



## Fund Information

Composite Type:	Constrained Specialist Equity
Inception Date	April 2016
Fund Size:	R1 170 billion
Manager:	Mazi Asset Management (Pty) Ltd
Contact Person:	Asanda Notshe(Asanda@mazi.co.za)

Investment Objective: To sustain high long term capital growth.

## Investment Approach

Our investment process is firmly rooted in fundamental analysis. Our approach is predominantly bottom-up and sector agnostic. Key investment criteria include:

- Quality of management;
- Good corporate governance and transparency;
- Cashflow and balance sheet strength;
- Business strategy and sustainability of business model.

## Fund Performance Commentary - March 2025

The first quarter of 2025 ("Q1 25" ) saw a rebound in total returns for domestic equity. Within the Domestic Equity Asset class, a standout was the 28% return generated by the resources sector – primarily the precious metal shares.

## Top Holdings 31 March 2025

	Sector:
NEPI Rockcastle NV	Real Estate
Growthpoint Properties Ltd	Real Estate
Redefine Properties Ltd	Real Estate
Fortress Real Estate A	Real Estate
Vukile Property Fund Ltd	Real Estate
Resilient REIT Ltd	Real Estate
Hyprop Investments Ltd	Real Estate
Equites Property Fund Ltd	Real Estate
Attacq Ltd	Real Estate
MAS PLC	Real Estate

## Trailing Returns

Data Point: Return Calculation Benchmark: FTSE/JSE SA Listed Property TR ZAR

	YTD	1 Year	3 Years	5 Years	Since Inception
Mazi Property Composite	-11,71	20,05	11,94	18,26	1,37
FTSE/JSE SA Listed Property TR ZAR	-13,31	19,83	11,74	18,97	1,10

## Risk Statistics from Inception

	Return	Std Dev	Sharpe Ratio	Excess Return	Historical Tracking Error
Mazi Property Composite	1,37	20,99	-0,07	2,74	15,33
FTSE/JSE SA Listed Property TR ZAR	1,10	22,14	-0,13	0,00	0,00

## Monthly Returns - Mazi Property Composite

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	BMARK
2025	-2,00	-0,38	-0,71										-3,07	39,0
2024	3,67	1,11	-0,83	-0,79	0,08	6,16	4,43	8,33	5,11	-2,78	1,20	0,43	28,74	29,0
2023	-0,93	-0,50	-3,38	5,34	-5,21	0,90	1,97	1,13	-4,08	-2,88	9,09	9,04	9,65	10,1
2022	-3,08	-3,53	5,59	-1,95	0,29	-10,13	8,73	-5,28	-6,68	12,07	6,77	0,87	1,21	0,5
2021	-3,02	7,68	1,33	12,37	-2,95	3,58	-1,21	7,77	-0,78	-2,05	2,02	7,96	36,21	36,9
2020	-3,91	-15,00	-32,99	5,87	1,28	9,44	-3,20	-7,52	-3,08	-9,54	18,50	12,38	-32,89	-34,5

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2025/04/24

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## Market Commentary March 2025

### Overview

Table 1 provides a snapshot of asset class returns over the quarter and for the last twelve-month (“LTM”) period.

Table 1 - Asset Class Total Returns expressed in Rands (%)

Asset Class Returns – ZAR (%)	Q2 24	Q3 24	Q4 24	Q1 25	LTM
Domestic Equity	8.2	9.6	- 2.1	5.9	22.9
Domestic Property	5.5	18.7	- 0.8	- 3.5	19.8
Domestic Fixed Income	7.5	10.6	0.4	0.7	20.3
Domestic Inflation Linked Bonds	2.4	4.8	0.8	0.7	9.0
Domestic Cash	2.1	2.1	2.0	1.9	8.4
Foreign Equity	- 0.6	0.7	8.5	- 3.7	4.6
Foreign Fixed Income	- 4.7	1.0	3.9	0.0	0.1
USD	- 3.6	- 5.6	9.5	- 2.5	-2.9

The first quarter of 2025 (“Q1 25” ) saw a rebound in total returns for domestic equity. Within the Domestic Equity Asset class, a standout was the 28% return generated by the resources sector – primarily the precious metal shares.

For the LTM period to 31 December 2024, the standout asset classes (in Rands) were Domestic Equity (across all three sectors), Domestic Fixed Income, Domestic Property and Domestic Inflation Linked Bonds.

Over the corresponding period, those asset classes that failed to outperform Domestic Cash (as a risk free proxy, which returned 8.4%) included Foreign Equity (in Rands) and Foreign Fixed Income (in Rands). The USD was also 2.9% weaker than the Rand over the LTM period.

### Property Review Q4 2024

Listed property underperformed during the quarter, despite a slew of results that were underpinned by strong operational performances and improved guidance for the next 12 months. The total return underperformance has been driven by strong 2024 performance which had already priced in good 2025 earnings growth, the end of the interest rate cutting cycle and a derating of domestic bonds. While there may be an impact from negative sentiment given global uncertainty, there do remain some attractive opportunities for a sector that continues to trade at a c30% discount to NAV.

The listed property sector delivered negative total returns in Q1 2025, with the SAPY and ALPI returning -0.96% and -1.00% respectively. The asset class underperformed all other asset classes bar foreign equities in the quarter. The portfolio outperformed the SAPY benchmark index, delivering -3.07% relative to -3.51% for the benchmark.

## Market Commentary March 2025

Growthpoint, Resilient, Fortress, NEPI, MAS, Attacq, Hyprop, SA Corporate, Hammerson and Lighthouse all reported results over the course of the quarter. Several companies delivered strong operational performance, upward guidance revision and also printed positive earnings growth. These included Growthpoint, Hyprop, Fortress, Resilient and Attacq. This points to a broader trend of improving tailwinds in the domestic real estate operating environment. Despite this, The market had priced in an improving earnings trajectory and limited interest rate cuts into 2025 while bond yield widening through to the end of March had an impact on prices, hence the weak performance of listed property.

The funds property overweight positions include Attacq, Redefine, Vukile, Fortress and Spear. Underweights include Burstone, Hyprop, Stor-Age, Fairvest, and MAS. The fund trades at an aggregate forward dividend yield of 8.8%, P/E of 11.1x % and a 28% discount to NAV which we think is compelling value relative value (sector forward DY 8.6%, P/E 11.9x and 23% discount to NAV).

Contributors to performance in the quarter include MAS (2.6% UW, +66bps contribution), Hyprop (2.3% UW, +25bps). and Burstone (1.7% UW, +22bps), and detractors were Redefine (2.5% OW, 22bps detractor), Attacq (2.1% OW, -14bps), and Hammerson (1.1% OW, -14bps).

MAS share price fell as a transaction to acquire the 60% stake in development joint venture partner PKM looked increasingly unlikely to proceed. Hyprop released a positive set of results, with robust performance in both SA and EE. The REIT also reported an improvement in the LTV from 36.4% to 35.2, while also indicating that dividends payout would likely increase progressively. Despite this, Hyprop sold off as general market sentiment soured towards the real estate sector.

Overweights Attacq and Redefine detracted from performance as the sector sold off, despite maintain solid fundamentals, and in the case of Attacq, positive earnings growth momentum.

The top ten active positions relative to our internal benchmark as at the end of the quarter are presented herein under:

**Table 3 - Top Ten Active Positions Relative to SAPY Benchmark**

Top 10 Overweight		Top 10 Underweight	
Name	OW (%)	Name	UW (%)
Redefine Properties Limited	2,49	MAS P.L.C.	-2,55
Fortress Real Estate Investments	2,36	Hyprop Investments	-2,29
Attacq Limited	2,14	Stor-Age Property REIT Ltd	-1,90
Vukile Property Fund	1,89	Burstone Group Limited	-1,67
Spear REIT Ltd.	1,74	Fairvest Limited Class B	-1,47
Equites Property Fund Ltd ZAR	1,18	Growthpoint Properties Limited	-1,30
Hammerson plc	1,12	Sirius Real Estate Limited	-1,03
SA Corporate Real Estate	0,84	Lighthouse Properties Plc	-0,98
Resilient REIT Limited	0,57	Emira Property Fund	-0,75
South African Rand	0,27	NEPI Rockcastle N.V	-0,67