



Links

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Contact Details and Disclaimer

Investor Risk Profile	
	High
	Medium - High
	Medium
	Low - Medium
	Low

Fund Facts	
Classification	South African - Equity - General
Benchmark	FTSE/JSE SWIX
Inception Date of Fund	5 August 2010*
Inception Date of Class	05 April 2014
Total Portfolio Size	1144.1 M
NAV price	Launch 100.00 (cpu)
	31-Aug-18 273.69 (cpu)
JSE code	MCEFA
ISIN number	ZAE000208559
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	26 September 2018

*Previously known as the Mazi MET Capital Equity fund, the fund amalgamated with Prime on the 9th of September 2015

Portfolio Income in Cents Per Unit (cpu)

Distribution	Dividend	Interest	Other	Total
Feb-18	1.4325	0.0537	0.1196	1.6058
Aug-17	1.9352	0.1665	0.1132	2.2149

NAV Values	Jun-18	Jul-18	Aug-18
Fund Units	375 199 116	372 978 216	418 156 862
Fund NAV	R 1 005 252 046	R 1 004 611 208	R 1 144 083 793
Class NAV	R 4 553 960	R 4 021 192	R 3 902 773

*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 Equity Fund is a general equity portfolio that seeks to sustain high long-term capital growth.

Fund Objective

The portfolio may invest in financial instruments to achieve its objectives from time to time. The manager may include unlisted forward currency, interest rate and exchange rate swap transactions for efficient portfolio management. The portfolio's equity exposure shall always exceed 80% with the balance, if any, invested in liquid assets. 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.
- Maximum offshore exposure of 25% plus max 5% in Africa.
- 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) 1,22 %

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) 0,49 %

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

Total Investment Charges (TIC) 1,71 %

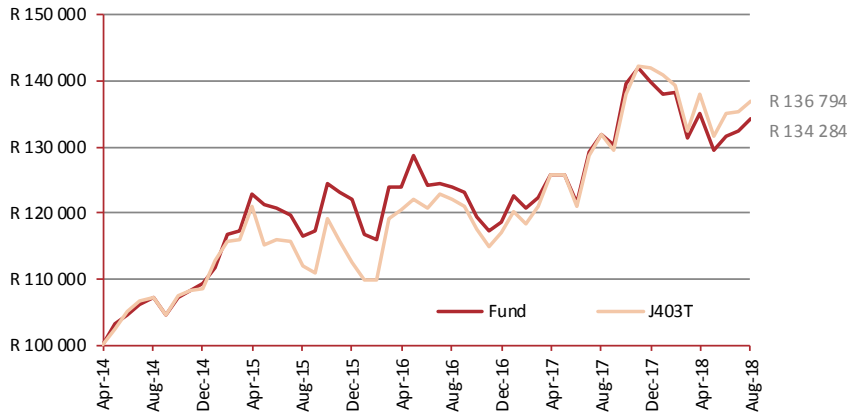
Transaction costs are a necessary cost in administering the Financial Product and impacts Financial Product returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Financial Product, the Investment decisions of the investment manager and the TER. Inclusive of the TER of **1,22 %** 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	20% of the outperformance of the FTSE/JSE SWIX (J403T) index over a rolling 24 months subject to a max. of 2%
Advisory Fee	N/A
Investment Management Fee	0.85% (excl. VAT)

Fund Performance

Growth of a R 100 000 Investment



Fund Composition

Naspers Ltd	15.96%
Firststrand Ltd	6.09%
Sasol Ltd	5.54%
Standard Bank Group Ltd	5.29%
Old Mutual Ltd	3.82%
Anglo American Plc	3.74%
Aspen Pharmacare Hldgs.	3.53%
Compagnie Fin Richemont	3.07%
British American Tobacco PLC	2.97%
Shoprite Holdings Ltd	2.69%

Period	August-2018		July-2018		June-2018	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
1 Month	1.51%	1.15%	0.49%	0.10%	1.69%	2.74%
3 Months	3.73%	4.03%	-2.14%	-2.05%	0.23%	2.09%
6 Months	-2.91%	-1.80%	-4.12%	-4.07%	-5.87%	-4.82%
YTD	-3.98%	-3.63%	-5.41%	-4.72%	-5.87%	-4.82%
1 Year	1.92%	3.83%	2.42%	5.13%	8.31%	11.68%
2 Years	4.13%	5.86%	3.07%	4.91%	2.98%	5.84%
3 Years	4.84%	6.88%	3.43%	5.36%	2.95%	5.27%
5 Years						
Since Inception	7.04%	7.50%	6.67%	7.21%	6.55%	7.19%

Risk Statistics

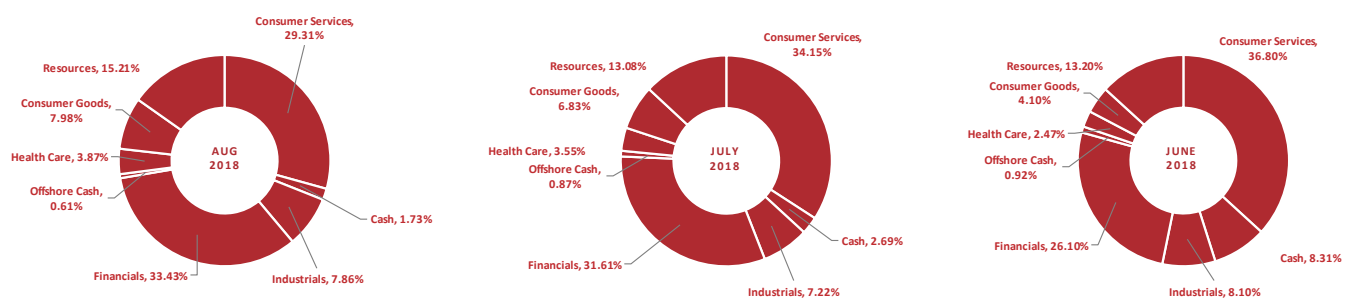
Risk Metrics	Fund (A)	Benchmark
Volatility	9.74%	10.49%
Tracking Error	2.21%	
Information Ratio	-0.21	
Correlation (SWIX ALSI)	0.92	
Beta	0.84	
Sharpe Ratio	0.05	0.10
Max (Rolling 12 Mths)	22.89%	23.81%
Min (Rolling 12 Mths)	-4.57%	-5.02%
Alpha	-0.34%	

* 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	-1.34%	0.24%	-5.04%	2.93%	-4.24%	1.69%	0.49%	1.51%					-3.98%
Benchmark	2018	-0.68%	-1.18%	-5.00%	4.33%	-4.76%	2.74%	0.10%	1.15%					-3.63%
Fund	2017	3.23%	-1.47%	1.38%	2.92%	-0.08%	-3.38%	6.27%	2.00%	-1.11%	7.11%	1.81%	-1.57%	17.89%
Benchmark	2017	2.57%	-1.49%	2.24%	4.06%	-0.07%	-3.83%	6.34%	2.42%	-1.73%	6.51%	3.09%	-0.16%	21.22%
Fund	2016	-4.51%	-0.70%	6.88%	0.13%	3.78%	-3.50%	0.31%	-0.54%	-0.64%	-3.02%	-1.63%	1.05%	-2.88%
Benchmark	2016	-2.31%	0.06%	8.32%	1.25%	1.34%	-1.27%	1.88%	-0.66%	-0.89%	-2.81%	-2.35%	1.98%	4.13%

Asset Class Returns	Aug-18
ALSI (TR)	2.34%
ALBI (TR)	-1.87%
CASH	0.59%
ZAR/USD	14.65

Asset Allocation



Fund Commentary

The Market

The global economic expansion continued throughout the quarter at a slow but steady pace; most economies experienced growth without overheating. The US is making progress towards achieving many long term economic goals, such as reaching their inflation and employment targets. Investment spending and a more buoyant consumer have provided economic tailwinds. The Fed intends to reverse Quantitative Easing and is expected to hike interest rates twice further in 2018. The Eurozone is growing strongly, primarily due to an undervalued Euro, rising confidence and pent-up demand. This is encouraging the ECB to hint at moderating monetary stimulus in the latter part of 2018. The UK appears to be weathering the impact of the Brexit vote better than expected. While there is some optimism in the services sector in the UK, remaining Brexit-related uncertainty may hold back investment. Chinese demand has softened slightly as authorities try to curb financial speculation, but Emerging Market economies are able to withstand a moderate slowdown in China. The rising tide of global trade tariffs and retaliations remains a risk, with the first shots in a trade war already being fired. The US announced that up to \$200b worth of goods imported from China will be subject to increased tariffs. The downstream impact of trade wars on business sentiment, investment, and financial conditions is expected to be negative.

Domestic markets remain in the shadows of global events, and the expected recovery in the economy will take longer than anticipated largely due to the uncertainty around trade wars. Macroeconomic indicators were subdued for the most part of the quarter, led by Q1's negative GDP growth print, along with the erosion of the positive sentiment experienced in Q1 2018. The negative GDP growth print was driven by once-offs in agriculture, mining and manufacturing, whilst contribution from consumers was positive. The ZAR weakened significantly against the USD, domestic benchmark bonds yielded higher at 8.80%, and inflation risks in the medium term are more evident, discounting any chance of further interest rate cuts. Investor confidence and business sentiment have not recovered as expected, and the current environment is likely to remain volatile and in a state of flux for the short term.

Fund Commentary

The second quarter of 2018 was challenging with the fund returning 0.5% gross of fees against the benchmark return of 2.1%.

The sell-off in companies that are primarily exposed to the SA economy impacted negatively on the fund over the quarter. The fund's exposure to Cashbuild, The Foschini Group, Truworths, Old Mutual, Attacq, Dischem and Bidvest specifically impacted negatively on performance. Libstar listed during the quarter and was not spared from the short-term market volatility and the position that the fund acquired in Libstar further detracted from the return. The construction sector continues to struggle as the lack of opportunities persists. The fund's exposure to PPC, Afrimat, Group 5 and Aveng detracted from performance. The banking sector was also impacted with positions in Firstrand and Standard Bank detracting from performance. The exposure to Capitec marginally benefitted fund performance as the company's share price continued to slowly recover from the impact of allegations levelled against it earlier in the year.

Exposure to Exxaro, Pick and Pay, Amplats, Anglo American, Investec and Clicks were notable positive contributors to return. In addition, the fund benefited from not being exposed to hospitals and telecoms as well Nedbank, Barloworld, Tiger Brands and Steinhoff.

We continue to focus on long-term fundamental value rather than short-term price volatility. The fund remains exposed to companies that we have conviction in. We continue to find value in specific retail, industrial and financial companies.

Glossary of Terms

Volatility is a statistical measure of the dispersion of returns for a given security or market index.

Tracking error is a measure of the risk in an investment portfolio that is due to active management decisions made by the portfolio manager; it indicates how closely a portfolio follows the index to which it is benchmarked.

Information ratio, is a measure of the risk-adjusted return of a portfolio. In this case, it measures the active return of the manager's portfolio divided by the amount of risk that the manager takes relative to the benchmark.

Sharpe Ratio is a measure for calculating risk-adjusted return. It is the average return earned in excess of the risk-free rate per unit of total risk.

Beta is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.

Alpha is a measure of the active return on an investment. It represents the excess returns of a fund relative to the return of a suitable benchmark.



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