

Artificial Intelligence Portfolio. RandSwiss

Unlocking the potential of Artificial Intelligence to deliver long-term capital growth, in USD terms, over a minimum 5 year term.

Portfolio Managers:
Viv Govender &
Werner Fourie

Rand Swiss Pty Ltd
info@randswiss.com
+27 11 781 4454

Authorised Financial
Services Provider
45837

Fact Sheet

Investment overview

The Rand Swiss AI Portfolio (RSAIP) aims to provide investors with an opportunity to invest in the Artificial Intelligence (AI) revolution, following a Paradigm Shift Investment strategy. The portfolio has an initial bias towards mega-cap companies, operating in developed markets. The investment seeks to outperform the S&P 500 Equal Weight Technology ETF (NYSE: RYT), providing investors with strong long-term capital growth, in USD terms, over a minimum 5 year term.

Strategy

The portfolio follows the Paradigm Shift Investing (PSI) approach. If an investor identifies a technological revolution before it becomes entrenched in society, the PSI offers the greatest potential returns. Shares of a number of companies (potential winners), who operate in the specific industry, are constructed into a portfolio. After launch date, PSI does not allow for the re-balance of stocks within the portfolio; winning stocks won't be capped.

The rationale behind this approach is that winners in disruptive technologies tend to return super-normal growth over the long-term (5 years +), and if they are re-weighted their ability for significant returns diminish; the key to realise the full potential of these companies is to hold them without reducing exposure. Over the lifetime of the investment, there will be a significant gap between the winners and the losers. If most companies during a paradigm shift fail, it is likely that most of the stocks in the portfolio deliver negative returns. However, the expected returns of the small number of winners should more than offset any losses.

Though no holdings will be sold or reduced due to outsized growth, stocks that undergo material changes affecting their competitiveness will be reviewed for sale or replacement. If any single stock breaches 35% of the value of the portfolio, the portfolio will be closed to new inflows and a second vintage of the portfolio will be launched. Existing investors will be able to remain invested in the original portfolio.



Viv Govender
Portfolio Manager
Rand Swiss



Werner Fourie
Portfolio Manager
Rand Swiss

Name: The Rand Swiss AI Portfolio
Classification: RSAIP
Inception date: 31 May 2023
Benchmark: S&P 500 Equal Weight Technology ETF
Ticker: NYSE: RYT
Base currency: US dollars
Minimum investment: USD19,000

Fees:

DMA: 1.5% annual management fee (excl. VAT)
Brokerage: 0.25% (excl. VAT)
Custody: 0.15% per annum

Who should invest

Investors seeking exposure to mostly to companies likely to benefit from AI, who are willing to tolerate higher volatility to maximise capital accumulation over the long-term (5+ years) in USD terms. The potential investor is also someone with an understanding of the progress in AI and technology in general and wish to both participate in the sector and hedge themselves against impacts in their other investments.

Risk profile: High

This portfolio holds a high level of concentrated equity exposure and thus tends to carry a higher volatility than other investments. The expected potential long-term returns should be higher as a result, however the potential risk of capital loss over certain periods is also increased, particularly due to no rebalancing of the portfolio.

1st Floor JSE Building, One Exchange Square,
2 Gwen Lane, Sandton, 2196
info@randswiss.com +27 11 781 4454
www.randswiss.com
Authorised Financial Services Provider 45837