the full period shown. Past performance is not necessarily a guide to future performance. Source and as-at date on chart.



# Prescient Balanced Fund, **journey so far**



Percentiles: the fund's trailing net return, NAV-to-NAV with income reinvested, ranked against all ASISA South African Multi-Asset High Equity peers with full history for each window (ProfileData, as at 31 Jul 2026); fund on the A1 fee basis. Rankings and past performance are not necessarily a guide to future performance. AUM path illustrative of the fund's reported growth to R10 billion (2026).



- | One house view.
- | A billion data points.
- | Data driven.
- | Consistent long-term performance.



# Prescient

INVESTMENT MANAGEMENT

Step into the Future **with Us**





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A Money Market portfolio is not a bank deposit account, and the price is targeted at a constant value. The total return is made up of interest received and any gain or loss made on any particular instrument; and in most cases the return will have the effect of increasing or decreasing the daily yield, but in the case of abnormal losses it can have the effect of reducing the capital value of the portfolio. The yield is calculated as a weighted average yield of each underlying instrument in the portfolio. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressures and a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed.

A Fund of Funds is a portfolio that invests in portfolios of collective investment schemes, which levy their own charges, which could result in a higher fee structure for these portfolios.

A Feeder Fund is a portfolio that invests in a single portfolio of a collective investment scheme which levies its own charges, and which could result in a higher fee structure for the feeder fund.

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. 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.prescient.co.za](http://www.prescient.co.za)

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