

## Minimum Disclosure Document & General Investor Report

31 March 2023

### Fund Details

<b>Fund Manager</b>	Joe Kainja
<b>Investment Manager</b>	Legacy Africa Fund Managers
<b>Inception Date</b>	12 April 2021
<b>Publication Date</b>	19 April 2023
<b>ASISA Classification</b>	South African - Interest Bearing – Money Market
<b>Benchmark</b>	STeFI Call Deposit Index
<b>Fund Size</b>	R115 223 019.48
<b>Number of Units</b>	115 223 019.48
<b>NAV Price</b>	100c
<b>Initial Fees</b>	0 %
<b>Class</b>	A1, A2, B2, B3
<b>Management Fees</b>	0.5%, 0.4%, 0%
<b>Minimum Lump Sum</b>	R50 000
<b>Minimum Debit Order</b>	R1 000
<b>Income Declaration TIC</b>	Monthly

	Fund account	LAPMMF	LAPMMF
30/09/2022	Fee Component (per annum)	LGAFB3	LAMFA2
A	Base Fee (incl VAT)	-	0.35
B	Performance fee (incl VAT)	-	-
	Underlying Fees	-	-
C	Other fees	0.07	0.07
D	Total Expense Ratio (TER)	0.07	0.42
E	Transaction costs (TC)	-	-
	Underlying Transaction costs	-	-
F	Total Investment Charges (TER + TC)	0.07	0.42
		-	-

### Risk Profile

**Conservative/ Low Risk:** Generally low risk portfolios have minimal equity exposure or no equity exposure, resulting in far less volatility than a more aggressive mandated portfolio and in turn the probability of capital loss (permanent/ temporary) is less likely. However, expected potential long-term investment returns could be lower over the medium to long-term.

**Default Risk:** The risk that the issuers of fixed income instruments (e.g. bonds) may not be able to meet interest payments nor repay the money they have borrowed. The issuers credit quality is vital. The worse the credit quality, the greater the risk of default and therefore investment loss.

### Asset Allocation and Fund Characteristics

#### Maturity Profile (%)

Instruments	30/9 2021	31/12 2021	31/3 2022	30/6 2022	30/9 2022	31/12 2022	31/3 2023
CASH	11.94	5.26	8.43	7.01	8.26	8.07	20.75
CALL	9.90	2.66	8.30	6.69	8.11	8.05	20.73
Traded Cash	2.04	2.60	0.13	0.31	0.16	0.02	0.02
Money Market	88.06	94.74	91.57	93.29	91.74	91.93	79.25
0 - 1 Months			27.81	14.18	30.13	13.31	16.61
1 - 3 Months		81.53	22.11	50.80	7.95	53.27	13.13
3 - 6 Months	88.06	13.21	34.7	13.90	52.99	14.64	31.90
6 - 12 months			6.95	14.41	0.68	10.71	17.61



Annualised Returns	Fund	Benchmark
Since inception (Ann.)	4.98%	4.68%
1 Year	6.11%	5.65%

## Valuations and Transaction cut-off times

The valuation point for the purposes of calculating daily transaction prices of participatory interests including selling, repurchase, creation and cancellation will be before 18h00 each business day. Provided that with the consent of the trustee, valuation may take place more frequently but not less frequently. Additionally, the forward pricing method of calculation will be applied to all prices.

## Market Commentary

### Economic and Market Review

The RMB/BER business confidence index in South Africa fell for the fourth consecutive quarter to a two-year low of 36 in the first quarter of 2023, pointing to a gloomy business outlook. The gauges tracking sentiment manufacturers (17 vs 26 in Q4) and retailers (34 vs 42) “nosedived” in the quarter, leading to a decline in the overall index, RMB said. Electricity Production in South Africa decreased to 16709 Gigawatt-hour in February to its lowest level in recent times (except at the peak of the covid pandemic). The South African GDP shrank by 1.3% on quarter in the three months to December of 2022. It was the sharpest contraction since the third quarter of 2021, mostly due to a sharp rise in power blackouts in recent months. Seven out of ten activities recorded declines. Loadshedding continues to be one of the biggest risks is South Africa with respect to economic activities as well as financial market performance.

After 3 successive drops, the South Africa’s annual inflation edged higher in February, above market expectations, which resulted in an interest rate hike of 50 bps larger than most analysts were anticipating. It was a 9th successive interest rate increase since November 2021.

We are in a rare environment where all major domestic asset classes – cash, bonds and equities – are showing attractive value. With 12 months NCDs yielding 9% and inflation expected to continue its downward trajectory, cash is looking pretty attractive, both nominal and real. The 7 plus years sectors of the nominal bond yield curve have expected returns of at least 13% - at least 7% real returns – much higher than the long term required returns. While the SA equity market looks relatively inexpensive from a PE perspective where the expectation for the next 12 months is strong returns, we strongly recommend a managed derivatives overlay on the equity position with the aim of dynamically banking in profits when market runs at the same time provide protection in downturns. We believe that is the most efficient way of capturing the required returns from equities.

On the international front, after the highs of 2022 and following some stringent tightening of monetary policies global inflation seems to be easing a bit. However the tightening cycle is mostly still in place across the globe.

## Glossary Summary

**Annualised performance:** Annualised performance shows longer term performance rescaled to a 1- year period. Annualised performance is the average return per year over the period. Actual annual figures are available to the investor on request.

**Highest & Lowest return:** The highest and lowest returns for any 1 year over the period since inception have been shown.

**NAV:** The net asset value represents the assets of a Fund less its liabilities.

## DISCLAIMER

Collective Investment Schemes in Securities (CIS) should be considered as medium to long-term investments. The value may go up as well as down and past performance is not necessarily a guide to future performance. CIS's are traded at the ruling price and can engage in scrip lending and borrowing. The collective investment scheme may borrow up to 10% of the market value of the portfolio to bridge insufficient liquidity. A schedule of fees, charges and maximum commissions is available on request from the Manager. There is no guarantee in respect of capital or returns in a portfolio. A CIS may be closed to new investors in order for it to be managed more efficiently in accordance with its mandate. CIS prices are calculated on a net asset basis, which is the total value of all the assets in the portfolio including any income accruals and less any permissible deductions (brokerage, STT, VAT, auditor's fees, bank charges, trustee and custodian fees and the annual management fee) from the portfolio divided by the number of participatory interests (units) in issue. Forward pricing is used. The Fund's Total Expense Ratio (TER) reflects the percentage of the average Net Asset Value (NAV) of the portfolio that was incurred as charges, levies and fees related to the management of the portfolio. A higher TER 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. During the phase in period TER's do not include information gathered over a full year. Transaction Costs (TC) is the percentage of the value of the Fund incurred as costs relating to the buying and selling of the Fund's underlying assets. Transaction costs are 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, investment decisions of the investment manager and the TER.

A Money Market portfolio is not a bank deposit account and the price are targeted at a constant value. The total return is made up of interest received and any gain or loss made on any particular instrument; and in most cases the return will have the effect of increasing or decreasing the daily yield, but in the case of abnormal losses it can have the effect of reducing the capital value of the portfolio. The yield is calculated as a weighted average yield of each underlying instrument in the portfolio. Excessive withdrawals from the portfolio may place the portfolio under liquidity pressures and a process of ring-fencing of withdrawal instructions and managed pay-outs over time may be followed.

Where a current yield has been included for Funds that derive its income primarily from interest bearing income, the yield is a weighted average yield of all underlying interest-bearing instruments as at the last day of the month. This yield is subject to change as market rates and underlying investments change.

The Manager retains full legal responsibility for any third party-named portfolio. Where foreign securities are included in a portfolio there may be 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 investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees. Please note that all documents, notifications of deposit, investment, redemption and switch applications must be received by Prescient by or before 13:00 (SA), to be transacted at the net asset value price for that day. Where all required documentation is not received before the stated cut off time Prescient shall not be obliged to transact at the net asset value price as agreed to. Funds are priced at either 3pm or 5pm depending on the nature of the Fund. Prices are published daily and are available on the Prescient website. Performance has been calculated using net NAV to NAV numbers with income reinvested. The performance for each period shown reflects the return for investors who have been fully invested for that period. Individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestments and dividend withholding tax. Full performance calculations are available from the manager on request.

## CONTACT DETAILS:

### Investment Manager

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### Management Company:

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### Trustee

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