

# Mazi Asset Management Prime Equity Fund - B2

31 Mar 2021



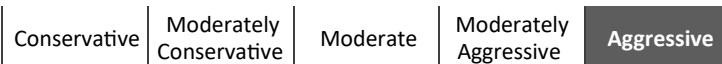
## Fund Profile

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

## Fund Objective

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.

## Risk Indicator



**Investment Horizon** : 5 years or longer

### High Risk

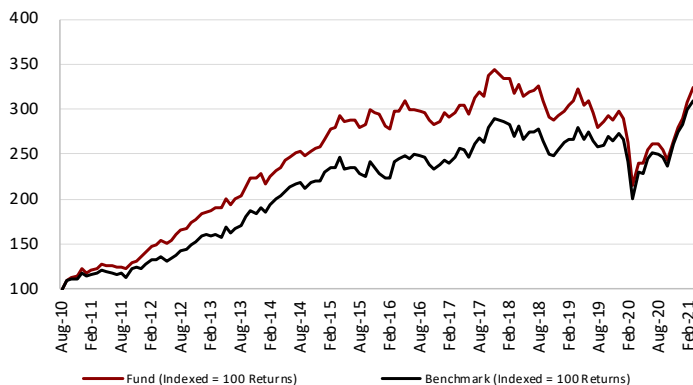
- This portfolio has a higher exposure to equities than any other risk profiled portfolio and therefore tends to carry higher volatility due to high exposure to equity markets.
  - Expected potential long term returns are high, but the risk of potential capital losses is high as well, especially over shorter periods.
- The Fund is suitable for 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.

## Periodic Performance

	Fund	Benchmark
1 Month	5.50%	3.71%
6 Months	27.11%	25.53%
1 Year	50.80%	54.24%
3 Years	0.62%	4.85%
5 Years	1.68%	5.08%
Since Inception Annualised	11.75%	11.28%
Since Inception Cumulative: 127 mths	224.02%	210.04%

\*Performance above 1 year are annualised

## Growth of a R 100 Lumpsum invested since inception



## Fund Information

Fund Manager	Mazi Asset Management (Pty) Ltd
ASISA Fund Category	South African - Equity - General
Benchmark	FTSE/JSE Capped SWIX All Share TR **
Class Launch Date	05 August 2010
Fund Class	B2
Fund Base Fee	0.65% (excl. VAT)
Total Fund Size	R 898 333 827
Income Distribution Dates	February / August
Income Payment Dates	3 <sup>rd</sup> working day of March / September
JSE Code	MCEFB2
ISIN	ZAE000208575
NAV (cents)	252.96
Pensions Fund Act Reg. 28	Not Applicable

## Net Asset Value & Units

	Jan-21	Feb-21	Mar-21
Fund Units	362 470 003	358 154 603	354 959 716
Fund NAV	R 822 317 075	R 862 944 409	R 898 333 827
Class NAV	R 11 914 169	R 13 953 659	R 14 496 345
Month End Price	226.69	240.59	252.96

## Total Expense Ratio Rolling 3 Years

	Jun-20	Mar-20	Dec-19	Sep-19
Total Expense Ratio	0.92%	0.94%	0.93%	0.88%
Transaction Cost	0.00%	0.01%	0.01%	0.07%
Total Investment Charge	0.92%	0.95%	0.94%	0.95%

Please see Statutory Disclaimer & Notes.

## Distribution (cents per unit)

	Dividend	Interest	Other	Total
Aug-20	2.85	0.06	0.00	2.91
Feb-20	2.64	0.05	0.21	2.90
Aug-19	3.95	0.05	0.07	4.07
Feb-19	3.14	0.19	0.23	3.56

## Fees

Fees Structure (% p.a.)	Class B2
Management Fee	0.10% (excl. VAT)
Investment Manager Fee	0.65% (excl. VAT)

Initial Advisor Fee and Ongoing Advisor Fee is negotiable between the Investor and appointed Financial advisor. This is not part of the normal annual service fee charged by the fund.

\* Previously known as Mazi MET Capital Equity Fund, the fund amalgamated with Prime CIS on the 9th of September 2015. \*\* Benchmark changed as at of the 11th of March 2019.

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## Performance & Risk Measures

	Fund	Benchmark
Standard Deviation	13.22%	13.50%
Tracking Error	4.03%	
Alpha	0.75%	
Information Ratio	0.10	
Beta	0.93	
Sortino Ratio	2.08	2.00
Positive Months	65.35%	60.63%
Fund Maximum Drawdown	-37.50%	
Fund Highest Annual Return: Mar-2021	50.80%	
Fund Lowest Annual Return: Mar-2020	-30.41%	

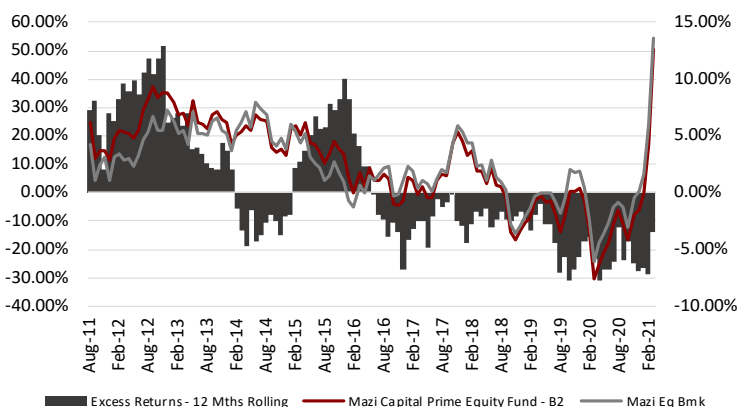
\*Risk metrics are annualised

## Top Holdings

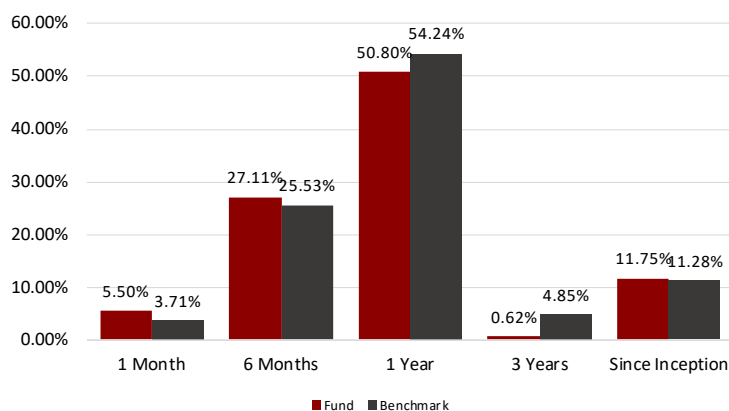
NPN - Naspers Ltd	10.63%
AGL - Anglo American Plc	6.91%
IMP - Impala Platinum Holdings Ltd	6.00%
SSW - Sibanye Stillwater Ltd	5.38%
MTN - Mtn Group Ltd	5.07%
PRX - Prosus NV	4.88%
FSR - Firststrand Ltd	4.84%
QLT - Quilter Plc	3.69%
SBK - Standard Bank Group Ltd	3.32%
SHP - Shoprite Holdings Ltd	3.13%

## Performance & Asset Allocation

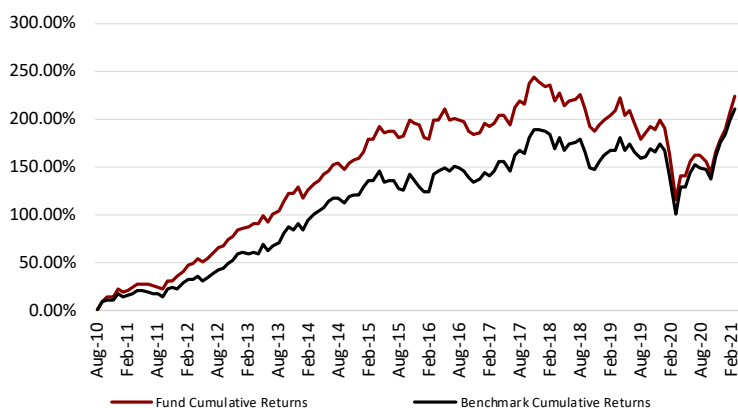
### Rolling 12 Months



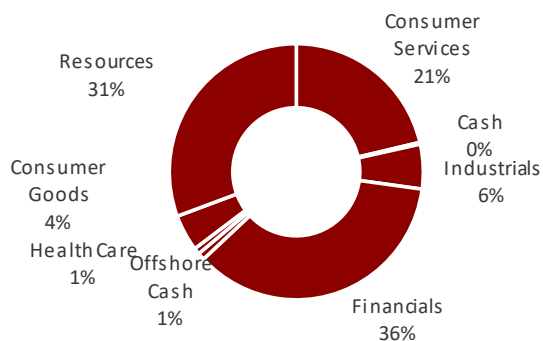
### Trailing Performance



### Cumulative Performance since inception



### Asset Allocation - January 2021



Monthly	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	3.54%	6.13%	5.50%										15.93%
2020	-2.68%	-9.31%	-18.37%	11.75%	-0.13%	6.35%	2.83%	-0.29%	-2.50%	-4.25%	8.80%	5.24%	-6.29%
2019	1.77%	1.97%	1.44%	4.59%	-5.95%	1.89%	-4.53%	-5.38%	2.38%	2.25%	-1.45%	3.43%	1.69%
2018	-1.33%	0.27%	-5.02%	2.94%	-4.21%	1.71%	0.51%	1.53%	-4.72%	-6.00%	-1.50%	2.13%	-13.36%
2017	3.26%	-1.45%	1.40%	2.95%	-0.06%	-3.35%	6.30%	2.02%	-1.09%	7.14%	1.83%	-1.53%	18.23%
2016	-4.48%	-0.74%	6.90%	0.15%	3.80%	-3.47%	0.33%	-0.52%	-0.61%	-2.99%	-1.60%	1.07%	-2.65%



## Manager Commentary

The last quarter of 2020 featured two key headline developments: the announcement of effective Covid-19 vaccines, as well as the US presidential elections. Financial markets recovered rapidly from the slump in October to record a 11.1% gain over the quarter. Vaccine announcements in November resulted in the bulk of these gains, whilst the confirmation of the final election results introduced a degree of uncertainty. The portfolio's positioning meant that it was able to achieve a return of 11.5% over the period.

Since the emergence of the virus, it was widely accepted that its impact would be effectively halted by the arrival of vaccines and hence the market reaction was not entirely surprising. Essentially, it was hoped that the vaccines would enable countries to reduce and ultimately eliminate the various mitigation measures that had been adopted, thereby enabling economies to recover. Whilst the second wave of the virus has taken hold in much of the globe, it is hoped that the distribution of the vaccine will result in less severe mitigation measures being undertaken and hence a moderate resulting impact on economies.

A critical aspect in the use of the vaccines to combat the virus is the concept of herd immunity. Several countries have published vaccination plans aiming to reach between 60-70% of populations, thus securing herd immunity. However, as the virus is impacting on a global scale, successful vaccination would require virtually all countries to achieve the same or similar levels of herd immunity. As indicated by the Eurasia Group, "the progression of the pandemic thus far makes it clear that it will not be fully solved anywhere until it is solved everywhere." In this respect, a key concern that arises is the current inequitable distribution of the available vaccines across the world. It is the richer countries that have been able to finance and hence access the vaccines first, administering these to their own citizens first (in a classic case of 'vaccine nationalism').

Based on available information and research models, we expect poorer countries globally to experience a slower rate of vaccination, with this ultimately leading to a slower global economic recovery. Due to an abundance of liquidity and low interest rates, financial markets are likely to generally look past short-term disappointments and rather cling to a longer-term positive outlook based on the attainment herd immunity globally. With that being said, we expect significant market reactions to underlying individual company performances – therefore, whilst markets may trend upwards generally, there will be clear winners and losers. In response to this environment, we will continue to vigorously apply our philosophy by investing in companies with sound business models that offer attractive investment returns as well as downside protection. This focus will enable us to identify companies that are likely to benefit from this environment and emerge as the winners over this uncertain period. Further, risk management will be critical, and we will only take risk where we have conviction as informed by our research process.

## Glossary

**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.

**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. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance has been; i.e. a higher return with a contained risk profile, where the portfolio manager is not taking excessive risk to achieve those returns.

**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.

**Market Risk:** Equity markets are volatile and the price of equities fluctuate based on a number of factors such as changes in the economic climate, general movements in interest rates and the political and social environment which will also affect the value of the securities held in the CIS, thereby affecting the overall value of the CIS.

**Currency Risk / Foreign Exchange Risk:** This risk is associated with investments that are denominated in foreign currencies. When the foreign currencies fluctuate against the USD, the investments face currency gains or losses.

**Concentration Risk:** CIS investment vehicle pools the assets of many investors and use the proceeds to buy a portfolio of securities. There are regulations in place which limit the amount that a CIS may invest in securities, thereby spreading the risk across securities, asset classes and companies.

**Liquidity Risk:** This relates to the ability of the CIS to trade out of a security held in the portfolio at or near to its fair value. This may impact on liquidity and in the case of foreign securities, the repatriation of funds.

**Inflation Risk:** The risk of potential loss in the purchasing power of your investment due to a general increase of consumer prices.

**Compliance Risk:** This refers to the risk of not complying with the legislation, regulations, prescribed investment limits and internal policies and procedures by the manager or the portfolio manager.

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## Contact Details and Disclaimer

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## Statutory Disclaimer & Notes

This is a minimum disclosure document and a general investor report. Collective Investment Schemes are generally medium to long term investments. The value of the 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. 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 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. Income is reinvested on the re-investment date. The 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 performance calculations prior to deduction of applicable taxes. Fund of funds are funds that invests in funds of collective investment schemes that levy their own charges, which could result in a higher fee structure for the fund of funds. Performance numbers and graphs are sourced from Collective Endeavours Consulting (Pty) Ltd. NAV to NAV figures have been used. Investment performance is for illustrative purposes only. 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 date of reinvestment. 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. Certain investments, including futures, options, equity swaps, and other derivatives may give rise to substantial risk and might not be suitable for all investors. The daily cut off time is 14:00 for trades and the valuation point is 22:00 daily. Prices are published on Finswitch by 10:00 daily. One can also obtain additional information on Prime Investments products on the Prime Investments website and all price related queries or information is readily available on request. Prime Collective Investment Schemes Management (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. The Mazi Prime 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 is the FSCA approved and appointed investment manager of the co-named CIS funds and authorised as a Financial Services Provider.

#### Total Expense Ratio (TER)

Total Expense Ratio, expressed as a percentage of the fund, is a measure of the actual expenses incurred by the fund over the past financial year and is not an indication of the current fees charged to manage the fund. The TER includes the annual management fees, performance related fees (if any) as well as audit fees, trustee fees and the VAT payable on these components. It also includes the same for any underlying funds the fund may be invested in.

Please note: A higher TER ratio does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TER's.

#### Transaction Cost (TC)

Transaction cost expressed as a percentage of the fund, is the total cost incurred in dealing in the underlying assets of the fund, which includes buys and sells in order to change portfolio positioning or to facilitate cash flow into or out of the fund. Incurring these costs is an inevitable part of managing a unit trust portfolio. The level of such costs over any particular period should be interpreted in the context of factors such as financial market events and volatility over the same period, the style of the investment manager, cash flow profile of the fund and the type of fund. E.g. dealing costs for money market or income funds are typically materially lower than for equity funds.

#### Total Investment Charge (TIC)

The Total Investment Charge, expressed as a percentage of the fund, relates to all investment costs of the fund. It is shown as the sum of the TER and TC.

Except for money market funds, all unit trust returns are quoted net of TIC, therefore these expenses should not be deducted again from published returns. The Fund performance can therefore be assessed on a basis which already considers relative differences in TER and TC.

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