MAZI CAPITAL PRIME AFRICA EQUITY FUND

(Class A)

May 2018

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Investor Risk Profile

				High
			Medium - High	
		Medium		
	Low - Medium			
Low				

Fund Facts

Classification	Regional - Equity - General	
Benchmark	MSCI EFM Ex ZA	
Inception Date of Fund	05 July 2017	
Inception Date of Class	05 July 2017	
Total Portfolio Size	1164.7 M	
NAV price	Launch	88.31 (cpu)
	31-May-18	90.89 (cpu)
JSE code	MCAFCA	
ISIN number	ZAE000208674	
Income Declaration	February, August	
Valuation	Valuation time	22h00 (daily)
	Dealing cut-off	14h00 (daily)
Payment	3rd working day of Mar/Sep	
Minimum Initial Investment	R5 000 lump sum	
	R500 debit order	
Reg. 28 Compliant	No	
Issue date	17 June 2018	

Portfolio Income in Cents Per Unit (cpu)

Distribution	Dividend	Interest	Other	Total
Feb-18	0.2318	0.0005	0.0000	0.2322
Aug-17	0.0843	0.0000	0.0000	0.0843

NAV Values	Mar-18	Apr-18	May-18
Fund Units	1 277 463 682	1 277 463 090	1 277 462 504
Fund NAV	R 1 165 110 975	R 1 200 518 272	R 1 164 670 620
Class NAV	R 11 773	R 12 120	R 11 746

**All figures have been rounded to the nearest Unit and Rand*

Mandate Compliance

The Fund remains within the reporting fund regime as at the date of this report.

Portfolio profile

The Mazi Capital Prime Africa Equity Fund is a Regional general equity portfolio that seeks to sustain high long-term capital growth.

Fund Objective

The portfolio may invest in listed and unlisted equity securities, preference shares, property securities, listed and unlisted financial instruments and assets in liquid form. The portfolio's equity exposure shall always exceed 80%. The portfolio shall give investors at least 80% exposure to assets in Africa Ex South Africa. Nothing shall preclude the manager from varying the ratios of securities or assets in liquid form in changing economic environment or market conditions to meet the requirements of legislation or from retaining cash or placing cash on deposit. The manager shall reserve the right to close the portfolio to new investors.

Limits and Constraints

- Maximum exposure limits as per the ASISA fund classification structure.
- No exposure to South African Assets.
- The portfolio equity exposure will always exceed 80% with the balance, if any, invested in assets in liquid form.

Total Investment Charges

Period (annualised): Mar 17 to Feb 18

Total Expense Ratio (TER) **1.14%**

Expenses related to the administration of the Financial Product. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not be necessarily be an accurate indication of future TER's.

Transaction Costs (TC) **1.00%**

Costs relating to the buying and selling of the assets underlying the Financial Product

Total Investment Charges (TIC) **2.14%**

Transaction costs are a necessary cost in administering the Financial Product and impacts Financial Product 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 Financial Product, the Investment decisions of the investment manager and the TER. Inclusive of the TER of 1.14%, a performance fee of 0.00% of the net asset value of the class of the Financial Product was recovered.

Portfolio Fees

Management Fee	0.15% (excl. VAT)
Performance Fee	N/A
Advisory Fee	N/A
Investment Management Fee	1.25% (excl. VAT)

PRIME INVESTMENTS

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Mazi Investment Pedigree

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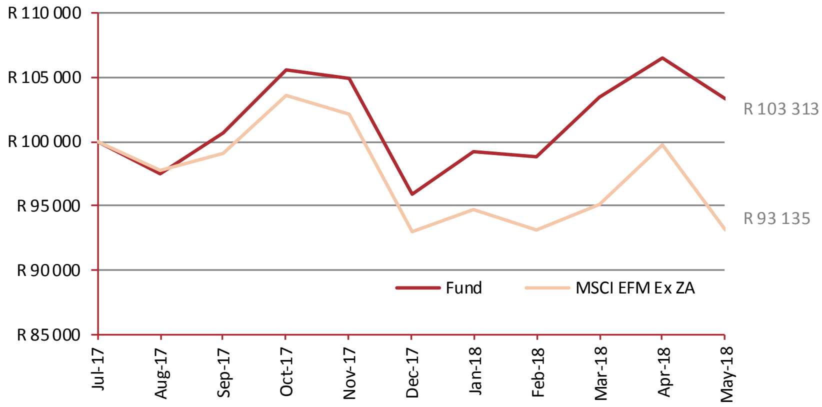
Fund Performance

Growth of a R 100 000 Investment



** The graph reflects the performance of a lump suminvestment.*

Top 10 Holdings	Exposure
Commercial Int'l Bank of Egypt	10.96%
Safaricom Ltd	9.02%
Guaranty Trust Bank	8.64%
Zenith Bank Plc	6.33%
Eastern Tabacco	4.86%
Attijariwafa Bank	4.58%
Kenya Commercial Bank Ltd	4.25%
Marcov Telecom	4.18%
El Sewedy Electric Company	3.91%
Equity Group Holdings Ltd	3.91%

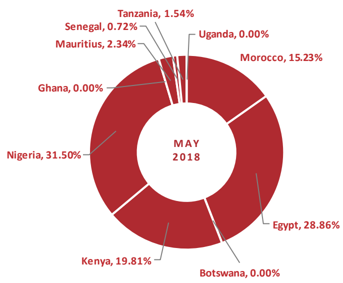
	May-2018		April-2018		March-2018	
Period	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
1 Month	-3.03%	-6.66%	2.93%	4.97%	4.69%	2.13%
3 Months	4.49%	0.07%	7.38%	5.41%	7.99%	2.28%
6 Months	-1.53%	-8.76%	0.87%	-3.68%	2.88%	-4.12%
YTD	7.78%	0.21%	11.15%	7.36%	7.99%	2.28%
1 Year						
2 Years						
3 Years						
5 Years						
Since Inception	3.31%	-6.87%	6.54%	-0.22%	3.51%	-4.95%

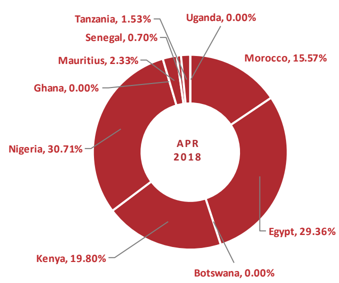
* Returns above one year are annualised; ** Fund Returns are net of fees

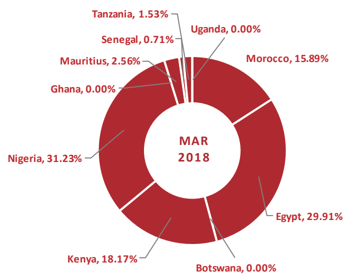
Monthly Performance		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund	2018	3.51%	-0.35%	4.69%	2.93%	-3.03%								7.78%
Benchmark	2018	1.85%	-1.68%	2.13%	4.97%	-6.66%								0.21%
Fund	2017								-2.57%	3.26%	4.99%	-0.67%	-8.64%	-4.15%
Benchmark	2017								-2.20%	1.38%	4.49%	-1.46%	-8.96%	-7.06%

Asset Class Returns	May-18
ALSI (TR)	-3.50%
ALBI (TR)	-1.95%
CASH	0.59%
ZAR/USD	12.67

Geographical Allocation







Fund Commentary

The Market

The African markets performed relatively well over the last quarter. Zimbabwe, South Africa and Rwanda however disappointed, returning -10.2%, -2.5% and -2.0 % in USD terms respectively.

In West Africa, Ghana continued to perform well, as the change in government and subsequent economic reforms that were implemented in December 2016 fuelled growth. The Nigerian market started the year on a very positive note with banks driving the performance of the Nigerian Stock Exchange. Demand from Emerging and Frontier investment funds that sought to increase exposure to this market lifted the market further. The Nigerian economy is recovering well from the oil induced recession experienced in 2016; however, it is still operating well below its potential. The establishment of the alternative foreign exchange has improved access to much needed foreign currency which is needed for imports of raw materials. The imported raw materials are used locally in the production of goods and services.

The North African market performance was primarily driven by Egypt, whilst Morocco and Tunisia lagged. Egypt's inflation surprised on the downside and the Central Bank responded by cutting interest rates by 2% over the last 2 months. There are early signs that structural reforms are paying off; capital expenditure and foreign direct investments are picking up and there has been a considerable improvement in the tourism sector. The recent discovery of massive gas reserves will improve Egypt's terms of trade. Morocco (though lagging the broader North American market) posted commendable performance despite stretched valuations. The Dirham strengthened 2% against the US dollar over the quarter.

Kenya dominated the East African Market, returning 16.9% (US$) for the quarter. The main performance driver was the banks sector which ran on the news that rate caps will be amended before the end of the year. The Kenyan economy is recovering from the election hangover of 2017. The Tanzanian market was flat over the quarter. This market has not performed particularly well since the new president initiated a corrupting busting drive. Contrary to what was expected, the corruption busting drive stalled economic recovery.

In Southern Africa, the Zimbabwean market continues to correct post the political transition. The rhetoric from the new government is encouraging, for example the indigenisation law has been amended and the government has announced their intent to compensate farmers whose farms where expropriated. The government is also committed to ensuring free and fair elections. Company valuations are still high in Zimbabwe; however, we are monitoring the market closely for opportunities.

Fund Performance and Attribution

The Mazi Africa Fund returned 8.2% over the quarter compared to the benchmark return of 1.8% in ZAR. The fund's benchmark is the MSCI EFM ex ZA index. Fund performance was primarily driven by exposures to Egypt, Nigeria and Kenya. The Egyptian market continued its upward trend during the quarter, largely driven by the consumer and industrials sectors. Consumer companies have been reporting volume recovery and expectations are that volumes will increase to their 2016 levels in the first quarter of 2019. The fund's exposure to Nigeria contributed positively to performance and this can largely be attributed to the fund's exposure to banks and consumer stocks. Other positive contributors to fund performance included exposures to Kenyan banks and telecoms.

Outlook

In Egypt, growth is expected to pick-up strongly in 2018 as local private sector investment and Foreign Direct Investment (FDI) returns to the market. Inflation is dropping precipitously and we expect the Central Bank of Egypt to drop interest rates aggressively. We expect the Egyptian pound to strengthen into 2018 or at worst remain stable for the remainder of the year. The tourism market is recovering from the slump post the Russian plane crash.

The Nigerian economy is recovering from an oil price induced slow-down albeit remains below its potential. Improvement in oil output, oil price stability, foreign exchange reserve improvements and foreign exchange liquidity are all adding to economic recovery.

Kenya is recovering from an election hangover that has dragged economic activity down for a year. The rhetoric from the government is that the rate caps will be amended to allow banks to price appropriately for risk. This is good for banks' profitability and for general economic activity. We expect private sector credit growth to pick up in the latter part of 2018 and onwards.

In the short-term, the Moroccan economy will continue to experience volatility due to higher exposure to the agricultural sector, however, we are of the view that this will change in the medium term as higher value sectors like aerospace and automotive sectors start to contribute to economic growth.

Strategy

We shifted some exposure from Morocco to Nigeria and Egypt over the quarter. We particularly increased exposure to Egyptian healthcare which is attractively priced and stands to benefit from the expected economic recovery in the region.

The fund is currently overweight Egypt, Nigeria and Kenya and significantly underweight Morocco. The manager continues to search for investment opportunities in companies that they believe are well positioned to benefit from Africa's growth opportunities.

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Prime Collective Investment Schemes Management Company (RF) (Pty) Ltd

www.primeinvestments.co.za

+27 (0)10 594 2100
+27 (0)86 642 1880
save@primeinvestments.co.za

1st Floor, Building B,
Hurlingham Office Park,
59 Woodlands Ave, Hurlingham Manor,
Sandton

PostNet Suite 208,
Private Bag X9,
Benmore, 2010

Mazi Capital (Pty) Ltd

www.mazi.co.za

+27 (0)10 001 8300
+27 (0)10 001 8339
info@mazi.co.za

90 Rivonia Road
(Cnr. Rivonia Rd and Katherine Street)
North Wing, 4th Floor

An authorised financial services
provider (**FSP No:** 27404)
Registration no.:2006/006855/07

Fund Contact Details

Custodian/Trustee
Societe Generale Security Services
+27 (0)11 448 8800

Portfolio Managers
Malungelo Zilimbola — BSc (Hons) Quantity Surveying, BCom (Hons) Finance
Asanda Notshe — BBusSci (Actuarial Science), FIA , FASSA

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