MAZI ASSET MANAGEMENT PRIME AFRICA EQUITY FUND

(Class A)

January 2019

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Investor Risk Profile

Low	Low - Medium	Medium	Medium - High	High
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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	1123 M	
NAV price	Launch	88.31 (cpu)
	31-Jan-19	84.45 (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	20 February 2019	

Portfolio Income in Cents Per Unit (cpu)

Distribution	Dividend	Interest	Other	Total
Aug-18	1.8281	0.0000	0.0000	1.8281
Feb-18	0.2318	0.0005	0.0000	0.2322

NAV Values	Nov-18	Dec-18	Jan-19
Fund Units	1 309 766 657	1 321 607 440	1 322 782 200
Fund NAV	R 1 113 537 544	R 1 165 815 690	R 1 123 048 174
Class NAV	R 11 407	R 10 415 165	R 10 013 078

**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 Asset Management 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)

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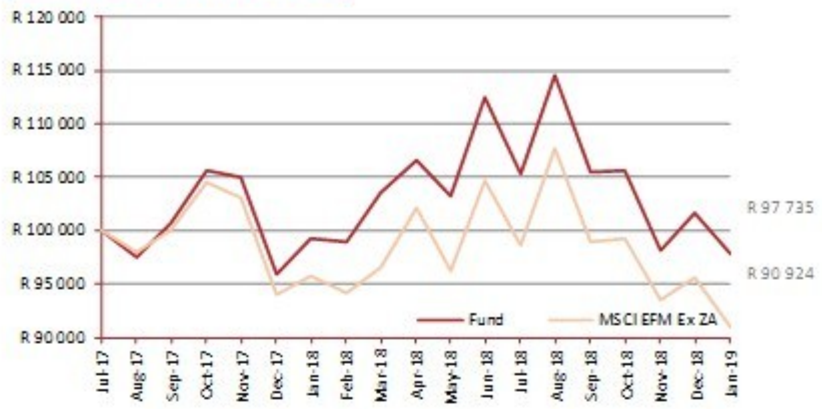
Fund Performance

Growth of a R 100 000 Investment



** The graph reflects the performance of a lump sum investment.*

Top 10 Holdings	Exposure
Commercial Int'l Bank of Egypt	15.18%
Safaricom Ltd	8.10%
Zenith Bank Plc	5.62%
Attijariwafa Bank	4.70%
Marcov Telecom	4.67%
Equity Group Holdings Ltd	4.07%
Kenya Commercial Bank Ltd	3.88%
Elswedy Electrical	3.86%
Nestle Nigeria PLC	3.85%
Eastern Company	3.59%

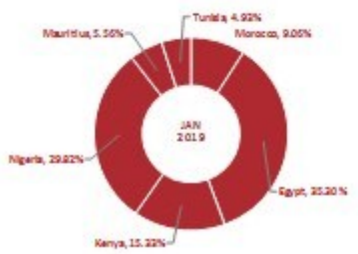
	January-2019		December-2018		November-2018	
Period	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
1 Month	-3.86%	-4.85%	3.66%	2.27%	-7.17%	-5.85%
3 Months	-7.49%	-8.38%	-3.68%	-3.37%	-14.41%	-13.23%
6 Months	-7.13%	-7.78%	-9.64%	-8.73%	-5.05%	-2.91%
YTD	-3.86%	-4.85%	6.06%	1.72%	2.31%	-0.54%
1 Year	-1.49%	-4.97%	6.06%	1.72%	-6.53%	-9.40%
2 Years						
3 Years						
5 Years						
Since Inception	-2.26%	-9.08%	1.66%	-4.44%	-1.93%	-6.57%

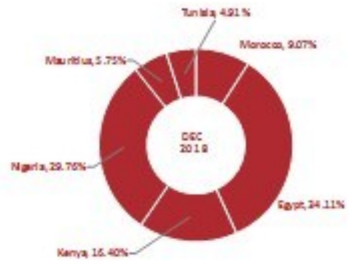
*Returns above one year are annualised; ** Fund Returns are net of fees

Monthly Performance		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund	2019	-3.86%												-3.86%
Benchmark	2019	-4.85%	-	-	-	-	-	-	-	-	-	-	-	-4.85%
Fund	2018	3.51%	-0.57%	4.74%	2.94%	-3.09%	8.92%	-6.45%	8.57%	-7.89%	0.10%	-7.17%	3.66%	6.06%
Benchmark	2018	1.35%	-1.65%	2.84%	5.70%	-5.70%	8.79%	-5.35%	9.22%	-8.17%	0.36%	-5.85%	2.27%	1.72%

Asset Class Returns	Jan-19
ALSI (TR)	2.81%
ALBI (TR)	2.90%
CASH	0.60%
ZAR/USD	13.27

Geographical Allocation





Fund Commentary

The Market

The African markets didn't escape the global equities sell-off in the fourth quarter of 2018. Zimbabwe (26.5%), Botswana (1.2%) and Morocco (0.2%) were the only markets to produce positive USD returns. The markets' poor performances were driven mainly by fears of slowing global economic growth caused by the trade war between the United States and China.

In West Africa, the Ghanaian and BRVM markets were the worst performing for the quarter, returning -13.3% and 11.0% in USD respectively. The Nigerian market was relatively firmer declining 3.8% for the quarter in USD. 60% of the Nigerian market performance over the last quarter can be explained by Dangote Cement. Dangote Cement is 30% of the index and the share declined by 7.5% over the quarter in USD.

The Egyptian and Tunisian markets were the drivers of negative performance in North Africa. In addition to the impact of global factors, the Egyptian market was driven by country-specific factors like the government's proposal to tax the interest that Egyptian Banks earn on government bonds as well as the persistently high inflation. The Moroccan market was resilient, posting slightly positive returns of 0.2% for the quarter in USD. Morocco is generally viewed as a safe-haven in Africa when risk aversion is heightened due to its high savings base and its efficient capital controls.

The East African markets continued to sell off, with all the markets posting negative returns for the quarter. Kenya was the worst performing market in the region, falling 6% for the quarter in USD amid the uncertain regulatory environment. The Tanzanian and Ugandan markets were both down whilst the Mauritian market held up relatively well, declining only marginally over the quarter.

In Southern Africa, Zimbabwe continued to perform very well returning 26.5% for the quarter in USD. Liquidity is very still tight in Zimbabwe despite the positive political developments. Market participants continued to bid equities higher amid fears of heightened fiscal and political risk.

Fund Performance and Attribution

The Mazi Africa Fund declined 3.3% over the quarter gross of fees compared to the benchmark return of -3.7% in ZAR. The fund's benchmark is the MSCI EFM ex ZA index. The main contributors to outperformance were our overweight exposures to Cleopatra Hospitals, Zenith Bank and ElSewedy and underweight positions in Sonatel, Kenya Airways and BIAT of Tunisia respectively. The main performance detractors were an underweight position in Moroccan equities, Stanbic Nigeria and Telecoms Egypt and our overweight positions in Edita, East Tobacco and Equity Bank.

Outlook

In Egypt, economic activity is expected to pick up strongly over the next 5 years as local private sector investments and foreign direct investments (FDI) return to the market. The tourism market is continuing to recover strongly, gas production is ramping up and there has been a notable improvement in remittances which will continue to support the balance of payments. We expect inflation to be benign going forward and interest rate cuts by the Central Bank of Egypt are a possibility. We expect the Egyptian pound to strengthen or at worst remain stable for the foreseeable future.

Nigeria is recovering from an oil-price-induced slowdown although it is still well below its potential. The economic activity in the country will continue to be impacted by the vagaries of the oil price movement until the government's efforts to diversify the economy start bearing fruits. The resolution of MTN fine by the Central Bank of Nigeria should lead to some improvement in the balance of payments. Key risks remain political rhetoric leading to elections. We expect Buhari to win the elections. However, an opposition win will also be positive as Atiku has more market-oriented policies than Buhari.

Kenya is recovering from an election hangover that has dragged economic activity down for a year. The parliament of Kenya has decided to keep interest rate caps in force which we believe will impede economic activity. The plethora of taxes introduced recently are also likely have a negative impact on the consumer and general economic activity over the short term. Increased government revenues, if invested wisely, will have a long-term positive economic impact on Kenya. Strong and innovative companies like Safaricom and Equity Bank will be the winners over the long term.

Morocco, in the short-term, will continue to experience volatility due to its high exposure to the agricultural sector. However, we are of the view that this will change over the medium term as higher value sectors like aerospace and automotive sectors start to contribute meaningfully to economic activity.

Zimbabwe is on the mend……, but is it? A new government is in place, a credible finance minister has been appointed and it looks like practical steps are being taken to address structural economic problems (i.e. de-dollarization, reducing the public wage bills, etc). We are of the view that foreign direct investment will return to Zimbabwe and lead to a significant improvement in liquidity. The improvement in liquidity is likely to lead to a derating in companies. Company valuations have been driven by fear of cash losing value rather than fundamentals, hence our view is that those investors who are currently trapped will look to take profits and reallocate cash elsewhere when there is liquidity.

Strategy

The fund is currently overweight Egypt, Nigeria and Kenya and significantly underweight Morocco. We continue to search for investment opportunities in companies that we believe are well positioned to benefit from Africa's growth opportunities. We remain focused on looking at respective fundamentals of companies, and therefore do not allow macro-economic factors to drive stock selection. We utilise macro-economic assessment as a risk tool to guide us in thinking about overall gross and net exposures.

We continuously review our individual stock investment ideas to ensure that our no investment thesis becomes stale. We believe that it is the consistency of our investment process, rather than a particular style that drives performance over time.

PRIME INVESTMENTS

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Mazi Investment Pedigree

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