



Fund Objectives and Key Facts

Fund Performance

Portfolio Commentary

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	1004.6 M	
NAV price	Launch	100.00 (cpu)
	31-Jul-18	269.61 (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	20 August 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	May-18	Jun-18	Jul-18
Fund Units	317 041 721	375 199 116	372 978 216
Fund NAV	R 835 959 203	R 1 005 252 046	R 1 004 611 208
Class NAV	R 3 727 045	R 4 553 960	R 4 021 192

\*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 %**

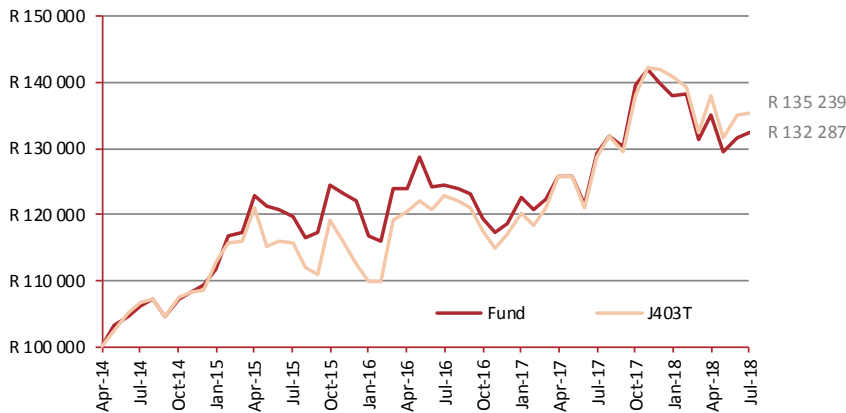
Transaction costs are a necessary cost in administering the Financial Product and impacts Financial Product returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Financial Product, the Investment decisions of 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	17.75%
Firstrand Ltd	5.85%
Standard Bank Group Ltd	5.65%
Old Mutual Ltd	4.03%
Sasol Ltd	3.91%
Aspen Pharmacare Hldgs.	3.25%
Anglo American Plc	3.25%
British American Tobacco PLC	3.00%
Shoprite Holdings Ltd	2.94%
Compagnie Fin Richemont	2.42%

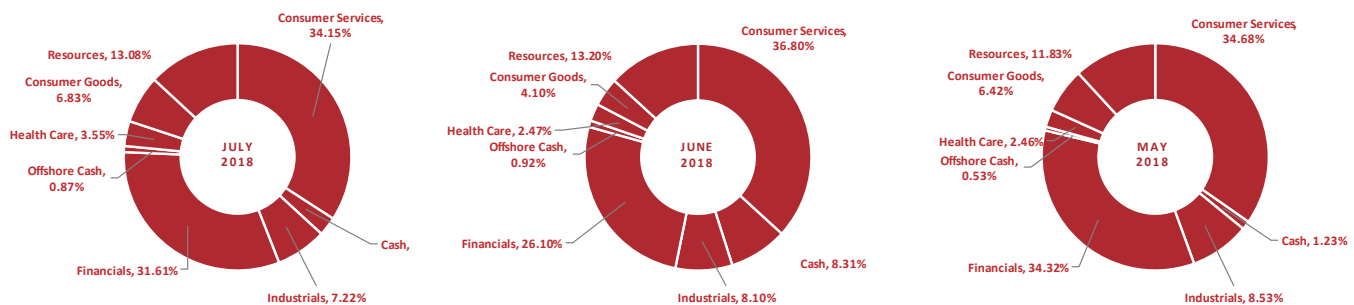
Period	July-2018		June-2018		May-2018		Risk Statistics		
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	Risk Metrics	Fund (A)	Benchmark
1 Month	0.49%	0.10%	1.69%	2.74%	-4.24%	-4.76%	Volatility	9.82%	10.59%
3 Months	-2.14%	-2.05%	0.23%	2.09%	-6.40%	-5.60%	Tracking Error	2.21%	
6 Months	-4.12%	-4.07%	-5.87%	-4.82%	-8.88%	-7.50%	Information Ratio	-0.25	
YTD	-5.41%	-4.72%	-5.87%	-4.82%	-7.43%	-7.36%	Correlation (SWIX ALSI)	0.92	
1 Year	2.42%	5.13%	8.31%	11.68%	2.91%	4.54%	Beta	0.84	
2 Years	3.07%	4.91%	2.98%	5.84%	0.32%	3.75%	Sharpe Ratio	0.03	
3 Years	3.43%	5.36%	2.95%	5.27%	2.23%	4.55%	Max (Rolling 12 Mths)	22.89%	
5 Years							Min (Rolling 12 Mths)	-4.57%	
Since Inception	6.81%	7.36%	6.68%	7.34%	6.26%	6.66%	Alpha	-0.45%	

\* 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%					-5.41%	
Benchmark	2018	-0.68%	-1.18%	-5.00%	4.33%	-4.76%	2.74%	0.10%					-4.72%	
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	Jul-18
ALSI (TR)	-0.25%
ALBI (TR)	2.42%
CASH	0.59%
ZAR/USD	13.10

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.



Links

Fund Objectives and Key Facts




Fund Performance

Portfolio Commentary

Contact Details and Disclaimer

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

[www.primeinvestments.co.za](http://www.primeinvestments.co.za)

 +27 (0)10 594 2100  
 +27 (0)86 642 1880  
 [save@primeinvestments.co.za](mailto: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](http://www.mazi.co.za)


 +27 (0)10 001 8300  
 +27 (0)10 001 8339  
 [info@mazi.co.za](mailto:info@mazi.co.za)

90 Rivonia Road  
 (Cnr. Rivonia Rd and Katherine Street)  
 North Wing, 4<sup>th</sup> 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

#### Disclaimer

This is a minimum disclosure document and a general investor report. Collective Investment Schemes are generally medium to long term investments. The value of participatory interests may go down as well as up. The manager retains full legal responsibility for the third-party-named portfolio. The manager does not provide any guarantee either with respect to the capital or the return of a portfolio. Past performance is not necessarily an indication of future performance. CIS's are traded at ruling prices and can engage in borrowing and scrip lending. Different classes of units apply to these portfolios and are subject to different fees and charges. A schedule of fees and charges and maximum commissions is available on request from the manager. The manager has a right to close portfolios to new investors in order to manage them more efficiently in accordance with their mandates. Commission and incentives may be paid and if so, will be included in overall costs. Forward pricing is used. The manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Income is re-invested on the re-investment date. Actual investment performance will differ based on the initial fees applicable, the actual investment date and the date of reinvestment of income. Dealing prices are calculated on a net asset value and auditor's fees, bank charges and trustee fees are levied against the portfolios. Performance is calculated for the portfolio, as well as that the individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. Income distributions are included in the performance calculations prior to deduction of applicable taxes. Performance numbers and graphs are sourced from Collective Endeavours Consulting (Pty) Ltd. NAV to NAV figures have been used. The investment performance is for illustrative purposes only. The investment performance is calculated after taking the actual initial fees and all ongoing fees into account. The reinvestment of income is calculated on the actual amount distributed per participatory interest by using the ex-dividend date NAV price of the applicable class of the portfolio, irrespective of the actual reinvestment date. Risk profile of the fund ranges from low risk to high risk with a low risk potentially associated with lower rewards and a high risk with potentially higher rewards. Foreign securities may be included in the portfolio from time to time and as such may result in the following: 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 daily cut off time is 14:00 for trades and the valuation point is 22:00. Prices are published on Finswitch by 10:00 daily. One can also obtain additional information on Prime products on the Prime CIS website and all price related queries or information is readily available on request. Prime Collective Investment Schemes Management Company (RF) (Pty) Ltd is a registered Collective Investment Scheme Manager in terms of Section 5 of the Collective Investment Schemes Control Act and is a wholly owned subsidiary of Prime Financial Services (Pty) Ltd, a member of ASISA.