

# MAZI ASSET MANAGEMENT PRIME EQUITY FUND A



31 March 2024

## Fund Information

Investment Manager	Mazi Asset Management (Pty) Ltd
Fund Classification	South African EQ General
Benchmark	FTSE/JSE Capped SWIX All Share TR
Fund Inception Date	5 August 2010
Domicile	South Africa
Base Currency	Rand
Fund Size	R513 136 443
Fund Size Date	31 December 2023
JSE Code	MCEFA
ISIN Number	ZAE000208559
NAV Price (Month End)	R2,66
Income Distribution	Semi-Annually
Distribution Payment	3 <sup>rd</sup> working day of March/ September
Valuation Time	10:00
Transaction Cut-off	14:00
Regulation 28 Compliant	No
Issue Date	31 March 2024

## Distributions

Last Distribution Date	Mar 2024	Sept 2023	Mar 2023
Last Distribution (Rand per unit)	0,038	0,050	0,052

## NAV Values

	Mar 2024	Feb 2024	Jan 2024
Fund NAV*	513 136 440	531 792 130	585 272 314

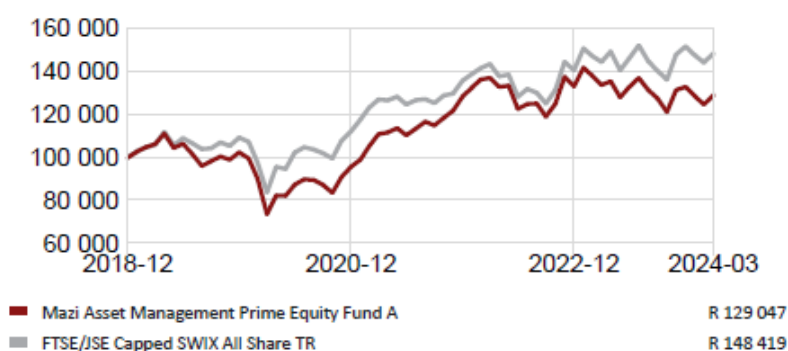
\*Fund size/ NAV as at relevant month-end date

## Investment Objective

The Mazi Asset Management Prime Equity Fund is a general equity fund that seeks to sustain high long-term capital growth.

## Growth of a R100 000 investment\*

Time period: 2018/12/31 to 2024/03/31



\*Performance History: Based on an initial investment of R 100 000.

## Fee Structure

Total Expense Ratio (TER)	1,18%
Transaction Costs	0,28%
Investment Management Fee	1,15%
Initial Fee	N/A
Total Investment Charges (TIC)	1,46%

The TER above is as of 31 December 2023  
All fees are annualised and include 15% Value Added Tax (VAT). **Performance fee:** 20% of the outperformance of the FTSE/JSE Capped SWIX(J433T) index over a rolling 24 months subject to a max. of 2%

## Fund Universe

The fund can invest in listed and unlisted equity securities, preference shares, property securities, financial instruments and assets in liquid form. The portfolio's equity exposure will at all times exceed 80%.

## Return Statistics

	Portfolio	Benchmark
YTD	-2,92%	-2,17%
1 Month	3,47%	2,86%
3 Month	-2,92%	-2,17%
6 Months	1,13%	5,69%
1 Year	-3,55%	2,69%
3 Years	5,16%	5,31%
5 Years	3,96%	6,96%
Since Inception	9,82%	9,98%

\*Returns are net of fees reflecting the total monthly return.

## Risk Statistics

	Portfolio	Benchmark
Standard Deviation	14,25%	13,80%
Sortino Ratio	0,09%	0,11%
Max Drawdown	-14,54%	-12,79%
Up Period Percentage	103,41%	33,37%
Sharpe Ratio	0,06%	0,07%
Max 1 Month Return	10,00%	9,95%
Min 1 Month Return	-8,07%	-7,45%

## Risk Profile

Low	Low-Medium	Medium	Medium-High	High
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Portfolios in this category are tilted towards a higher equity exposure (both local and international) which could be tantamount to greater fluctuations (volatility) in short-term performances. While statistical analyses of markets' returns indicate that investments in equities (company shares) offer the highest expected returns in the longer-term, it also comes with the highest risk of short-term capital losses. Most investment returns from these portfolios are of a capital (rather than income) nature.

## Investment Strategy

The Fund may invest in financial instruments to achieve its objectives at the managers' discretion. The manager may include unlisted forward currency, interest rate and exchange rate swap transactions for efficient portfolio management. The Fund'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 call deposits. The manager shall reserve the right to close the portfolio to new investors.

## Top Portfolio Holdings

Portfolio Date: 31 March 2024	Portfolio
Naspers Ltd	11,56%
Standard Bank Group Ltd	6,10%
Anglo American PLC	5,36%
Firststrand Limited	5,34%
Gold Fields Ltd	5,21%
MTN Group Limited	4,87%
British American Tobacco PLC	4,74%
Absa Group Ltd	4,48%
Compagnie Financiere Richemont SA Class A	3,60%
Shoprite Holdings Limited	3,27%

## Who should be investing

This fund is suited to investors who:

- Seek specialist South African equity exposure as part of their overall investment strategy;
- Believe long term equity exposure adds value;
- Understand the nature of equity exposure in that there is a risk of market fluctuations.

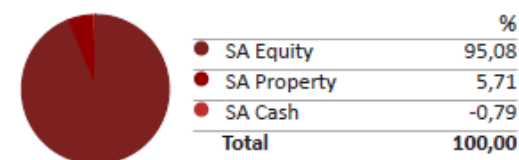
## Monthly Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2024	-3,32%	2,95%	3,47%										-2,92%
2023	6,49%	-2,59%	-3,17%	1,29%	-5,51%	3,80%	3,11%	-4,09%	-2,92%	-5,01%	8,41%	1,14%	-0,21%
2022	3,25%	2,84%	0,54%	-3,05%	0,40%	-8,07%	1,80%	0,24%	-4,86%	5,01%	10,00%	-3,17%	3,73%
2021	3,52%	6,17%	5,48%	0,67%	1,81%	-2,92%	2,77%	2,85%	-1,45%	3,08%	2,76%	5,41%	34,16%
2020	-2,70%	-9,35%	-18,39%	11,73%	-0,15%	6,32%	2,81%	-0,32%	-2,52%	-4,28%	8,79%	5,22%	-6,56%
2019	2,80%	1,95%	1,41%	4,56%	-5,97%	1,87%	-4,56%	-5,41%	2,36%	2,22%	-1,47%	3,40%	2,44%
2018	-1,36%	0,24%	-5,04%	2,93%	-4,24%	1,69%	0,49%	1,51%	-4,75%	-6,03%	-1,53%	0,97%	-14,56%
2017	3,23%	-1,47%	1,38%	2,92%	-0,08%	-3,38%	6,27%	2,00%	-1,11%	7,11%	1,81%	-1,55%	17,92%
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%	-2,86%
2015	2,83%	4,65%	0,20%	4,98%	-2,48%	0,67%	0,01%	-2,54%	0,72%	6,05%	-1,16%	-0,70%	13,56%
2014	-4,68%	3,60%	2,72%	1,50%	3,34%	1,32%	2,31%	0,87%	-2,39%	2,46%	1,12%	0,73%	13,34%
2013	1,39%	0,57%	2,15%	-0,66%	5,10%	-3,31%	3,85%	1,43%	5,10%	4,26%	0,00%	2,50%	24,42%
2012	3,90%	4,00%	1,96%	2,65%	-1,80%	2,61%	4,27%	2,72%	1,19%	3,58%	1,81%	3,84%	35,25%
2011	-2,93%	1,56%	2,45%	3,19%	-0,48%	0,12%	-1,56%	-0,25%	-1,97%	6,47%	0,80%	3,63%	11,18%
2010	-	-	-	-	-	-	-	-	8,80%	4,27%	0,76%	6,79%	-

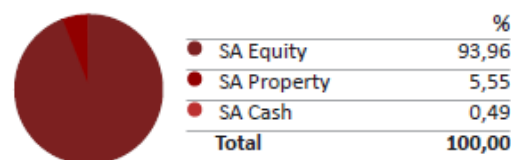
Past performance is not a reliable indicator of future results. The portfolio's share prices fluctuate and are not guaranteed. Returns may decrease or increase as a result of currency fluctuations. When making an investment in the portfolio, an investor's capital is at risk. See disclaimer and disclosures for important information regarding this Minimum Disclosure Document. Mandate Compliance: The portfolio remains within the reporting framework as at the date of this report.

## Asset Allocation

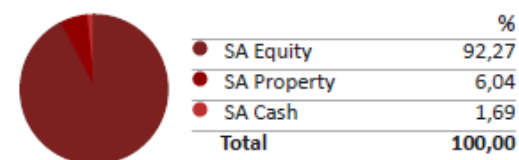
Portfolio Date: 2024/03/31



Portfolio Date: 2024/02/29



Portfolio Date: 2024/01/31



## Management Company

Prime Collective Investment Schemes Management Company RF (PTY) Ltd Telephone +27 (0) 10 594 2100 Fax +27 90) 87 220 4547 physical address: 28 Peter Place, Lyme Park, Sandton, 2060 Postal address: Postnet Suite 208, Private Bag x9, Benmore, 2010 email: [save@primeinvestment.co.za](mailto:save@primeinvestment.co.za) website: [www.primeinvestments.co.za](http://www.primeinvestments.co.za)

## Portfolio Contact Details

### Investment Manager

Mazi Asset Management (Pty) Limited, Registration number: Reg no. 2012/012860/07 is an authorised Financial Services Provider (FSP: 46405) under the Financial Advisory and Intermediary Services Act (No.37 of 2002), to act in the capacity as investment manager. This information is not advice, as defined in the Financial Advisory and Intermediary Services Act (NO.37 of 2002). Please be advised that there may be representatives acting under supervision. Physical address: 10<sup>th</sup> floor, 117 Strand Street, Cape Town, South Africa Telephone +27 10 001 8300 Website: [www.mazi.co.za](http://www.mazi.co.za)

### Trustee/ Depository

FirstRand Bank Limited +27 (0) 87 577 8730

### Administrator

Global Independent Administrators +27 (0) 10 594 2100

## Quarterly Commentary

The first quarter of 2024 began with an array of global and company events. The escalation in the Middle East conflict-initiated uncertainty that was prevalent throughout the period. Inflation appeared to moderate at a slower pace than expected and this also contributed to the substantial rise in the gold price. The ongoing buying of gold by central banks (especially China) was another key contributor to the level of the yellow metal's price. Commodity prices more broadly ended the period positively, boosted by positive sentiment regarding the performance of the Chinese economy. Against this backdrop, the market lost 2.4% whilst the portfolio gave away 2.5%.

The contribution of Multichoice to the performance of the portfolio was a rare and welcome development. It also illustrated the application of our investment philosophy and process over a relatively short period of time. At the end of 2023 we reviewed our investment view on the company as is customary when we have new information. At this point, we'd had engagements with the management team and were concerned about the operational performance going forward. This was mostly with respect to the declining subscribers as well as the illusive profitability in the rest of Africa. Whilst these concerns did not change our investment thesis, we revised our assumptions and subsequently arrived at a valuation of R110 per share. This was compared to the c.R60 per share level that the company's share price was trading. As per our philosophy, this dynamic represented a situation where the market was mispricing an asset and thus presented us with an opportunity to take advantage. In terms of our process, we compared this to others in the investment universe and concluded it represented a superior opportunity.

This then resulted in the company being included in the portfolio at that point. Subsequently, Canal+ (French media and telecommunications conglomerate) launched an offer of R125 per share for the company and thus resulting in the share price rising rapidly. We continue to execute our investment philosophy and process in the same way on an ongoing basis. Our primary objective is to establish the fundamental value of each company in the investment universe and ensure that this remains updated. The relative attractiveness of different opportunities is then evaluated by comparing our fundamental values to the prevailing share prices in the market.

The most attractive opportunities emerging from this evaluation are those that are included in the portfolio. This is an ongoing process routed in the discipline of having current investment views and resulting fundamental values, thus ensuring that we continue to make objective decisions regarding the allocation of capital. In addition to Multichoice, other portfolio companies that contributed to performance included Attacq, British American Tobacco, Fortress and Truworths. The portfolio also benefitted from companies fell during the period and these included Remgro, BHP, Discovery, Woolworths and Anglo American Platinum. MTN was a concern as the company was negatively impacted by developments in Nigeria, where the sharp depreciation of the local currency depressed the company's realised profits. Whilst negative in the short term, our research indicates that the measures being taken by the local authorities in Nigeria will be positively received over time and potentially restore confidence in the country as an investment destination. The underlying fundamentals and opportunities of the company remain intact going forward.

## Glossary

**Standard Deviation** is a statistical measure of the dispersion of returns for a given security or market index.

**Sortino Ratio** measures the risk-adjusted return of an investment asset, portfolio, or strategy. It is a modification of the Sharpe ratio but penalizes only those returns falling below a user-specified target or required rate of return, while the Sharpe ratio penalizes both upside and downside volatility equally.

**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.

**Max Drawdown** is the maximum loss from a peak to a trough of a portfolio, before a new peak is attained. Max drawdown is an indicator of downside risk over a specified time period.

**Total Investment Charge (TIC)** is the sum of the Total Expense Ratio (TER) and the Transaction Costs (TC).

Total Expense Ratio (TER) is the global standard used to measure the impact that the deduction of management and operating costs has on a fund's value. It gives you an indication of the effects these costs have on the future growth of your investment portfolio. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. Also, the current TER may not necessarily be an accurate indication of future TERs.

**Transaction Costs (TC)** is a necessary cost in administering the fund and impacts fund 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 fund, the investment decisions of the investment manager and the TER. Calculations are based on actual data where possible and best estimates where actual data is not available.

## Disclaimer

"The co-named funds (as defined in BN 778 of 2011) are registered under the Prime Collective Investment Scheme, managed by Prime Collective Investment Schemes Management Company (RF) (Pty) Ltd ("the manager") (Registration No. 2005/017098/07), a registered Collective Investment Schemes Management Company in terms of the Collective Investment Schemes Control Act 45 of 2002, supervised by the Financial Sector Conduct Authority ('FSCA'). The manager takes full responsibility for the co-named portfolio, regardless of any co-naming arrangements. Mazi Asset Management (Pty) Ltd (FSP No: 46405) is the FSCA approved and appointed investment manager of the co-named CIS funds situated on the North Wing, 4th Floor, 90 Rivonia Road, Sandton and is authorised as a Financial Services Provider. Collective Investment Schemes ("CIS") in securities are generally medium to long term investments. The value of participatory interests or the investment may go down as well as up and past performance is not necessarily a guide to future performance. The manager does not provide any guarantee either with respect to the capital or the return of a portfolio. All CIS are traded at ruling prices and can engage in borrowing and scrip lending. The manager reserves the right to close and reopen the portfolio to new investors from time to time in order to manage them more efficiently and in accordance with its mandate. A schedule of fees and charges and maximum commissions is available on request from the manager. Commission and incentives may be paid and if so, would be included in the overall costs. Forward pricing is used. The manager may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. Investment performance is calculated for the portfolio and is for illustrative purposes only. The investment performance may differ for each investor as it is calculated by taking into account the initial fees, the actual investment date, the date of reinvestment of income and dividend withholding tax and all ongoing fees. Dealing prices are calculated on a net asset value and auditor's fees, bank charges and trustee fees are levied against the portfolios. Lump sum investment performances are quoted. Income distributions are included in the calculations. Income is reinvested on the reinvestment date. 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. Performance numbers and graphs are sourced from Morningstar. NAV to NAV figures have been used. 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 risks: 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. A Money market portfolio is not a bank deposit account. The value of participatory interests may go down as well as up. The manager does not provide any guarantee either with respect to the capital or the return of a portfolio. The total return to the investor is made up of interest received and any gain or loss made on any particular instrument. This will have the effect of increasing or decreasing the daily yield but in case of abnormal losses it can have the effect of reducing the capital value of the portfolio. The purpose of the money market yield is to indicate to investors a compounded annual return for all money market portfolios on a comparable basis. The yield calculation is not used for income distribution purposes. A forward looking yield is used. This means that the last seven days' yield (less the service charges, including VAT) is taken and is annualised for the next 12-month period, assuming the income returns are reinvested. Yields for money market funds are published daily. The daily cut off time is 14:00 for trades and the valuation point is 17:00. Prices are published on Finswitch by 10:00 daily and are also available on request from the manager. This is a Minimum Disclosure Document and a general investor report and should not be seen as an offer to purchase any specific product and is not to be construed as advice or guidance in any form whatsoever. Investors are encouraged to obtain independent professional investment and taxation advice. Investors can also obtain additional information on the managers' website and all price related queries or information is readily available on request"